

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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February 10, 2026

Jill Maland, Senior Counsel
Lounsbery Ferguson Altona & Peak
960 Canterbury Place
Escondido, CA 92025

SENT VIA EMAIL TO: jsm@lfap.com

Dear Jill Maland:

RE: City of San Marcos – APNs 219-270-67 and APN 221-051-38 – Surplus Land Act Findings Letter

Thank you for notifying the California Department of Housing and Community Development (HCD) of the City of San Marcos (City) determination that land identified as Assessor's Parcel Numbers (APNs) 2019-270-67 and 221-051-38 (Property), is "exempt surplus land." HCD received the City's complete documentation on January 9, 2026.

HCD reviewed the Public Notice published on December 5, 2025, pursuant to Section 400 of the Surplus Land Act Guidelines. As explained below, HCD finds that the Property qualify as "exempt surplus land" under Government Code section 54221, subdivision (f)(1)(A).

Analysis

As provided in Government Code section 54221, subdivision (f)(1)(A) "exempt surplus land" includes "[s]urplus land that is transferred pursuant to Section 25539.4 or 37364."

According to the Public Notice, published on December 2, 2025, the Property will be developed and the housing units will be 100 percent affordable to persons and families of very low to low-income. The City aims to develop an affordable housing project of no less than 250 units, at 70% AMI level or lower with ancillary ground floor commercial use. The project will be restricted by a regulatory agreement including the covenants and conditions of the agreement binding for a minimum of 55 years.

On January 9, 2026, the City confirmed that Government Code section 54221, subdivision (f)(2), does not apply to the Properties and, therefore, a written notice of availability for open-space purposes is not required.

Conclusion

If the submitted documentation and assertions by the City are complete and accurate, HCD finds that the Property would qualify as “exempt surplus land” under Government Code section 54221, subdivision (f)(1)(A). Once a developer is selected, the City must submit to HCD a regulatory agreement that confirms the requirements of Government Code section 54221(f)(1)(A) has been met.

If you have any questions or need additional technical assistance, please contact Melissa Vasquez, Senior Housing Policy Specialist, at Melissa.Vasquez@hcd.ca.gov or submit a request via the [Surplus Land Act Portal](#).

Sincerely,

Lisa Krause

Lisa Krause
Section Chief, Surplus Land Act
Housing Accountability Unit