

City of Piedmont
COUNCIL AGENDA REPORT

DATE: January 20, 2026

TO: Mayor and Council

FROM: Rosanna Bayon Moore, City Administrator

SUBJECT: Consideration of a Resolution Declaring an Intent to Determine Portions of One or More City-Owned Parcels Located within the Moraga Canyon Specific Plan Area, known as Assessor Parcel Numbers 050457908000, 048A700200303, and 050457906100, to be Exempt Surplus Land pursuant to Government Code Section 54221(f)(1)(A)
(CEQA Review: Exempt under CEQA Guidelines Section 15312; Analyzed under 2023-2031 Housing Element Environmental Impact Report (EIR), State Clearinghouse No. 2022020362, and an Addendum to the EIR adopted on October 6, 2025)

RECOMMENDATION

Adopt the attached resolution declaring an intent to determine one or more City-owned parcels located within the Moraga Canyon Specific Plan (MCSP) area, Assessor Parcel Numbers 050457908000, 048A700200303, and 050457906100, to be exempt surplus land pursuant to Government Code Section 54221(f)(1)(A) and authorize the City Administrator to proceed with preparation of a draft request for proposals for the MCSP area.

EXECUTIVE SUMMARY

Following a thorough review of the Surplus Land Act, the City of Piedmont maintains greatest local control in implementing the requirements of the MCSP by pursuing the exempt surplus pathway. As such, it is requested that the City Council adopt a resolution declaring an intention to determine that a portion of the City-owned property in the Moraga Canyon Specific Plan (MCSP) area is exempt surplus land under the California Surplus Land Act (SLA). This is the first step in proceeding with disposition of the referenced property in Moraga Canyon pursuant to the MCSP and does not commit the City to a particular development project. A request for proposals (RFP) will be prepared and published to solicit interest from the development community. The City's approach to the RFP will be scheduled for City Council review and discussion in early Spring.

BACKGROUND

On March 20, 2023, the City Council adopted the City's 6th Cycle Housing Element which spans the planning period of 2023-2031 and provides for the development of 587 new housing units allocated as part of the Regional Housing Needs Assessment (RHNA). The Housing Element includes "Program 1.L Specific Plan," which sets forth the intent to develop a Specific Plan to

accommodate 132 dwelling units with a density ranging from 40 to 60 dwelling units per acre, and housing for seniors, disabled persons, single-parents, low-income families, and/or people requiring supportive services. Because Piedmont is generally developed and there are few vacant parcels, the Housing Element considered certain City-owned land as underutilized, or “surplus,” with facilities subject to replacement or relocation.

To implement Housing Element Program 1.L Specific Plan, the City Council adopted the Moraga Canyon Specific Plan (MCSP) on October 6, 2025. The MCSP sets forth the regulations and standards governing:

- the development of a minimum of 130 multifamily housing units, including 60 housing units affordable to households earning low, very low and extremely low incomes,
- the development of two new single-family units on two lots to be created on Maxwelton Road and Abbott Way,
- the maintenance and improvement of City facilities,
- improvements to utilities, infrastructure, and recreational amenities on City-owned land in Moraga Canyon, and
- improvements in bicycle, pedestrian, traffic, and wildfire safety.

Approximately 4.78 acres of the total acreage of City-owned land in the Moraga Canyon Specific Plan area is identified for the development of multifamily housing units, either on the south side of Moraga Avenue (Option A) or the north side of Moraga Avenue (Option B). In addition, 0.31 acres of City-owned land is identified for development of two single-family units in either of the two MCSP development options.

Since November 2024, Economic Planning Systems (EPS) has provided technical assistance to the City of Piedmontⁱ. At a City Council study session on November 17, 2025, EPS presented their preliminary findings for the priority development area in Moraga Canyon, and the Surplus Land Act and available pathways were also explored.

Surplus Land Act

Before a city can lease or sell public property in California, the Surplus Land Act (SLA) requires the city to follow a specified process to ensure that the site is prioritized for housing. Prior to a property’s disposition, an agency must first determine if it is “non-exempt surplus” or “exempt surplus.” The State of California Department of Housing and Community Development (HCD) adopted guidelines that define SLA compliance and seek to clarify and strengthen its reporting and enforcement provisions.

With “non-exempt surplus” land, a Notice of Availability (NOA) is sent to HCD, a list of housing sponsors maintained by HCD, and local public entities defined by the Health and Safety Code and published SLA guidelines. Interested parties have sixty (60) days to respond to the NOA, followed by a 90-day “good faith” negotiation period.

A number of pertinent features distinguish the “non-exempt surplus” pathway from the “exempt surplus” alternative when considering the Moraga Canyon Specific Plan. For the non-exempt

route, the SLA requires that the City enter into negotiations with any interested party that responds to the NOA. Further, the SLA circumscribes what it considers to be “good faith negotiations” and “participating in negotiations” during the negotiation period. “Participating in negotiations” excludes the commissioning of an appraisal, due diligence prior to the sale or lease of the surplus land, or other studies to determine the value of the surplus land, or discussions conducted exclusively among local agency employees and elected officials. The non-exempt surplus negotiations requirements are not applicable in the exempt surplus pathway.

In addition, the non-exempt route requires that the City give preference to certain developers if multiple notices of interest are received. Namely, the City must give first priority to the party proposing the deepest affordability. Lastly, design standards or architectural requirements that would have a substantial negative effect on the viability or affordability of a housing development for very low, low or moderate income households (other than minimum standards required by the general plan, zoning and subdivision standards and criteria) may not be required as a condition of sale or lease.

On the other hand, disposition of “exempt surplus” land is guided by local requirements and does not require compliance with State requirements for notice and negotiation. Pursuant to Government Code Sections 37364 and 54221(f)(1)(A), property can be declared “exempt surplus” if the following affordability requirements are met:

- not less than 80% of the exempt surplus area shall be used for development of housing,
- not less than 40% of the total number of those housing units developed shall be affordable to households whose incomes are equal to or less than 75% of the maximum income of lower income households (i.e. 60% of the area median income or AMI), and at least half of which shall be affordable to very low income households, and
- affordability is guaranteed for a period of time 30 years or longer.

DISCUSSION

Staff is recommending an “exempt surplus” pathway for the residential portion of the City-owned property in the Moraga Canyon Specific Plan (MCSP) pursuant to the provisions in Government Code Sections 54221(f)(1)(A) and 37364. This approach enables the City to meet its affordable housing goals in the MCSP and exercise local control to select a developer that best aligns with the intent of the MCSP.

Meeting the requirements for exempt surplus will result in at least 54 affordable housing units (out of a total of 132) consisting of 27 units with households at 60 percent Average Median Income (AMI) and 27 units with households at 50 percent AMI or less.

Overall, the requirements for exempt surplus are consistent with Piedmont’s goals for City-owned property in the MCSP, which seeks to provide more than 54 units of affordable housing. In addition, declaring the property “exempt surplus” allows the City to comply with State law and proceed with a local process.

Staff has drafted a proposed resolution (Attachment A) declaring an intention to move forward with transfer of portions of the MCSP area as exempt surplus. Staff provided the draft resolution

to California Department of Housing and Community Development (HCD) for review. On December 24, 2025, HCD staff notified the City that the proposed future declaration and transfer would qualify under the SLA exemption. Prior to disposition of the City-owned land and declaration of exempt surplus land, the City will issue a public hearing notice 30 days prior to the City Council meeting at which the Council is scheduled to consider a decision to transfer the land. Prior to the public hearing notice, staff will share the draft declaration of surplus land with HCD for its review, and staff will request a findings letter.

ENVIRONMENTAL REVIEW

Staff has determined that the act of declaring the intent of determining the Property to be “exempt surplus” property under the SLA, and the subsequent declaration, sale or lease of portions of the Property to an affordable housing sponsor, is exempt from review under the California Environmental Quality Act pursuant to 14 California Code of Regulations (CCR), Section 15312, Surplus Government Property Sales, as the property would be deemed exempt surplus under the SLA and is not located in an area of statewide, regional, or areawide concern identified in 14 CCR Section 15206(b)(4). In addition, the 2023-2031 Housing Element Environmental Impact Report (EIR), State Clearinghouse No. 2022020362, prepared pursuant to the California Environmental Quality Act (CEQA), was certified by the Piedmont City Council on February 20, 2024, and an Addendum to the EIR, prepared pursuant to CEQA, studied and disclosed the potential environmental impacts associated with future development and operation pursuant to the MCSP and concluded that there would be no new impacts nor increased impacts beyond those studied in the EIR. The City Council approved the Addendum on October 6, 2025.

FISCAL IMPACT

This action — declaring the City’s intent to determine portions of the Moraga Canyon Specific Plan area to be exempt surplus land — has no immediate fiscal impact. Any potential financial effects, including proceeds from sale or lease and associated administrative or infrastructure costs, will be addressed in future reports when the request for proposals (RFP) process and potential disposition of the property are brought before the City Council.

NEXT STEPS

If the City Council adopts the proposed resolution declaring its intent to determine a portion of the Moraga Canyon Specific Plan area to be exempt surplus land, the City Administrator shall prepare a draft approach for the request for proposals (RFP) for review by the City Council at a future public meeting.

REVIEW BY CITY ATTORNEY

This report and the attached draft resolution have been reviewed and approved by the City Attorney.

By: Kevin Jackson, Planning & Building Director
Pierce Macdonald, Senior Planner

ATTACHMENTS:

Attachment A Pages 6-12 Draft Resolution

Links to Online Resources:

[*City of Piedmont Housing Element*](#)

[*Moraga Canyon Specific Plan*](#)

[*Surplus Land Act Guidelines*](#)

ⁱ In January of 2024, the City of Piedmont applied to the Association of Bay Area Governments (ABAG) / Metropolitan Transportation Commission (MTC) for Priority Sites Grant Program support. In May of the same year, the City was awarded \$165,000 in technical assistance, specifically planning, economic development, and engineering services, to implement Housing Element Program 1.L, Specific Plan.

Attachment A – HCD Reviewed Draft

RESOLUTION NO. 2025-_____

A RESOLUTION OF THE CITY OF PIEDMONT

DECLARING AN INTENT TO DETERMINE PORTIONS OF ONE OR MORE CITY-OWNED PARCELS LOCATED WITHIN THE MORAGA CANYON SPECIFIC PLAN AREA, KNOWN AS ASSESSOR PARCEL NUMBERS 050457908000, 048A700200303, AND 050457906100, TO BE EXEMPT SURPLUS LAND PURSUANT TO GOVERNMENT CODE SECTION 54221(f)(1)(A)

WHEREAS, the City of Piedmont owns the real property located within the Moraga Canyon Specific Plan area, which is 22.78 acres in size (the “MCSP Area”); and

WHEREAS, on March 20, 2023, the City Council adopted the City’s 6th Cycle Housing Element (“Housing Element”). The Housing Element includes “Program 1.L Specific Plan,” which sets forth the intent to develop a specific plan to accommodate at least 132 dwelling units at a density of 40 to 60 dwelling units per acre affordable to a variety of households, including seniors, disabled persons, single-parents, low-income families, and people requiring supportive service on portions of the Property and to declare portions of the MCSP Area as surplus to enable transfer to a developer for the development of the noted housing; and

WHEREAS, on February 20, 2024, the City Council adopted Zoning Ordinance amendments allowing a residential density of up to 60 dwelling units per acre in the Zone B district, which includes the MCSP Area; and

WHEREAS, on October 6, 2025, the City Council adopted the Moraga Canyon Specific Plan (“MCSP”) in furtherance of Housing Element Program 1.L. The MCSP sets forth the regulations and standards governing the development of the MCSP Area with a minimum of 130 multifamily housing units, including 60 housing units affordable to households earning low, very low and extremely low incomes on approximately 4.78 acres, either on the south side of Moraga Avenue (Option A) or the north side of Moraga Avenue (Option B) of the MCSP Area and two single-family units on 0.31 acres of the MCSP Area as depicted on Exhibit A, attached hereto and incorporated herein by reference, which are portions of Assessor’s Parcel Numbers (APN) 050457908000, 048A700200303, and 050457906100 (the “Exempt Surplus Property”); and

WHEREAS, the City now intends to move forward with potential disposition of the Exempt Surplus Property. The Surplus Land Act (Gov’t Code § 54220, et seq.; the “SLA”) is generally intended to make a local agency’s surplus land available for potential acquisition by affordable housing sponsors or other local public agencies; and

WHEREAS, for the purposes of Government Code Section 54221(f)(2), the Property is not: (i) within a coastal zone; (ii) adjacent to an historical unit of the State Parks System; (iii) listed on, or determined by the State Office of Historic Preservation to be eligible for, the National Register of Historical Places; or (iv) within the Lake Tahoe region as defined by Government Code Section 66905.5; and

WHEREAS, the SLA requires the City Council to take formal action at a regular public meeting to declare a property surplus land or exempt surplus land, supported by written findings, before the City may take any action to dispose of property; and

WHEREAS, Government Code § 54221(f)(1)(A) provides that City-owned property disposed of pursuant to Government Code § 37364 regarding the provision of affordable housing is exempt surplus land under the SLA; and

WHEREAS, Government Code § 37364 allows for the transfer of City-owned property provided the following requirements are met: (1) not less than 80 percent of the property transferred shall be used for development of housing; (2) not less than 40 percent of the total number of housing units developed shall be affordable to households whose incomes are equal to, or less than, 75 percent of the maximum income of lower income households, and at least half of which shall be affordable to very low income households; and (3) housing units shall be restricted by regulatory agreement to remain continually affordable to those persons and families for the longest feasible time, but not less than 30 years; and

WHEREAS, the City desires to solicit proposals for disposition of the Exempt Surplus Property in accordance with the requirements of Government Code § 37364.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PIEDMONT DOES RESOLVE AS FOLLOWS:

SECTION 1. Findings and Declaration of Intent. The City Council declares an intent to determine the Exempt Surplus Property as “exempt surplus land” pursuant to Government Code Section 54221(f)(1)(A). Government Code Section 54221(f)(1)(A) provides that land transferred pursuant to the requirements of Government Code Section 37364 is “exempt surplus land.” As set forth below, the City intends to transfer the Exempt Surplus Property pursuant to the requirements of Government Code Section 37364:

- a. The Exempt Surplus Property has been identified in “Program 1.L Specific Plan” of the Housing Element and in the MCSP to be developed with a mixed-income market-rate and affordable housing development of a minimum of 130 multifamily housing units, including a minimum of 60 housing units affordable to households earning low, very low and extremely low incomes.
- b. The City intends that not less than 80 percent of the Exempt Surplus Property will be used for the development of housing. Further, the City will require a minimum of 40 percent of the housing units to be developed on the Exempt Surplus Property to be developed with half of those units affordable to households whose incomes are equal to, or less than, 75 percent of the maximum income of lower income households, and at least half of which shall be affordable to very low income households.
- c. The City will require the acquiring developer to enter into a recorded affordable housing agreement which provides that the following income and affordability restrictions remain in place for at least 55 years: a minimum of 40 percent of the housing units must be affordable housing with 50 percent of the units in the affordable housing

development to be rented to very low income households as defined in California Health and Safety Code (“H&SC”) Section 50105 and the other 50 percent to be rented to low income households whose incomes are equal to, or less than, 75 percent of the maximum income of lower income households, as defined in H&SC Section 50079.5.

SECTION 2. Authorization to Request Proposals. The City Administrator is authorized to prepare a request for proposals (“RFP”) from interested developers consistent with this Resolution, the Moraga Canyon Specific Plan, and Piedmont City Code.

SECTION 3. CEQA. The City Council finds and determines that the act of declaring the intent of determining the Property to be “exempt surplus” property under the SLA, and the subsequent declaration, sale or lease of portions of the Property to an affordable housing sponsor, is exempt from review under the California Environmental Quality Act pursuant to 14 California Code of Regulations (CCR), Section 15312, Surplus Government Property Sales, as the Exempt Surplus Property would be deemed exempt surplus under the SLA and is not located in an area of statewide, regional, or areawide concern identified in 14 CCR Section 15206(b)(4). In addition, the 2023-2031 Housing Element Environmental Impact Report (EIR), State Clearinghouse No. 2022020362, prepared pursuant to the California Environmental Quality Act (CEQA), was certified by the Piedmont City Council on February 20, 2024, and an Addendum to the EIR, prepared pursuant to CEQA, studied and disclosed the potential environmental impacts associated with future development and operation pursuant to the MCSP and concluded that there would be no new impacts nor increased impacts beyond those studied in the EIR. The City Council approved the Addendum on October 6, 2025.

SECTION 4. The City Clerk shall certify as to the adoption of this resolution.

PASSED, APPROVED, AND ADOPTED this ____ day of ____ 2026.

Besty Smegal Andersen, Mayor

ATTEST:

Rosanna Bayon Moore, City Administrator

Anna Brown, City Clerk

APPROVED AS TO FORM:

Deepa Sharma, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ALAMEDA) §
CITY OF PIEDMONT)

I, ANNA BROWN, City Clerk of the City of Piedmont, DO HEREBY CERTIFY that the foregoing Resolution No. 2025- was duly adopted at a regular meeting of the City Council of the City of Piedmont held on the ____ day of ____ 2026, by the following vote, to wit:

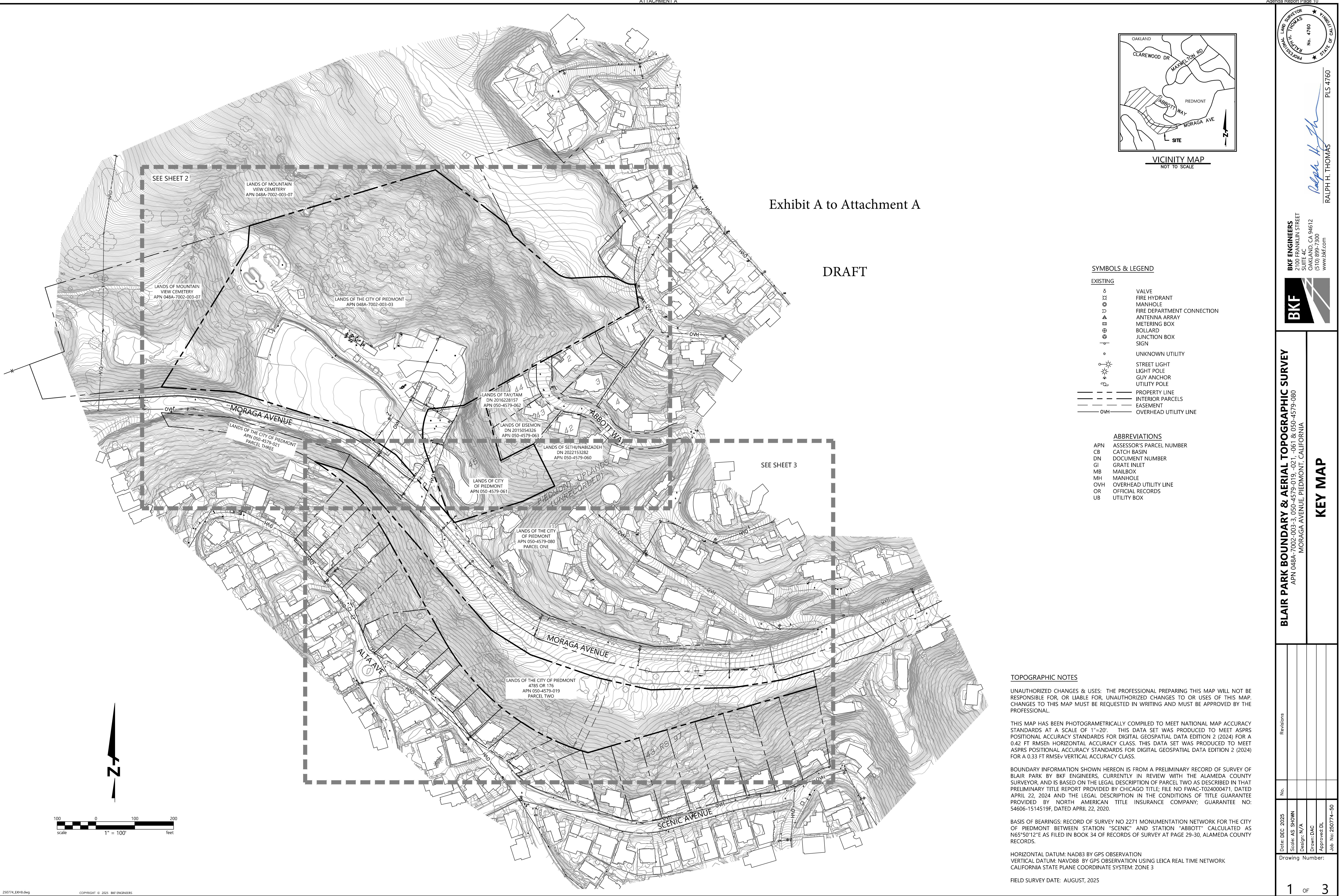
AYES: COUNCIL MEMBERS:

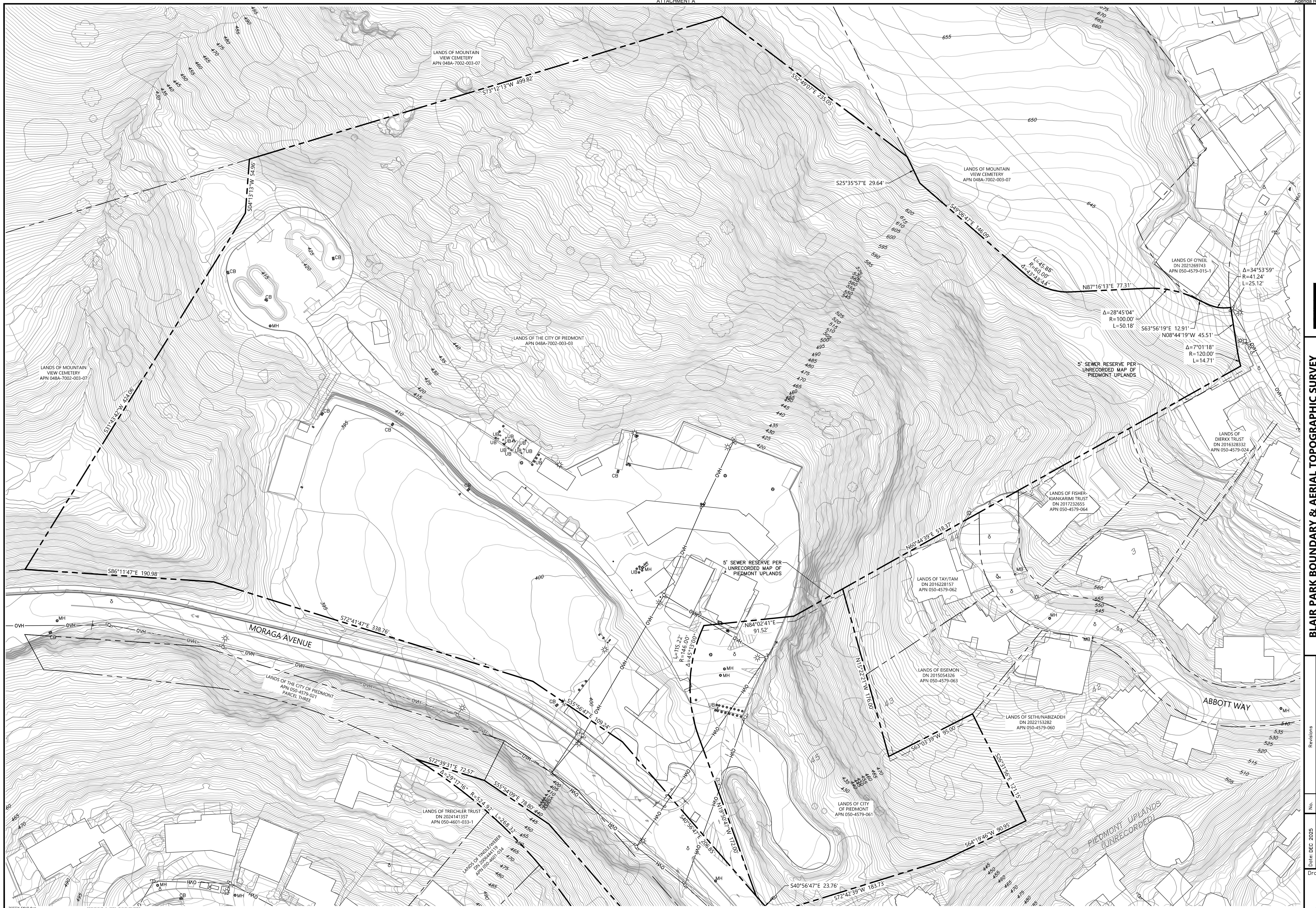
NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Piedmont, California, this ____ day of ____ 2026.

Anna Brown, City Clerk





OF

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