



MEETING DATE: November 11, 2025

FROM: Jessica Bigby

RE: Declaration of Property as Surplus Land (or Exempt Surplus Land) under the California Surplus Land Act

BACKGROUND:

The City of Isleton is facing financial hardship and needs to make some difficult decisions on how to face this time of fiscal stress. As part of this evaluation the potential sale of assets is being considered.

For assets that the city owns (listed in Exhibit A) and deems unused or underutilized for city functions staff would like to evaluate viability of surplus and sale.

Staff has determined that the property is not required for any current or foreseeable municipal use, and therefore may be considered for disposition in accordance with the California Surplus Land Act (Government Code §§ 54220-54234).

The Act requires a local agency to declare property “surplus” or “exempt surplus” by formal action before offering it for sale or lease. Upon adoption of the attached resolution, staff will initiate the notification process required under Government Code § 54222 and return to the Council following completion of those steps.

RECOMMENDATION:

Adopt Resolution No. 13-25 declaring property to be Surplus Land (or Exempt Surplus Land) pursuant to California Government Code Section 54221, and authorizing the City Manager to proceed with all required steps under the Surplus Land Act.

FISCAL IMPACT:

Some staff, legal, and consultant time may be warranted. Additional fees for appraisals may be necessary.

DISCUSSION:

Designate which assets would the city need or want to maintain for current and future operations.

Surplus Land Act Process:

1.
 - Declare property surplus/exempt.
 - Notify eligible entities (HCD, affordable housing developers, school districts, park districts).
 - Allow 60 days for responses and up to 90 days of negotiation if interest is expressed.
 - Complete CEQA review and appraisal.
 - Return to Council for authorization of final sale or lease.
2. **Exempt Surplus Land Option:**
3. If the City intends to transfer the property to another public agency for a public use (e.g., utility or right-of-way purpose), it may qualify as “exempt surplus land” under Gov. Code § 54221(f). Staff will document and include the specific exemption category in the record if applicable.
4. **CEQA Compliance:**
5. The act of declaring property surplus is not a “project” under CEQA (Guidelines § 15378(b)(5)). Any future sale or development will undergo appropriate environmental review before approval.

ATTACHMENTS:

- A. PROCEDURES FOR SELLING SURPLUS PROPERTIES
- B. RESOLUTION NO: RESOLUTION #13-25
- C. EXHIBIT A - ASSET LISTING



A LAW FIRM FOUNDED ON THE
PRINCIPLE OF SERVICE

LEGAL MEMORANDUM

To: Jessica Bigby, [City Financial Officer]

From: Sean Cameron, City Attorney

Date: November 6, 2025

Re: Procedure for Declaring and Selling Surplus City Real Property

This legal memorandum provides an overview of the legal process that the City of Isleton is required to follow to declare City-owned real property as surplus and sell or transfer that real property. The process is generally governed by the Surplus Land Act (SLA) (Gov. Code §§ 54220 – 54234) and the City’s general authority to dispose of property under the Government Code (§§ 37350 – 37364).

1. Determine whether the property is “surplus” or “exempt surplus”

Before selling or transferring property, the City Council is required to determine that the property is either “surplus land” or “exempt surplus land.”

Surplus land is land or real property that the City determines is no longer necessary for the City’s use. It is no longer needed for operations, programs, or public use. (Gov. Code § 54221(b).)

Exempt surplus land is land or real property that falls into certain categories of property. For example, transfers of property to another public agency, affordable housing, and certain small parcels. See Gov. Code § 54221(f)(1) for a full list.

Staff typically prepares a staff report explaining the history and purpose of the property, why the property is no longer needed, and whether an exemption applies.

2. City Council formally declares the property surplus

The City Council adopts a resolution that (1) identifies the property, (2) states the factual basis for the determination that the property is surplus, and (3) directs staff to initiate the SLA procedures. This resolution does not authorize the sale of the property. It initiates the formal process.

3. Noticing requirement under the SLA

If the property is not exempt, the City sends written notices of availability to certain agencies specified in the Government Code – Department of Housing and Community Development (HCD); local housing authorities, school districts, park districts, and other agencies that may be able to use the property for affordable housing, parks, or open space. (Gov. Code § 54222.) These agencies have 60-days to respond. If an agency responds, then this triggers a 90-day good-faith negotiation period. If none of the agencies respond or an agreement is not reached with an agency expressing interest, then the City may proceed to sell the property on the open market. This completes the SLA portion of the process.

4. City Council approval of the terms of sale and transfer of the property

Once the SLA requirements are met, the City may market the property on the open market under its general authority to sell or dispose of property. (Gov. Code § 37350.) The city can advertise and solicit bids through public listings, hiring a real estate broker, posting on the City website, issue and invitation for bids, or engage in direct negotiation. Marketing and negotiations should be done in a transparent and fair manner.

After offers are received and evaluated, staff would typically bring forth a recommended buyer, proposed purchase price, and purchase and sale agreement. The City Council would then make a determination as to whether to accept the offer and the terms of sale. If accepted, the City Council can authorize the City Manager to finalize any necessary documents and authorize the Mayor to execute all necessary documents to effectuate the transfer.



Resolution #13-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ISLETON DECLARING CERTAIN REAL PROPERTY OWNED BY THE CITY TO BE "SURPLUS LAND" OR "EXEMPT SURPLUS LAND" PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54221 AND DIRECTING STAFF TO PROCEED IN ACCORDANCE WITH THE SURPLUS LAND ACT

WHEREAS,

the City of Isleton ("City") is the owner in fee of certain real property identified within Exhibit A (the "Property"); and

WHEREAS,

the California Surplus Land Act, Government Code Sections 54220 et seq. (the "Act"), requires that before a local agency may sell, lease, or otherwise dispose of property, the agency's governing body must first declare, in a regular public meeting, that the land is either "surplus land" or "exempt surplus land," supported by written findings; and

WHEREAS,

City staff have reviewed the Property and determined that it is not necessary for the City's use, is not required for any current or foreseeable municipal purpose, and therefore qualifies as "surplus land" under Government Code Section 54221(b)(1); and

WHEREAS,

alternatively, if the City determines that the Property meets the definition of "exempt surplus land" under Government Code Section 54221(f), based on its intended disposition or public purpose, staff may prepare written findings identifying the applicable exemption category and justification for the record; and

WHEREAS,

the City Council has duly considered this matter in an open and public meeting in compliance with the Ralph M. Brown Act (Gov. Code §§ 54950 et seq.); and

WHEREAS,

the City Council desires to formally declare the Property to be either "surplus land" or "exempt surplus

land,” as applicable, and to direct the City Manager to undertake all necessary actions to comply with the Act, including required notices, negotiations, and environmental review; and

WHEREAS,

the City Council finds that this action does not constitute a “project” under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Sections 15004(b)(2)(A) and 15378(b)(5), as it merely constitutes a determination regarding property status and authorizes future administrative actions that will not themselves result in a direct physical change to the environment.

NOW, THEREFORE, BE IT RESOLVED,

The City Council hereby declares the Property described in Exhibit A to be either “Surplus Land” or “Exempt Surplus Land,” within the meaning of Government Code Section 54221, finding that the Property is not necessary for the City’s use and is not required for any foreseeable municipal purpose. If designated as exempt, the applicable exemption under Section 54221(f) shall be identified in the record.

NOW, THEREFORE, BE IT RESOLVED,

This declaration is supported by written findings contained in the staff report presented to the City Council at its meeting of November 11, 2025.

NOW, THEREFORE, BE IT RESOLVED,

The City Manager, or designee, is hereby authorized and directed to:

- a. Prepare and transmit a Notice of Availability for the Property to the entities identified in Government Code Section 54222(a) and (b), including the Department of Housing and Community Development (“HCD”), local affordable housing developers, and relevant park or school agencies;
- b. Engage in good-faith negotiations as required by Government Code Section 54223 with any qualified entity that submits a timely notice of interest;
- c. Coordinate review under the California Environmental Quality Act (CEQA) to determine the appropriate level of environmental documentation for the proposed disposition;
- d. Obtain an independent appraisal of the Property’s fair market value;
- e. Upon completion of the above steps, return to the City Council with a recommended method of disposition (e.g., sale, lease, or request for proposals) and proposed terms for Council consideration; and
- f. Ensure that any final sale, lease, or transfer of the Property complies with all applicable requirements of the Surplus Land Act, and that documentation of compliance is retained in the City’s permanent records.

NOW, THEREFORE, BE IT RESOLVED,

The City Council finds that this resolution does not constitute approval of a project under CEQA and is therefore not subject to environmental review. Any subsequent disposition will undergo appropriate CEQA evaluation prior to approval.

NOW, THEREFORE, BE IT RESOLVED,

This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the CITY COUNCIL of THE CITY OF ISLETON, COUNTY OF SACRAMENTO, of the
STATE OF CALIFORNIA on this 11th day of November, 2025

ATTEST

MAYOR, David Kent

DEPUTY CITY CLERK

City of Isleton - Asset Listing

Exhibit A

 id	Co	APN	Owner	S Street Address	Use	Acres	Zoning
1	SAC	157-0011-001-0000	CITY OF ISLETON	1ST ST	River Frontage - Limited Use	0.195	RCO
2	SAC	157-0013-002-0000	CITY OF ISLETON	DELTA AVE	Empty Lot - Limited Use	0.269	RCO
5	SAC	157-0014-014-0000	CITY OF ISLETON	204 A ST	Empty Lot - Usable	0.199	CC
8	SAC	157-0015-004-0000	CITY OF ISLETON	JACKSON BLVD	Community Center & Medical Building	0.327	RCO
9	SAC	157-0021-008-0000	CITY OF ISLETON	307 2ND ST	Public Restrooms & Dock	0.922	CC/R-1-7/R
10	SAC	157-0021-011-0000	CITY OF ISLETON	1ST ST	River Frontage - Limited Use	0.128	PDI/CC
11	SAC	157-0023-001-0000	CITY OF ISLETON	MAIN ST	Road Frontage - Limited Use	0.030	RCO
12	SAC	157-0024-001-0000	CITY OF ISLETON	MAIN ST	Road Frontage - Limited Use	0.389	RCO
13	SAC	157-0026-002-0000	CITY OF ISLETON	502 2ND ST	Parking Lot	0.560	CC
14	SAC	157-0031-002-0000	CITY OF ISLETON	RIVER RD	River Frontage - Limited Use	2.550	RCO
18	SAC	157-0051-001-0000	CITY OF ISLETON	412 UNION ST	School - Title Concerns	1.419	RCO
23	SAC	157-0231-030-0000	CITY OF ISLETON	RIVER RD	River Frontage	0.304	RCO