



# County of San Mateo

## Inter-Departmental Correspondence

---

**Department:** HOUSING

**File #:** 23-676

Board Meeting Date: 8/1/2023

---

**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors  
**From:** Raymond Hodges, Director, Department of Housing  
**Subject:** Resolution Finding the Real Property Located at 1266 Beech Street to be Exempt Surplus Lands to be Disposed of Pursuant to Government Code Section 37364

**RECOMMENDATION:**

Adopt a resolution finding the real property located at 1266 Beech Street, East Palo Alto, to be exempt surplus lands to be disposed of pursuant to Government Code Section 37364.

**BACKGROUND:**

In 1972, the Redevelopment Agency of San Mateo County acquired a 1.85-acre property located at 1266 Beech Street, in East Palo Alto (San Mateo County Assessor's Parcel Number 063-600-060) ("County Property"). The County Property is a vacant lot situated at the terminus of Beech Street, and it is located within an existing single-family residential neighborhood. The County Property abuts Martin Luther King Jr. Park ("MLK Park"), a City of East Palo Alto public park, at its southern property line. The County Property has a zoning designation of "Parks and Recreation" (PR), which allows for public recreational uses, such as the adjoining park. The County Property has been vacant since it was acquired by the County.

The City of East Palo Alto ("City") is the property owner of 2277 University Avenue, an approximately 0.36-acre parcel in East Palo Alto (San Mateo County Assessor's Parcel Number 063-302-460) ("City Property"). The City Property has a zoning designation of "Mixed Use Corridor" (MUC), which allows mixed use structures and developments with different uses such as office, retail, service, residential, including medium and high-density residential, and other compatible uses. The City Property is surrounded by single-family residential, multi-family residential, a park, a fire station, retail, and other uses. A one-story house is situated on the City Property and is currently occupied by the David E. Lewis Community Reentry Center ("Reentry Center"), a facility that assists residents returning home from prison or jail with reintegration back into the community by providing housing, job training and placement, and substance abuse treatment. The Reentry Center has been in operation since 2007 and is financially supported by the County.

The City has expressed to the County that it is interested in acquiring the County Property in order to expand MLK Park. In addition, County is interested in acquiring the City Property because it could

ground lease the City Property to an affordable housing developer to build and operate affordable housing. The County Property is located in a low-density residential district in a location that is not in close proximity to transit and services. The City Property is located on a high-activity arterial road that has access to transit and a variety of neighborhood services, making the City Property ideally located for affordable housing purposes. In addition, the City Property's zoning supports medium and high density residential, and the City has expressed support of the County's desire to acquire the site for the purpose of developing high-density affordable housing.

On April 19, 2022, your Board authorized the County to enter into a Memorandum of Understanding ("MOU") with the City (collectively, the "Parties") in order to facilitate the exploration a potential exchange of the City Property and County Property ("Property Exchange"). The MOU establishes that Parties will conduct due diligence tasks to determine if a Property Exchange is mutually desirable and feasible. Identifying relocation needs for the Reentry Center is one of the due diligence tasks included in the MOU.

#### **DISCUSSION:**

The Surplus Land Act is a statute that local agencies must follow when disposing of surplus land. The Surplus Land Act requires local agencies across California to follow certain public notification and wait periods prior to disposing of publicly-owned land determined to be surplus or not necessary for local agency operations. One purpose of the Surplus Land Act is to give potential housing developers priority access to surplus land for development of new housing. The Surplus Land Act also allows local agencies to declare land exempt from the Surplus Land Act disposition requirements when certain criteria are met.

The Properties qualify as exempt surplus land pursuant to Government Code Section 54221(f)(1)(C) which provides that land that a public agency is exchanging for another property necessary for agency use is exempt surplus land and Government Code Section 54221(f)(1)(D) which provides that property that a public agency is transferring to another local, state, or federal agency for agency use is exempt surplus land.

#### **FISCAL IMPACT:**

There is no fiscal impact associated to this resolution.