



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



10

March 26, 1991

Transportation/Community Development
and Budget & Finance Committees
Sacramento, CA

Honorable Members in Session:

SUBJECT: Approval of Request to Quiet Title for Purchase of Vacant
Residential Parcels in the Oak Park Residential Project
Area


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 approving
the purchase.

Respectfully submitted,


JOHN E. MOLLOY
Deputy Executive Director

TRANSMITTAL TO COMMITTEE:



JACK R. CRIST
Deputy Executive Director



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



April 2, 1991

Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Approval of Request to Quiet Title for Purchase of Vacant Residential Parcels in the Oak Park Residential Project Area

SUMMARY

The attached resolution authorizes the Executive Director to initiate litigation, when necessary, to quiet title in order to purchase vacant residential land in the Oak Park Redevelopment Project Area.

BACKGROUND

This report requests that the Executive Director be given authorization to initiate litigation to quiet title on vacant residential land which the Agency desires to purchase. The purpose of the litigation is to quiet title in order to obtain title insurance.

In January of 1990, the Redevelopment Agency of the City of Sacramento approved a land banking program to purchase thirty vacant residential parcels in the Oak Park Redevelopment Project Area. The land banking program was established to acquire sites for construction of new single family homes. This site acquisition process enables the Agency to better control the affordability and location of future new construction for homeownership.

Since the Agency commenced its land banking program, it has purchased seventeen residentially-zoned lots in Oak Park with the acquisition of six more additional lots currently being pursued. Many of the vacant properties offered for sale, however, contain title defects which result in an inability to obtain title insurance. Such defects can arise from failure to record or properly record previous deed transactions resulting in a "gap" in title. From the insurer's point of view, this presents a risk that someone may have a superior claim to title. Staff seeks authorization to pursue litigation in order to accomplish the goal

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
April 2, 1991
Page 2

of purchasing thirty lots in the Oak Park Project Area. The Agency has been unable to purchase at least seven properties because title insurance could not be obtained. By obtaining authorization to initiate litigation, many of these properties could be purchased and added to Agency inventory.

It is anticipated that the action requested in this report will not affect the acquisition price of the property. If authorization is given to quiet title upon finding recordation problems, the Agency will notify the appraiser of the fact that title defects are present and provide an estimate of the cost to remedy the title defect. Staff will then ask the appraiser to revise the report based on this information. Following court action, the Agency can then purchase these properties based on an updated appraisal which takes into account the cost of clearing title defects.

FINANCIAL DATA

Legal costs to quiet title are estimated to range from \$2,450-\$3,800 per parcel. Funds are already allocated to purchase vacant residential properties and there is a sufficient amount to cover these legal costs.

ENVIRONMENTAL REVIEW

The proposed action is exempt from environmental review per CEQA Guidelines, Section 15378(b)(3) and NEPA per 24 CFR Part 58.34(a)(3).

MBE\WBE REVIEW

The action proposal in this report has no MBE\WBE implications.

POLICY IMPLICATION

The action proposed in this staff report is consistent with previously approved policy and there are no policy changes being recommended.

VOTE OF THE OAK PARK PROJECT AREA COMMITTEE (PAC)

At its meeting of December 6, 1989 the Oak Park PAC adopted a motion recommending approval of the purchase of vacant residential lots. The action proposed in this report allows the Agency to accomplish that acquisition objective.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
April 2, 1991
Page 3

VOTE AND RECOMMENDATION OF THE COMMISSION

At its meeting of March 20, 1991 the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES: Amundson, Moose, Pernell, Simon, Simpson, Wooley,
Yew, Strong, Cespedes

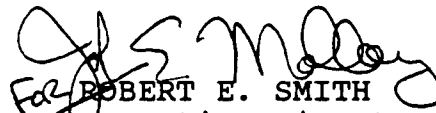
NOES: None

ABSENT: Diepenbrock, Williams

RECOMMENDATION

Staff recommends approval of the attached resolution authorizing the Executive Director to commence litigation, when necessary, to quiet title in order to purchase vacant residential land in the Oak Park Redevelopment Project Area.

Respectfully submitted,


For ROBERT E. SMITH
Executive Director

TRANSMITTAL TO COUNCIL

WALTER J. SLIPE
City Manager

Contact Person: Leslie Fritzsche
440-1315

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RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

AUTHORIZATION TO QUIET TITLE TO VACANT RESIDENTIAL LAND PARCELS PRIOR TO ACQUISITION IN THE OAK PARK REDEVELOPMENT PROJECT AREA

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

Section 1: The Executive Director is authorized to commence litigation to quiet title and to prosecute it to completion when necessary in order to obtain insurable title to vacant residential land to be acquired by the Redevelopment Agency of the City of Sacramento in the Oak Park Redevelopment Project area.

CHAIR

ATTEST:

SECRETARY

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____