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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

December 28, 1979

Redevelopment Agency of the
City of Sacramento
915 I Street
Sacramento, CA 95814

CITY GOVERNING BOARD
PHILLIP L. ISENBERG, MAYOR
LLOYD CONNELLY
PATRICK B. DONOVAN
BLAINE H. FISHER
THOMAS R. HOEBER
DOUGLAS N. POPE
JOHN ROBERTS
ANNE RUDIN
DANIEL E. THOMPSON

Honorable Members in Session:

SUBJECT: Report Back on Disposition of Structure Located
at 616 11th Street, Site of Victoria Park Condo-
minium Units

COUNTY GOVERNING BOARD
ILLA COLLIN
C. TOBIAS (TOBY) JOHNSON
JOSEPH E. (TED) SHEEDY
SANDRA R. SHOLEY
FRED G. WADE

At your meeting of November 20, 1979, when you approved the tentative selection of Victoria Park Associates, you requested that a report be brought back to the Agency expressing the recommendations of all interested parties in the disposition of this structure.

EXECUTIVE DIRECTOR
WILLIAM G. SELINE

The Housing and Redevelopment Commission on November 5, 1979, recommended that the structure be demolished and that four (4) new condominium units be constructed in its place. On November 7, 1979 the Alkali Flat PAC made the same recommendation.

P.O. Box 1834
SACRAMENTO, CA 95809
630 I STREET
SACRAMENTO, CA 95814
(916) 444-9210

At its meeting of December 19, 1979, the City Preservation Board voted that an attempt be made to have the structure moved from the condominium site and that if those efforts failed, the Board agreed that demolition should take place. (See attached motion).

In a meeting held December 5, 1979 with Hans Krutzberg of the State Office of Historic Preservation, Agency staff demonstrated the lack of feasibility of rehabilitating the 616 11th Street structure. It was requested, however, that staff consider the accelerated depreciation provisions of the 1976 and 1978 Tax Reform Acts for any possible enhancement of feasibility. The attached analysis was subsequently prepared by Agency Chief Counsel, Brenton A. Bleier. This report clearly indicates that the five-year amortization of rehabilitation expenditures would not aid feasibility as all deductions in excess of straight line depreciation based upon the useful life of the building must be recaptured

FILED
SACRAMENTO REDEVELOPMENT AGENCY

Date 2/26/80

COMPT. TO 3-4-80

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
Page Two

December 28, 1979

(paid back) at the time of sale. If held for a twelve-year period as rental property, the owner would lose approximately \$50,500.

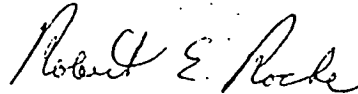
This updated report was presented to the State Office of Historic Preservation on December 27, 1979 with representatives of the Agency, City Manager's office and Preservation Board present. All parties were in agreement that the 616 11th Street structure is not economically feasible for rehabilitation. However, Mr. Krutzb-berg requested that the final step in the "adopted disposition procedures for release of HUD funds" be carried out but limited to a two week advertising period to allow anyone the opportunity to submit a realistic and economically feasible proposal for rehabilitation of the structure on site.]

Agency staff proposes to advertise this structure one last time on January 5, 1980, with proposals to be submitted by January 21, 1980. Any proposal received must include evidence of feasibility, evidence of a lender's participation, a rapid time schedule for such rehabilitation and assurance that quality work would be performed so that the structure would be compatible with the adjacent condominium units. This Victoria Park rehabilitation proposal for this structure will be deemed to be a proposal submitted in connection with this solicitation if other proposals are received. ✓

RECOMMENDATION

It is recommended that the Redevelopment Agency support the suggested advertisement and that the Public Hearing on Victoria Park Condominium contract be continued until January 22, 1980.] ✓

Sincerely,



Robert E. Roche
DEPUTY DIRECTOR

RER;drn
Attachments

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

MEMORANDUM

TO: Robert E. Roche, Deputy Director

FROM: Brenton A. Bleier, Chief Counsel

SUBJECT: Effect on Economic Feasibility of Accelerated Depreciation on Structure at 616 11th Street

DATE: December 26, 1979
(Revised)
File No.

You have asked me to evaluate the effect of the accelerated depreciation rules of the Internal Revenue Service applicable to the rehabilitation of the captioned structure together with the effect of the recapture rule pertaining to that depreciation.

In summary, the total expenditures related to rehabilitation of the captioned structure could be amortized over a five-year straight line basis if the property were retained by the developer as a rental venture. However, any deductions taken pursuant to this strategy would be subject to recapture under the provisions of Section 1250 of the Internal Revenue Code. These provisions require the complete recapture of all post-1975 accelerated depreciation (including Section 191 rapid amortization of rehabilitation expenditures on certified historical structures) in excess of straight line depreciation over the useful life as ordinary income at the time of sale, transfer or other disposition. Although there is a more generous transitional rule in effect for low and moderate income housing, in this revision I have assumed that it will not apply here. Thus, a developer who rehabilitates the structure with a view toward retaining the unit as a rental, must hold the structure as an investment for a substantial period of time beyond the five-year writeoff period in order to avoid the disastrous impact of the recapture rules.

By way of example, I have taken the building and projections which you have given me and made certain calculations in relation thereto. I have assumed further that the developer might wish to sell the building after 8, 10 or 12 years at an appreciated price reflecting 3 percent real appreciation (1980 constant dollars) per year.

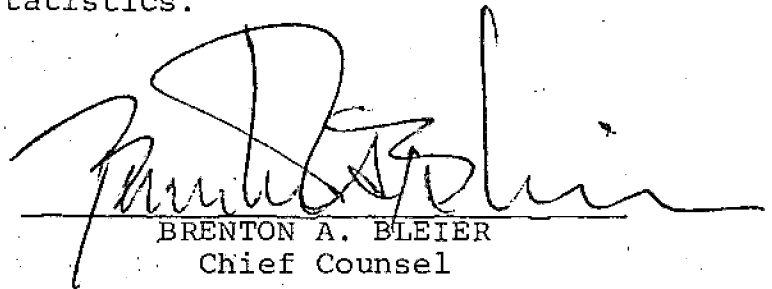
Based upon your assumptions with some modifications by me, if a developer invested \$44,600 cash and obtained a \$180,000 mortgage loan on the structure, and the developer were to maintain himself in a high tax bracket throughout the period of ownership, I conclude that the developer would lose from approximately

Robert E. Roche
December 26, 1979
Page Two

\$24,400 to \$26,300 over the term of his ownership if he elected to use a straight line, non-accelerated basis of depreciation for the rehabilitated expenditures.

However, the same assumptions result in projected losses of approximately \$53,500 to \$50,500 if the accelerated provisions related to rehabilitated expenditures are utilized.

In summary, based upon the assumptions you have given me, investment in this structure as a rehabilitated rental makes no economic sense even if the developer is in a high tax bracket and enjoys substantial real appreciation on the investment. The investment makes even less economic sense utilizing the accelerated depreciation available under the Revenue Code. I would be pleased to review my calculations with you if you so desire. I have enclosed a copy of those statistics.



BRENTON A. BLEIER
Chief Counsel

BAB/drn

ECONOMIC FEASIBILITY - 616 11TH STREET

(Revised December 26, 1979)

Income - Expense Projection

	4 Units at \$250/month	\$ 12,000
	Less: Vacancy at 5%	(600)
	Taxes	(2,250)
	Insurance	(800)
	Maintenance	(400)
	Management at 5%	<u>(600)</u>
	Operating Net	\$ 7,350
	Debt Service 12% - 25 years on \$180,000	<u>(22,750)</u>
	[Pre-Tax Cash Flow	(15,400)
	[Add: Principal Payments	1,150
	[Less: Depreciation: Straight Line 5 years on \$214,200	<u>(42,840)</u>
	[Net Taxable Income (Loss)	(57,090)
	[Tax Benefit at 50%	<u>28,545</u>
During first 5 yrs. only	[After Tax Cash Flow (Pre-Tax Cash Flow plus Tax Benefit)	
	[Net Return on Investment = 29.5% per annum	<u>13,145</u>
	[Pre-Tax Cash Flow	\$(15,400)
	[Add: Principal Payments	1,150
During period after 1st 5 yrs.	[Net Taxable Income (Loss)	(14,250)
	[Tax Benefit at 50%	<u>7,125</u>
	[After Tax Cash Flow (Pre-Tax Cash Flow plus Tax Benefit)	
	[Net Return on Investment - (18.6%) per annum	<u>\$ (8,275)</u>

Assume:

Rehabilitation Cost	\$214,200
Land Cost	<u>10,400</u>
Total Acquisition Cost (Basis)	<u>\$224,600</u>

Assume: Potential sale after 8, 10, 12 years at appreciated price reflecting 3% real appreciation per year (1980 constant dollars)

<u>After</u>	<u>Sale Price</u>
8 years	\$284,517
10 years	301,844
12 years	320,266

After 8% of costs of sale, net sale price is approximately:

After 8 years	\$261,750
After 10 years	277,700
After 12 years	294,600

8 Year Scenario

Ordinary Income

Recapture (214,200 - 68,454)		\$ 145,746
Tax Gain on Sale (261,750 - 314,500 - 10,400 + 68,454 x 40%)		<u>42,242</u>
Ordinary Taxable Income		<u>\$ 187,988</u>
Tax Liability on Sale at 70%	\$(131,592)	
Gain on Sale	37,150	
After Tax Income - 1st 5 years	65,725	
After Tax Income - 2nd 3 years	<u>(24,825)</u>	
Total Net Income and Gain on Sale for Term of Ownership (Loss)	<u>\$ (53,542)</u>	

10 Year Scenario

Recapture (214,200 - 85,680)		\$ 128,520
Tax Gain on Sale (277,700 - 10,400 + 85,680 x 40%)		<u>55,512</u>
Ordinary Taxable Income		<u>\$ 184,032</u>
Tax Liability on Sale at 70%	\$(128,822)	
Gain on Sale	53,100	
After Tax Income - 1st 5 years	65,725	
After Tax Income - 2nd 5 years	<u>(41,375)</u>	
Total Net Income and Gain on Sale for Term of Ownership (Loss)	<u>\$ (51,372)</u>	

12 Year Scenario

Recapture (214,200-102,816)		\$ 111,384
Tax Gain on Sale (294,600 - 214,200 - 10,400 + 102,816 x 40%)		<u>69,126</u>
Ordinary Taxable Income		<u>\$ 180,510</u>
Tax Liability on Sale at 70%	\$(126,357)	
Gain on Sale	70,000	
After Tax Income - 1st 5 years	65,752	
After Tax Income - 2nd 7 years	<u>(59,925)</u>	
Total Income and Gain on Sale for Term of Ownership (Loss)	<u>\$ (50,530)</u>	

Straight Line Scenario

Pre-Tax Cash Flow	\$ (15,400)
Add: Principal Payments	1,150
Less: Depreciation 25 yrs. straight line	<u>(8,568)</u>
Net Taxable Income (Loss)	\$ (22,818)
Tax Benefit at 50%	<u>11,409</u>
After Tax Cash Flow - Annual	<u>\$ (3,991)</u>

8 Years: Tax Gain on Sale $(261,750 - 224,600 + 68,454) \times 40\%$ \$42,242

Tax Liability at 70%	\$ (29,569)
Gain on Sale	37,150
Income (Loss) (8 years at \$3,991 per yr)	<u>(31,928)</u>
Total Net Income and Gain on Sale for Term of Ownership (Loss)	<u>\$ (24,347)</u>

10 Years: Tax Gain on Sale $(277,700 - 224,600 + 85,680) \times 40\%$ \$55,512

Tax Liability at 70%	\$ (38,858)
Gain on Sale	53,100
Income (Loss) (10 years at \$3,991 per yr)	<u>(39,910)</u>
Total Net Income and Gain on Sale for Term of Ownership (Loss)	<u>\$ (25,668)</u>

12 Years: Tax Gain on Sale $(294,600 - 224,600 + 102,816) \times 40\%$ \$69,126

Tax Liability at 70%	\$ (48,388)
Gain on Sale	70,000
Income (Loss) 12 years at \$3,991 per yr)	<u>(47,892)</u>
Total Net Income and Gain on Sale for Term of Ownership (Loss)	<u>\$ (26,280)</u>

Economic Feasibility
Analysis for
616 11th Street

Four (4) one bedroom units approximately 900 sq.ft. each

1. Cost estimates for rehabilitation

		<u>AVE.</u>
Agency staff	\$193,492	\$193,492
Dean Unger	225,000 - 250,000	237,000
Koepenick & Assoc.	200,000 - 225,000	<u>212,500</u>
Overall average		\$214,164
Land costs		
(3.25 x 3200 s.f.)		<u>10,400</u>
Total cost		\$224,564
Per unit cost		56,141

2. Per unit monthly expense/

<u>Monthly</u> debt service - 12% - 25 yrs. on \$56,000	\$	589.81
" taxes - 1% of market value		46.75
" insurance		8.33
" utilities		30.00
" maintenance		8.00
" reserve for replacement		<u>33.44</u>
	\$	716.33

2a. Estimated maximum rental income/unit	\$	250.00
(Net loss)		(466.33)
Estimated assignable income if sold		400.00
as a condominium and owner occupied (Net loss)		(316.33)

3. Annual Expense for structure (Four units)

<u>Annual</u> debt service - 12% - 25 yrs., on \$224,564	\$	28,374
" taxes		2,246
" insurance		400
" utilities		1,440
" maintenance		384
" reserve for replacement		<u>1,605</u>
	\$	34,449

3a. Estimated annual rental income		12,000
Estimated Net Loss	\$	<u>(22,449)</u>
Estimated assignable income if sold as condominiums		19,200
Estimated Net Loss	\$	<u>(15,249)</u>

4. If total rehabilitation costs were only \$193,492 (staff estimate) total annual expense would be \$30,730; loss as a rental would be \$18,730; and loss if owner occupied would be \$11,530.

STRUCTURE DESCRIPTION

As contained in Alkali Flat determination of eligibility report of July, 1979.

616 11th Street: 1901; tall two story wood frame apartment building. Colonial Revival with Craftsman details in brickwork and porch pillars. Hip roof; central gable and dormer with ionic columns; first and second story porches across front facade. Currently owned by City of Sacramento.

STRUCTURE DISPOSITION PROCESS

In accordance with the structure disposition process prepared by the City Preservation Office and the State Office of Historic Preservation, the structure at 616 11th Street was offered for rehabilitation to the former property owners, to the former tenants of the building and then advertised for public auction for relocation off of the site. No one expressed interest in rehabilitation nor were any bids received under the auction procedure. The structure was then offered to potential developers of the adjacent market rate site to either incorporate the building into their development plan or to submit proposal excluding the building. The selected developer, "Victoria Park Condominiums", stated that the building was not economically feasible for rehabilitation and felt that it would create a negative impact on the balance of their complex; however, if the City Council directed that the building remain, they would carry out rehabilitation but it would have to be subsidized by the new condominiums, meaning the sale price of the condominiums would be increased.

Because of the economics and the attractive design of the new condominium project, both the Housing and Redevelopment Commission and the Project Area Committee recommended that 616 11th Street be demolished and that new Victorian units be constructed in its place.

On November 20, 1979, the Sacramento City Council asked that a report be brought back to it setting forth the position of all parties as to the future status of the building. Such a report must be submitted prior to the final public hearing on the developer's selection for the condominium project which is tentatively scheduled for December 26, 1979.

SUMMARY

It is obvious from the above calculations that this building is not economically feasible for rehabilitation. Since the building is neither historic nor architecturally significant, the Agency cannot

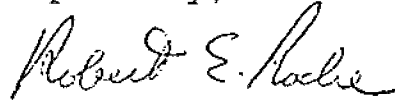
Page Three

expect investors or potential homeowners to knowingly absorb such a loss which they might otherwise do if it were a "listed" structure.

If this structure is demolished, in its place will be constructed four (4) new condominium units with Victorian architecture as part of the 24 unit Victoria Park Condominium Complex to be constructed adjacent to this parcel.

It is further noted that this structure faces out upon a commercial storage yard across 11th Street and is located across the alley from a significant building, therefore, it does not appear vital to establishing a "streetscape".

Prepared by,



Robert E. Roche
DEPUTY DIRECTOR

December 4, 1979

616-11th Street
Sacramento, CA 95814

November 17, 1979.

COST ESTIMATE

Two-story, wood frame, four-unit structure with flood basement, approximately 1,800 square feet per floor, extensive structural deterioration. Not considered economically feasible for rehab nor locate.

Each unit consists of a living room, dining room, small kitchen, small bath and one bedroom, below-Code entry and staircase which must be reconstructed to meet fire regulation. City Codes Department will look at this structure as a three-story unit because of flood basement area and high ceiling. The restriction on the three-story versus the two-story is extensive.

This estimate is based on a contractor performing all duties.

Plans & Specifications	\$ 5,000.00
Building Permit	1,600.00
Sub-Total	<u>6,600.00</u>

Lot, Landscaping, Parking & Exterior Repair	
Demolition & debris removal	1,500.00
Underground (gas, sewer, water)	2,300.00
Roof, tear off, sheathing & overlay	7,000.00
Electrical, underground	800.00
Gutters & downspouts	1,500.00
Millwork & exterior trim	2,700.00
Porches, stairs & steps	2,000.00
Dryrot repair & replacement	9,000.00
Window replacement 90%, repair 10%	15,500.00
Garbage facilities	600.00
Parking (no on-site parking available)	
Exterior preparation & paint	6,600.00
Lot, landscape & fencing	2,500.00
Sub-Total	<u>\$52,000.00</u>

Interior Repair (per unit cost)	
Demolition & debris removal	500.00
Interior wall repair, patch &/or overlay	3,800.00
Electrical, including panels & fixtures	1,325.00
Plumbing rough, including water heater	1,700.00
Bathroom fixture & installation	2,900.00
Kitchen cabinets & facilities	2,500.00
Interior door replacement	900.00
Floors	1,800.00
Interior millwork	500.00
Heat & air	2,700.00
Hardware	400.00
Paint & decorating	1,800.00
Miscellaneous	1,000.00
Sub-Totals	<u> </u>
(\$21,825 X 4)	\$87,300.00

616-11th Street

Cost Estimate

Miscellaneous	
Insulation	\$ 1,800.00
Basement demolition, dryrot repair	9,000.00
Termite	400.00
Electrical	500.00
Ceiling overlay to meet Code requirement	1,000.00
Sub-Total	<u>\$ 12,700.00</u>
Total	\$158,600.00
Profit & Overhead @ 22	<u>34,892.00</u>
GRAND TOTAL	\$193,492.00

KGL:cb

PRESERVATION BOARD

MEETING DATE: December 10, 1979

MOTION NO: 4

MOTION TO: 616 - 11th Street - Supportive Structure

Board recommends that an attempt be made by the City, an outside developer, or by Victoria Associates, to have the structure at 616-11th Street moved from the Victoria Park Condominium site. Efforts to have the structure relocated will be coordinated by the City. Should efforts to move the structure at 616-11th Street fail, the Board agrees that demolition of the supportive structure could

MEMBERS	MOTION BY	2ND	YES	NO	ABSTAIN	ABSENT
BALESTRERI				X		
BOGHOSIAN						X
CANACHO			X			
COLE	X		X			
GIVAS						X
LARSON						
LUEVANO			X			
REINTZ		X	X			
LAGOMARSINO						X

take place.

MOTION CARRIED 4 ayes, 1 no, 3 absent

MOTION FAILED _____

COMMENTS _____



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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

December 24, 1979

Redevelopment Agency of the
City of Sacramento
915 "I" Street
Sacramento, CA 95814

PROCESSED

CITY GOVERNING BOARD
PHILLIP L. ISENBERG, MAYOR
LLOYD CONNELLY
PATRICK B. DONOVAN
BLAINE H. FISHER
THOMAS R. HOEBER
DOUGLAS N. POPE
JOHN ROBERTS
ANNE RUDIN
DANIEL E. THOMPSON

Honorable Members in Session:

CITY MANAGER'S OFFICE

SUBJECT: PUBLIC HEARING - Final Selection of VICTORIA
PARK ASSOCIATES, a partnership, as Redeveloper
of the 11th and G Streets Condominium Site

SUMMARY

COUNTY GOVERNING BOARD
ILLA COLLIN
C. TOBIAS (TOBY) JOHNSON
JOSEPH E. (TED) SHEEDY
SANDRA R. SMOLEY
FRED G. WADE

EXECUTIVE DIRECTOR
WILLIAM G. SELINE

P.O. Box 1834
SACRAMENTO, CA 95809
630 I STREET
SACRAMENTO, CA 95814
(916) 444-9210

Attached is a resolution to be adopted subsequent to the public hearing by which you approve the final selection of Victoria Park Associates, a partnership consisting of Dean F. Unger, Thomas A. Cook, William A. Cook and Robert A. Bell, as the Redeveloper of the condominium site located on the northwest corner of the block bounded by 10th, 11th, F and G Streets in Redevelopment Project No. 6. The resolution also authorizes execution of the Contract for Sale of Land for Private Redevelopment.

BACKGROUND

By resolution adopted November 20, 1979, you approved tentative selection of Victoria Park Associates, a partnership, as the Redeveloper of the above-mentioned site in Project No. 6.

The Redeveloper will construct 24 market rate condominiums on the site if the total site is cleared and made available for new construction. In the event the existing structure located at 616 11th Street is designated to remain, the Redeveloper will rehabilitate it into four living units and the new complex will then be reduced to 20 units.

Enclosed for your information are the "Schedule of Performances" and "Scope of Development".

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
Page Two

December 24, 1979

FINANCIAL DATA

The purchase price for the property is \$99,587 (\$3.25 per square foot). The Redeveloper has submitted a good faith deposit in the amount of \$4,973.32. This deposit will be held by the Agency until completion of the improvements to the satisfaction of the Agency.

VOTE AND RECOMMENDATION OF COMMISSION

At its meeting of December 17, 1979, the Sacramento Housing and Redevelopment Commission, following duly noticed public hearing, adopted a motion recommending that you take the above mentioned action. The vote was as follows:

AYES: Fisher, Luevano, Serna, Teramoto, Walton, Knepprath


NOES: None

ABSENT: Coleman, A. Miller, B. Miller

RECOMMENDATION

It is my recommendation that you adopt the attached resolution.

Respectfully submitted,


William G. Seline
EXECUTIVE DIRECTOR

TRANSMITTAL TO COUNCIL:


WALTER J. SLIZE
City Manager

Contact Person: Robert E. Roche

EXHIBIT "G"

SCOPE OF DEVELOPMENT

The Redeveloper shall construct upon this site twenty-four (24) market rate condominiums if the total site is cleared and made available for new construction. In the event the existing structure located at 616 11th Street is designated to remain, Redeveloper will rehabilitate it into four (4) living units, in accordance with Agency adopted Rehabilitation Standards. The new complex will then be reduced to twenty (20) units. Eleven of the new two-bedroom units will provide 1,734 square feet with a tentative selling price of \$149,500, and nine two-bedroom units will provide 1,614 square feet with a tentative selling price of \$137,500. If the structure located at 616 11th Street is rehabilitated, it will consist of two one-bedroom units providing 900 square feet each selling for approximately \$76,500, and two one-bedroom units with 900 square feet each selling for approximately \$68,500.

The design of the complex will be Victorian architecture. The three-story buildings will provide enclosed parking at the first level. The design shall provide a balcony or patio area for each unit.

Sixty percent (60%) of the parcel area shall remain as open space with approximately 8,062 square feet dedicated to landscaped area.

Redeveloper shall expend two percent (2%) of the gross construction cost for art work and aesthetic improvements in accordance with the City of Sacramento and Agency adopted aesthetic improvement program.

A security gate system shall be provided at various locations in the complex.

Building materials to be used will be those stated in the Outline Specifications presented with Redeveloper's Development Proposal.

Architects for the complex will be Dean F. Unger, A.I.A.

Approximate total development cost is \$2.6 Million.

EXHIBIT "F"

SCHEDULE OF PERFORMANCES

1. Redeveloper shall prepare and submit to the Agency, the Project Area Committee, and to the Architectural Review Board Preliminary Plans for Redeveloper's Improvements. Within two (2) months after the effective date of the Agreement.
2. The Agency, the Project Area Committee and the Architectural Review Board shall approve or disapprove Redeveloper's Preliminary Plans. Within one (1) month after submission of such Preliminary Plans.
3. Redeveloper shall prepare and submit Final Construction Plans to the Agency, the Project Area Committee, the Architectural Review Board and the City Building Department. Within four (4) months after the approval of Redeveloper's Preliminary Plans.
4. The Agency, the Project Area Committee and the Architectural Review Board shall approve or disapprove Redeveloper's Final Construction Plans. Within one (1) month after submission of such Final Construction Plans.
5. Redeveloper shall submit Evidence of Financing to the Agency. Within one (1) month after approval of Redeveloper's Final Construction Plans.
6. The Agency shall approve or disapprove Redeveloper's Evidence of Financing. Within two (2) weeks after submission of such Evidence of Financing.
7. Redeveloper shall deposit the Purchase Price for the Property into escrow. Within two (2) weeks after the approval of Redeveloper's Final Construction Plans and Evidence of Financing.
8. Agency shall deposit the Deed for the Property into escrow. Within two (2) weeks after the approval of Redeveloper's Final Construction Plans and Evidence of Financing.

9. The Purchase Price for the Property shall be paid to the Agency, the Deed delivered to the Redeveloper, and escrow shall be closed. Within two (2) weeks after the Agency deposits the Deed into escrow.
10. Redeveloper shall commence construction of the Improvements on the Property. Within two (2) weeks after the close of escrow, or the issuance of a Building Permit, whichever occurs later.
11. Redeveloper shall complete construction of the Improvements on the Property. Within twelve (12) months after commencement of construction.

RESOLUTION NO. _____

Adopted by the Redevelopment Agency of the City of Sacramento

January 2, 1980

APPROVING FINAL SELECTION OF REDEVELOPER AND
AUTHORIZING EXECUTION OF CONTRACT FOR SALE
OF LAND FOR PRIVATE REDEVELOPMENT
VICTORIA PARK ASSOCIATES, A PARTNERSHIP
11TH AND G STREETS CONDOMINIUM SITE, PROJECT NO. 6

WHEREAS, the Redevelopment Agency of the City of Sacramento is presently engaged in carrying out the redevelopment of the Alkali Flat Project, Project No. 6; and

WHEREAS, the Agency has received a proposal entitled "Contract for Sale of Land for Private Redevelopment" (herein sometimes referred to as the "Proposal") from VICTORIA PARK ASSOCIATES, a partnership (herein sometimes referred to as the "Redeveloper"), for the purchase from the Agency of the real property described herein; and

WHEREAS, pursuant to an advertisement for proposals for the development of said real property, other proposals were presented to the Sacramento Housing and Redevelopment Commission; and

WHEREAS, after reviewing said proposals, the Sacramento Housing and Redevelopment Commission recommended that the Governing Body of the Agency enter into a Contract for Sale of Land for Private Redevelopment with VICTORIA PARK ASSOCIATES, a partnership; and

WHEREAS, the Agency has examined data and analyzed various methods of disposing of said real property; and

WHEREAS, the said Contract for Sale of Land for Private Redevelopment and a Statement for Public Disclosure have been filed with the Redevelopment Agency by the proposed Redeveloper and have been available for public examination at the offices of this Agency for fourteen (14) days after public notice thereof; and

WHEREAS, based on said Statement for Public Disclosure, other information submitted to the Agency by the Redeveloper, and information submitted by the staff, the Agency finds that the Redeveloper can undertake and complete the redevelopment of said real property in accordance with the provisions of said Contract for Sale of Land for Private Redevelopment; and

WHEREAS, a public hearing on said Proposal was duly held on January 2, 1980 by the Agency after notice as required by the California Health and Safety Code, Sections 33430 and 33431; and

WHEREAS, no other proposals were presented to the Agency at said public hearing and no one appeared at said public hearing to contest or otherwise object to the Agency accepting said Proposal and entering into said Contract for Sale of Land for Private Redevelopment with the Redeveloper; and

WHEREAS, the Agency concluded that the public interest will best be served by disposing of such property to VICTORIA PARK ASSOCIATES, a partnership, in accordance with the terms of the Proposal.

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

Section 1. The real property in the Alkali Flat Project, Project No. 6, described below, will be disposed of for redevelopment to VICTORIA PARK ASSOCIATES, a partnership, substantially in accordance with the provisions of the Contract for Sale of Land for Private Redevelopment submitted to the Agency by said Redeveloper and considered by the Agency at the aforesaid public hearing and at this meeting:

All of Lots 5 and 6, in the block bounded by F and G, 10th and 11th Streets, of the City of Sacramento; and all that portion of Lot 7 as described on the Grant Deed filed in the office of the Recorder of Sacramento County, California, in Book 5017, page 642, more fully described as follows: The East 32 feet, 3 inches, of the South 100 feet of Lot 7 and the East 30 feet of the North 60 feet of Lot 7 in the block bounded by F and G, 10th and 11th Streets of the City of Sacramento, according to the map or plan thereof; and containing 30,642 square feet, more or less.


Section 2. The disposition of land in accordance with the said Contract for Sale of Land for Private Redevelopment is the most prudent method of disposing of such land by negotiation, is in accordance with this Agency's established land disposition policy, and is hereby determined to be in the best interest of the public and the City of Sacramento.

Section 3. It is hereby found and determined that the Redeveloper possesses the qualifications and financial resources necessary to acquire and develop the land for uses in accordance with the Redevelopment Plan for Project No. 6.

Section 4. The Chairman and Secretary are hereby authorized to execute for and on behalf of the Agency said Contract for Sale of Land for Private Redevelopment.

CHAIRPERSON

ATTEST:



SECRETARY