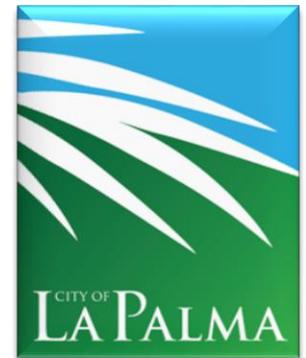


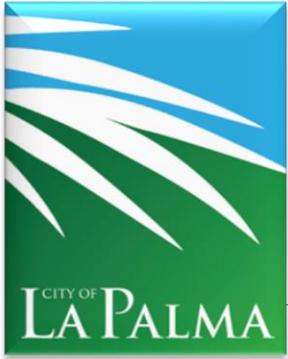
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# Resolution Declaring Surplus Property for 5062 La Palma Avenue

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**CITY COUNCIL MEETING**  
**FEBRUARY 19, 2019**

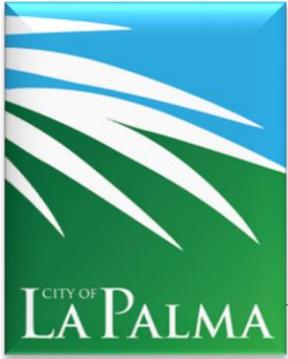




# Summary

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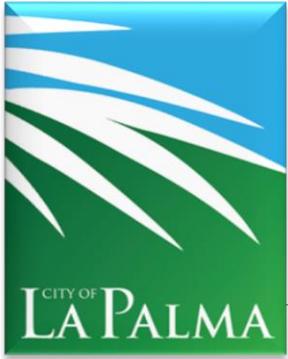
- **August 15, 2017: City purchased the property located at 5062 La Palma Avenue for the amount of \$1,550,000, which included: compensation to the property owner to avoid litigation and for a full waiver and release of claims against the City; the City's purchase of the owner's design drawings, and engineering plans and related documents pertaining to the proposed development of the property**
- **The purchase price was based upon an appraisal of the property with the entitlements at that time**



# Summary

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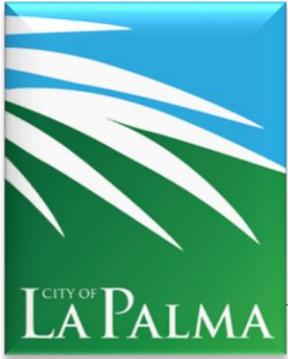
- **The City had received an application to develop the parcel at 5062 La Palma Avenue, comprising approximately of 0.4 acres, into an 11-unit apartment building**
  - **The application was based upon the existing R-3 Zoning with Village Residential Overlay, that allowed from 20 -30 units per acre on the parcel**
  - **The proposed project triggered significant controversy, due in part to the large number of units on the relatively small parcel, the lack of any open space, and on-site parking and access concerns**



# Summary

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- **January 15, 2019: the City Council adopted Ordinance No. 2019-01 amending City Zoning Code Section 44-76 pertaining to the development standards applicable to properties within the Multiple-Family Residential (R-3) zoned properties to which the Village Residential Overlay (VRO) has been applied**
- **Clarified that “tailored development standards and site design shall be permitted only upon approval of the City Council**
  - **Absent City Council approval of a tailored site design or of tailored development standards for a particular parcel, the development standards applicable to all properties in the R-3 zone as detailed in Section 44-79 *et seq.* apply all parcels to which the VRO designation is applied**



# Summary

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## ➤ **Potential Public Purposes Studied and Dismissed**

### ➤ **Fire station**

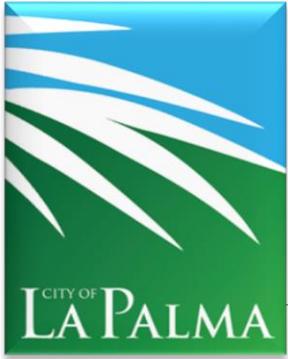
- **Lot was too small for a station and OCFA was not in a position to purchase the adjoining property or to build a new station at this time**

### ➤ **Park**

- **Onsite parking and access concern**

### ➤ **Dog Park**

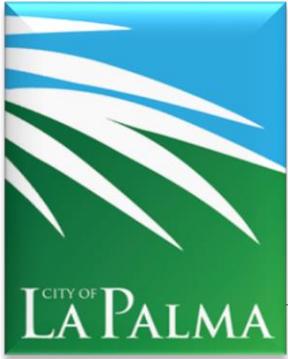
- **Onsite parking and access concern**



# Background

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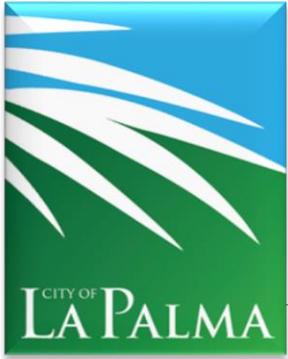
- **Under the Surplus Property Land Act, Government Code Section 54200- 54232, surplus property is defined as “land owned by any agency of the state, or any local agency, that is determined to be no longer necessary for the agency’s use, except property being held by the agency for the purpose of exchange”**
- **Staff has identified 5062 La Palma Avenue as potential surplus real property**



# Surplus Property Process

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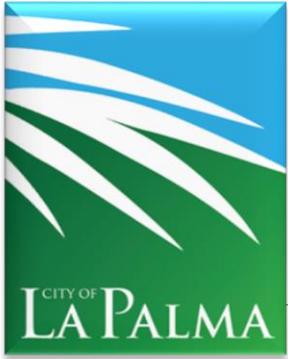
- **Council declares property surplus**
- **Staff acquires property appraisal**
- **City Provides notice to and (if applicable) negotiates in good faith to sell surplus property to entities that undertake affordable housing, parks, or school development. This practice is in accordance with California Government Code Section 54222-54233 ("Section 54222")**
  - **Preferred Entities have 60 days to notify City in writing of interest in property**
  - **City and Preferred Entity have 90 days to negotiate agreement**



## Surplus Property Process (cont.)

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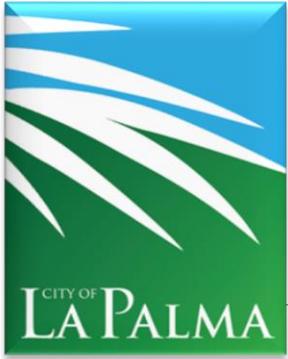
- **If no agreement negotiated within 90 days, the surplus land can then be sold at fair market value**
- **Concurrent with the Preferred Entity process**
  - **Requests for Qualifications for Real Estate Brokers developed and distributed**
  - **City reaches out to developers who have expressed interest in property in the past**
- **City places surplus property for sale**



# Recommendation

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- **Adopt a Resolution declaring the property at 5062 La Palma Avenue, La Palma, as surplus property, finding that disposition of the properties by listing with a qualified broker is in the best interest of the City; and**
- **Direct staff to follow necessary required steps required by Government Code Section 54200- 54232**
- **Direct staff, if not sold to a Preferred Entity, to list the real property, in a manner to ensure a competitive bid process for the disposition of real properties**



# Fiscal Impact

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- **Property appraisal is estimated to cost under \$1,000 and can be accommodated within the FY 2018-19 Budget**
- **Any real estate commission would be paid out of the proceeds of the sale**



# Questions/Discussion

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