



**DATE:** January 21, 2025

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT** Adopt a Resolution Declaring the vacated right-of-way of Valley Street, between 4<sup>th</sup> Street and C Street, as Exempt Surplus Land Pursuant to the Surplus Land Act; Authorizing the City Manager to Negotiate Disposition of the Exempt Surplus Land; and Finding that the Action is Exempt from CEQA Review.

**RECOMMENDATION**

That Council adopts a resolution (Attachment II): (1) declaring the vacated right-of-way of Valley Street, between 4<sup>th</sup> Street and C Street as Exempt Surplus Land per the Surplus Land Act; (2) authorizing the City Manager to negotiate the sale of the exempt surplus land to adjoining lot owners; and (3) finding that the action is exempt from CEQA review.

**SUMMARY**

The Surplus Land Act<sup>1</sup> (SLA) requires that when cities, counties, transit agencies and other local agencies sell, or lease their land for periods exceeding 15 years, they must prioritize it for affordable housing development by notifying affordable housing sponsors and specified public agency that surplus land is available for acquisition. Land must be declared either “Surplus” or “Exempt Surplus” at a regular public meeting and be supported by written findings before a local agency may take any action to dispose of it. Property that is declared exempt surplus land does not have to be made available to affordable housing sponsors prior to disposition. The governing board of a local agency may adopt a resolution declaring the property to be Exempt Surplus Land pursuant to the SLA if the property falls within specified exemption categories. In this instance, the vacated right-of-way falls within the following SLA exemption categories:

- Land is less than one-half acre (21,780 square feet) in area and is not contiguous to land owned by a state or local agency that is used for open space or low/moderate income housing.

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<sup>1</sup> [Govt. Code Sections 54220 - 54234](#)

- Surplus land is a former street right-of-way/easement and will be conveyed to an owner of adjoining property.

## **BACKGROUND**

A portion of Valley Street right-of-way, between 4<sup>th</sup> Street and C Street was vacated by the City Council at its regular meeting on April 11, 2023 in compliance with the requirements of the California Streets and Highways Code Sections 8320 etc., see Exhibit A to the Resolution. The use of this portion of the street right-of-way was blocked for several years for traffic safety reasons. The total area of the vacated street right-of-way is approximately 3,500 square feet, which is significantly less than the area required for a legal lot for residential use in this zoning district. Portions of the vacated street right-of-way will be offered to merger with its adjoining two properties, as shown on Exhibit B to the Resolution. A small portion of the vacated right-of-way will be offered for merger with its fronting lot at 1421 C Street for a nominal charge. This will allow the lot owner to maintain full use of the existing driveway to access C Street.

Most of the vacated right-of-way will be offered for merger with its fronting lot at 22716 4<sup>th</sup> Street for a negotiated price based on its appraised value. This lot owner recently confirmed their interest and ability to acquire the vacated street right-of-way. Price negotiations for the property transfers and lot mergers will take place after the City Council declares the vacated street right-of-way an Exempt Surplus Land.

## **DISCUSSION**

The vacated right-of-way of Valley Street between 4<sup>th</sup> Street and C Street is eligible to be declared Exempt Surplus because of the following:

- The land is a former street right-of-way and the land is to be conveyed to the owners of adjacent property<sup>2</sup>
- The surplus land is less than one half acre in size and not contiguous to land owned by a state or local agency that is used for open space or low- and moderate-income housing.

Property that is declared Exempt Surplus land need not be made available for low/moderate-income housing. Upon adoption, a copy of the attached resolution and written findings supporting the exemption declaration must be forwarded to the California Department of Housing and Community Development (HCD) at least thirty (30) days prior to disposition of the property.

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<sup>2</sup> [Gov. Code § 54221 subdivision \(f\)\(1\)\(E\)](#)

## **ECONOMIC IMPACT**

Merger of the vacated street right-of-way (Exempt Surplus Land) with its adjoining lot at 22716 4<sup>th</sup> Street will potentially allow addition of an Accessory Dwelling Unit ADU on the enlarged lot as per the local zoning laws. It is also possible that the enlarged lot will be split into two legal lots. In either case, the potential land development will enhance the City's property tax base and more importantly allow construction of a new dwelling unit and enhance the local economy.

## **FISCAL IMPACT**

The vacated right-of-way of Valley Street will be offered to the owners of its adjoining two lots for negotiated prices. Sale of this Exempt Surplus property will supplement the City's General Fund for use on local programs. An independent property appraiser, retained by the Public Works Director has provided his appraisal report in December 2022 estimating the fair market value of the vacated right-of-way at approximately \$120,000. This will be used by the City-retained local real estate professional to negotiate the sale price with the owners of lots adjoining the vacated right-of-way.

## **STRATEGIC ROADMAP**

This agenda item supports the City's Strategic Priorities to Grow the Economy and Preserve, Protect and Produce Housing for All.

## **SUSTAINABILITY FEATURES**

There are no Sustainability Features associated with this item.

## **CEQA COMPLIANCE**

The designation of the parcels as exempt surplus does not have the potential for creating a significant effect on the environment and is therefore exempt from further review under CEQA pursuant to State CEQA Guidelines Section 15060(c)(3) because it is not a project as defined by the CEQA Guidelines Section 15378. Adoption of the Resolution does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

## **NEXT STEPS**

If approved by Council, staff will transmit a copy of the resolution and findings supporting the exempt surplus land declaration to HCD as required by the Surplus Land Act Guidelines. Staff will also negotiate the price for sale of the vacated street right-of-way to its adjoining lot owners with the following conditions:

1. The City will quit claim portions of the vacated right-of-way of Valley Street to the adjoining lot owners.

2. The vacated right-of-way will be merged with the adjoining lots immediately after receipt of the City's quit-claim deed.

*Prepared by:* Mo Sharma, Senior Civil Engineer  
*Reviewed by:* Kathy Garcia, Deputy Director of Public Works  
*Recommended by:* Alex Ameri, Director of Public Works

Approved by:



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Dr. Ana M. Alvarez, City Manager