



MEMORANDUM

TO: PLANNING COMMISSION

FROM: TERESA MCCLISH, DIRECTOR OF COMMUNITY DEVELOPMENT

BY: ^{MS} MATTHEW DOWNING, ASSISTANT PLANNER

SUBJECT: CONSIDERATION OF GENERAL PLAN CONFORMITY FOR THE DISPOSITION OF REAL PROPERTY LOCATED ON FAEH AVENUE AND PEARWOOD AVENUE

DATE: JULY 7, 2015

RECOMMENDATION:

It is recommended the Planning Commission adopt a Resolution finding that the disposition of real property located on Faeh Avenue and real property located on Pearwood Avenue is consistent with the General Plan.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

Revenue from the sale of the Faeh Avenue property will be paid to the property taxing agencies. As one of the agencies, the City will receive a portion of the revenue, which has been included in the FY 2014-15 Annual Budget revenue estimates. Revenue from the Pearwood Avenue property is intended to be used for an affordable housing project in the City by the Housing Authority of the City of San Luis Obispo. There will be measurable staff time required by the City Manager and Director of Community Development in order to execute the sale of the properties.

BACKGROUND:

Faeh Avenue Property

The former Redevelopment Agency acquired a vacant parcel at Faeh Avenue and El Camino Real in 2006 to facilitate development of a hotel or mixed use project with affordable housing. With the dissolution of Redevelopment Agencies in 2012, the City Council became the Successor Agency to the dissolved Redevelopment Agency. On April 26, 2013, the Successor Agency received a "Finding of Completion" from the State Department of Finance ("DOF"). On February 7, 2014, the Successor Agency received approval of the Long-Range Property Management Plan, which outlines the process for disposal of properties formerly owned by the Redevelopment Agency. The only property involved is the Faeh Avenue Property.

On September 23, 2014, the Successor Agency approved preliminary steps to begin selling the property, beginning with adopting a Resolution to transfer the property to a

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Community Redevelopment Property Trust Fund, established pursuant to State regulations. In addition, an appraisal has been completed and a Request for Proposals (RFP) has been distributed and responses have been received from real estate agents.

Pearwood Avenue Property

On September 22, 2009 the City Council adopted a General Plan Amendment and introduced an Ordinance rezoning the Pearwood property. A Resolution was adopted and Ordinance introduced and adopted for the Pearwood annexation at the October 13 and 27, 2009 hearings. The property was subsequently approved for annexation by the Local Agency Formation Commission in 2010. The Planning Commission approved a Tentative Tract Map in June 2010 that subdivided the 7.16-acre parcel into four (4) residential lots and one (1) open space lot for drainage.

The Pearwood property is deemed a housing asset that is owned by the City and does not fall under the jurisdiction of the Successor Agency to the Dissolved Redevelopment Agency. The property is subject to the Surplus Land Act and, as such, will require offering the property for sale or lease for affordable housing and park/recreational/open space purposes in accordance with Government Code 54221. Proceeds from any sale are intended to be used for an affordable housing project in the City by the Housing Authority of the City of San Luis Obispo. It is not governed by the Long Range Property Management Plan and no additional Successor Agency, Oversight Board, or DOF approvals are necessary for the City to sell or develop the property.

On April 7, 2015, the Planning Commission appointed Commissioner Martin to participate on a selection committee for the realtor.

ANALYSIS OF ISSUES:

Pursuant to Government Code § 65402, prior to disposing of surplus property, a local agency is required to submit the matter to the Planning Commission for a determination of whether the proposed sale is in conformity with the City's General Plan. For the Faeh Avenue Property, the next steps for disposal of this property include the selection of an agent and listing the property for sale. The Successor Agency will need to select an agent conditioned on both Oversight Board approval and DOF approval. The "net sales proceeds" will be transferred to the County Auditor-Controller and then distributed to the taxing agencies. Sale of the Faeh property will allow infill commercial or hotel development in the Highway Mixed-Use zoning district, which is consistent with the General Plan Land use and Economic Elements.

For the Pearwood Avenue Property, the 2009 General Plan amendment and Ordinance approving the annexation and zoning amendment were found to be consistent with the General Plan in that it the Pearwood property was underutilized land that as re-designated and rezoned could result in infill housing. Sale of the Pearwood property will allow single family homes to be constructed immediately adjacent to an existing residential neighborhood with consistent development standards. Additionally,

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the sale of property is consistent with General Plan Land Use Policy LU2, which states "Accommodate a broad range of Single Family Residential housing densities within the City" and sub-policy LU2-4, which states "Accommodate the development of urban single-family residential units in areas designated as Single-Family Residential – Medium Density".

ALTERNATIVES:

The following alternatives are presented for the Commission's consideration:

- Adopt the proposed Resolution finding that the disposition of real property located on Faeh and Pearwood Avenues is consistent with the General Plan;
- Do not adopt the Resolution finding that the disposition of real property located on Faeh and Pearwood Avenues is consistent with the General Plan; or
- Provide direction to staff.

ADVANTAGES:

The finding of conformity will allow the sale of the City owned property to proceed.

DISADVANTAGES:

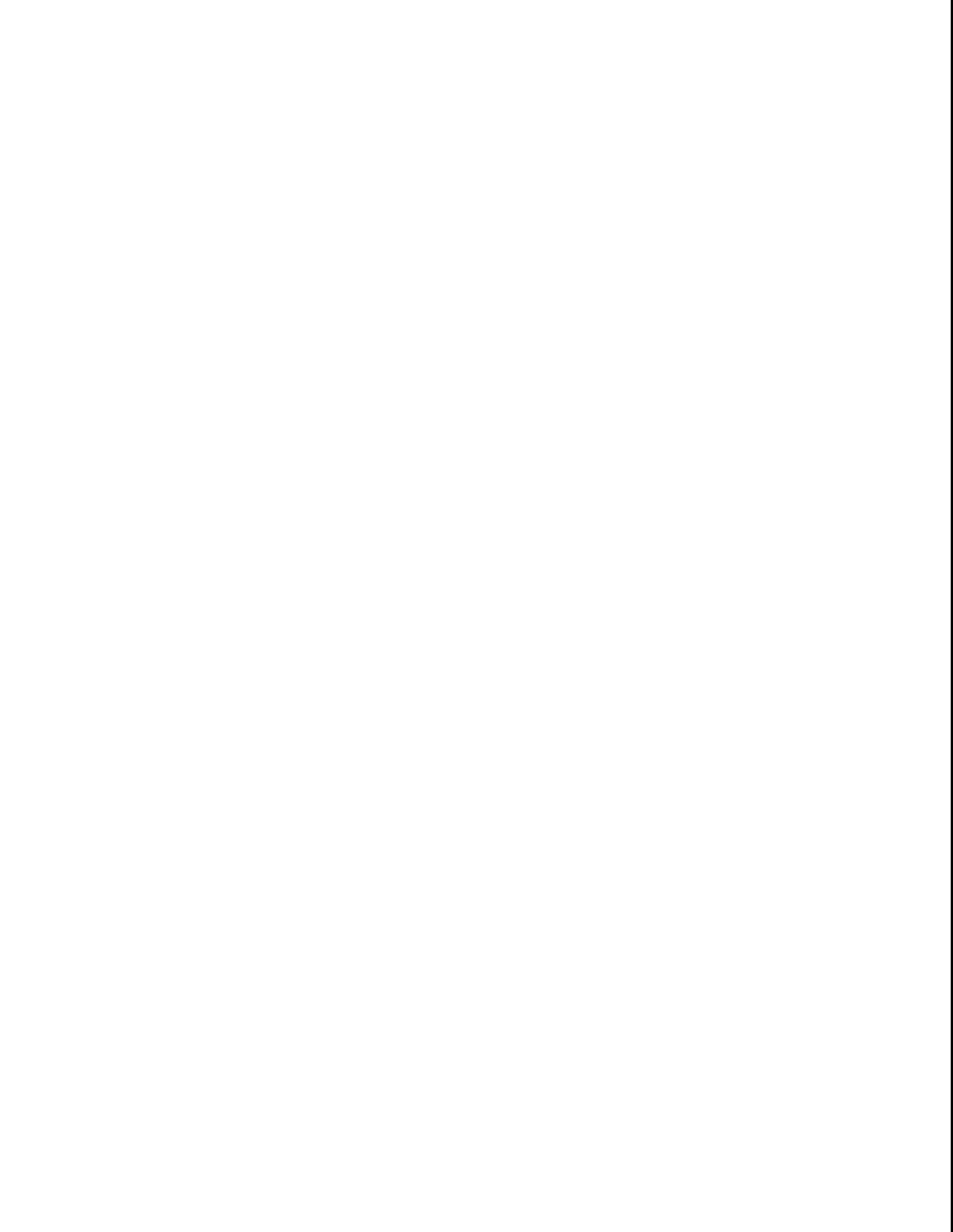
No disadvantages have been identified.

ENVIRONMENTAL REVIEW:

Staff has reviewed the disposition of properties and determined that the disposition is categorically exempt per section 15312 of the CEQA Guidelines regarding surplus government property sales.

PUBLIC NOTICE AND COMMENT:

The agenda was posted in front of City Hall and on the City's website on Thursday, July 2, 2015.



RESOLUTION NO.

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF ARROYO GRANDE FINDING THAT THE DISPOSITION OF REAL PROPERTY LOCATED ON FAEH AVENUE AND REAL PROPERTY LOCATED ON PEARWOOD AVENUE (TRACT 3017) IS CONSISTENT WITH THE GENERAL PLAN

WHEREAS, on October 13, 2009 the City Council adopted a Resolution and introduced an Ordinance for the Pearwood annexation that was adopted on October 27, 2015; and

WHEREAS, on June 1, 2010, the Planning Commission approved Vesting Tentative Tract Map 3017 and Planned Unit Development 09-002 for the subdivision and cluster development of the newly annexed property; and

WHEREAS, the City desires to sell the Pearwood property, the proceeds of which will be used for an affordable housing project in the City by the Housing Authority of the City of San Luis Obispo; and

WHEREAS, on July 25, 2006, the City Council approved a financing agreement between the City and former Redevelopment agency for the purchase of vacant property on Faeh Avenue and El Camino Real to facilitate a hotel or other project; and

WHEREAS, due to the State's dissolution of Redevelopment Agencies, the Successor Agency is required to dispose of former Redevelopment Agency property; and

WHEREAS, the Successor Agency desires to sell the Faeh property and distribute the proceeds to the property taxing entities; and

WHEREAS, the Planning Commission had previously adopted a Mitigated Negative Declaration and filed a Notice of Determination for the Pearwood subdivision, in compliance with the California Environmental Quality Act (CEQA) the State CEQA Guidelines, and the Arroyo Grande Rules and Procedures for Implementation of CEQA; and

WHEREAS, the Planning Commission has reviewed the disposition of the Faeh Avenue property in compliance with CEQA, the State CEQA Guidelines, and the Arroyo Grande Rules and Procedures for Implementation of CEQA and has determined that the project is exempt per Section 15312 of the CEQA Guidelines regarding surplus government property sales.

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission of the City of Arroyo Grande hereby finds that the disposition of the real property located on Faeh Avenue and the real property located on Pearwood Avenue is consistent with the City's General Plan.

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On motion by Commissioner _____, seconded by Commissioner _____, and by the following roll call vote, to wit:

**AYES:
NOES:
ABSENT:
ABSTAIN:**

the foregoing Resolution was adopted this 7th day of July 2015.

ATTEST:

**DEBBIE WEICHINGER,
SECRETARY TO THE COMMISSION**

LAN GEORGE, CHAIR

AS TO CONTENT:

**TERESA McCLISH,
COMMUNITY DEVELOPMENT DIRECTOR**