



December 9, 2025 City Council Meeting

Title

Disposition of

Surplus Real Estate for Residential Use—Liz Webb, Housing Coordinator
2421 and 2425 Reservoir Street to Central Valley Habitat for Humanity

Summary

As directed by City Council, staff established a process to sell surplus City-owned property considered potentially suitable for housing. Following an open application process for listed parcels, staff selected a proposal from Central Valley Habitat for Humanity to purchase 2421 and 2425 Reservoir Street at the below-market price of \$10,000. The significant discount from the \$308,000 assessed value will support the creation of a minimum of ten for-sale townhome units on the roughly 1.15-acre site. At least 80 percent of units will be restricted to and affordable for qualified low-to-moderate income homebuyers. Facilitating the development of affordable housing serves an important public purpose in the interests of the City and its residents.

Disposition requires a public hearing and City Council approval, the agreement for which Council consideration is requested. This sale is also conditioned upon successful applications for land use approvals.

Recommendation

Option 1. Approve the property sale (real estate purchase and sale agreement) following the required public hearing

Fiscal Impact

Approval of the sale would result in \$10,000.00 in revenue

Context & Analysis

Public land is a valuable tool that cities can leverage to meet local housing objectives. Harrisonburg's 2021 Comprehensive Housing Assessment and Market Study recommended identifying suitable City-owned parcels for affordable and mixed income residential development. The City assessed its current and future need for several vacant city-owned parcels and after determining there was no further public use for these properties established a process to sell the

surplus parcels for residential development. Under the program guidelines, offers below the assessed value could be considered if the discount was tied to housing affordability.

Five parcels were listed for sale in February 2025. Applicants were considered based on established evaluation criteria, including readiness/ feasibility, experience/qualifications, and community value. Disposition requires a public hearing and City Council approval. This public hearing represents the second and third parcel listings; the first has already been approved. The sale would be conditioned upon successful applications for land use approvals, with closing to occur by December 31, 2026.

Options

1. Approve the property sale (real estate purchase and sale agreement) following the required public hearing
2. Decline to approve the property sale
3. Provide alternate direction

Attachments

1. Presentation
2. Public Hearing Notice
3. Real Estate Purchase and Sale Agreement
4. Property Listing
5. Resolution