



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: DECEMBER 7, 2021

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 5
DEPARTMENT

SUBJECT: ADOPTION OF A RESOLUTION TO DECLARE THREE CITY-OWNED VACANT LAND SITES AS SURPLUS PROPERTY LOCATED AT: 1) 3472 FARNHAM PLACE, BEARING ASSESSOR'S PARCEL NUMBER 233-062-011; 2) 3473 FARNHAM PLACE, BEARING ASSESSOR'S PARCEL NUMBER 233-062-010; AND 3) 9384 MARTHA WAY, BEARING ASSESSOR'S PARCEL NUMBER 233-074-009; COLLECTIVELY ACQUIRED FOR THE STATE ROUTE 91 FREEWAY AND VAN BUREN BOULEVARD INTERCHANGE IMPROVEMENT PROJECT, AND AUTHORIZE MARKETING AND SALE OF THESE PROPERTIES PURSUANT TO ASSEMBLY BILL 1486 AND THE CITY'S ADMINISTRATIVE MANUAL 8.003.00 FOR THE DISPOSITION AND SALE OF CITY-OWNED REAL PROPERTY

ISSUES:

Adoption of a Resolution to declare three City-owned vacant land sites as surplus property located at: 1) 3472 Farnham Place, bearing Assessor's Parcel Number 233-062-011; 2) 3473 Farnham Place, bearing Assessor's Parcel Number 233-062-010; and 3) 9384 Martha Way, bearing Assessor's Parcel Number 233-074-009, collectively acquired for the State Route 91 Freeway and Van Buren Boulevard Interchange Improvement Project and authorize the marketing and sale of these properties pursuant to Assembly Bill 1486 and in accordance with the City's Administrative Manual 8.003.00 for the Disposition and Sale of City-Owned Real Property.

RECOMMENDATIONS:

That the City Council:

1. Adopt a Resolution (Attachment 1) to declare as surplus property the three City-owned vacant land sites located at: 1) 3472 Farnham Place, identified as Assessor's Parcel Number 233-062-011; 2) 3473 Farnham Place, bearing Assessor's Parcel Number 233-062-010; and 3) 9384 Martha Way, bearing Assessor's Parcel Number 233-074-009; and
2. Authorize the marketing and sale of these three properties located at 3472 Farnham Place, 3473 Farnham Place and 9384 Martha Way 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.

BACKGROUND:

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 at the deepest affordability, and provide more realistic timeframes to make and negotiate offers.

The disposition process for the sale of the surplus property was changed with the passage of Assembly Bill 1486 (AB 1486) on October 9, 2019. Staff has initiated the disposition process with a notice to City departments asking if they can utilize the subject properties. No interest was received from any City department for the subject properties.

The State Route 91 freeway and Van Buren Boulevard Interchange Improvement Project (“Project”) was a joint initiative between the City of Riverside (“City”), Riverside County Transportation Commission (“RCTC”), and the California Department of Transportation District 8. The Project provided ramp improvements and a new overcrossing at the SR-91 freeway and Van Buren Boulevard, which widened the street from four to six lanes and added dedicated turn lanes. The subject properties were acquired, and the single-family residences were demolished to accommodate the redesign of the westbound SR-91 Freeway and Van Buren Boulevard offramp and to accommodate the installation of a slope easement.

The Project has been completed and the subject properties are no longer needed by the Public Works Department.

DISCUSSION:

The subject properties, as shown on the aerial site map below, are zoned R-1-7000 with a General Plan designation of Medium Density Residential, and they are all currently vacant land sites. 3472 Farnham Place is approximately 5,901 square feet; 3473 Farnham Place is approximately 5,787 square feet, and 9384 Martha Way is approximately 9,022 square feet in size.



Once the City Council declares the subject properties as surplus property, 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 (HCD). Also, per California Government Code Section 54220, et seq., staff will concurrently notify other public agencies of the sale 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.

The Public Works Director concurs with the recommendations in this report.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 3 – Economic Opportunity** and **Goal 3.3 – Cultivate a business climate that welcomes innovation, entrepreneurship and investment.**

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

1. **Community Trust** – The City is conducting business with transparency and good faith. 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 property process is continuously fair and equitable.
3. **Fiscal Responsibility** – The Surplus Land Act ensures the responsible management and disposition of the City’s financial resources in a manner consistent with prudent stewardship of public funds while facilitating beneficial investment in the City of Riverside.
4. **Innovation** – Direction from the City Council to move forward with the disposition of the subject properties in accordance with the Surplus Land Act is consistent with the community’s changing needs and prepares for the future through adaptive processes.
5. **Sustainability & Resiliency** – The Surplus Land Act sets standards for the disposition of property that encourages equitable housing solutions to meet the needs of the future and ensure the City’s capacity to persevere, adapt and grow.

FISCAL IMPACT:

The estimated fiscal impact is unknown at this time. There are sufficient funds budgeted and available in the Measure A Fund, Professional Services account number 9920830-421000 for costs associated with the sale. Net proceeds from the sale of the subject properties will be deposited into Measure A Fund, Highway and Streets Program account number 0000432-380010 and reimbursed back to the Riverside County Transportation Commission (RCTC), pursuant to a separate agreement.

Prepared by:	David Welch, Community & Economic Development Director
Certified as to availability of funds:	Edward Enriquez, Chief Financial Officer / City Treasurer
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney
Attachment:	Resolution