



# AGENDA REPORT

**Department:** Planning  
**Prepared by:** Martin Reeder, AICP – Planning Manager  
**Meeting Date:** Tuesday, March 21, 2023  
**Approved by:** Brad Raulston, City Manager

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**SUBJECT:**

Ratifying the Sale of Real Property known as APN: 559-118-02 and Declaring that the property is no longer needed for City purposes and that such properties are exempt under the Surplus Land Act.

**RECOMMENDATION:**

Adopt the Resolution of the City Council of the City of National City, California, Ratifying the Sale of Real Property known as APN: 559-118-02 and declaring that the property is no longer needed for City purposes and that such properties are exempt under the Surplus Land Act.

**BOARD/COMMISSION/COMMITTEE PRIOR ACTION:**

Not Applicable.

**EXPLANATION:**

Background

The property is located at 720 West 23<sup>rd</sup> Street, with Interstate 5 to the east of the site and Bay Marina Drive to its South. The parcel of land is 1.27 acres and is currently zoned as Medium Manufacturing (MM). The property is located in the Coastal Zone and is subject to the requirements of the California Coastal Act as implemented by the City's Local Coastal Program ("LCP").

The site was included in the Port of San Diego Balanced Plan environmental review process and will be subject to an amendment to the City's LCP and General Plan.

The Surplus Lands Act requires public agencies to notify affordable home developers and a number of state agencies before the land is offered for sale to other private parties. Processing public lands through the Surplus Lands Act is highly time consuming and complex. However, if the land falls within a narrow set of exemptions, then the process is more expeditious.

Here, the property meets the criteria for a Surplus Lands Act exemption because it has an environmental deed restriction placed on all future owners of the property. The deed restriction

was a result of a hazardous waste closure investigation in 2009. The site was a former burn dump where industrial and municipal wastes were dumped and then buried in the early part of the 1900's. The deed restriction was imposed on the property by the County of San Diego and prohibits residential uses on the property.

#### Analysis:

The Surplus Lands Act (CA Gov. Code Section 54230) was amended in 2019 and became effective on Jan. 1, 2020. In April 2021 the California Housing and Community Development ("HCD") issued Surplus Lands Guidelines. The intent of the Surplus Lands Act is to increase affordable home opportunities when governmental agencies surplus their lands. The Surplus Lands Act mandates that agencies first offer their properties to affordable home developers or housing agencies prior to it being offered to other parties. To complete this, the process can exceed nine months or longer. However, the Surplus Lands Act contains a group of narrowly tailored exemptions that allow agencies to sell or lease their properties without having to undergo the complex noticing, negotiating, and reporting requirements of non-exempt properties.

Under the Surplus Lands Act Guidelines Section 103(b)(3)(G) concerns validly restricted land that was subject to a valid legal restriction not imposed by the City itself that would make housing prohibited.

Here, the subject property qualifies for one of the Surplus Lands Act exemptions because it once served as a municipal waste dump that was closed by the State and the County, as part of that closure process, mandated that a deed restriction be placed on the property prohibiting all residential uses.

In order for the City to avail itself of this exemption it must declare the property to be exempt at a public hearing and adopt a resolution that supports the Council's findings that the property has been properly exempted.

This staff report and the resolution will then be transmitted to HCD for their review upon Council's approval. Prior to this action, HCD was provided a copy of the deed restriction in an effort to seek their early guidance. HCD recently provided the City with their concurrence that the property is subject to a valid residential restriction that was imposed by another agency.

#### Zoning and the Balanced Plan

As noted above, this property was included in the Balanced Plan and was evaluated in the recently certified Environmental Impact Report by the Port of San Diego. There, the City proposed to change the current zoning from "Medium Manufacturing" to "Tourist Commercial." This rezoning effort will be formalized in a Local Coast Program Amendment which will allow the property to be developed for hotel and similar visitor serving uses.

#### Summary/Action

The subject property is subject to a valid residential restriction that was imposed by the County of San Diego. In order to allow the property to be developed for hotel and similar visitor serving uses, as encouraged by the City's Strategic Plan (Economic Development), the City Council must

determine that the subject property, APN 559-118-02, is “Exempt Surplus Lands” under the Surplus Lands Act Guidelines Section 103(b)(3)(G) and is no longer needed for City uses and adopt a resolution and its Findings as required by the Surplus Lands Act.

**FINANCIAL STATEMENT:**

Not Applicable

**RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:**

Balanced Budget and Economic Development

**ENVIRONMENTAL REVIEW:**

This is not a project under CEQA and is therefore not subject to environmental review.CCR15378; PRC 21065.

**PUBLIC NOTIFICATION:**

Agenda Report posted within 72 hours of meeting date and time in accordance with Brown Act.

**ORDINANCE:**

Not Applicable

**EXHIBIT:**

Exhibit A - Resolution