

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Omar Sandoval
Dept.:	City Manager	Dept.:	City Attorney
Subject:	Adoption of a Resolution declaring Willowick surplus land under the Surplus Land Act. (<i>Action Item</i>)		Date: 2/25/2020

OBJECTIVE

For the City Council to adopt a resolution declaring Willowick Golf Course surplus land under the Surplus Land Act as amended by AB 1486.

BACKGROUND

The City owns real property consisting of approximately 100 acres and commonly referred to as the Willowick Golf Course ("Willowick"), located at 3017 W. 5th Street, in the City of Santa Ana. The City acquired Willowick in 1964 and has operated it as a commercial golf course since. During the City's ownership of Willowick, revenue generated by the golf course and ancillary operations at Willowick has been utilized to pay back the bonds issued to purchase Willowick, to operate the golf course, and to help fund City services to Garden Grove residents. However, in recent years, revenue generated by Willowick has declined and the City wishes to pursue potential redevelopment to increase City revenue from Willowick.

On October 9, 2019, Governor Newsom signed Assembly Bill ("AB") 1486. AB 1486, which amended the Surplus Land Act effective January 1, 2020 to include, among others, changing the existing, long-standing definition of "surplus land"; providing that land shall be declared either "surplus land" or "exempt surplus land" before a local agency may take any action to sell or lease land; and adding a new limitation providing that an "agency's use" "shall not include commercial or industrial uses or activities, including nongovernmental retail, entertainment, or office development," or "property disposed of for the sole purpose of investment or generation or revenue." AB 1486 further added provisions prohibiting the City from negotiation any disposition of the property prior to compliance with the procedural requirements of the Surplus Land Act. Prior to AB 1486, the Surplus Land Act did not require local agencies to first declare land surplus, and did not limit leases that changed the use of land held by local agencies.

In order to pursue the potential redevelopment of Willowick, including the possible disposition through a sale or preferably a lease, the City must now comply with the Surplus Land Act as amended by AB 1486.

DISCUSSION

As indicated above, the amended Surplus Land Act, Government Code sections 54220 et seq., requires that agencies first declare land "surplus land" or "exempt surplus land" before the agency can negotiate any disposition of the land, either for sale or for lease. The Surplus Land Act then provides that, prior to disposing of "surplus land," local agencies shall first offer such "surplus land" to various entities, including housing sponsors and other public agencies for the development of affordable housing and parks and open space.

Pursuant to the amended Surplus Land Act, City staff must send a written notice of availability of Willowick by electronic mail or by certified mail to the all of the entities identified in Government Code section 54222, which include local public entities and housing sponsors that have notified the California Department of Housing and Community Development of their interest in surplus land for the purpose of developing low- and moderate-income housing, to the City of Santa Ana and County of Orange, any regional park authority and the State Resources Agency for open-space purposes; and to the local school district for school facilities or use. If Willowick is within an infill opportunity zone or covered by a transit village plan, the notice must also be sent to the County, City of Santa Ana, successor agency or housing authority operating within Santa Ana.

If one of the entities/agencies receiving the notice of availability desires to purchase or lease the property, it must notify the City of its interest to do so in writing within 60 days of receiving the City's notice, and the City and the entity/agency so responding may negotiate price and terms for the disposition of the property. If the City receives multiple notices of interest, the Surplus Land Act establishes priorities, with first priority given to entities that agree to use the property for affordable housing.

Finally, in the event no agreement is reached between the City and any interested entity/agency after a good faith negotiation period of 90 days, the land may be disposed of without further regard to the Surplus Land Act.

FINANCIAL IMPACT

The cost of compliance with the amended Surplus Land Act is not currently known. As of the creation of this report, there are 169 entities in the list kept by HCD to which the City must send notice by e-mail. The cost to notify local public agencies will be minimal. However, depending on the number of responses to the notice of availability, City staff and consultants may need to spend multiple hours possibly negotiating with multiple entities.

RECOMMENDATION

It is recommended that the City Council:

- Adopt the Resolution declaring Willowick surplus land under the Surplus Land Act.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Resolution	2/20/2020	Resolution	2-25- 20_Resolution_Declaring_Willowick_Surplus_Land_under_SLA.pdf