



# STAFF REPORT – CITY COUNCIL MEETING

---

December 20, 2023

**TO:** Honorable Mayor and City Council Members

**FROM:** David Loya, Director of Community Development

**PREPARER:** David Loya, Director of Community Development

**DATE:** December 14, 2023

**TITLE:** **Adopt Resolution No. 234-24, A Resolution of the City Council of the City of Arcata Declaring the City-Owned Property at 5540 West End Road Surplus Land.**

---

## **RECOMMENDATION:**

Staff recommends the Council adopt Resolution No. 234-24, A Resolution of the City Council of the City of Arcata Declaring the City-Owned Property at 5540 West End Road Surplus Land.

## **INTRODUCTION:**

The Surplus Lands Act (Act) was amended in 2019 and 2020 to promote affordable housing development on public agency owned surplus lands. The Act now requires properties considered for disposal or long-term lease be declared surplus then be offered first to affordable housing developers. The property being declared surplus is located at 5540 West End Road (APN 507-461-002). This property is not zoned residential. Despite the zoning, the City must comply with the Act. This action will initiate compliance with the Act and allow the City to pursue disposition of the property consistent with long-held plans.

## **BACKGROUND:**

The Act was amended to require agencies disposing of property to provide affordable housing developers preference in the disposition process. The Act requires the City to declare lands surplus or exempt; provide notice to the State Housing and Community Development Department (HCD); provide notice to specific housing sponsors; then engage any housing sponsors that respond to the notice as appropriate. The City must show that it has negotiated in good faith with any housing sponsors that respond to the notice, regardless of the suitability of the site for housing. Upon completion of the process, either the property will have been disposed to an affordable housing developer/sponsor or to another entity as appropriate. Regardless of result, and regardless of the site's suitability for housing development, the City must then record an affordability covenant on the property. The property included in Resolution 234-24 (Attachment A) does not qualify for an exemption from the Act.

**DISCUSSION:**

The property to be considered in Resolution 223-24 was acquired by the City or the former Arcata Community Development Agency for disposition to private businesses for economic development purposes. The Humboldt Gem and Mineral Society (Society) has leased the property from the City since 1996. The expiration of the original long term lease the Society had operated on through 2016 prompted the Society to offer to purchase the property. On April 6<sup>th</sup> of 2016, the City Council resolved to authorize staff to negotiate a sale of the property located at 5540 West End Road to the Society. Due to a variety of factors the transaction was not completed. Since June of 2016, the Society has operated on a month-to-month extension of their original lease. It is now necessary to declare the property surplus before action can be taken to sell the property or enter into a new long-term lease agreement.

This process is necessary to implement the vision outlined for disposition of these properties.

**POLICY IMPLICATIONS:**

The Aldergrove Industrial Park was acquired to support economic development. The property that the Society has been leasing from the City for decades was originally intended to be sold, but its size and configuration did not support business interests. The property sale will allow the City to reinvest the sale proceeds into economic development purposes.

**COMMITTEE/COMMISSION REVIEW:**

None

**ENVIRONMENTAL REVIEW (CEQA):**

This is not a “project” pursuant to CEQA.

**BUDGET/FISCAL IMPACT:**

Complying with the Act is an unfunded state mandate. The noticing, negotiating, and public process is a necessary step. Costs incurred by the City to implement the Act are estimated to be less than \$10,000 for the property. Costs are related to staff time to complete the process and minimal administrative costs for materials.

**ATTACHMENTS:**

- A. Resolution No. 234-24 SLA HGMS (PDF)