



Agenda Item No: 1.f

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: June 17, 2025

Submitted by: Jeannette Ortega

From: City Administrator

Subject:

Resolution Declaring Certain Right-of-Way Property Near 450 S. Placentia Avenue on Industrial Way as Exempt Surplus Land for Purposes of the Surplus Land Act

Financial Impact:

Fiscal Impact:

The request to adopt a Resolution declaring that the Property is surplus land and is not necessary for the City's use and directing the City Administrator to follow the procedures set forth in the Surplus Land Act, California Government Code Section 54220, et seq., as amended, for the sale of surplus land can be done within the existing operating budget. In the event that the City sells said Property, the process will be subject to its own Fiscal Impact at said time.

Summary:

The Surplus Land Act (SLA) of California (Government Code Section 54221) requires that a City must declare property to be "surplus land" before the City can take any action (sale or lease) to dispose of the property. Surplus land is land deemed not necessary for a local agency's use.

In the Fall of 2019, Assembly Bill 1486 amended the SLA to address the current housing crisis by promoting the construction of affordable housing on surplus land. The amendments require that a local agency sell property through a Notice of Availability followed by a negotiation process that favors affordable housing. However, the SLA and Section 103 of the Guidelines allow for exceptions to this standard SLA process. Exempt Properties may be declared "exempt surplus land" and must be supported by written findings before a local agency may take any action to dispose of the property consistent with statutory requirements, SLA guidelines, and/or a local agency's policies or procedures.

Specifically, under Government Code section 54221(f)(1)(E), "exempt surplus land" means surplus land that is a former street, right-of-way, or easement, and is conveyed to an owner of an adjacent property. Based on these Guidelines, the City's real property asset, as described in Exhibit A and B of the attached Resolution No. 2025-29, (referred to as the "Property") which was acquired after the completion of the OC Bridges Project by the Orange County Transportation Authority ("OCTA") in 2014, near 450 S. Placentia Avenue on Industrial Way is in alignment with the "Exempt Surplus Land" status designation under Government Code section 54221(f)(1)(E) of the SLA.

This action authorizes the City Administrator, and/or her designee, to initiate the “Exempt Surplus Land” status designation with the California Department of Housing and Community Development (HCD). If approved by the City Council, the Resolution must be provided to HCD for review and approval at least 30 days prior to disposition of the City-owned property asset. HCD will have thirty (30) days from receipt of the Resolution to determine whether the Property asset is exempt from further requirements of the SLA.

Recommendation:

Recommended Action: It is recommended that the City Council take the following actions:

1. Adopt Resolution No. R-2025-29, a Resolution of the City Council of the City of Placentia, California Finding that Sale of the Subject Property as Surplus is Exempt from Environmental Review Under the California Environmental Quality Act (“CEQA”) Pursuant to CEQA Guidelines Section 15312 and declaring property near 450 S. Placentia Avenue on Industrial Way as Exempt Surplus Land and directing the City Administrator to follow the procedures set forth in the Surplus Land Act, California Government Code Section 54220, et seq., as amended, for its disposition; finding that such declaration is exempt from environmental review under the California Environmental Quality Act; and
2. Authorize the City Administrator and/or her designee to execute all necessary documents, in a form approved by the City Attorney.

Strategic Plan Statement:

This item is consistent with the City Council approved 5-Year Strategic Goal to Promote Community and Economic Development under Objective #3.3, which is to continue to recruit and attract retail, hotel and other commercial businesses that complement adjacent City assets and attractions.

Discussion:

To promote economic development throughout the City, efforts have been directed toward identifying suitable sites for potential hotel development. City staff have been working closely with the private property owner of 480 S. Placentia to plan a high-quality hotel development. During these discussions, the owner indicated that a portion of the City's right-of-way would be necessary to accommodate a hotel with sufficient guest rooms, parking and amenities. These features are essential to attracting premier hotel franchises. With the potential use of this right-of-way, the owner has submitted an entitlement package for a proposed 4-story hotel. The project includes 86 guest rooms, approximately 42,631 square feet of total buildable area, a parking area of about 24,210 square feet with 82 spaces, and a 545-square-foot lobby. The owner has also secured a Franchise Agreement with Tru by Hilton, outlining the construction and operational standards required for the proposed hotel.

The adoption of this Resolution is the first step in enabling the City to move forward with a viable, high-quality hotel development at 480 S. Placentia Avenue by initiating the sale of the surplus land to the adjacent property owner.

PROVISIONS OF THE SURPLUS LAND ACT

Surplus Land Act (Gov’t Code § 54220, et seq.) reaffirmed the State’s commitment to further the availability of affordable housing by requiring that surplus government land be first made available for housing projects. As a result, the California Department of Housing and Community Development (HCD) adopted guidelines to increase compliance with the Surplus

Land Act that clarify and strengthen reporting and enforcement provisions of the Act. Should an agency dispose of the surplus land in violation of the Act, the agency shall be subject to penalties set forth in Government Code Section 54230.5.

An agency may be exempt from SLA if the property is determined to be “Exempt Surplus Land”. To do so, the agency shall do the following:

1. Adopt a resolution declaring the property as exempt surplus land during a regularly held public meeting.
2. Prior to adoption, notify HCD to clarify whether land should be declared “surplus land” or “exempt surplus land.”
3. If concurrence is received, proceed with the resolution process.
4. Once adopted, a copy of the resolution shall be provided to HCD a minimum of thirty (30) days prior to the disposition of the land.

Staff has notified HCD to determine if the Property qualifies as “Exempt Surplus Land” under Government Code section 54221(f)(1)(E). Specifically, the exempt Property is Surplus land that is a former street, right of way, or easement, and will be conveyed to an owner of an adjacent property.

Based on their initial review, HCD staff has indicated that the Property meets the requirements of the Surplus Lands Exemption under Government Code section 54221, subdivision (f)(1)(E) if developed under the criteria listed in the statute. If that is the case, HCD does not see any need for changes to the resolution.

ENVIRONMENTAL (CEQA) REVIEW

Staff has determined that the sale of the Property as surplus is exempt from environmental review under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15312 (Surplus Government Property Sales). However, any future development or use of the Property proposed by a subsequent purchaser shall be subject to environmental review pursuant to CEQA.

Fiscal Impact Summary:

The request to adopt a Resolution declaring that the Property as surplus land and is not necessary for the City’s use and directing the City Administrator to follow the procedures set forth in the Surplus Land Act, California Government Code Section 54220, et seq., as amended, for the sale of surplus land can be done within the existing operating budget. In the event that the City sells said Property, the process will be subject to its own Fiscal Impact at said time.

Attachments

[Attachment_1_-_Resolution_Surplus_Land_Act_Exemption_Street.docx](#)