



CITY OF COMMERCE AGENDA REPORT

Item No. _____

TO: Honorable City Council

FROM: City Manager

SUBJECT: Declaration of Certain Real Properties known as 5440 Telegraph Rd., Commerce, CA 90040 (Assessor's Parcel Numbers ("APNs"): 6336-023-910, 6336-023-911, 6336-023-912, 6336-023-915, 6336-023-916, 6336-023-920, 6336-023-921, and 6336-023-922) as Surplus Land.

MEETING DATE: July 28, 2026

RECOMMENDATION:

That the City Council consider:

1. Adopting a Resolution declaring certain real property known as 5440 Telegraph Rd., Commerce, CA 90040 (APNs: 6336-023-910, 6336-023-911, 6336-023-912, 6336-023-915, 6336-023-916, 6336-023-920, 6336-023-921, and 6336-023-922) ("Properties") as Surplus Land in accordance with the Surplus Land Act;
2. Authorizing staff to proceed with issuing a notice of availability of the Surplus Land in the City of Commerce, California;
3. Authorizing the City Manager, or designee, to take all necessary actions to carry out the intent of this Resolution and ensure compliance with the Surplus Land Act; and
4. Taking any additional related action as deemed necessary.

BACKGROUND:

The City of Commerce ("City") currently own properties within City boundaries known as 5440 Telegraph Rd, Commerce, CA 90040 (APNs: 6336-023-910, 6336-023-911, 6336-023-912, 6336-023-915, 6336-023-916, 6336-023-920, 6336-023-921, and 6336-023-922) ("Properties"), as visually depicted under the Vicinity Maps (Attachment A). The Properties are composed of eight (8) parcels at one site with the following details:

Site	Address	APN	Square Footage (Land)	Zoning
1	5440 Telegraph Rd, Commerce, CA 90040	6336023912	6,098	C2
1	5440 Telegraph Rd, Commerce, CA 90040	6336023921	5,227	C2
1	5440 Telegraph Rd, Commerce, CA 90040	6336023922	3,484	C2
1	5440 Telegraph Rd, Commerce, CA 90040	6336023915	2,613	C2
1	5440 Telegraph Rd, Commerce, CA 90040	6336023916	5,227	C2
1	5440 Telegraph Rd, Commerce, CA 90040	6336023920	20,908	C2
1	5440 Telegraph Rd, Commerce, CA 90040	6336023911	3,484	C2
1	5440 Telegraph Rd, Commerce, CA 90040	6336023910	9,583	C2
TOTAL SF			56,624	
TOTAL AC			1.30	

The City has considered the Properties and has determined they are not necessary for the City's use. Prior to disposing of the Properties, the City must follow procedures established by the Surplus Land Act and declare the Properties as Surplus Land via City Council vote.

Below is the process and steps for surplus parcels that fall under the Surplus Land Act that are no longer needed for the City of Commerce.

1. **Declare Property as "Non-Exempt Surplus Land."** Requires the City to do the following before it can participate in negotiations to "dispose of" City property:
 - a. Formally declare property to be "non-exempt surplus land" or "exempt surplus land".
2. **Issue Notice of Availability.** Send a "Notice of Availability" to all the following individuals or entities offering the property for affordable housing, open space, school or school open space purposes:
 - a. For affordable housing purposes, the notice must be directed to local public entities within whose jurisdiction surplus land is located, including tribal organizations, the California Housing and Community Development Department ("HCD"), and any "housing sponsors" identified by HCD;
 - b. For open space purposes, the notice must be directed to city and county park and recreation departments, regional park authorities, and the State Resources Agency with jurisdiction over the Properties;
 - c. For school or school open space purposes, the notice must be directed to the school district in the jurisdiction; and
 - d. The Notice of Availability must provide each entity at least 60 days to respond with a written notice of interest.
3. **Review Notice of Interests/Good Faith Negotiation.** City is required to enter into "good faith negotiations" with any party expressing interest in the Properties for at least 90 days.
 - a. Prior to finalizing any real property transaction under these provisions, the City shall report the conclusion of any negotiations to HCD and give HCD at least 30 days to review and determine if the City properly complied with the law. If a violation is found by HCD, the City will have 60 days to respond. If HCD disagrees with the City's response, then it may issue a Notice of Violation to the City that shall subject City of Commerce to a penalty equaling 30% (first violation) or 50% (subsequent violations) of the final sale price for the land.

ANALYSIS:

The City of Commerce owns eight (8) parcels at 5440 Telegraph Rd, Commerce, CA 90040 totaling approximately 56,624 square feet (1.30 acres) of land. The Properties are zoned Commercial ("C-2") and are located along Telegraph Road and face the I-5 Freeway. Staff evaluated the Properties and determined that they are not necessary for the City's current or foreseeable municipal operations, nor are they required to fulfill any identified governmental purpose.

In accordance with the Surplus Land Act (Government Code Section 54220 et seq.), the City must formally declare the Properties as "non-exempt surplus land" prior to initiating any disposition process. Declaring the Properties as surplus is consistent with the City's civic responsibility to ensure that publicly owned land is fully utilized in a manner that serves the broader public interest. Retaining underutilized or vacant parcels without a defined municipal purpose does not advance the City's operational needs or community priorities. By declaring the Properties as surplus land and initiating the Notice of Availability process, the City will invite interest from qualified entities, including affordable housing developers, public agencies, and private developers, in compliance with State law. This process ensures transparency, compliance, and alignment with State housing priorities, while preserving the City's ability to evaluate development proposals that best serve the community.

Declaring these Properties as non-exempt surplus land will enable the City to facilitate reinvestment and redevelopment opportunities that support key municipal objectives, including the creation of housing, expansion of the local tax base, and improvement of neighborhood aesthetics. Development of these currently underutilized sites has the potential to eliminate blight, beautify City streets, and enhance surrounding neighborhoods. Additionally, redevelopment may generate ongoing property tax and sales tax revenues, strengthen economic vitality, and support broader City goals related to housing production and community development. For these reasons, staff recommends that the City Council declare the identified Properties as non-exempt surplus land and authorize staff to proceed with the Surplus Land Act process to promote productive reuse and maximize community benefit.

ENVIRONMENTAL ASSESSMENT:

The City reviewed the environmental impacts of the proposed action pursuant to the California Environmental Quality Act ("CEQA") and the CEQA Guidelines. CEQA Guidelines §§ 15060(c)(2), 15061(b)(3), 15378, and 15308 exempt activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment, activities where there is possibility that it may have a significant effect on the environment, activities that do not constitute a "project" as defined, and actions to protect the environment, respectively. This activity is to initiate the Surplus Land Act process and is considered an administrative action that will not cause immediate environmental impacts. Any subsequent construction or development will be evaluated separately under the CEQA Guidelines. Accordingly, this action is exempt from further review.

ALTERNATIVES:

1. Approve staff recommendation
2. Disapprove of staff recommendation
3. Provide further directions for staff

FISCAL IMPACT:

There is no immediate fiscal impact associated with the declaration of the subject properties as surplus land. Existing staff and consultant resources are being utilized to complete the Surplus Land Act process and can be accommodated within the current budgeted appropriations.

Upon completion of the Surplus Land Act process, and subject to the City Council direction and market conditions, the City may realize future revenues from the disposition and development of the properties. These revenues could include proceeds from the sale of the properties, permitting and development-related fees, and ongoing property and sales tax revenues.

Any future fiscal impacts associated with the disposition or development of the properties will be evaluated and presented to the City Council as part of subsequent agreements and approval processes.

RELATIONSHIP TO STRATEGIC GOALS:

This item relates to the 2016 Strategic Action Plan's goal of: Economic growth - Guiding Principle 3 to "Support a long-range planning vision through the City's General Plan, zoning ordinance, and related land use planning documents that incorporate community and stakeholder input and provide a compass for strategic economic growth, infrastructure investments and city fiscal planning."

Recommended by:	Jessica Serrano, Director of Community Development
Reviewed by:	Alvaro Castellon, Director of Finance
Approved as to form:	Noel Tapia, City Attorney
Respectfully submitted:	Ernie Hernandez, City Manager

Attachment:

1. Vicinity Maps
2. Resolution

Attachment A: Vicinity Map

Site	Address	APN	Square Footage (Land)	Zoning
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