



Legislation Text

File #: 22-0931, **Version:** 1

Recommendation to adopt resolution declaring a 7.2-acre City of Long Beach (City)-owned parcel located at 429 Shoreline Village Drive, a portion of Assessor Parcel Number 7278-010-914, in the Tidelands Area of the City (Subject Property) as held by the City in trust as defined in Government Code Section 54221(f)(1)(H); and, authorize City Manager, or designee, to take any actions and execute any documents necessary to ensure compliance with the Surplus Land Act and State regulations relating thereto. (District 1)

The City is fee owner of a 7.2-acre parcel located at 429 Shoreline Village Drive (Subject Property) (Attachment). The Subject Property is currently under long term lease to ABA Shoreline Village, LLC (Lessee), which operates and maintains the development as Shoreline Village offering waterfront dining and shopping. The Lessee has expressed a desire to make significant improvements to the Subject Property in exchange for an extended lease term. As the City and the Lessee need to determine whether the proposal is viable and negotiate terms and conditions of a lease amendment, the City must ensure compliance with the Surplus Land Act (SLA) before any terms and conditions can be agreed upon.

As codified in Government Code Section 54220 et seq., the SLA requires all agencies to prioritize affordable housing as well as parks and open space when disposing of surplus land. Surplus land is land that is owned by a local agency that is determined to be no longer necessary for the agency's use. Recent changes to the SLA, through Assembly Bill (AB) 2135, (i) revise procedures for disposition by sale or lease of surplus land by local agencies; (ii) extend the good faith negotiation period with potential affordable housing developers to 90 days; (iii) deepen affordability requirements where an affordable housing project is developed on the site; and, (iv) add a requirement that if negotiations with an affordable housing developer are unsuccessful, then any residential development on the surplus land over ten units must make at least 15 percent of the units affordable. Further, AB 2135 no longer allows exceptions and requires local agencies to adopt a Resolution declaring property "surplus" or "exempt surplus" as supported by findings at a regular public meeting of the agency's governing body.

The revised procedures for disposition by sale or lease include clarification that any lease which is leased or renewed for longer than five years and/or includes development is considered "surplus" and therefore subject to the SLA. The Subject Property is located along the City's coastal Tidelands Area. Land in the Tidelands Area is owned by the City but held in public trust for the benefit of the people of the State of California, pursuant to the State Tidelands Trust Act (Tidelands Trust Act). The Public Trust Doctrine, which seeks to preserve the use of and access to coastal areas of the City, places certain restrictions on the types of land uses that can be developed on the Subject Property, including the prohibition of

residential development. Under current exemptions allowed for in the SLA, any surplus land that is held in trust for the benefit of the people of the State of California can be considered “exempt surplus” and would not need to follow the procedural steps outlined in the SLA. Therefore, the City considers the Subject Property to be exempt surplus land, as defined by Government Code Section 54221(f)(1)(H), and the City Council, as the legislative body of the City, makes the finding that the Subject Property in the Tidelands Area is owned by the City but held in trust for the benefit of the people of the State of California, pursuant to restrictions of the Public Trust Doctrine and applicable State laws thereto, and further that the Public Trust Doctrine prohibits residential housing development in the Tidelands Area.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on July 19, 2022 and by Budget Management Officer Rhutu Amin Gharib on July 13, 2022.

City Council action is requested on August 9, 2022, to allow the City to implement actions necessary to comply with the SLA and ensure future SLA compliance for the Subject Property.

This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no fiscal or local job impact associated with this recommendation.

Approve recommendation.

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JOHNNY M. VALLEJO
ACTING DIRECTOR OF
ECONOMIC DEVELOPMENT

APPROVED:

THOMAS B. MODICA
CITY MANAGER