

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE (A) DETERMINING THAT THE CITY-OWNED 0.24-ACRE PROPERTY LOCATED AT THE SOUTHEAST CORNER OF THE INTERSECTION OF EAST REED STREET AND SOUTH FOURTH STREET IS NOT NEEDED FOR, NOR ADAPTABLE TO, MUNICIPAL PURPOSES AND IS, THEREFORE, SURPLUS TO THE NEEDS OF THE CITY; AND (B) AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN EIGHTEEN-MONTH OPTION TO PURCHASE AGREEMENT WITH HABITAT FOR HUMANITY EAST BAY/SILICON VALLEY TO SELL A PORTION (APPROXIMATELY 5,227 SQUARE FEET) OF THE CITY'S EAST REED STREET AND SOUTH FOURTH STREET PROPERTY FOR \$1**

**WHEREAS**, the City of San Jose ("City") holds fee ownership of real property, approximately 10,454 square feet, located at the southeast corner of the intersection of East Reed Street and South Fourth Street ("the Property"); and

**WHEREAS**, the San José Municipal Code ("Code") authorizes the Council to declare City-owned real property surplus to the needs of the City and to authorize the sale or exchange of such surplus property; and

**WHEREAS**, the City offered the sale of the Property through a competitive process in accordance with Section 4.20.080 of the Code and received four offers, being Habitat for Humanity East Bay/Silicon Valley ("Habitat for Humanity") the highest bidder; and

**WHEREAS**, the direct negotiations with Habitat for Humanity in 2018 and 2019 did not result in a sale, Habitat for Humanity remained interested in finding the right fit for an affordable housing project on the Property; and

**WHEREAS**, with no agreement reached under the 2018 notice, the City is now able to proceed with a sale of the potential surplus property to Habitat for Humanity through direct negotiations under California Government Code §50570 and Section 4.20.080 of the Code, both of which allow for direct sales of surplus land to non-profit housing corporations; and

**WHEREAS**, the site has been used by homeless individuals and is a management challenge for the City; and

**WHEREAS**, the Property has been determined to be not needed for, nor adaptable to, municipal purposes as its unique site constrains the buildable utility of the site; and

**WHEREAS**, in order to comply with the above laws, the Property must be transferred to an affordable housing agency subject to the affordability requirements of California Health and Safety Code §50052.5/§50053 and with a covenant that transfers the property back to the City if the owner of the land becomes no longer majority non-profit; and

**WHEREAS**, the City desires to enter into an eighteen-month Purchase Option allowing Habitat for Humanity to purchase the Property for \$1 as set forth in the memorandum from Kim Walesh, Director of Economic Development dated January 17, 2020.

**NOW, THEREFORE**, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

- (A) The City-Owned 0.24-Acre Property located at the southeast corner of the intersection of east Reed street and south Fourth street is not needed for, nor

adaptable to, municipal purposes and is, therefore, surplus to the needs of the City; and

- (B) The City Manager is authorized to execute and execute an eighteen-month Option to Purchase agreement with Habitat for Humanity East Bay/Silicon Valley to sell a portion (approximately 5.227 square feet) of the City's East Reed Street and South Fourth Street property for \$1.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2020, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

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SAM LICCARDO  
Mayor

ATTEST:

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TONI J. TABER, CMC  
City Clerk