



City of Rialto

Legislation Details (With Text)

File #: 22-336 **Version:** 1 **Name:**
Type: Resolution **Status:** Agenda Ready
File created: 4/13/2022 **In control:** City Council
On agenda: 4/26/2022 **Final action:**
Title: Request the Successor Agency to the Redevelopment Agency of the City of Rialto to Adopt Resolution No. 7860 Declaring that Certain seven parcels situated north of Baseline Avenue and West of Ayala Avenue consisting of approximately 18.8 acres identified by Assessor's Parcel Numbers 0264-212-12, 17, 30, 44, 45, 46 and 54 as Surplus Land and Directing the Executive Director to Follow the Procedures Set Forth in the Surplus Land Act, California Government Code Section 54220 et seq., as Amended on January 1, 2020, for the Sale of Surplus Land.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Ayala-Baseline Property Surplus Declaration Resolution.pdf

Date	Ver.	Action By	Action	Result
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For: Successor Agency Meeting April 26, 2022
TO: Honorable Chair and Board of the Successor
APPROVAL: Marcus Fuller, City Manager
FROM: Kathy Brann, Economic Development Manager

Request the Successor Agency to the Redevelopment Agency of the City of Rialto to Adopt **Resolution No. 7860** Declaring that Certain seven parcels situated north of Baseline Avenue and West of Ayala Avenue consisting of approximately 18.8 acres identified by Assessor's Parcel Numbers 0264-212-12, 17, 30, 44, 45, 46 and 54 as Surplus Land and Directing the Executive Director to Follow the Procedures Set Forth in the Surplus Land Act, California Government Code Section 54220 et seq., as Amended on January 1, 2020, for the Sale of Surplus Land.

BACKGROUND

The Redevelopment Agency of the City of Rialto ("Agency") acquired several parcels for future development. In 2006, the Agency entered into an Exclusive Right to Negotiate Agreement ("ERN") with Thrifty Oil Company ("Thrifty") which contemplated the development of an industrial park on approximately 18.81 acres. Ultimately, the Agency and Thrifty failed to enter into an agreement for the development of this site.

Pursuant to the dissolution of redevelopment agencies per Assembly Bill ("AB") ABX1 26 (Chapter 5, Statutes of 2011) and ABX1 27 (Chapter 6, Statutes of 2011), and subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012) (altogether, "Dissolution Act"), the City of Rialto ("City") adopted Resolution No. 6057 on September 27, 2011, electing to serve as Successor Agency to the RDA (hereafter the "Successor Agency"). In accordance with the Dissolution Act, the Successor Agency

prepared a Long-Range Property Management Plan (the “LRPMP”) to identify all the assets held by the Successor Agency and their proposed disposition in accordance with the Dissolution Act.

The Property was identified as “Project #9 - Ayala/Baseline Industrial Park” in the LRPMP and was designated as a property to be liquidated for the benefit of the taxing entities pursuant to Section 34191.5(c)(2) (B) of the California Health and Safety Code.

On August 12, 2016, the California Department of Finance (DOF) approved the Successor Agency’s LRPMP.

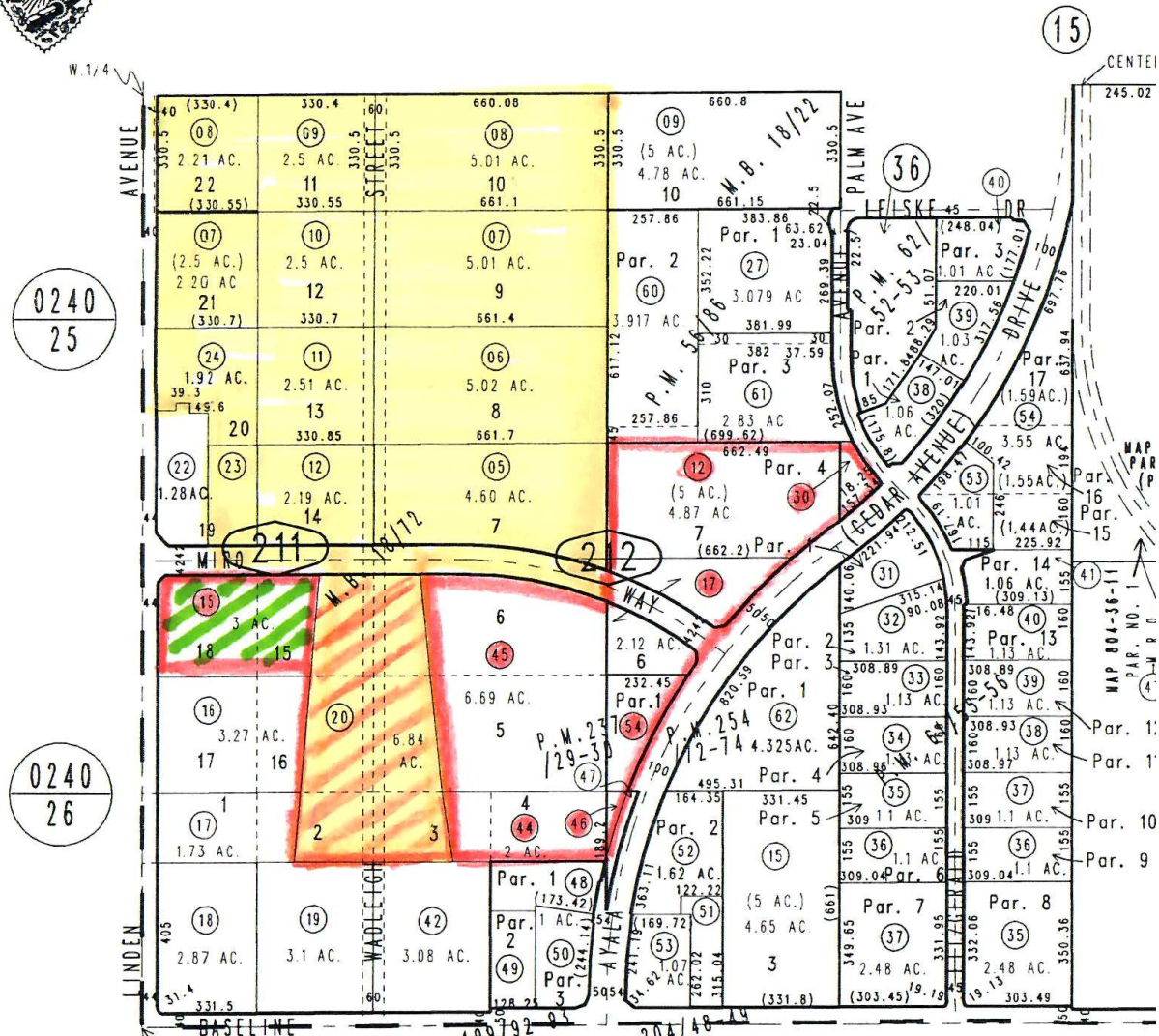
Exhibit “A” depicts the parcels by Assessor’s Parcel Numbers 0264-212-12, 17, 30, 44, 45, 46 and 54, as approved by DOF.

Exhibit “A”



Parcels 0264-212-17 and 45 are bisected by the current alignment of Miro Way. Approximately 3/5ths of parcel 0264-212-17 lies north of Miro Way and the other 2/5ths of parcel 0264-212-17 lies south of Miro Way, all as shown Exhibit “B”.

Exhibit “B”



It is now necessary to declare the Property as surplus land in accordance with the provisions of California Government Code section 54220 et seq ("Surplus Land Act") and dispose of the Property pursuant to the LRPMP. To consider disposing of real property, the Successor Agency is required to

comply with the “Surplus Land Act.” Enacted in 1968 and amended in 2020, the Surplus Land Act requires all local agencies to prioritize affordable housing, as well as parks and open space, when disposing of surplus land. Before local agencies may dispose of surplus land, they are required to give notice to local public entities and organizations involved in affordable housing development. If a preferred entity expresses interest, the parties must enter into good faith negotiations to determine a sales price or lease terms. Assembly Bill 1486 which amended the Surplus Land Act brought clarity and improves enforcement to increase the supply of affordable housing.

According to the Surplus Land Act, as an alternative to the standard noticing provisions described below, surplus land may be declared exempt surplus and then put out to open, competitive bid by a local agency, provided all entities identified in subdivision (a) of Government Code Section 54222 will be invited to participate in the competitive bid process, for either of the following purposes:

1. A housing development, which may have ancillary commercial ground floor uses, that restricts 100 percent of the residential units to persons and families of low or moderate income, with at least 75 percent of the residential units restricted to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable sales price or an affordable rent, as defined in Sections 50052.5 or 50053 of the Health and Safety Code, for a minimum of 55 years for rental housing and 45 years for ownership housing, and in no event shall the maximum affordable sales price or rent level be higher than 20 percent below the median market rents or sales prices for the neighborhood in which the site is located.
2. A mixed-use development that is more than one acre in area, that includes not less than 300 housing units, and that restricts at least 25 percent of the residential units to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable sales price or an affordable rent, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, for a minimum of 55 years for rental housing and 45 years for ownership housing.

Pursuant to the standard noticing provisions of the Surplus Land Act, a 60 days’ written notice of availability of the availability of the Property must be provided to the following entities:

- Any local public entity, as defined in Section 50079 of the Health and Safety Code, within whose jurisdiction the surplus land is located.
- Housing sponsors, as defined by Section 50074 of the Health and Safety Code, that have notified the Department of Housing and Community Development of their interest in surplus land shall be sent a notice of availability of surplus land for the purpose of developing low- and moderate-income housing.

The City is also required to notify the following entities:

- To any park or recreation department of the county within which the land is situated.
- To any regional park authority having jurisdiction within the area in which the land is situated.
- To the State Resources Agency or any agency that may succeed to its powers.
- A written notice of availability of land suitable for school facilities construction or use by a school district for open-space purposes shall be sent to any school district in whose jurisdiction the land is located.

This action is a first step in disposing of the Property and will allow the Successor Agency to issue a written notice of availability to those entities listed by statute and allow those entities to submit a

notice of interest to purchase the Property within the 60 day period. These entities include park or recreation departments of the county, or any regional park authority having jurisdiction and the State Resources Agency as well as affordable housing developers and school districts who may have an interest in the property.

After the 60-day notice period lapses, and without any notification of interest in the Property from these entities or agencies, the Successor Agency can proceed to negotiate the disposition of the Property with other interested parties.

The Executive Director has ordered an appraisal of the Property; and will ensure that it is sold at fair market value as determined by the Successor Agency Board in accordance with its fiduciary duty to the taxing entities entitled to allocated portions of the sales proceeds.

ENVIRONMENTAL IMPACT:

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).

GENERAL PLAN CONSISTENCY:

This action is consistent with Guiding Principle 3A of the General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

LEGAL REVIEW:

The Successor Agency Council reviewed and approved this staff report and resolution.

FINANCIAL IMPACT:

Operating Budget Impact

As Successor Agency property, the Property once sold will be shared among all taxing entities within the tax rate area for the City of Rialto. Upon disposition of the Property the City will realize increased revenue based on its proportionate share of the net proceeds of the Property sold (approximately 14% of the overall proceeds).

Capital Improvement Budget

No impact.

RECOMMENDATION:

Staff recommends that the Successor Agency adopt the proposed Resolution.