

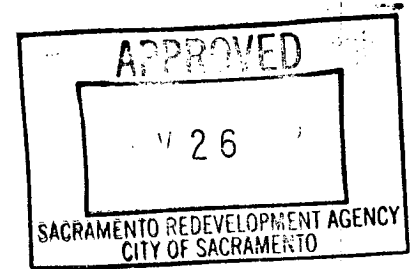


**Sacramento
Housing &
Redevelopment
Agency**

November 20, 2002

5.1

Redevelopment Agency of the
City of Sacramento
Sacramento, California



Honorable Members in Session:

**SUBJECT: APPROVAL OF DISPOSITION AND DEVELOPMENT AGREEMENT AND
33433 REPORT FOR THE ALKALI FLAT HISTORIC INFILL LOT AT 416
13th STREET**

LOCATION & COUNCIL DISTRICT

416 13th Street – District 1

RECOMMENDATION

Staff recommends adoption of the attached resolution which:

- ◆ finds the project exempt under CEQA;
- ◆ makes various findings regarding the project and approves the project; and
- ◆ authorizes the Executive Director or her designee to execute a Disposition and Development Agreement (DDA) with Robert and Zorka Gojkovich.

CONTACT PERSONS

Lisa Bates, City Community Development Director, 440-1316
Vickie Smith, Program Manager, 440-1322

FOR COUNCIL MEETING OF - November 26, 2002

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SUMMARY

Staff requests approval to enter into a Disposition and Development Agreement for Agency owned property at 416 13th Street. The proposed project will fulfill the goals of the Alkali Flat Historic Infill Program by moving a historic residential structure, which fits in with the character of the neighborhood, to a vacant residential lot in Alkali Flat.

PAC/RAC/TAC ACTION

It is anticipated that the Alkali Flat Project Area Committee will vote in favor of the proposed project at its meeting on November 20, 2002.

COMMISSION ACTION

It is anticipated that at its meeting of November 20, 2002, the Sacramento Housing and Redevelopment Commission will adopt a motion recommending approval of the attached resolutions. In the event they fail to do so, you will be advised prior to your November 26, 2002 meeting.

BACKGROUND

The Alkali Flat Historic Infill Program was established in 1987 to save historic homes facing demolition. By acquiring vacant lots in the Alkali Flat Redevelopment Area, the Agency was able to provide sites where threatened homes could be relocated and at the same time ensure that vacant lots in Alkali Flat would be developed in a way that reinforced the character of the neighborhood.

When the program was originally established, a total of seven lots were purchased with non-housing tax increment funds for infill development. Five of the seven lots have been used to house saved historic structures. With the recommended disposition of 416 13th Street, one infill lot will remain available.

In August of 2002, the Agency received a proposal from Robert and Zorka Gojkovich to move a historic Victorian structure, currently located at 1820 19th street to the Agency owned parcel at 416 13th Street. The Victorian is being moved to accommodate the development of a grocery store on R Street near 19th Street. At its 19th Street location, the home provided two rental units. The home will continue to offer two rental units once it is moved to Alkali Flat.

Robert Gojkovich has owned and operated RCO Construction in Sacramento for 20 years. Mr. Gojkovich has had years of experience with single family home and apartment unit rehabilitation. Mr. Gojkovich's construction company has worked on projects such as the Oak

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Park Daycare Center and the Riverbank Marina on the Garden Highway. They are also currently working on the rehabilitation of the lobby of the Rite Aid building at 9th and K Streets.

Staff recommends that the Agency enter into a DDA (Attachment I) with Robert and Zorka Gojkovich of RCO Construction that would:

- ◆ sell the property to the developer for \$48,000,
- ◆ place a 30 year easement on the portion of the property visible from the street that would require that the historic identity and landscaping be maintained,
- ◆ require the developer to begin construction within 30 days of closing escrow and complete construction within 12 months, and
- ◆ require that the home remain in residential use for a period of at least 30 years.

The property was purchased with non-housing funds and was recently appraised for \$86,500. The Agency is recommending the sale of the property to the developer for \$48,000 and that the Agency retain a historic maintenance easement on the property for 30 years which is valued at \$38,500. The land write down is necessary for the project as the total cost including moving and restoring the building will necessitate a land cost of \$48,000. The total cost to the Agency to purchase and maintain the property was \$30,000. Although the Agency is selling the land for less than fair market value, it has placed restrictions on the use of the property, which has decreased its value. A 33343 report is provided as Attachment I.

The total development costs are outlined as follows:

416 13 th Street Lot and Closing Costs	\$49,000.00
House Move	\$45,000.00
Foundation/Site Work / Utility Hook Up Fees	\$18,500.00
Building Permits / Fees	\$ 4,815.00
Interior & Exterior Improvements / Landscaping	<u>\$36,600.00</u>
TOTAL	\$153,915.00

This project meets the Alkali Flat Redevelopment Area's Implementation Plan objectives to:

- promote the restoration of historically or architecturally significant structures and
- maximize private participation and investment in the redevelopment effort.
- rehabilitate a mixture of housing types for all income groups,

FINANCIAL CONSIDERATIONS

The DDA would sell the vacant lot to the developer for \$48,000. No assistance in the form of a loan or grant is being requested.

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POLICY CONSIDERATIONS

Under the Alkali Flat Historic Infill Program Guidelines, the developer is required to pay an option fee of 10 percent of the purchase price. Staff is recommending that this fee be waived, as the lot will be paid for in full upon executing and recording the DDA. With the exception of the option fee, this project meets all other requirements established in the Alkali Flat Historic Infill Program Guidelines and meets goals established in the Alkali Flat Implementation Plan.

ENVIRONMENTAL REVIEW

This project is exempt from further environmental review per California Environmental Quality Act, Guidelines Sections 15301, 15325 and 15332. NEPA does not apply.

M/WBE CONSIDERATIONS

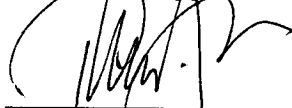
The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully submitted,



ANNE M. MOORE
Executive Director

Transmittal approved,



ROBERT P. THOMAS
City Manager

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 Purchase and Sale or Lease 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 (or Lease Payments Payable During Agreement)	\$28,998.00 (includes closing costs)
Commissions	\$0
Closing Costs	closing costs included above
Relocation Costs	\$0
Land Clearance Costs	\$0
Financing Costs	\$0
Improvement Costs (e.g. utilities or foundations added)	\$0
Other Costs	\$0
TOTAL	\$28,998.00
ESTIMATED VALUE OF INTEREST CONVEYED	
Value of the property determined at its highest and best use under the redevelopment plan	\$86,500.00
ESTIMATED REUSE VALUE OF INTEREST CONVEYED	
Value of property determined with consideration of the restrictions and development costs imposed by the Agreement	\$48,000.00
VALUE RECEIVED ON DISPOSITION	
The purchase price or the total of the lease payments due to the Agency under the Agreement	\$48,000.00

III. Explanation of Disposition for Less than Full Value

Disposition of this property for less than full value is due to the following restriction for development the site:

- ◆ A 30-year Historic Preservation and Maintenance easement will be placed on the property, requiring maintenance for the Historic Structure be in a good state of repair so that no deterioration in its exterior appearance shall take place.
- ◆ A Regulatory Agreement requiring maintenance, upkeep and continual residential use for the 30 year term.

IV. Elimination of Blight

The Alkali Flat Historic Infill Program was established in 1987 to save historic residential structures that were being threatened with demolition. The Agency purchased a total of seven vacant lots in the Alkali Flat Redevelopment Area to be available for homes needing to be moved from other locations. Only two lots remain under this program today. This program has benefited the redevelopment area by vacant residential lots being developed in a way that fits in with the character of the neighborhood.

The disposition of 416 13th Street meets the Alkali Flat Redevelopment Area's Implementation objectives to:

- rehabilitate a mixture of housing types for all income groups,
- promote the restoration of historically or architecturally significant structures and
- maximize private participation and investment in the redevelopment effort.

Per the Alkali Flat Implementation Plan this project would eliminate blight by:

- increasing residential stability as a result of improved neighborhood conditions and an improved housing stock, which meets the needs of various income groups and
- enriching the area's historical significance through preservation of historically significant structures.

This disposition of 416 13th Street also falls under the Alkali Flat Historic Infill program, which was adopted in 1987. Under the Historic Infill Program, the Agency purchased a total of seven vacant residential lots that were to be made available for historic residential structures that needed to be moved from their original location. In addition to 416 13th Street, only one other vacant lot remains available under this program. The development of vacant parcels in a manner that fits in with the character of the neighborhood as benefited the redevelopment area.



RESOLUTION NO. RA2002-048

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

ALKALI FLAT REDEVELOPMENT AREA: AUTHORIZATION FOR EXECUTION OF DISPOSITION AND DEVELOPMENT AGREEMENTS WITH ROB AND ZORKA GOJKOVICH REGARDING 416 13TH STREET

Whereas, the Redevelopment Agency of the City of Sacramento ("Agency") has adopted the Alkali Flat Redevelopment Plan ("Redevelopment Plan") and an Implementation Plan for the Alkali Flat Project Area ("Project Area");

Whereas, the Agency owns certain real property ("Property"), in the Project area and acquired with Project Area tax increment funds, which Property is generally described at 416 13th Street;

Whereas, the Agency and Rob and Zorka Gojkovich ("Developer") desire to enter into a Disposition and Development Agreement ("DDA"), a copy of which is on file with the Agency Clerk, which DDA's would sell 416 13th Street, result in an historic preservation easement in favor of the Agency, a regulatory agreement, and would require improvements to the property to be completed within one year.

Whereas, a report under Health and Safety Code section 33433 has been prepared, filed with the Agency Clerk and duly made available for public review, and, property notice having been giving, a hearing has been held in accordance with Health and Safety Code section 33431 and 33433.

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1. The Redevelopment Agency of the City of Sacramento finds and declares this project is exempt from further environmental review per California Environmental Quality Act, Guidelines Sections 15301, 15325 and 15332. NEPA does not apply.

Section 2. The Project is consistent with the goals and objectives of the Redevelopment Plan and the Implementation Plan, and the Historic Property Infill Program.

Section 3. The Disposition and Development Agreements are approved, and the Executive Director is authorized to execute the DDA.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Section 4. The Sacramento Housing and Redevelopment Commission is delegated the authority to approve any subsequent changes to the Project or to the DDA, consistent with the staff report that accompanies this resolution.

CHAIR

ATTEST:

SECRETARY

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____