



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

FROM: City Manager

SUBJECT: Declaration of Certain Real Property known as 2143 S. Atlantic Boulevard (Assessor's Parcel Number "APN": 5244-014-905; "Property") as Exempt Surplus Land

MEETING DATE: July 14, 2026

RECOMMENDATION:

That the City Council consider adopting a Resolution declaring certain real property known as 2143 S. Atlantic Boulevard, Commerce, CA 90040 (APN: 5244-014-905) as Exempt Surplus Land pursuant to Government Code Section 54221(f)(1)(B); making written findings that the Property is not necessary for the City's use, is less than one-half acre in area, and is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes; and authorizing City staff to complete all applicable Surplus Land Act compliance steps, including submittal of the Resolution, written findings, and any required supporting documentation to the California Department of Housing and Community Development ("HCD") at least 30 days before any final disposition of the Property.

BACKGROUND:

The City of Commerce ("City") currently owns property within City boundaries at 2143 S. Atlantic Boulevard (APN: 5244-014-905), as visually depicted under the Vicinity Map (Attachment A). The Property is composed of one (1) parcel:

Address	APN	Square Footage (Land)	Zoning	Overlay	Ownership
2143 S. Atlantic Boulevard, Commerce, CA 90040	5244-014-905	7,884	C/M-1	MU	Commerce City
TOTAL SF		7,884			
TOTAL AC		0.18			

The City has evaluated the Property and determined that it is not necessary for the City's current or foreseeable municipal operations, nor required to fulfill any identified governmental purpose. Prior to disposition, the Surplus Land Act requires the City to formally declare City-owned land as either surplus land or exempt surplus land, supported by written findings.

Staff has reviewed the Property under the Surplus Land Act and determined that it qualifies as "exempt surplus land" under Government Code Section 54221(f)(1)(B). The Property is a small parcel totaling approximately 7,884 square feet, or 0.18 acres, which is less than one-half acre. Staff has also not identified any contiguous land owned by a state or local agency that is used for open-space purposes or low- and moderate-income housing purposes.

Because the Property qualifies as exempt surplus land, the City is not required to complete the standard non-exempt surplus land process, including issuance of a Notice of Availability, the 60-day response period, or the 90-day good faith negotiation period. However, the exemption must still be supported by written findings, the Property must be declared exempt surplus land by City Council action at a regular public meeting, and staff will complete the required HCD submittal and any remaining applicable Surplus Land Act compliance steps prior to any final disposition. This action does not approve a sale, lease, development proposal, demolition, construction, or other final disposition of the Property.

ANALYSIS:

The City of Commerce currently owns one (1) parcel totaling approximately 7,884 square feet (0.18 acres) of land located at 2143 S. Atlantic Boulevard, Commerce, CA 90040 (APN: 5244-014-905). The Property is zoned Commercial Manufacturing (C/M-1) with a Mixed-Use (MU) overlay. Staff has evaluated the Property and determined that it is not necessary for the City's current or foreseeable municipal operations.

BASIS FOR EXEMPT SURPLUS LAND DETERMINATION:

Government Code Section 54221(f)(1)(B) allows certain small parcels to be declared "exempt surplus land." To support this exemption, the City Council must make written findings that the Property satisfies the applicable exemption criteria.

The Property qualifies for the small parcel exemption because:

- The Property is approximately 7,884 square feet, or 0.18 acres, which is less than one-half acre (21,780 square feet).
- Staff has not identified any contiguous land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes.
- The Property is not necessary for the City's current or foreseeable agency use.

Based on these findings, the Property qualifies as exempt surplus land pursuant to Government Code Section 54221(f)(1)(B). The exemption supports a more efficient path forward while maintaining transparency and compliance with the Surplus Land Act.

SURPLUS LAND ACT COMPLIANCE STEPS:

Staff has reviewed the applicable Surplus Land Act requirements and determined that the Property may proceed under the exempt surplus land process. The City has completed, or through the recommended City Council action will complete, the following steps:

1. Confirmed that the Property is City-owned land located at 2143 S. Atlantic Boulevard, Commerce, CA 90040, APN 5244-014-905.
2. Evaluated the Property for agency use and determined that it is not necessary for the City's current or foreseeable municipal operations and is not required for any identified governmental purpose.
3. Confirmed that the Property is approximately 7,884 square feet, or 0.18 acres, which is less than one-half acre and below the 21,780-square-foot threshold for the small surplus land parcel exemption.
4. Reviewed surrounding property information and confirmed that staff has not identified any contiguous land owned by a state or local agency that is used for open-space purposes or low- and moderate-income housing purposes.
5. Prepared written findings and a Resolution for City Council consideration at a regular public meeting declaring the Property exempt surplus land pursuant to Government Code Section 54221(f)(1)(B).
6. Following City Council action, staff will submit the Resolution, written findings, and any required supporting documentation to HCD at least 30 days before any final disposition of the Property. Staff will also coordinate any necessary follow-up with HCD and complete any remaining applicable Surplus Land Act requirements prior to final disposition.

This approach documents the City's legal basis for the exemption, maintains transparency, preserves City Council oversight, and positions the City to move forward in compliance with the Surplus Land Act.

WRITTEN FINDINGS SUPPORTING DECLARATION OF EXEMPT SURPLUS LAND:

Pursuant to the Surplus Land Act, including Government Code Section 54221(f)(1)(B), and HCD's Updated Surplus Land Act Guidelines, the City Council's declaration of exempt surplus land must be supported by written findings. HCD identifies small surplus land parcels as exempt when the land is less than one-half acre in area, or 21,780 square feet, and is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes.

The City Council may make the following findings:

1. Is the Property owned by the City and subject to the Surplus Land Act?

Finding: Yes. The Property is owned by the City of Commerce and is located at 2143 S. Atlantic Boulevard, Commerce, CA 90040, APN 5244-014-905. The Property consists of one parcel totaling approximately 7,884 square feet, or 0.18 acres, and is zoned Commercial Manufacturing (C/M-1) with a Mixed-Use (MU) overlay.

2. Is the Property necessary for the City's use?

Finding: No. Staff has evaluated the Property and determined that it is not necessary for the City's current or foreseeable municipal operations and is not required to fulfill any identified governmental purpose. Therefore, the Property may be declared exempt surplus land in accordance with the Surplus Land Act.

3. What exemption applies to the Property?

Finding: The Property qualifies as exempt surplus land under the small surplus land parcel exemption, Government Code Section 54221(f)(1)(B), because the Property is less than one-half acre in area. The Property is approximately 7,884 square feet, or 0.18 acres, which is below the one-half acre / 21,780-square-foot threshold identified in the HCD Guidelines.

4. Is the Property contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes?

Finding: No. Based on staff's review of City records, the vicinity map, and surrounding property information, the Property is not contiguous to land owned by a state or local agency that is used for open-space purposes or for low- and moderate-income housing purposes. Therefore, the Property satisfies the non-contiguity requirement for the small surplus land parcel exemption.

5. Has the City followed, or will it complete, the applicable Surplus Land Act procedural steps for exempt surplus land?

Finding: Yes. The City Council is considering the declaration of the Property as exempt surplus land at a regular public meeting, and the staff report and Resolution include written findings supporting the exemption. Following City Council action, staff will submit the Resolution, written findings, and any required supporting documentation to HCD at least 30 days before any final disposition of the Property. Staff will also complete any remaining applicable Surplus Land Act requirements prior to final disposition.

Conclusion Finding: Based on the foregoing findings, the City Council finds and declares that the Property located at 2143 S. Atlantic Boulevard, Commerce, CA 90040, APN 5244-014-905, qualifies as exempt surplus land under the Surplus Land Act because it is a small surplus land parcel that is less than one-half acre in area and is not contiguous to state or local agency land used for open-space or low- and moderate-income housing purposes.

Declaring the Property as exempt surplus land will allow the City to proceed in a transparent and legally compliant manner while preserving future flexibility for the disposition or reuse of the City-owned parcel. Any future disposition or development proposal will be evaluated separately and brought forward for City Council consideration, as required.

ENVIRONMENTAL ASSESSMENT:

The declaration of the Property as Exempt Surplus Land is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3) (the "Common Sense Exemption"), in that it can be seen with certainty that there is no possibility the approval will have a significant effect on the environment. The action also does not constitute a project under CEQA Guidelines Section 15378(a) and is further exempt under CEQA Guidelines Section 15378(b)(5) because it is an administrative action that will not result in direct or indirect physical changes in the environment. Any future disposition or development proposal will be reviewed for CEQA compliance at the appropriate time.

ALTERNATIVES:

- Approve staff recommendation.
- Disapprove of staff recommendation.
- Provide further directions for staff.

FISCAL IMPACT:

There is no immediate fiscal impact associated with the declaration of the Property as exempt surplus land. Existing staff and consultant resources are being utilized to complete this process and can be accommodated within current budgeted appropriations. Any future fiscal impacts associated with the disposition or reuse of the Property will be evaluated and presented to the City Council as part of any subsequent agreement or approval process.

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

ATTACHMENTS:

1. Vicinity Map
2. Resolution

Attachment A: Vicinity Map

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