



STAFF REPORT

4/22/2025

AGENDA ITEM

**TO: HONORABLE MAYOR
AND MEMBERS OF THE CITY COUNCIL**

**FROM: CARLO TOMAINO
CITY MANAGER**

**BY: ALFA LOPEZ
ASSISTANT TO THE CITY MANAGER
ECONOMIC DEVELOPMENT MANAGER**

SUBJECT: ADOPT A RESOLUTION APPROVING A PURCHASE AND SALE AGREEMENT BETWEEN THE CITY OF SIGNAL HILL AND LORI HEFLER FOR THE PROPERTIES LOCATED AT 1975 EAST 21ST STREET AND 2107 CHERRY AVENUE AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL TRANSACTIONAL DOCUMENTS REQUIRED TO COMPLETE THE AGREEMENT; AND APPROPRIATE \$1,475,000 FROM THE LAND AND BUILDING RESERVE FUNDS

Summary:

The City Council will consider approving the purchase of property adjacent to Signal Hill Park, consistent with the Civic Center Master Plan. In 2024, the Dickerson Company listed the properties located at 1975 East 21st Street, APN 7215-013-012, and 2107 Cherry Avenue, APN 7215-012-002, for sale on behalf of the owner Lori J. Helfer. The property owner listed the combined properties for \$1,550,000, which consists of approximately 7,800 square feet adjacent to Signal Hill Park.

Consistent with the City's long-term plan for acquiring housing units on the block of 21st Street adjacent to Signal Hill Park, the City has been negotiating with the owner to purchase the properties. BBK prepared a draft purchase and sale agreement ("Agreement") for the City Council's review. This action is consistent with the Civic Center Master Plan, which outlines a vision for expanded public open space.

Strategic Plan Goal(s):

Goal No. 3 Economic Development: Improve the local economy, support local businesses, and create a vibrant downtown core.

Goal No. 4 Infrastructure: Maintain and Improve the City's physical infrastructure, waste system, and recreational spaces.

Recommendation:

1. Adopt a resolution, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, APPROVING A PURCHASE AND SALE AGREEMENT BETWEEN THE CITY OF SIGNAL HILL AND LORI HEFLER FOR THE PROPERTIES LOCATED AT 1975 EAST 21ST STREET AND 2107 CHERRY AVENUE AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL TRANSACTIONAL DOCUMENTS REQUIRED TO COMPLETE THE AGREEMENT.

2. Find that approval of the Purchase and Sale Agreement is not subject to the requirements of California Environmental Quality Act ("CEQA"), as it is not a "project" within the meaning of Section 15378 of Title 14 of the California Code of Regulations ("State CEQA Guidelines") because it has no potential for resulting in direct or indirect physical change in the environment. This action is also exempt under Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity in question will have a significant effect on the environment.
3. Authorize the City Manager to execute the Agreement for Purchase and Sale and Joint Escrow Instructions, and all related instruments, for the City's acquisition of 1965/75 East 21st Street and 2107 Cherry Avenue in the City of Signal Hill.
4. Adopt a resolution to approve a budget adjustment appropriating \$1,475,000 from Fund 111 Land & Building Reserve to cover the cost of the acquisition; approve a budget adjustment appropriating \$1,475,000 transfer from Fund 111 to Fund 400 Capital Project for the purchase price; and approve a budget adjustment appropriating \$1,475,000 from Capital Outlay for the purchase price, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, AMENDING THE ADOPTED BUDGET AND AUTHORIZING BUDGET APPROPRIATIONS FOR FISCAL YEAR 2024-25.

Fiscal Impact:

Pursuant to the terms of the Agreement, if approved, the City would pay \$1,475,000 for the purchase of the Properties and a currently estimated amount in costs associated with the usual fees, charges, and costs arising out of escrow. Staff is proposing to appropriate funds from the Land and Building Reserve to purchase the property including transaction fees described above.

Background:

Signal Hill Park serves as the heart of the City's recreational and community programming, consistently drawing residents of all ages for events, sports, and daily use. As community demand continues to grow, the current park boundaries limit opportunities to expand amenities and meet evolving recreational needs. The potential acquisition of property on 21st Street offers a timely and strategic solution to address these limitations. Expanding the park in this direction would allow for the development of new facilities, increased green space, and improved access for surrounding

neighborhoods. Investing in this property aligns with the City’s broader commitment to enhancing quality of life and ensuring that Signal Hill Park remains a vibrant, inclusive destination for years to come.

As part of its General Plan, the City adopted a Parks and Recreation Master Plan in 2021 and a Civic Master Plan in 2024, to include goals to expand the boundaries of Signal Hill Park to allow for the development of additional City facilities, and open space for public use. There are eight parcels located immediately adjacent to Signal Hill Park on the block of 21st Street. The City previously acquired three properties as reflected below:

Address	APN	Ownership
1905 East 21 st Street	7215-013-901	City Owned
1911 East 21 st Street	7215-013-003	Private Party
1917 East 21 st Street	7215-013-900	City Owned
1919 East 21 st Street	7215-013-005	Private Party
1925 East 21 st Street	7215-013-902	City Owned
1929 East 21 st Street	7215-013-007	Private Party
1975 East 21 st Street	7215-013-012	Subject Property
2107 Cherry Avenue	7215-012-002	Subject Property

In September 2024, the City reached out to the owner of the Properties to inquire about a potential acquisition. The parties have agreed on the following key terms, which are incorporated into the attached Purchase and Sale Agreement (Attachment A).

- Purchase Price: \$1,475,000
 - The Properties were initially listed for sale for \$1,550,000; thus, the City would be purchasing the property at \$75,000 less than the listed price.
- Escrow shall close within thirty (30) days.
- The City shall pay relocation benefits to seller’s existing tenants in accordance with state law. (Specifically, California Government Code Section 7267 *et seq.*)

The Properties are unique as they contain two separate buildings. The building abutting Cherry Avenue is a commercial building previously operated by the Cancer Concierge Network Wellness Center. The second building, located immediately behind the commercial building, is a two-story mixed-use building consisting of a commercial photographer’s studio on the first floor and two residential units on the second floor. All units are currently occupied by tenants. Staff included a photograph of the Properties proposed to be acquired below as Figure 1.



Figure 1: Photograph of the Properties

Although the Properties appear to be a single parcel, there is an approximate 1,078 square foot parcel identified as 2107 Cherry Avenue (APN: 7215-012-002). The front end is identified as 1975 East 21st Street (APN: 7215-013-012) containing 6,770 square feet. For further reference, enclosed are parcel maps showing the contours of each parcel (Attachment B). Combined, the Properties are approximately 7,848 square feet.

Staff anticipates using the front building as office space for employees that have been temporarily displaced as a result of the continuing remodel of City Hall as an interim use. A proposed long-term plan is to potentially develop the Properties into a facility for a blend of senior and youth services.

Analysis:

If approved tonight, staff recommends proceeding with the close of escrow within the next 30 days and initiating the necessary steps to integrate the property into the City's long-term planning framework. This includes seeking future concurrence from the Planning Commission to ensure that the park expansion is consistent with the Signal Hill Parks Master Plan, General Plan, and other applicable planning documents. The proposed acquisition represents a key opportunity to enhance recreational offerings, expand much-needed open space, and advance the City's strategic goals for community development and livability.

Tenant Relocation Costs

The property proposed for acquisition includes existing tenants, consisting of one commercial business and two residential households. In accordance with California Government Code Section 7267 et seq., the City will be required to follow all applicable relocation assistance and notification procedures to ensure that these tenants are treated fairly and equitably. This includes providing timely written notice, offering advisory services, and ensuring eligible displaced tenants receive appropriate relocation benefits. The City is committed to complying with all legal obligations related to relocation and will work closely with affected tenants to minimize disruption and support a smooth transition.

The relocation assistance process for the existing tenant, including one commercial business and two residential households can be initiated and completed following the close of escrow. The City contracted with Monument Right-of Way Services which have estimated the relocation costs to be \$146,817. In compliance with State law, the City will ensure all statutory requirements are met after acquisition, including proper notice, advisory services, and the provision of appropriate relocation benefits. While the relocation process will follow escrow, the City remains committed to supporting the affected tenants throughout the transition and will take all necessary steps to ensure compliance with applicable laws and minimize disruption.

Proposed Uses

The following proposed short-term and long-term goals for the use and development of the property, including temporary staff occupancy and the eventual park expansion, are contingent upon additional inspections, detailed cost estimates, and architectural assessments. These evaluations will provide a more accurate understanding of the scope, feasibility, and associated costs for each phase of development. Staff will incorporate these findings into a refined proposal, which will be presented to the City Council at a future meeting for approval.

In addition to its long-term potential as an expansion of Signal Hill Park, the property may offer valuable short-term utility for the City. Following acquisition, the site could be temporarily used to accommodate City staff during the ongoing City Hall remodel. This interim use would help centralize staff currently working from multiple offsite locations, improving coordination and operational efficiency. Minor modifications to the existing structures could make the site suitable for temporary office space, allowing the City to maximize the property's immediate value while long-term planning and community engagement for park expansion are underway. The Public Works Department has identified approximately \$80,000 in outdoor ADA improvements required to ensure the site meets accessibility standards. These improvements will be essential to ensure the site is fully functional and compliant for staff occupancy and other temporary uses, making it a viable solution during the City Hall remodel.

Looking ahead to the long-term use of the property, the expanded space offers substantial potential to significantly enhance community programming and better serve the needs of diverse groups. One of the primary goals is to evaluate opportunities to create a dedicated, purpose-built space for seniors, allowing the City to offer up to five days of senior programming each week. This would include recreational, educational, and social activities specifically designed for seniors, promoting healthy aging, social interaction, and community involvement.

Another alternative is to explore the feasibility for teen programming, as well as evening providing the community with opportunities to engage in lifelong learning, skill development, and personal enrichment. These expanded offerings would not only help meet the growing demand for space dedicated to senior and youth activities but also greatly increase the park's capacity to serve the broader community.

Staff will return to the City Council with a comprehensive set of recommendations on the best use of the property, including detailed plans for its integration into Signal Hill Park. This will include a proposed timeline for development, along with cost estimates for both short-term modifications, such as ADA improvements, and long-term park enhancements. These recommendations will be

thoroughly analyzed to ensure they align with the City's goals for park expansion, community programming, and staff needs. A full presentation of these findings and a proposed path forward will be brought to a future City Council meeting for review and approval.

Recommendations

Purchasing the properties is a necessary step in fulfilling the City's long-term plan of acquiring properties adjacent to Signal Hill Park on 21st Street to allow for the expansion of the park and the City's broader goal of continuing to develop the City's Civic Center Campus. Staff recommends moving forward with the purchase and to explore the site's potential and how it could be integrated into future park planning efforts. To effectuate the acquisition, the City and seller must enter into a Purchase and Sale Agreement. The City Attorney's Office drafted the proposed Agreement which is the result of negotiations between the parties at the direction of the City Council. Staff recommends the City Council adopt the Resolutions approving the Purchase and Sale Agreement and Escrow Instructions for acquisition of the Properties (Attachment C) as well as the Budget Appropriation (Attachment D).

Reviewed for Fiscal Impact:

Siamlu Cox

Attachment(s):

- A. Draft Purchase and Sale Agreement
- B. Parcel Map for 2107 Cherry Avenue (APN: 7215-012-002) and Parcel Map for 1975 East 21st Street (APN: 7215-013-012).
- C. Resolution Approving Purchase and Sale Agreement
- D. Resolution Adopting Budget Appropriation