



*Housing*

# Purchase of 71 Vista Montana

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# Public Policy Objectives

- Need for affordable housing in North San José
  - Palmer case
- Prime location
- Meet timeline for expenditure of Low and Moderate Income Housing Asset Funds



# Property Details

## Owner: San José Vista Montana, LLC

### 🏠 4.21 Acre Site in D4

- General Plan overlay allows Housing
- Potential for **400+** affordable homes

### 🏠 Vacant 62,000 sq. ft. industrial building

### 🏠 ENA with **Charities Housing**



# Negotiation & Key Term Summary

| Negotiated Item                                  | Value                                                     |
|--------------------------------------------------|-----------------------------------------------------------|
| Charities Housing Contract Price (August 2019)   | \$27,000,000                                              |
| City Appraisal                                   | \$24,570,000                                              |
| Estimated Haz Mat (Likely development scenario)  | \$850,000                                                 |
| Worst Case Haz Mat (Subsurface parking scenario) | \$4,910,000                                               |
| <b>Purchase Price</b>                            | <b>\$22,875,000</b>                                       |
| Other Key Terms                                  | As-is sale<br>§1033 Letter<br>Close no later than June 30 |



# Proposed City Council Action

Adopt a resolution authorizing the City Manager to negotiate and execute:

- a) An Agreement with San José Vista Montana, LLC, for the purchase by the City of San José of approximately 4.21 acres located at the western corner of Vista Montana and Renaissance Drive in San Jose, identified as Assessor's Parcel Number 097-52-027, for a price of \$22,875,000, and all other documents necessary to effectuate the property transfer to the City;
- b) All other documents necessary to effectuate the property transfer to the City; and
- c) A Two-Year Exclusive Negotiating Agreement with Charities Housing to prepare a proposal to City for the future development of an affordable housing project on the 71 Vista Montana property.

