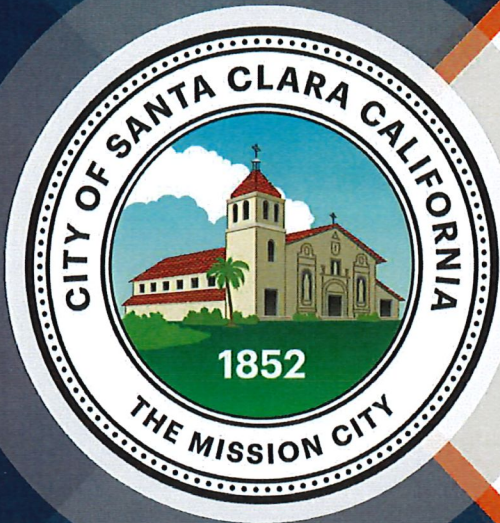


4/18/23

Item #3



RTC 23-484: Reconsideration of Council action taken March 7, 2023 regarding a Resolution Declaring City-Owned Property Located at 2319 Gianera Street as Surplus Land as Required by State Law [APN: 104-05-052]

April 18, 2023



City of Santa Clara
The Center of What's Possible

Previous Discussion

- City of Santa Clara owns the single-family home located at 2319 Gianera Street
- Property was purchased with general funds in 1983 for \$155,000
- The property was last used as affordable housing, and it has been vacant since 2013
- Maintained on an as needed basis - landscaping, weed management, etc.
- Property is no longer necessary for the City's use or operations and thus should be declared surplus.
 - Explored options with Parks and Rec, Water and Sewer, SVP, and Public Works



POST MEETING MATERIAL



Previous Discussion Cont.

- March 7th Action approved declaring Gianera Street Property “surplus” and issuance of a NOA under the SLA for the disposition of the property
- There was no Council direction to pursue other public use alternatives
- Note – Background/historical information provided via staff reports or emails
 1. 1983 Minutes (October 18, 1983 and December 20, 1983)
 2. 1998 Lease Agenda Report
 3. Property Appraisal Report
 4. October 14, 1983 Agenda Report for Gianera Purchase (Includes Agreement of Sale)
 5. Gianera Deed
 6. October 20, 1998 Lease and Dec 28, 1998 Sublease
 7. September 6, 1983 Minutes
 8. December 15, 1983 Agenda Report
 9. April 2003 Agenda Report 1st Amendment to Sublease



Surplus Land Act Process:

- Declare the land surplus
- Issue notice of availability to HCD, affordable housing groups and other interested parties (60 days)
- Good Faith Negotiation Period with responding entities (90 days)
- Send proposed disposition to HCD for review (30 days)
- Address HCD’s findings (60 days)
- Dispose of the land



“Good Faith Negotiation”

- “Good faith negotiation” means to deal honestly and fairly with the other party throughout the negotiation process whether or not the negotiation results in a contract. (HCD SLA Guidelines)
- Local agencies need to negotiate in good faith with any respondents for at least 90 days.
- During the negotiation period, the local agency cannot prohibit residential use on the property or reduce the allowable number of residential units below what is provided by zoning.
- When selecting a development partner, localities are generally required to prioritize affordable housing uses in the order provided in Gov’t Code section 54227.

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Penalties

- Penalties for non-compliance with noticing (Re-notice the interested parties)
- Penalties for improper disposition
 - 30 percent of land cost for 1st violation
 - 50 percent of land cost for 2nd violation

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SLA Requirements Applied to the Proposed Disposition of Gianera Street Property

- March 7th Action approved declaring Gianera Street Property “surplus” and issuance of a NOA under the SLA
- Possible basis for reconsideration: If Councilmembers based their action to proceed on basis that SLA process would not limit their future options to reject offers and pursue alternative public uses.
- Clarification of the SLA as applied to Gianera: City Council retains discretion, but not unfettered; good faith negotiations requirement applies; may be hard to defend rejection of a “full value” offer for a 25% or greater affordable project
- Staff Recommendation: Affirm City Council action taken on March 7th to proceed with the disposition of the property