



**Sacramento  
Housing &  
Redevelopment  
Agency**

April 20, 2005

City Council and Redevelopment  
Agency of the City of Sacramento  
Sacramento, California

Honorable Members in Session:

**SUBJECT: DISPOSITION AND DEVELOPMENT AGREEMENT FOR SALE OF  
7940 FRUITRIDGE ROAD**

**LOCATION & COUNCIL DISTRICT**

Avondale Neighborhood, Council District 6

**RECOMMENDATION**

Staff recommends adoption of the attached resolutions which authorizes the Executive Director to:

- enter into a Disposition and Development Agreement for the sale of 7940 Fruitridge Road for a price not less than market value; and
- amend the budget to transfer sale proceeds to the City Community Development Block Grant commercial revolving loan fund.

**CONTACT PERSONS**

Jim Hare, Program Manager – Development Services, 440-1313  
Alida Martinez, Development Analyst, 440-1399 extension 1464.

**FOR COUNCIL MEETING OF** May 10, 2005

**SUMMARY**

In 1995 the Redevelopment Agency of the City (Agency) foreclosed a loan secured by the property located at 7940 Fruitridge Road, which was funded with City Community Development Block Grant (CDBG) funds. The parcel was listed on the open market and has received an offer for purchase at \$101,000. Acceptance of that offer is contingent upon various use restrictions contained in the DDA on file with the Agency Clerk. Proceeds from the sale of the property will be allocated to the CDBG commercial revolving loan fund.



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### **PAC/RAC/TAC ACTION**

At its meeting March 23, 2005, the Army Depot Redevelopment Advisory Committee adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES: Affinito, Hensler, Lenau, Lien, Medley, Ortiz, Vierra, and Vourakis

NOES: None

ABSENT: Chacon, Colquitt, Healey and Voss

### **COMMISSION ACTION**

At its meeting of April 20, 2005 the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES: Burns, Burruss, Coriano, Gore, Harland, Hoag, Piatkowski,  
Simon, Stivers

NOES: None

NOT PRESENT TO VOTE: Gale

ABSENT: None

### **BACKGROUND**

During the 1980's the Redevelopment Agency made a CDBG commercial development loan of \$65,000 for rehabilitation of a commercial building located at 7924 Fruitridge Road. As part of the loan agreement, the owner of the building at 7924 Fruitridge Road was required to place a vacant, C-2 zoned lot at 7940 Fruitridge Road as collateral for securing repayment of the loan.

In 1995, 7924 Fruitridge Road went through foreclosure and the Agency took possession of 7940 Fruitridge Road. The property at 7924 Fruitridge was purchased in 2001 by Popal Abdul Alim and Mohammed Sharif Yasin. It is the present location of the Faisal Market.

The Agency has been unable to find a suitable use for the vacant property at 7940 that would meet CDBG requirements. Consequently, the Agency is required to dispose of this surplus property and reimburse the proceeds to CDBG.

The property was listed with a broker on October 4, 2004 on a sealed bid basis. Two months later on December 12, 2004, three offers were submitted. The highest bid is

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\$101,000 which staff believes represents the fair market value of the property. The purchasers are Mr. Tam Do and his daughter Ms. Anhthu Do.

Mr. Do is the owner and operator of T&D Glass, a glass and screen shop, and Fast Alterations, his wife's alteration service which is located at 7912 Fruitridge. He recently completed substantial improvements to his business through the Agency's Commercial Façade Program. Mr. Do will continue his operations at 7912 Fruitridge with plans to build a 2,500 square foot building at 7940 Fruitridge to expand his screen and glass shop activities.

The sale is contingent upon the Agency recording a covenant or declaration of restrictions on the deed that prohibits the following uses on the subject property:

1. Auto sales
2. Auto storage
3. Bar
4. Check cashing facility
5. Liquor store
6. Towing service
7. Used tire sales
8. Bus and other transit vehicle maintenance store

In addition, the covenant/restriction will require that the property will be maintained at all times whether developed or vacant.

### **FINANCIAL CONSIDERATIONS**

Broker fees and escrow costs incurred in the sale of this property will be off-set from the sales proceeds.

Funds received by the Redevelopment Agency from the sale of 7940 Fruitridge Road will be returned to the City CDBG commercial revolving loan fund.

### **POLICY CONSIDERATIONS**

The recommended action is consistent with Redevelopment Agency policies and no policy change is being recommended at this time.

The recommended action is also consistent with the City Strategic Plan, which promotes and supports economic vitality. It is anticipated that the sale of this vacant commercially zoned property will allow a new business to serve this neighborhood.

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### ENVIRONMENTAL REVIEW

The proposed action to sell property for development of a small commercial building is exempt from environmental review pursuant to CEQA Guidelines Section 15303(c), which exempts commercial projects not exceeding 10,000 sq. ft. in urbanized areas on sites zoned for such use where all necessary public services and facilities are available and the surrounding area is not environmentally sensitive. NEPA does not apply.

### M/WBE CONSIDERATIONS

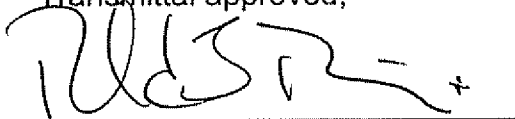
The action proposed in this report has no M/WBE impact; therefore M/WBE considerations do not apply.

Respectfully submitted,



ANNE M. MOORE  
Executive Director

Transmittal approved,

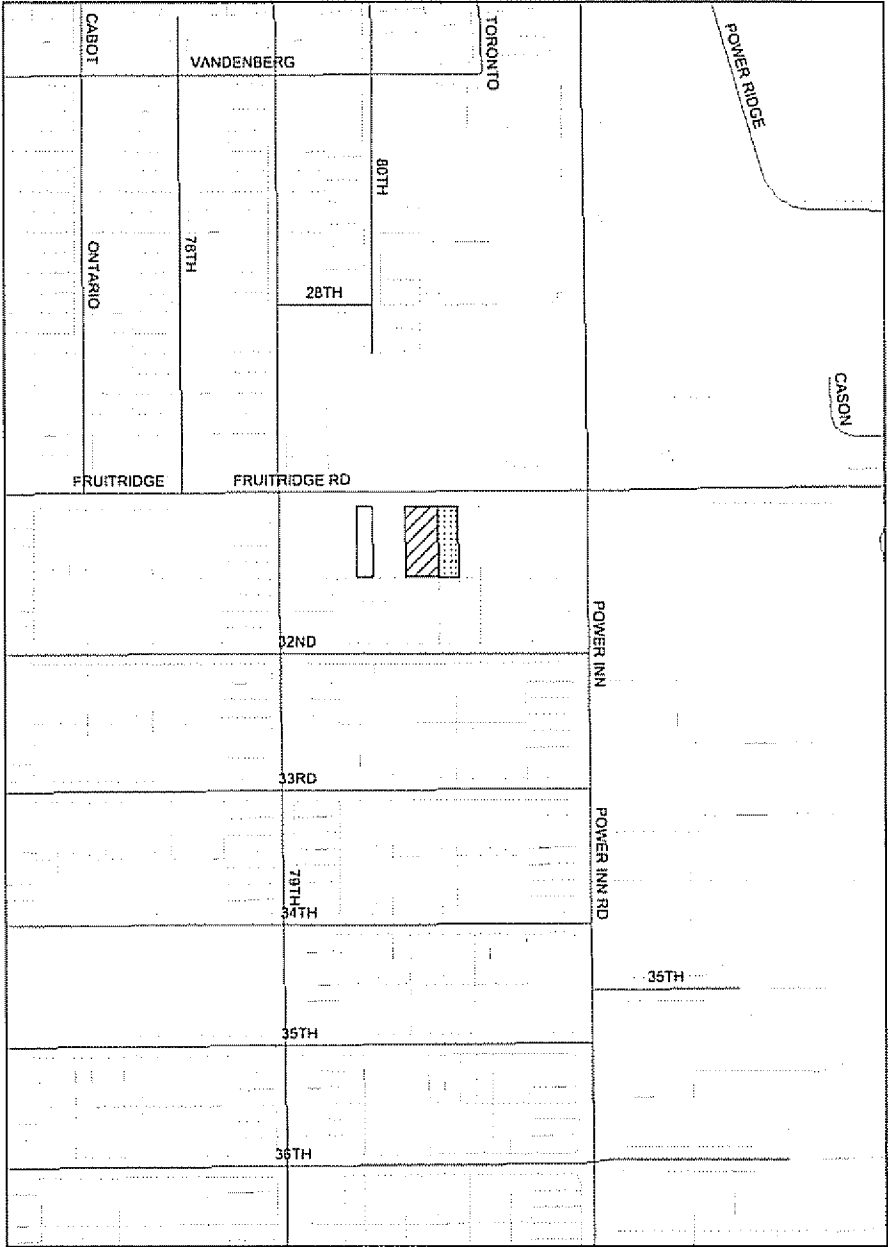


ROBERT P. THOMAS  
City Manager

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SITE MAP



7940 Fruitridge Road



**Legend**

-  Subject Site
-  Agency Foreclosed Property
-  Existing Business Location

**HEALTH AND SAFETY CODE SECTION 33433 REPORT**

**Report Regarding the Disposition of Property Acquired Directly or Indirectly with Tax Increment Funds (Health & Safety Code Section 33433)**

**I. Agreement**

A copy of the Disposition and Development Agreement ("Agreement") disposing of an interest in Agency real property is attached to this Report.

**II. Summary of Terms of Disposition**

AGENCY'S COST OF ACQUIRING THE LAND	
Purchase Price	\$ 0
Commissions	
Closing Costs	\$ 0
Relocation Costs	
Land Clearance Costs	
Financing Costs	
Improvement Costs (e.g. utilities or foundations added)	
Other Costs – CDBG loan	\$65,000
TOTAL	\$65,000

ESTIMATED VALUE OF INTEREST CONVEYED	
Value of the property determined at the highest and best use under the redevelopment plan	\$101,000

ESTIMATED REUSE VALUE OF INTEREST CONVEYED	
Value of property determined with consideration of the restrictions and development costs imposed by the Agreement	\$101,000

VALUE RECEIVED ON DISPOSITION	
The purchase price or the total of the lease payments due to the Agency under the Agreement	\$101,000

**III. Explanation of Disposition for Less than Full Value**

The Agency is selling the vacant lot to Mr. Tam Do and Ms. Anhthu Do for market value at \$101,000.

**IV. Elimination of Blight**

The project eliminates blight in the Avondale Glen Elder neighborhood by constructing a 2,500 square foot commercial building for a screen and glass shop on a vacant lot that causes a physical blight and is a haven for ancillary activities, which leads to blight.



**RESOLUTION NO. \_\_\_\_\_**

**ADOPTED BY THE SACRAMENTO CITY COUNCIL**

ON DATE OF \_\_\_\_\_

**APPROVAL OF THE AGENCY'S SALE OF PROPERTY AT  
7940 FRUITRIDGE ROAD TO TAM DO AND ANHTHU DO  
FOR A COMMERCIAL DEVELOPMENT**

WHEREAS, the Redevelopment Agency of the City of Sacramento ("Agency") owns certain real property generally described as 7940 Fruitridge Road ("Property") which was acquired by foreclosure of a Community Development Block Grant funded loan;

WHEREAS, Agency and Tam Do and Anhtu Do ("Developer") desire to enter into Disposition and Development Agreement ("DDA") to purchase the Property for construction of commercial/retail use building ("Project");

WHEREAS, a copy of the DDA is on file with the Agency Clerk;

WHEREAS, in accordance with the California Environmental Quality Act and its implementing regulations, the Project is exempt under CEQA Guidelines for the reasons set out in the Agency staff report that accompanies this resolution;

WHEREAS, a report under Health and Safety Code Section 33433 ("33433 Report") has been prepared, filed with the Agency Clerk, and made available for public review; and

WHEREAS, proper notice of this action has been given and a public hearing has been held in accordance with Health and Safety Code Sections 33431 and 33433.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:

Section 1. After due consideration of the evidence presented, the findings, including the environmental findings regarding this action, as stated in the staff report that accompanies this resolution, are approved.

Section 2. The sale of the Property and construction of the Project is consistent with the goals and objectives of the Redevelopment Agency to promote new construction on vacant lots. The Project will assist in the elimination of blight as stated in the 33433 Report. The Report as required under Health and Safety Code Section 33433 is hereby approved.

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**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

Section 3. The consideration for the Agency's conveyance of the Property to Developer is \$101,000, which is the market value of the Property and not less than the fair reuse value of the Property at the use and with the covenants, conditions, restrictions required by the DDA and Grant Deed.

Section 4. The City Council hereby approves the Agency's sale of the Property to the Developer for the Project pursuant to the terms of the DDA.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

**RESOLUTION NO. \_\_\_\_\_**

**ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO**

ON DATE OF \_\_\_\_\_

**APPROVAL OF DISPOSITION AND DEVELOPMENT AGREEMENT WITH  
TAM DO AND ANHTHU DO FOR SALE OF 7940 FRUITRIDGE ROAD  
AND AMEND AGENCY BUDGET**

WHEREAS, the Agency owns a vacant parcel of land which was acquired by foreclosure of a Community Development Block Grant funded loan, and the parcel is generally described as 7940 Fruitridge Road (APN: 027-0081-008), ("Property");

WHEREAS, the Agency and Tam Do and Anhthu Do ("Developer") desire to enter into Disposition and Development Agreement ("DDA") to purchase the Property from the Agency for construction of a commercial/retail use building ("Project");

WHEREAS, a copy of the DDA is on file with the Agency Clerk;

WHEREAS, in accordance with the California Environmental Quality Act ("CEQA") and its implementing regulations, the sale of the Property and the Project are exempt under the CEQA Guidelines for the reasons set out in the staff report that accompanies this resolution;

WHEREAS, a report under Health and Safety Code Section 33433 ("Section 33433 Report") has been prepared, filed with the Agency Clerk, and made available for public review; and

WHEREAS, proper notice of this action has been given and a public hearing has been held in accordance with the foregoing Health and Safety Code Sections 33431 and 33433.

**NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:**

Section 1. After due consideration of the evidence presented, the findings, including the environmental findings regarding this action, as stated in the staff report that accompanies this resolution, are approved.

Section 2. The sale of the Property and construction of the Project is consistent with the goals and objectives of the Redevelopment Agency to promote new construction on vacant lots. The Project will assist in the elimination of blight as stated in the 33433 Report. The Report as required under Health and Safety Code Section 33433 is hereby approved.

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DATE ADOPTED: \_\_\_\_\_

Section 3. The consideration for the Agency's conveyance of the Property to Developer is \$101,000, which is the market value of the Property and not less than the fair reuse value of the Property at the use and with the covenants, conditions, restrictions required by the DDA and Grant Deed.

Section 4. The Disposition and Development Agreement is approved and the Executive Director is authorized to execute the DDA, Grant Deed, Escrow Instructions and related conveyance documents, and to perform other actions as necessary to implement the terms of the DDA.

Section 5. The Agency Budget is hereby amended to deposit the net proceeds of the sale of the Property into the City Community Development Block Grant commercial revolving loan fund.

\_\_\_\_\_  
CHAIR

ATTEST:

\_\_\_\_\_  
SECRETARY

\_\_\_\_\_  
FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_