



City Council Memorandum

City of Arts & Innovation

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TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JULY 18, 2023**

FROM: COMMUNITY & ECONOMIC DEVELOPMENT **WARD: 5**
DEPARTMENT

SUBJECT: ADOPT A RESOLUTION TO DECLARE VACANT CITY-OWNED CANAL PARCELS BEARING ASSESSOR'S PARCEL NUMBERS 233-160-022, 233-150-017, AND 233-190-004, APPROXIMATELY 56,999 SQUARE FEET, AS SURPLUS, AND AUTHORIZE THE MARKETING AND SALE OF THESE PROPERTIES PURSUANT TO ASSEMBLY BILL 1486 AND THE CITY'S ADMINISTRATIVE MANUAL SECTION 08.003.00 FOR THE DISPOSITION AND SALE OF CITY-OWNED REAL PROPERTY

ISSUES:

That the City Council adopt a resolution to declare vacant City-owned canal parcels bearing Assessor's Parcel Numbers 233-160-022, 233-150-017, and 233-190-004, approximately 56,999 square feet, as surplus, and authorize the marketing and sale of these properties pursuant to Assembly Bill 1486 and in accordance with the City's Administrative Manual Section 08.003.00 for the Disposition and Sale of City-Owned Real Property.

RECOMMENDATIONS:

That the City Council:

1. Adopt a Resolution to declare, as surplus, approximately 56,999 square feet of vacant City-owned canal parcels (Property), located between Van Buren Boulevard and Gibson Street bearing Assessor's Parcel Numbers 233-160-022, 233-150-017, 233-190-004; and
2. Authorize the marketing and sale of the Property pursuant to Assembly Bill 1486 and in accordance with the City's Administrative Manual 08.003.00 for the Disposition and Sale of City-Owned Real Property.

BOARD RECOMMENDATION:

On June 26, 2023, the Board of Public Utilities will hear this item to consider a recommendation to City Council of a Resolution to declare as surplus vacant City-owned land located between Van Buren Boulevard and Gibson Street bearing Assessor's Parcel Numbers 233-160-022, 233-150-017, and 233-190-004.

If the Board of Public Utilities recommends approval, City Council will consider the item at the July 18, 2023, Council meeting.

BACKGROUND:

A portion of the Riverside Water Company, Inc.'s upper canal, approximately 56,999 square feet, was condemned in Superior Court to the City of Riverside (City) by Final Order of Condemnation, Case No. 70784, recorded on May 23, 1961, as Instrument No. 43918 for the purposes of conducting, storing, supplying and distributing water to and for the use of the City, its lands and inhabitants, and for the present and future development and control of such use.

Enacted in 1968, the Surplus Land Act requires all local agencies to prioritize affordable housing when disposing of surplus land. In 2014, the Surplus Land Act was amended to define what constitutes a qualified proposal, prioritize proposals to encourage the most units and the deepest affordability, and provide more realistic timeframes to make and negotiate offers.

The passage of Assembly Bill 1486 on October 9, 2019, changed the disposition process by requiring local public agencies to notify the State of all available surplus property for disposition for possible affordable housing development.

DISCUSSION:

This portion of the canal between Gibson Street and Van Buren Boulevard serves as drainage facilities and is maintained by Public Utilities. Public Utilities is proposing to declare this property as surplus land with the condition that future buyers maintain the drainage channel until an alternate drainage system is constructed that conveys the design flow and is constructed to the Public Works Department's requirements. Upon approval, Public Utilities proposes to reserve a permanent easement for the construction, reconstruction, maintenance, operation, inspection, repair, replacement, relocation, renewal and removal of the existing canal and canal pipeline, and all necessary appurtenances, located in, under, upon, over, and along the parcel. The easement will be reserved for the connection to Riverside County Flood Control District facilities who will take over the responsibility for future maintenance if the line meets their minimum pipe size and construction standards.

The subject properties contain approximately 56,999 square feet. Assessor Parcel Numbers 233-160-022 and 233-190-004 are zoned R-4 (Multi-Family Residential) with the General Plan designation of Very High Density Residential, while Assessor Parcel Number 233-150-017 is zoned MU-V (Mixed Use Village) with the General Plan designation of Mixed-Use Village. All are in the Arlington South neighborhood. The parcels are depicted in the aerial below.

Staff has initiated the disposition process with a notice to City departments asking if they can utilize the subject properties. No interests were received from any City department. Once the subject properties are declared as surplus, and prior to disposing or participating in negotiations with prospective buyers, a written notice of availability must be sent to affordable housing developers who have registered with the State's Department of Housing and Community Development. Also, per California Government Code Section 54220, et seq., staff will concurrently notify other public agencies of the availability of the subject properties for a 60-day period. However, the affordable housing developers have the "first right of refusal" or priority consideration for all City-owned land that has been declared surplus. During this period, proposals must include at least 25% of the residential units to be restricted to "affordable rent to lower income

households.”



If there is no interest from an affordable housing developer or public agency, staff will market the subject properties to sell them at fair market value in accordance with the City’s Administrative Manual 08.003.00, Disposition and Sale of City-Owned Real Property. If the subject properties are developed by a private developer with ten or more residential units, then 15% of the total project’s units must be restricted to “affordable rent to lower income households” as required by AB 1486.

Both the Utilities General Manager and the Public Works Director have reviewed and concur with this report.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 5 – High Performing Government** and **Goal 5.4 – Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.**

The item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust:** AB 1486 establishes guidelines for the disposition of all City property that serves the public interest, benefits the City’s diverse population, and results in the greater public good.
2. **Equity:** AB 1486 requires notification of public agencies and affordable housing developers; this ensures the surplus process is continuously fair and equitable.

3. **Fiscal Responsibility:** The City is a prudent steward of public funds. The Surplus Land Act ensures the responsible management and disposition of the City's financial resources in a manner consistent with the prudent stewardship of public funds while facilitating beneficial investment in the city of Riverside.
4. **Innovation:** Direction from Public Utilities Board and City Council to move forward with the disposition and sale of the subject properties is consistent with the community's changing needs and preparing for the future through adaptive processes.
5. **Sustainability and Resiliency:** The City is committed to meeting the needs of the present without compromising the needs of the future. The Surplus Land Act sets standards for the disposition of property that encourages equitable housing solutions to meet the needs of the future and ensures the City's capacity to preserve, adapt and grow.

FISCAL IMPACT:

The estimated fiscal impact is currently unknown. There are sufficient funds budgeted and available in the Water Fund, Water Engineering, Professional Services account number 6210000-421000 for the costs associated with the sale of these sites, which will be offset with the proceeds from the disposition of the vacant land.

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Certifies availability of funds:	Edward Enriquez, Assistant City Manager/Treasurer
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

Attachments:

1. Resolution
2. Presentation