



**Economic Development Department**  
311 Vernon Street  
Roseville, California 95678

December 22, 2023

California Department of Housing & Community Development  
Attn: Lisa Krause  
Housing Accountability Unit  
Housing Policy Development Division  
2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833

**SENT VIA EMAIL ONLY TO: [lisa.krause@hcd.ca.gov](mailto:lisa.krause@hcd.ca.gov)**

Re: Surplus Land Act Inquiry  
6382 Phillip Road in Roseville, CA

Dear Lisa:

This message is to acknowledge receipt of a Notice of Violation (“NOV”) dated December 4, 2023, from the California Department of Housing and Community Development (“HCD”) and signed by Assistant Deputy Director, David Zisser. The NOV is related to the City of Roseville’s proposed disposition of the property at 6382 Phillip Road.

First off, we wanted to thank you and the HCD team for meeting with us on December 12<sup>th</sup> and December 21<sup>st</sup> regarding the substantive details of the alleged violation(s) noted in the NOV. We appreciate having a full understanding of HCD’s concerns surrounding the City’s proposed transaction. As such, the City is hopeful that this letter provides HCD with adequate assurance that no further action will be taken to dispose of the property until the City concludes its discussions with HCD and identifies a path moving forward.

The NOV alleges that the City violated the Surplus Land Act (“SLA”) by selecting a developer in 2020 and entering into a Purchase and Sale Agreement without first complying with the requirements of the SLA that were in place in 2020. As we have previously discussed, the City began the formal process to dispose of the 6382 Phillip Road property in good faith and in accordance with the then-applicable laws in 2019 regarding disposal of surplus property by a local agency as set forth in California Government Code sections 54220 *et seq.* Although the City declared the subject property surplus on November 20, 2019, and provided the Notice of Availability to the required parties on November 21, 2019, the City acknowledges that it did not enter into an Exclusive Right to Negotiate Agreement with a developer until November 18, 2020. Additionally, the property was not disposed of by December 31, 2022, and still has not been disposed of to date.

As stated previously, the project at 6382 Phillip Road is currently on hold as the developer performs various technical studies. The subject property remains under City ownership and the developer continues to work on revising the project scope and performing significant community outreach. The NOV states that the City has until February 4, 2024, to cure or correct the alleged SLA violations and that if the City elects to dispose of the property, a 30% penalty will be assessed to the City based on the final sales price. Following our discussion on December 12, 2023, it was acknowledged and

understood by HCD that the City has no intention of disposing of the property until the City concludes its discussions with HCD. At our December 21, 2023 meeting, we discussed the potential applicability of various exemptions noted in the Surplus Land Act that are new for 2024. The City agreed to discuss those exemptions with the developer in January 2024. The City anticipates receiving revised plans from the developer around March 2024 that may include new land uses that were not previously contemplated for the project. Once the City receives the revised project plans from the developer, we will contact HCD and continue discussions regarding the applicability of the NOV.

In the meantime, should you have any additional questions or concerns, the City maintains an informational website on the proposed project and further details can be found here:

<https://www.roseville.ca.us/PhillipRoadSite>

We hope you find this information helpful and we look forward to discussing the resolution of this NOV with you again in March 2024.

Sincerely,

CITY OF ROSEVILLE

A handwritten signature in black ink, appearing to read 'Melissa Anguiano', written in a cursive style.

Melissa Anguiano  
Economic Development Director