

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING (A) THE DIRECTOR OF HOUSING TO NEGOTIATE AND EXECUTE ANY DOCUMENTS REQUIRED UNDER CALIFORNIA REDEVELOPMENT LAW FOR THE TRANSACTIONS HEREIN, AND ANY AMENDMENTS OR MODIFICATION THERETO, INCLUDING, BUT NOT LIMITED TO, THE AFFORDABILITY RESTRICTIONS; (B) THE TRANSFER OF THE FOLLOWING THREE CITY-OWNED REAL PROPERTIES, TOTALING APPROXIMATELY 1.02 ACRES OF LAND, TO THE HOUSING DEPARTMENT TO BE FUNDED FROM THE LOW AND MODERATE INCOME HOUSING ASSET FUNDS FOR THE FUTURE CONSTRUCTION OF AFFORDABLE HOUSING IN EXCHANGE FOR THE APPRAISED VALUES OF THE PROPERTIES CONSISTENT WITH THE CALIFORNIA REDEVELOPMENT LAW: (1) 3707 WILLIAMS ROAD (ASSESSOR PARCEL NUMBER 299-32-074) FROM THE DEPARTMENT OF PARKS, RECREATION AND NEIGHBORHOOD SERVICES FOR THE APPRAISED AMOUNT OF \$6,200,000; (2) 1749 MOUNT PLEASANT ROAD (ASSESSOR'S PARCEL NUMBER 647-24-042) FROM THE FIRE DEPARTMENT FOR THE APPRAISED AMOUNT OF \$900,000; AND (3) 430 PARK AVENUE (ASSESSOR'S BOOK 259, PAGE 46, UNASSIGNED PARCEL) FROM THE OFFICE OF ECONOMIC DEVELOPMENT FOR THE APPRAISED AMOUNT OF \$555,000

WHEREAS, San José remains one of the most expensive housing markets in the region in term of land acquisition for affordable housing due to the scarcity of land and competitiveness in the real estate market, and as a result, the Housing Department in partnership with the Office of Economic Development (“OED”) outlined a strategy to explore and identify site acquisition opportunities of City-owned properties; and

WHEREAS, in July 2019, the Housing Department released a Request for Qualification to solicit architectural services to provide a full complement of building, design, and site programming suitable for affordable housing; and

WHEREAS, in November 2019 and January 2020, the Housing Department entered into two Master Agreements with the DAHLN Group and MBA Architects respectively to provide such services, and, simultaneously, the Housing Department and the City's Real Estate Services Division identified subject properties as potential sites and were supported by contracted architects; and

WHEREAS, it is the Housing Department's intent to acquire City-owned properties and include them in its portfolio as future sites for affordable housing development, and upon a successful acquisition of the subject properties, Housing Department staff will work with its team of architects to develop studies to further explore affordable housing options that are consistent with both land-use requirements and California Redevelopment Law ("CRL") and that meet the needs of the community; and

WHEREAS, upon further review of development options, the Housing Department will either issue a Request for Proposal or Notice of Funding Availability to identify capable partners to develop the sites into permanent affordable housing, and once a developer is selected, the entitlement process, zoning modifications, the California Environmental Quality Act and other development requirements will be initiated; and

WHEREAS, the Housing Department will be using Low- and Moderate-Income Housing Asset Funds ("LMIHAF") to acquire the properties; and

WHEREAS, upon dissolution of the Redevelopment Agency the City of San José ("City") elected to retain the housing assets and the affordable housing functions of the Redevelopment Agency, and the City now administers the affordable housing functions

of the Redevelopment Agency as the housing successor subject to the provisions of CRL which relate to affordable housing; and

WHEREAS, consistent with the CRL, the Housing Department must restrict the property for low income housing development by recording a 55-year affordability restriction against the fee title and demonstrate progress towards developing these sites within five years of the time of acquisition; and

WHEREAS, the subject properties that consist of three City-owned parcels, which total approximately 1.02 acres (44,416 square feet), are located at 3707 East Williams Road (Assessor Parcel Number 299-32-074), site of the West San José Community Center, from the Department of Parks, Recreation and Neighborhoods Services for the appraised amount of \$6,200,000; 1749 Mount Pleasant Road (Assessor Parcel Number 647-24-042), previous site of Fire Station #21, from the Fire Department for the appraised amount of \$900,000; and the vacant lot located at 430 Park Avenue (Assessor's Book 259, Page 46, unassigned parcel), from the Office of Economic Development for the appraised amount of \$555,000; and

WHEREAS, the three parcels are currently vacant or underutilized and City staff has determined that the highest utility to the City for each of the three subject properties is the development of affordable housing .

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

- a. The Director of Housing is hereby authorized to negotiate and execute any documents required under California Redevelopment Law for the purchase and transfer to the Department of Housing of the City-owned properties located at 3707 Williams Road, 1749 Mt. Pleasant Road and 430 Park Avenue, and any

amendments or modification thereto, including, but not limited to, the affordable restrictions; and

- b. The transfer of the following three City-owned real properties, totaling approximately 1.02 acres of land, to the Housing Department to be funded from the Low and Moderate Income Housing Asset Funds, is hereby authorized, for the future construction of affordable housing in exchange for the appraised values of the properties consistent with the California Redevelopment Law:
1. 3707 Williams Road (Assessor Parcel Number 299-32-074) from the Department of Parks, Recreation and Neighborhoods Service for the appraised amount of \$6,200,000; and
 2. 1749 Mt. Pleasant Road (Assessor Parcel Number 647-24-042), from the Fire Department for the appraised amount of \$900,000; and
 3. 430 Park Avenue (Assessor's Book 259, Page 46, unassigned parcel), from the Office of Economic Development for the appraised amount of \$555,000.

ADOPTED this ____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk