

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE DECLARING THE CITY-OWNED PROPERTY LOCATED AT 1488 NORTH FIRST STREET “EXEMPT SURPLUS LAND” UNDER CAL. GOV. CODE §54221(F)(1)(D), SAN JOSE MUNICIPAL CODE §4.20.080 AND IN ACCORDANCE WITH COUNCIL POLICY 7-13(D)(3); AUTHORIZING THE SALE OF THE CITY-OWNED PROPERTY SURESTAY HOTEL BY BEST WESTERN, LOCATED AT 1488 NORTH FIRST STREET AND IDENTIFIED AS ASSESSOR’S PARCEL NUMBER 235-02-034, TO THE SANTA CLARA COUNTY HOUSING AUTHORITY FOR ONE DOLLAR (\$1); AUTHORIZING THE CITY MANAGER OR HER DESIGNEE TO NEGOTIATE AND EXECUTE THE PURCHASE AND SALE AGREEMENT, DEED AND ALL OTHER DOCUMENTS NECESSARY TO COMPLETE THE SALE OF 1488 NORTH FIRST STREET TO THE SANTA CLARA COUNTY HOUSING AUTHORITY; AND AUTHORIZING THE DIRECTOR OF HOUSING OR HER DESIGNEE TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH LIFEMOVES, NOT TO EXCEED \$1,700,000, FROM OCTOBER 1, 2022 TO JUNE 30, 2023 FOR PROPERTY MANAGEMENT AND SUPPORTIVE SERVICES AT 1488 NORTH FIRST STREET

WHEREAS, the City purchased the SureStay Hotel by Best Western (“SureStay Hotel”), a 76-unit, two-story hotel on an approximately 65,981 square foot site that is improved with three buildings consisting of 76 motel rooms, a community room, and a detached two-bedroom manager’s apartment, located at 1488 N. First Street and identified as Assessor’s Parcel Number 235-02-034 (“Property”), on October 30, 2020 using \$12,230,477 in California Department of Housing and Community Development (“HCD”) Project HomeKey award funds in order to provide housing opportunities for extremely-low-income households experiencing homelessness for a minimum of five years; and

WHEREAS, the sale of the Property to the Santa Clara County Housing Authority (“Housing Authority”) will shift the responsibility of managing the SureStay Hotel to a more experienced housing provider and will position the Housing Authority to assemble adjacent properties in order to ultimately redevelop the site that will increase the supply of affordable housing in the City; and

WHEREAS, in order to effectuate the sale, the Property is to be declared as “exempt surplus land” in conformance with California’s Surplus Land Act and San José Municipal Code for One Dollar (\$1); and

WHEREAS, the California Surplus Land Act (§54221 (f) (1) (D)) allows a local agency to transfer property to another local, state, or federal agency for the agency’s use as exempt surplus land; and

WHEREAS, the Housing Authority meets the definition of a local agency, and the City will transfer the property for the provision of affordable housing, therefore qualifying for an exemption under the Surplus Land Act; and

WHEREAS, prior to the City’s transfer, an approval letter shall be obtained from HCD authorizing the sale consistent with the Surplus Land Act; and

WHEREAS, the Housing Authority Board will need to approve this sale transaction at the Board’s November 3, 2022, meeting; and

WHEREAS, the transfer of the Property is anticipated to be completed in early 2023 within 30 days of the execution of the Purchase and Sale Agreement by the City and the Housing Authority; and

WHEREAS, the Housing Authority has selected the Jamboree Housing Corporation (“Jamboree”), a nonprofit developer of affordable housing, to manage and operate the SureStay Hotel as a shelter providing housing and supportive services; and

WHEREAS, the current property manager and service provider, Abode Services, will transition out as the onsite service provider of the SureStay Hotel at the end of September 2022 and, LifeMoves, through a Request for Qualifications process was selected by the City to serve as the interim property manager and service provider for the SureStay Hotel through the transition of property management services to Jamboree; and

WHEREAS, the City Manager will negotiate and execute an agreement with LifeMoves not to exceed \$1,700,000 from October 1, 2022, to June 20, 2023, for property management and resident services at the SureStay Hotel; and

WHEREAS, the Housing Authority will ground lease the property to Jamboree, who will manage the Property consistent with Project HomeKey requirements;

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

1. The City-owned property located at 1488 North First Street and known as the SureStay Hotel by Best Western is hereby declared “Exempt Surplus Land” under Cal. Gov. Code §54221(F)(1)(D), San Jose Municipal Code §4.20.080 and in accordance with Council Policy 7-13(D)(3).

2. The City Manager or her designee is hereby authorized to enter into the sale transaction of 1488 North First Street to the Santa Clara County Housing Authority for One Dollar (\$1).
3. The City Manager or her designee is hereby authorized to negotiate and execute the Purchase and Sale Agreement, the deed, and all other documents necessary to complete the sale of the City-owned property located at 1488 North First Street from the City to the Housing Authority.
4. The Director of Housing or her designee is hereby authorized to negotiate and execute an agreement with LifeMoves not to exceed \$1,700,000 for property management and supportive services from October 1, 2022, to June 30, 2023 at 1488 North First Street known as the SureStay Hotel by Best Western.

ADOPTED this _____ day of _____, 2022, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk