



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



5

April 7, 1987

Budget and Finance Committee
of the City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Authorization to Purchase Salvation Army Warehouse
(520 9th Street) from the City of Sacramento


SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the Redevelopment Agency of the City of Sacramento.


RECOMMENDATION

The staff recommends approval of the attached resolution authorizing the transfer of property and necessary budget amendments.

Respectfully submitted,


WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COMMITTEE:


JACK R. CRIST
Deputy City Manager

Attachment

00960



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



April 6, 1987

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

Honorable Members in Session:

SUBJECT: Authorization to Purchase Salvation Army Warehouse
(520 9th Street) from City of Sacramento and Amend
Appropriate Budgets

SUMMARY

The attached Agency and Council resolutions (1) authorize the Executive Director to purchase the Salvation Army Warehouse located at 520 9th Street from the City of Sacramento; (2) amend the Agency's 1987 Capital Improvement Budget to reflect the \$200,000 purchase price; and (3) amend the City's 1987 Community Development Block Grant Budget to reflect program income of \$200,000 less escrows fees and to budget this program income for repayment of the Alkali Flat Motel Acquisition Loan (Section 108).

BACKGROUND

In 1982 the Redevelopment Agency of the City of Sacramento was authorized to act as the disposition agent for this city-owned property located in the Alkali Flat Redevelopment Area. (Resolution RA-82-168 adopted March 9, 1982). Please see Exhibit A for parcel identification map and legal description.

On January 20, 1987, the Redevelopment Agency selected the joint venture of Marvin L. Oates and Robert L. Erickson as tentative developers of this property, subject to the successful negotiation of the terms of the Disposition and Development Agreement (DDA). In order to efficiently expedite the terms of the DDA, staff recommends that the Executive Director be authorized to purchase the property from the City of Sacramento.

(1)

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FINANCIAL DATA

The City of Sacramento had established a minimum purchase price of \$200,000 for the warehouse site in the advertised Request for Proposal. This price was based on an MAI appraisal prepared for the subject site on April 10, 1985. The developer's proposal included a minimum bid of \$200,000. The property was originally purchased with 1978/79 Community Development Block Grant (CDBG) funds. Federal regulations require that proceeds from the sale of land originally purchased with CDBG funds be either returned to HUD or included in the local CDBG program for CDBG eligible uses. Staff recommends accepting these funds as program income to the CDBG program, and allocating the funds to the Alkali Flat Section 108 Loan funds. As you may recall, in 1985, the City Council approved a Section 108 loan against the CDBG program to purchase two blighted motels on 12th Street. These funds would be used to help retire the debt on those loans.

Resolutions have been attached which reflect amendments to the Agency's 1987 Capital Improvement Budget and the City's 1987 Community Development Block Grant Budget.

ENVIRONMENTAL REVIEW

Transfer of title is an exempt activity.

POLICY IMPLICATIONS

The recommended resolution is consistent with previously approved policy and no new policies are recommended.

VOTE AND RECOMMENDATION OF COMMISSION

At its meeting of April 6, 1987 the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES:

NOES:

ABSENT:


SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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RECOMMENDATION

Staff recommends the adoption of the attached resolutions which (1) authorize the Executive Director to execute an agreement to purchase the Salvation Army Warehouse located at 520 9th Street from the City of Sacramento and amend the Agency's 1987 Capital Improvement Budget in the amount of \$200,000; and (2) authorize the City Manager to sell the subject property to the Redevelopment Agency of the City of Sacramento and amend the City's 1987 Community Development Block Grant Program to reflect program income of \$200,000 less escrow fees, and (3) authorize the Executive Director to program the above Community Development Block Grant program income for repayment of the Alkali Flat Section 108 loan.

Respectfully submitted,


je WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager

Contact Person: Trish Davey - 440-1315

2896K

RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

PURCHASE OF SALVATION ARMY WAREHOUSE
520 9TH STREET

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

Section 1: The Executive Director is hereby authorized to enter into an agreement with the City of Sacramento to purchase the property located at 520 9th Street, Sacramento, California (APN: 002-104-11) for the sum of Two Hundred Thousand Dollars (\$200,000.00).

Section 2: The Agency's 1987 Capital Improvement Budget, ORGANIZATION 6300, COST CENTER A0068 is hereby decreased by \$200,000 to reflect the above purchase price.

CHAIR

ATTEST:

SECRETARY

0814L

RESOLUTION No.

Adopted by The Sacramento City Council on date of

SALE OF SALVATION ARMY WAREHOUSE TO REDEVELOPMENT AGENCY OF CITY OF SACRAMENTO

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
SACRAMENTO:

Section 1: The City Manager is hereby authorized to enter into an agreement with the Redevelopment Agency of Sacramento for the purpose of selling the real property located at 520 9th Street (APN: 002-104-11) for the sum of TWO HUNDRED THOUSAND DOLLARS (\$200,000.00).

Section 2: The 1987 Community Development Block Grant Budget is hereby amended and increased to reflect program income of \$200,000 less escrow fees as a result of the sale of such property.

Section 3: The above 1987 CDBG Program Income is hereby budgeted and authorized as repayment for part of the 1985 Alkali Flat Section 108 Loan relating to the purchase of two motels on 12th Street.

MAYOR

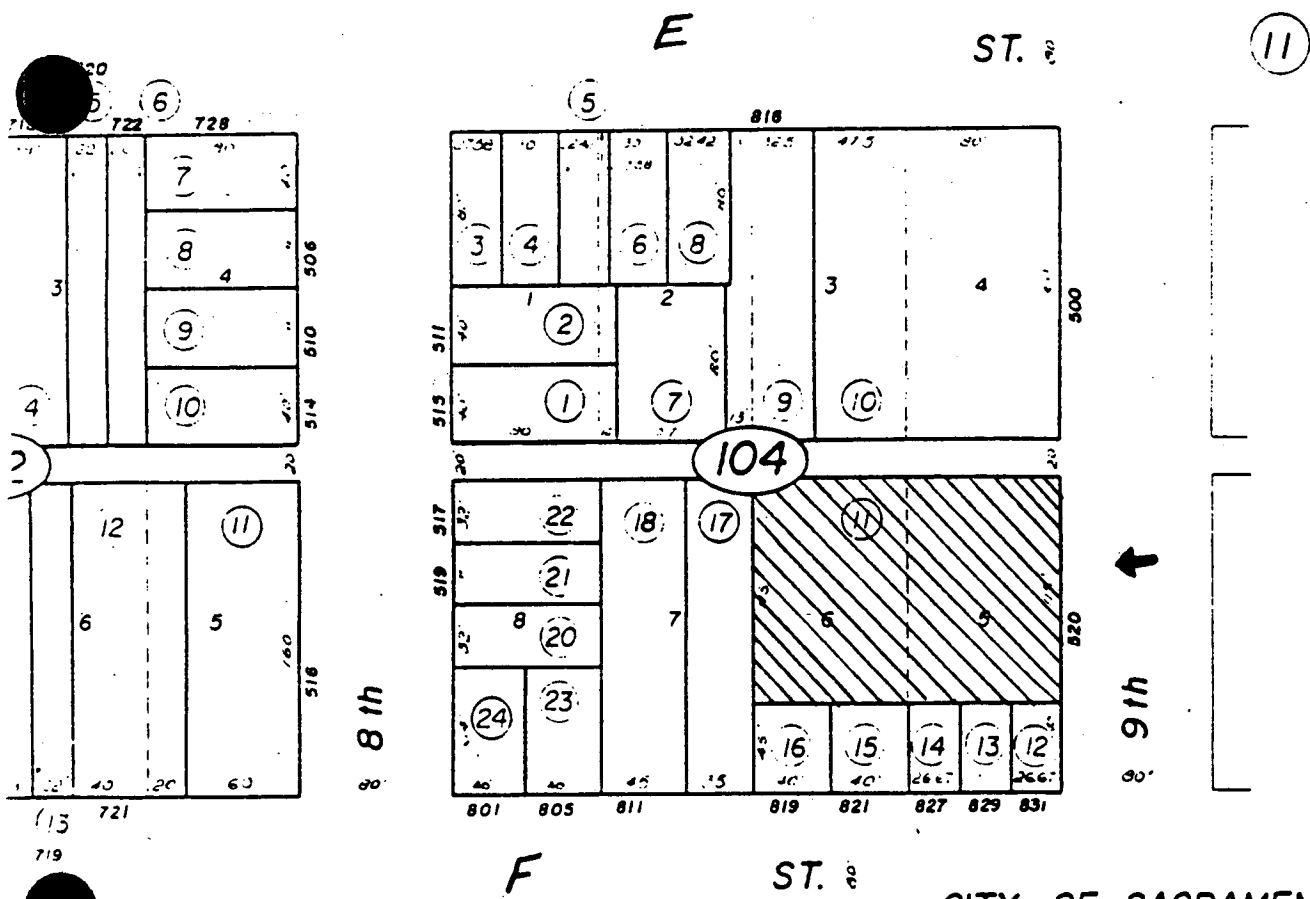
ATTEST:

CLERK

0813L

LEGAL DESCRIPTION

The North 115 feet of Lots 5 and 6 in the block bounded by E and F, 8th and 9th Streets in the City of Sacramento, according to map or plan thereof.



CITY OF SACRAMENTO
Assessor's Map Bk. 2 -Pg.10
County of Sacramento, Calif.

NOTE—Assessor's Block Numbers Shown in Ellipses.
Assessor's Parcel Numbers Shown in Circles.