



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jen Baker

SUBJECT: Actions Related to the
Surplus Land Located on
Sherlock Drive

DATE: March 23, 2026

Approved

Date:

4/1/26

COUNCIL DISTRICT: 7

RECOMMENDATION

Adopt a resolution:

- (a) Declaring that certain 4,021 square foot lot of City-owned vacant land with a net usable area of 3,121 square feet (with the remainder to be reserved to the City of San José for its continued use as right-of-way) set on the southwest side of Sherlock Drive, between 2715 and 2721 Sherlock Drive, and more particularly described and depicted in EXHIBIT "A" and as APN 499-26-003 Parcel A, to be "surplus real property" pursuant to San José Municipal Code Sect. 4.20.010(L) and "exempt surplus land" under California Government Code §54221(f)(1)(B), as the subject property is less than a half-acre, and §54221(f)(1)(E), as the property is a former street or roadway and is being conveyed to an abutting owner, and the property is surplus to the needs of the City and is not necessary for the City's use and is exempt from affordability requirements of the Surplus Lands Act, and making the requisite findings based on this memorandum.
- (b) Making the further findings that this property is not:
 - (1) Within a coastal zone;
 - (2) Adjacent to a historical unit of the State Parks System;
 - (3) Within the Lake Tahoe region as defined in Section 66905.5; and
 - (4) Listed on or determined by the State Office of Historic Preservation to be eligible for the National Register of Historic Places.
- (c) Directing the City Manager, or her designee, to negotiate and execute a purchase and sale agreement and quitclaim deed, and all other necessary documents to effectuate the transfer and sale of APN 499-26-003 Parcel A, with a City reservation over the 900 square feet contained within the existing City right

of way, to Thanh Tung Huu Nguyen from the City of San José, for the consideration of \$55,000, pursuant to San José Municipal Code Section 4.20.030 and in accordance with Council Policy No. 7-13.

SUMMARY AND OUTCOME

Should the City Council approve of the actions recommended above, upon recordation of the resolution the property at APN 499-26-003 Parcel A will be declared as “exempt surplus real property” under the San José Municipal Code Section 4.20.010(L) as well as “exempt surplus land” under California Government Code §54221, and the City Manager, or her designee, will negotiate and execute a purchase and sale agreement conveying the property to the abutting property owner, Thanh Tung Huu Nguyen, for a purchase price of \$55,000. Upon conveyance, the abutting property owner will have the right to use 3,121 square feet of the parcel (the “Undeveloped Lot” as depicted in Attachment A) as yard space or the site for development of an accessory dwelling unit or other improvements subsequently approved by the City. The remaining 900 square feet of the property will remain in use as a City-controlled portion of the Sherlock Drive right-of-way.

BACKGROUND

In September 2025, resident Thanh Tung Huu Nguyen approached staff with a request to purchase this City-owned property located on the southwest side of Sherlock Drive. The property totals 4,021 square feet or 0.09 acres (the “Property” as depicted in Attachment B), consisting of 3,121 square feet of undeveloped land situated between 2715 and 2721 Sherlock Drive, and 900 square feet within the Sherlock Drive right-of-way (collectively, the “Property”). This Property sits directly adjacent to a home he owns and forms the terminus of a long-abandoned road that extends northeastward from this parcel down an unused alley, which passes behind homes set on Malott Drive and Cheswick Drive. Mr. Nguyen noted the presence of signage indicating that the land was for sale. As such, staff proceeded to prepare documents to facilitate this sale, and Mr. Nguyen proceeded to secure an appraisal of the Property for use in setting its current market sale price.

Although the City Council found and determined that this land was not needed for municipal purposes, and declared the Property as surplus in 2009, updates to the State’s Surplus Lands Act require the City Council to re-designate the Property as “exempt surplus land” prior to sale. It is this designation that is currently being sought from the City Council to allow the completion of this sale.

ANALYSIS

Declaring the Property as exempt surplus land under California Government Code §54221 conforms to San José Municipal Code Section 4.20.030 as well as City Council Policy No. 7-13 for the following reasons:

- (a) The Property is designated as “exempt surplus land.”
- (b) The Property is less than one-half-acre in size and is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes.
- (c) The Property is a former right-of-way being acquired by an adjacent property owner.
- (d) The Property is:
 - (1) Not within a coastal zone;
 - (2) Not adjacent to a historical unit of the State Parks System;
 - (3) Not within the Lake Tahoe region as defined in Section 66905.5; and
 - (4) Not listed on or determined by the State Office of Historic Preservation to be eligible for the National Register of Historic Places.
- (e) The Property will be sold for the fair market value of \$55,000 as determined in an appraisal prepared by Valbridge Property Advisors in December 2025.

The “exempt surplus land” designation is exempt from the affordability requirements of the Surplus Lands Act, as enforced by the California Department of Housing and Community Development, pursuant to California Government Code §54221. These requirements stipulate that the City declare a property “exempt surplus land” at a regular public meeting, which declaration must be supported by written findings demonstrating compliance with one of the approved grounds for exemption. In this case, the property is deemed exempt under two provisions: 1) It is less than one-half acre in area (4,021 square feet) and is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes, consistent with §54221(f)(1)(B); and 2) It is a part of a former street and is being conveyed to an owner of an adjacent property, consistent with §54221(f)(1)(E). The proposed purchaser of this land, Mr. Thanh Tung Huu Nguyen, is the owner of the immediately abutting parcel located at 2715 Sherlock Drive.

Staff analysis indicates that there is no City use for the Property and that the location is not identified for any future projects or desired by any other departments. The Property is not feasible for conventional single-family residential development due to size and setback limitations. Assembling the Property with an abutting property affords the opportunity to construct an accessory dwelling unit. After the sale, Mr. Nguyen has stated that he intends to fence the Property, attach it to his immediately abutting parcel, and potentially construct an accessory dwelling unit upon it. Any potential future

development will be subject to City review and permits, and the California Environmental Quality Act review.

Should the Property remain under City ownership, it will likely remain undeveloped for an extended period of time and will potentially be subject to unauthorized entry and encroachment. Should the Property be transferred to the abutting neighbor, this will allow the City's continued use of the Sherlock Drive right-of-way portion of the Property, will allow transfer of maintenance responsibilities for the undeveloped lot portion of the Property to the abutting property owner, and will generate \$55,000 for deposit to the General Fund. Accordingly, staff recommends the sale to Mr. Nguyen for the appraised fair market value of \$55,000.

EVALUATION AND FOLLOW-UP

No additional follow-up action with the City Council is expected at this time.

FISCAL IMPACTS

There are no costs associated with this action. Revenue generated from this agreement will be \$55,000. The transaction is anticipated to be finalized after July 1, 2026, and these funds will be deposited into the General Fund in Fiscal Year 2026-2027.

COORDINATION

This memorandum was coordinated with the City Attorney's Office, the City Manager's Budget Office, and the Departments of Planning, Building and Code Enforcement, and Public Works.

PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website for the April 14, 2026 City Council meeting.

BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

No board, commission, or committee recommendation or input is associated with this action.

HONORABLE MAYOR AND CITY COUNCIL

March 23, 2026

Subject: Actions Related to the Surplus Land Located on Sherlock Drive

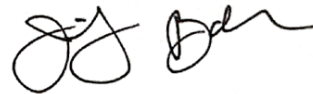
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CEQA

Categorically Exempt, File No. ER26-040, CEQA Guidelines Section 15312, Surplus Government Property Sales.

PUBLIC SUBSIDY REPORTING

The recommended action does not include a public subsidy as defined under the provisions of the City's Open Government Resolution section 2.3.2.6 C, or the California Government Code sections 53083 and 58031.1.



JEN BAKER
Director of the City Manager's
Office of Economic Development
and Cultural Affairs

For questions, please contact Kevin Ice, Assistant to the City Manager, Director of Real Estate, City Manager's Office of Economic Development and Cultural Affairs, at Kevin.Ice@sanjoseca.gov.

ATTACHMENTS:

Attachment A: Undeveloped Lot

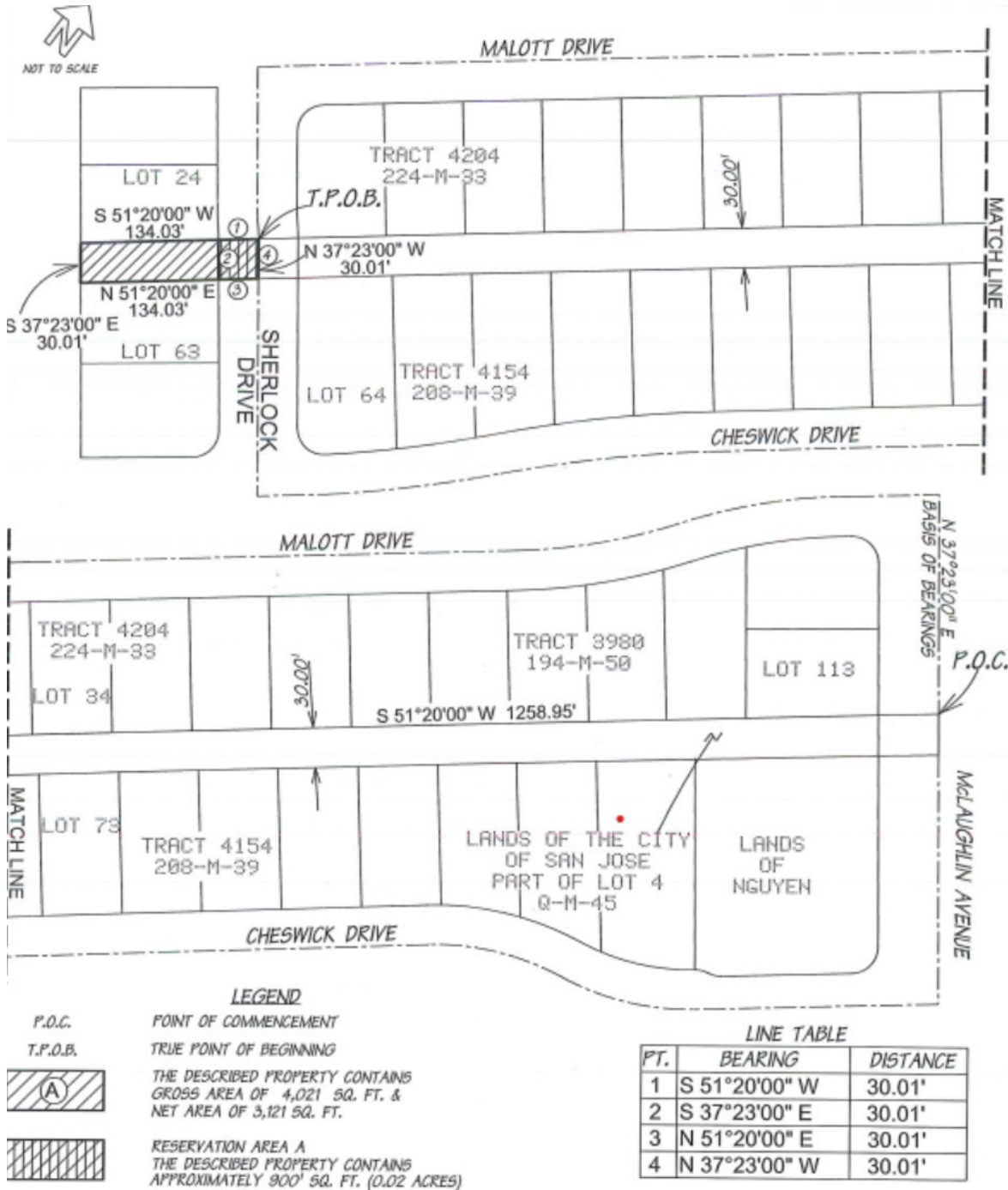
Attachment B: Property

Attachment A: Undeveloped Lot



3,121 square foot Undeveloped Lot
Located between 2715 Sherlock Drive and 2721 Sherlock Drive

Attachment B: Property



4,021 square foot Property (APN 499-26-003 Parcel A)
 Includes 900 square feet of land in Sherlock Drive to be reserved for the City for continued use as a street