



City of Huntington Beach

File #: 22-470

MEETING DATE: 6/21/2022

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Sean Joyce, Interim City Manager

VIA: Ursula Luna-Reynosa, Director of Community Development

PREPARED BY: Steve Holtz, Deputy Director of Community Development

Subject:

Approve and authorize execution of an Agreement for Sale of Surplus Real Property by and between the City of Huntington Beach and Bonanni Development Company for the sale of City-owned property located near Holly Lane and Main Street (APN 159-281-04)

Statement of Issue:

On May 5, 2022, the City Council declared a 2,846 square foot City-owned parcel located near Holly Lane and Main Street (APN 159-281-04) (the "Property") to be "excess surplus land" pursuant to the California Surplus Land Act (Government Code 54221(f)(1)(B)). The City Council is now asked to consider selling the Property to the adjacent property owner, Bonanni Development Company (the "Buyer").

Financial Impact:

The appraised fair market value of the property is \$16,875. If the sale of this property is approved and the transaction closes escrow, this revenue will be deposited to the General Fund.

Recommended Action:

Authorize the Mayor and City Clerk to execute an "Agreement for Sale of Surplus Real Property by and Between the City of Huntington Beach and Bonanni Development Company IV" (the "Agreement") and all other related documents to convey ownership of the Property to the Buyer.

Alternative Action(s):

Do not approve the recommended action.

Analysis:

The Property is of varying width between approximately 10 feet and 14 feet and is approximately 280 feet long for a total area of approximately 2,846 square feet. The parcel is bounded by private property to the north and south. See Attachment 1 for a site map.

The Property was acquired by the City in 1964 to allow Standard Oil Company to lay an oil pipeline and is encumbered with a utility easement to the benefit of Standard Oil or its successors. The Buyer owns both adjacent parcels, has assembled the surrounding land for a development project, and has expressed interest in purchasing the Property from the City. An appraisal dated March 4, 2022 established the fair market value of the Property at \$16,875, and this is the price the adjacent owner has offered the City for the property.

On May 5, 2022, the City Council declared the property to be “exempt surplus land,” pursuant to the California Surplus Land Act, and received a letter from the State Department of Housing and Community Development (“HCD”) dated May 11, 2022 (attached) agreeing with the City’s determination. The exemption specifically enables the City Council to sell the Property to an adjacent owner of contiguous land. The City has no use for the Property, and the Buyer is interested in purchasing the Property; therefore, staff recommends approval of the sale at fair market value.

Environmental Status

The City Council will hold a public hearing at their regular meeting of June 21, 2022 to consider a General Plan Amendment (GPA), Zoning Text Amendment (ZTA), Tentative Tract Map (TTA), and Conditional Use Permit (CUP) to allow for the development of thirty-five (35) residential dwelling units (the “Proposed Project”). Multiple parcels, including the Property, (collectively, the “Site”) are subject to the proposed land use changes. The Site is located within the Holly-Seacliff Specific Plan.

Pursuant to the California Environmental Quality Act (CEQA) the City certified Program EIR No. 89-001 for the Holly-Seacliff Specific Plan in 1990, which evaluated environmental impacts associated with development approved as part of the Holly-Seacliff Specific Plan. The Holly-Seacliff Specific Plan identified the Site as a Commercial (C) land use and the Holly-Seacliff Specific Plan EIR evaluated environmental impacts associated with up to 117,612 square feet of commercial uses on the Site. The Holly-Seacliff Specific Plan EIR provides the environmental setting and analysis to serve as the first-tier CEQA document for the Proposed Project.

Although the Holly-Seacliff Specific Plan considered the impacts of commercial development on the Site, a residential use (such as the Proposed Project) would result in a less intense project than what was evaluated under the Holly-Seacliff Specific Plan EIR, and therefore would not result in new significant impacts or an increase in the severity of a previously identified impact in the Holly-Seacliff Specific Plan EIR. The Proposed Project will be required to comply with City standards and existing mitigation measures outlined in the Holly-Seacliff Specific Plan EIR. An addendum to the EIR was prepared that covers the discretionary approvals and permits necessary for implementation of the Proposed Project, including the disposition of the Property to the Buyer, along with the requisite mitigation measures and concludes that the Proposed Project would not result in an action that requires further evaluation pursuant to CEQA.

Strategic Plan Goal:

Economic Development & Housing

Attachment(s):

1. Site map

2. Appraisal Report
3. May 11, 2022 Letter from HCD
4. Agreement for Sale of Surplus Real Property by and between the City of Huntington Beach and Bonanni Development Company