

**CITY OF TEMECULA  
AGENDA REPORT**

**TO:** City Manager/City Council

**FROM:** Matt Peters, Director of Community Development

**DATE:** July 14, 2026

**SUBJECT:** Adopt Resolution Declaring Certain Real Property Located at 44987 Old Town Front Street (APN 922-210-057) as Surplus Land Pursuant to Government Code Section 54221

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**PREPARED BY:** Haide Urias, Housing and Real Estate Analyst

**RECOMMENDATION:** That the City Council adopt a resolution entitled:

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMECULA, CALIFORNIA DECLARING PURSUANT TO GOVERNMENT CODE SECTION 54221 CERTAIN REAL PROPERTY OWNED BY THE CITY LOCATED AT 44987 OLD TOWN FRONT STREET IS SURPLUS LAND AND NOT NECESSARY FOR THE CITY'S USE, TAKING RELATED ACTIONS, AND FINDING THE ACTION EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO CEQA GUIDELINES SECTION 15061(b)(3)

**BACKGROUND:** The City of Temecula owns approximately 1.07 acres of real property located at 44987 Old Town Front Street, identified as Assessor's Parcel Number 922-210-057 ("Property"). The Property was formerly developed as a gasoline service station. All improvements have since been removed, and the site is currently vacant.

The City initially acquired the Property in connection with the planned construction of the Temecula Parkway Interchange Expansion Project. Following completion of the project planning and evaluation process, the Property was no longer needed for that purpose and has remained undeveloped.

The Property carries a General Plan Land Use Designation of Highway/Tourist Commercial. Permitted uses within this designation include tourist accommodations, lodging facilities, restaurants, convenience retail uses, automobile service stations, food stores, and related commercial activities.

As part of the City's ongoing review of publicly owned real property assets, staff evaluated whether the Property is currently being used or planned to be used pursuant to an adopted written plan, for City work or operations. Following this review, staff determined that the Property is not necessary for the City's use as defined by the Surplus Land Act (Government Code Sections 54220 through 54234).

Before the City may dispose of the Property through sale, lease, or other conveyance, State law requires the City Council to formally declare the Property either surplus land or exempt surplus land. Adoption of the proposed resolution satisfies this statutory requirement and initiates the Surplus Land Act process.

**DISCUSSION:** The proposed resolution does not authorize the sale, transfer, or development of the Property. It constitutes the formal finding required by State law that the Property is surplus land and not necessary for the City's use.

Once declared surplus, the City must follow the procedures established by the Surplus Land Act prior to negotiating with or disposing of the Property to any private party.

The Surplus Land Act was enacted to prioritize the development of affordable housing, parks, schools, and other public serving uses on surplus public lands. The Act requires local agencies to provide specified public entities an opportunity to acquire or lease surplus properties before they are offered on the open market.

### **Surplus Land Act Process and Timeline**

Upon adoption of the proposed resolution, staff will initiate the following statutory process:

#### **Step 1 – Notice of Availability (Within Approximately 30 Days)**

The City will prepare and transmit a Notice of Availability ("NOA") to all entities identified in Government Code Section 54222, including:

- The California Department of Housing and Community Development (HCD)
- Local public agencies
- Housing authorities
- Park and recreation districts
- School districts
- Regional Park authorities
- Nonprofit affordable housing developers meeting statutory qualifications

The NOA will describe the Property and invite eligible entities to express interest in acquiring or leasing the site for purposes identified in the Surplus Land Act.

#### **Step 2 – 60-Day Response Period**

Following issuance of the NOA, interested entities have sixty (60) days to submit a written notice of interest. If no eligible entity responds within the statutory 60-day period, the City may proceed with disposition of the Property consistent with applicable law.

### **Step 3 – Good Faith Negotiation Period (Minimum 90 Days)**

If one or more eligible entities submit a timely notice of interest, the City is required to enter into a good-faith negotiation process.

The Surplus Land Act requires a minimum ninety (90) day negotiation period before the City may pursue another disposition option.

During this period, the City and responding entity or entities will evaluate acquisition terms, proposed uses, development feasibility, purchase price, lease conditions, and other relevant considerations.

The Act does not require the City to sell or lease the Property if mutually agreeable terms cannot be reached. Rather, it requires that the City engage in good-faith negotiations for the prescribed period.

### **Step 4 – Notice to HCD Regarding Negotiation Outcome**

Following completion of the negotiation process, the City must provide documentation to HCD demonstrating compliance with the requirements of the Surplus Land Act.

Documentation generally includes:

- A copy of the NOA
- A list of entities that received notice
- Copies of responses received
- Records of negotiations conducted
- The ultimate disposition decision made by the City

### **Step 5 – HCD Review**

Before completing any disposition of the Property, the City must submit required compliance documentation to HCD.

HCD reviews the materials to determine whether the City complied with the Surplus Land Act's noticing and negotiation requirements. HCD may request additional information or clarification during its review.

Upon satisfactory completion of HCD's review, the City may proceed with disposition of the Property consistent with State law and City Council direction.

The estimated timeline assuming adoption of the resolution in mid-2026, the anticipated timeline is as follows:

- City Council Declaration of Surplus Land – July 14<sup>th</sup>
- Notice of Availability Distributed – By August 13<sup>th</sup>
- Statutory Response Period – August 13<sup>th</sup> – October 12<sup>th</sup> (60 days)
- Good Faith Negotiation Period (if required) – October 13, 2026 to January 11, 2027 (minimum 90 days)
- Submission of Compliance Package to HCD – January 2027
- HCD Review and Response – January – March 2027 (varies based on workload and complexity)
- Potential Future Disposition Consideration by City Council – Following HCD compliance review

Actual timing may vary depending on the number of responding entities, complexity of negotiations, and HCD review schedules.

Following adoption of the resolution, staff will coordinate with HCD throughout the process to ensure compliance.

Key communications with HCD will include:

1. Transmission of the NOA as required by Government Code Section 54222
2. Consultation regarding statutory requirements and compliance questions that may arise during implementation
3. Submission of documentation demonstrating compliance with the noticing and negotiation provisions of the Act
4. Receipt of HCD feedback regarding compliance before any final disposition of the Property

Maintaining communication with HCD throughout the process will help ensure the City satisfies all procedural requirements and avoids delays associated with future property disposition actions.

**ENVIRONMENTAL REVIEW:** The proposed action is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15061(b)(3), the common-sense exemption.

Adoption of the resolution declares the Property surplus for purposes of the Surplus Land Act and initiates statutory noticing procedures. No development project, entitlement, or physical change to the environment is authorized by this action. Any future development proposal or disposition of the Property will be subject to separate environmental review, as appropriate.

**FISCAL IMPACT:** Adoption of the resolution will result in minor administrative costs associated with compliance with the Surplus Land Act, including preparation and distribution of notices, staff coordination, legal review, and HCD compliance documentation. These costs can be accommodated within existing departmental budgets.

Future fiscal impacts associated with disposition of the Property will be presented to the City Council for consideration at a later date once the Surplus Land Act process has been completed.

**ATTACHMENTS:**

1. Resolution
2. Exhibit A – Legal Description & Property Location Map