



# City of Santa Clara

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## Agenda Report

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21-999

Agenda Date: 12/7/2021

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### REPORT TO COUNCIL

#### **SUBJECT**

Action on a Resolution to Comply with the Surplus Land Act for Purposes for Participation in the One Bay Area Grant Program

#### **COUNCIL PILLAR**

Deliver and Enhance High Quality Efficient Services and Infrastructure

#### **BACKGROUND**

The Metropolitan Transportation Commission (MTC), the metropolitan planning organization for the nine-county San Francisco Bay Area (which includes Santa Clara County), administers regional transportation grant funding opportunities such as, the regional One Bay Area Grant (OBAG) Program. To receive OBAG funding, the MTC requires agencies adopt a resolution (Attachment 1) related to compliance with the Act. The next cycle of OBAG funding is projected to announce a call for projects in 2022.

The Surplus Land Act (Act) was enacted in 1968 and contains procedures for disposition by sale or lease of surplus properties by local agencies. Surplus land is land owned by a local agency that is determined to be no longer necessary for the agency's use, except land being held by the agency for the purpose of exchange or which is exempt under the Act, such as land less than 5,000 square feet in area, less than the minimum legal residential lot size, or land that has no recorded access and is less than 10,000 square feet in area. As a Charter City, the City of Santa Clara has previously been exempted from the Act.

California Assembly Bill (AB) 2135, amended the Surplus Land Act to prioritize affordable housing development on surplus lands, including the following: it extended the good faith negotiation period to 90 days; where a housing project is developed on the site, required at least 25 percent of the development to be income restricted for lower income households, earning 80% or less of Area Median Income (AMI); and added a requirement that if negotiations with one of the specified entities are unsuccessful, then any residential development on the surplus land over 10 units must make at least 15 percent of the units affordable. A 2020 California Supreme Court decision extended the applicability of the Act to charter cities, including Santa Clara.

Furthermore, there are additional, more recent State Assembly Bills related to the Act. AB 1255 and AB 1486, both signed by the Governor in October 2019, also amended the Act. AB 1255 required each city to make a central inventory of specified surplus land and report the information to the California Department of Housing and Community Development (HCD). AB 1486 expanded the definition of a local agency to include a redevelopment successor agency, clarified the definition of what constitutes surplus land, and required a local agency to make findings regarding surplus land before beginning the disposition process.

**DISCUSSION**

The Community Development Department (CDD) staff has analyzed the necessary actions that the City must undertake related to the Resolution and the City is currently complying with the Act. Per AB 1255, the City is required to make a central inventory of specified surplus land and excess land identified pursuant to the Act on or before December 31 of each year. The City shall include a description of each parcel and its present uses, a matter of public record, and report this information to HCD no later than April 1 of each year, beginning April 1, 2021. Preparation for annual reporting for 2021 is currently underway by CDD and will be submitted as part of the Housing Element Annual Progress Report. In addition, the City must provide notices of availability of surplus land, receive notices of interest from entities, and report information to the HCD. Compliance with the Act supports HCD by helping to identify the supply of land for affordable housing. Additionally, adopting a resolution related to compliance with the Act will allow the City to apply for future OBAG funding opportunities.

**ENVIRONMENTAL REVIEW**

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organization or administrative activity that will not result in direct or indirect changes in the environment.

**FISCAL IMPACT**

There is no fiscal impact related to this report.

**COORDINATION**

This report has been coordinated with the City Attorney’s Office. Additionally, the proposed Resolution has been coordinated with the Santa Clara Valley Transportation Authority and MTC.

**PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) or at the public information desk at any City of Santa Clara public library.

**RECOMMENDATION**

Adopt a Resolution to Comply with the Surplus Land Act for Purposes for Participation in the One Bay Area Grant Program.

Reviewed by: Andrew Crabtree, Director, Community Development Department

Reviewed by: Craig Mobeck, Director of Public Works

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. Resolution