



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**

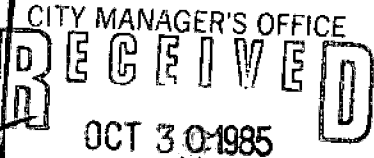
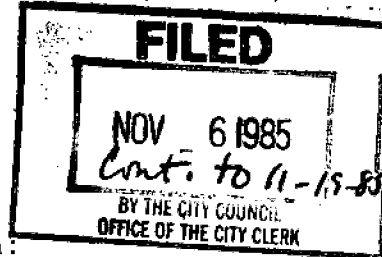


Agency Reports

(29)

October 30, 1985

Redevelopment Agency of the
City of Sacramento
Sacramento, California



Honorable Members in Session:

SUBJECT: Proposed Residential Project on the Southwest Corner
of 17th and "K" Streets

SUMMARY

In April of this year, the Developer (RJB) requested a special permit to construct a major office project of 112,500 square feet on the south side of "K" Street between 17th and 18th Streets. One of the conditions of approval included the dedication of a parcel of land owned by the Developer at the Southwest corner of 17th and "K" Streets to the Agency for housing. This parcel along with adjacent parcels to be purchased by the Agency were to be used as a residential project in accordance with Sanger's Plan. The issuance of the office building permit was subject to the execution of an agreement between the Agency and applicant. The Developer has agreed to the proposed agreement, except that he has suggested a change that would add a condition which would allow the parcel to revert back to the Developer if the Agency did not construct housing on the site within a 5 year period (See attached letter dated October 24, 1985).

This point was discussed at some length earlier as noted in the April 17, 1985 report to the Agency noting the Sacramento Housing and Redevelopment Commission's concern of guarantees for housing on this site.

In order to resolve this dilemma, staff is agreeable to recommending a 10 year time period instead of the 5 year period as requested by the Developer to allow for residential development. Also, the word "improved" as noted in the Developer's suggested insert in the agreement is defined as having an approved building permit for residential construction.



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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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Redevelopment Agency of the
City of Sacramento
October 30, 1985
Page Two

VOTE AND RECOMMENDATION OF COMMISSION

It is anticipated that at its meeting of November 4, 1985, the Sacramento Housing and Redevelopment Commission will adopt a motion recommending that you take the above mentioned action. In the event they fail to do so, you will be advised prior to your November 5, 1985 meeting.

POLICY IMPLICATION

The actions proposed in this staff report are not consistent with previously approved policy because of the following reason:

1. Previous Sacramento Housing and Redevelopment Commission action wanted a guarantee of housing on site with a conveyance of parcel with no conditions for possible return.

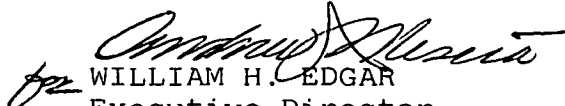
Therefore, based on the above, the following changes are being recommended:

1. Add a condition to the proposed contract that would allow the parcel of land to revert back to the Developer if a building permit for residential construction did not occur within a 10 year period of the date of the Grant Deed.

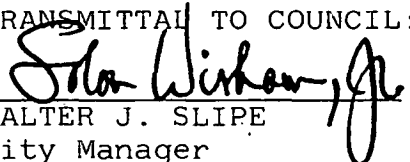
RECOMMENDATION

The staff recommends adoption of the attached resolution.

Respectfully submitted,


WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:


WALTER J. SLIPE
City Manager

Contact Person: Leo Goto, 440-1320

LG:kd

R (29)

AMENDED NOVEMBER 19, 1985

RESOLUTION NO. 85-102

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

November 19, 1985

RESIDENTIAL PARCEL ON SOUTHWEST
CORNER OF 17TH & K STREETS

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

Section 1: The agreement between the Agency and
Developer shall include a condition which would provide as
follows:

"The parties agree that if a building permit for residential
development is not issued within five (5) years from the date
of the Grant Deed, at any time thereafter RJB may request the
Agency to review its plans for use of the Subject Parcel.

Following such review, the Agency, in its sole discretion,
may either:

- (a) Elect to retain title to the Subject Parcel until
the end of the ten-year period, or
- (b) Elect to reconvey the Subject Parcel to RJB or
its designee."

CHAIR

ATTEST:

William H. Flynn
SECRETARY

z:racsl7th&K

RESOLUTION No. 85-102

NOV 19 1985

29

RESOLUTION NO. 85-102

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
ON DATE OF

November 5, 1985

RESIDENTIAL PARCEL ON SOUTHWEST
CORNER OF 17TH AND K STREET

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

Section 1: The agreement between the Agency and
Developer shall include a condition which would allow for a
return of the parcel to the Developer if a building permit for
residential construction is not approved within ten (10) years
from the date of the Grant Deed.

CHAIR

ATTEST:

SECRETARY

Z:racsl7th&K





SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



[Handwritten initials and signature]

April 17, 1985

Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Sacramento Housing and Redevelopment Commission Recommendation Regarding Residential Agreement Related to a Proposed Office and Parking Project on the South Side of K Street Between 17th and 18th Streets

APR 19 3 36 PM '85
CITY OF SACRAMENTO
REDEVELOPMENT AGENCY

At its regular meeting of April 15, 1985 the Sacramento Housing and Redevelopment Commission reviewed the subject staff report dated April 10, 1985. The subject Agreement obligates the Developer to transfer the Housing Parcel to the Agency only if the Agency acquires three adjacent parcels within 18 months of issuance of the office building permit and if it is determined that a housing development on the three parcels and the Residential Parcel is financially feasible.

The Commissioners had a number of concerns, including the following:

1. The Agreement recommended for adoption by staff did not assure that housing would be developed on the parcel across the street from the office project (the "Office Parcel").
2. The determination of economic feasibility was too subjective and questioned the need to have the Agency be the final arbitrator for economic feasibility.
3. The Agency may choose to acquire only one, two or all three of the adjacent parcels.

Based on the above concerns, the Commission adopted a motion recommending approval of the staff recommendation subject to the following changes:

1. The Agreement should guarantee that housing will be developed on the Residential Parcel.
2. The Agreement should stipulate that the Developer will or otherwise assure conveyance of the Residential Parcel to the Agency prior to issuance of the building permit for the Office project.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
April 17, 1985
Page Two

3. The Agreement should not include provisions conditioning conveyance on Agency acquisition of the three adjacent parcels within 18 months of building permit issuance, nor determination of financial feasibility for residential development.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of April 15, 1985 the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the staff recommendations. The votes were as follows:

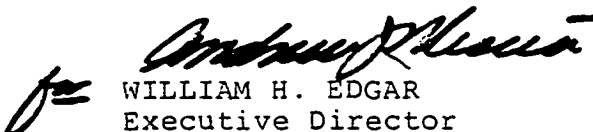
AYES: Amundson, Lopez, Luttrell, Pettit, Sanchez, Teramoto, Walton

NOES: Moose

ABSTAIN: Angelides

ABSENT: Cse, Wooley

Respectfully submitted,


WILLIAM H. EDGAR
Executive Director

Contact Person: Leo Goto

542.civ

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LAW OFFICES OF
 DE LA VERGNE & McMURTRY
 A PROFESSIONAL CORPORATION
 901 H STREET, SUITE 503
 SACRAMENTO, CALIFORNIA 95814
 TELEPHONE (916) 441-1978

PLEASE REFER TO
 OUR FILE NO. 84-2278

October 24, 1985

William H. Edgar,
 Executive Director
 Sacramento Housing & Redevelopment Agency
 Post Office Box 1834
 Sacramento, California 95809

Received in E.D.'s Office

OCT 24 1985

*SACRAMENTO HOUSING AND
 REDEVELOPMENT AGENCY*

Re: SHRA - RJB Agreement for Conveyance
 of Real Property - Parcel No. 006-124-05
 at 17th and K Streets

Dear Bill:

As I indicated in our recent conversations, one final issue remains unresolved in connection with this matter.

I am informed by Bob Roche of RJB that all negotiations with Agency staff concerning this agreement were predicated on a mutual assumption that if the parcel was not used by the Agency for the construction of housing within a reasonable period of time, that title be returned to RJB.

A draft of the above agreement was reviewed by the Sacramento Housing and Redevelopment Commission. This draft required the Agency to acquire adjacent parcels for residential use before RJB was obligated to deed its parcel to the Agency. Under the proposed terms, the Agency would have been required to complete acquisition within 18 months and this period was agreeable to RJB.

The Commission expressed concern with certain terms of the draft agreement and made recommendations to the City Council which are contained in your letter dated April 17, 1985, a copy of which is enclosed. When the City Council considered this matter on April 23, 1985, it adopted the recommendation of the Commission, which deleted the 18 month period for acquisition of adjoining parcels and required the parcel to be deeded to the Agency before permits were issued for RJB's 18th and K Street Office Building.

The revised draft of the Agreement contains no provision relating to the disposition of the parcel in the event that it is not used by the Agency as a housing site.

JM

RJB believes that it was the intent of all parties that title to the parcel would revert from the Agency to RJB in the event the parcel was not used as a residential housing site within a reasonable period of time. Accordingly, RJB would propose that the deed include the following condition:

"This grant is made upon the condition that the herein described property be subsequently improved and used for primarily residential purposes. If said property is not so improved and used within five (5) years of the date of this grant deed, grantor, its successors or assigns, shall have the right to re-enter or repossess the estate herein granted. Provided however, that the termination of the estate conveyed by this instrument by exercise of the right of re-entry shall not defeat the lien of a mortgagee or trust deed placed upon the property in good faith mortgage or trust deed placed upon the property in good faith without knowledge that the condition subsequent would be or had been broken."

Our client requests that this proposal be considered by the Agency at an early date. RJB is ready and willing to immediately enter into the proposed agreement if it can be assured that the language of the grant deed contains an appropriate revisionary clause.

LAW OFFICES OF
de la VERGNE & McMURTRY
A PROFESSIONAL CORPORATION

BY *David W. McMurry*
DAVID W. McMURTRY

DWM/PLC

cc: RJB

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DE LA VERGNE & McMURTRY
A PROFESSIONAL CORPORATION
901 H STREET, SUITE 503
SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 441-1978

PLEASE REFER TO
OUR FILE NO. 84-2278

November 19, 1985

Redevelopment Agency of
the City of Sacramento
Sacramento, California 95814

Re: Agenda Item 29 - Residential Project on
Southwest Corner of 17th and K Street

Members In Session:

We represent RJB, the party who is required to convey the parcel at 17th and K Streets to the Agency. We have read the staff report on this matter and we continue to believe that the parcel should revert to RJB if not used for residential housing within five years.

If our client's position is not acceptable to the Agency, we would request that some provision be made in the Agreement providing for review of the Agency's plans for use of the property after five years. If, following such review, the Agency concludes that it does not need the parcel for future residential purposes, it should be authorized but not required, to reconvey the parcel to RJB or its designee. Such a provision would give the Agency legal flexibility to address future changes in the City's plans for development of the eastern portion of the Central Business District. Proposed wording for such provision is attached.

Respectfully Submitted,
Law Offices of
de la VERGNE & McMURTRY
A Professional Corporation

By: David W. McMurry
DAVID W. McMURTRY

DWM:plc

cc: RJB Interests
City Attorney

*Amendment
adopted*

The parties agree that if a building permit for residential development is not issued within five (5) years from the date of the Grant Deed, at anytime thereafter RJB may request the Agency to review its plans for use of the Subject Parcel.

Following such review, the Agency, in its sole discretion, may either:

- (a) Elect to retain title to the Subject Parcel until the end of the ten-year period, or
- (b) Elect to reconvey the Subject Parcel to RJB or its designee.

APPROVED
BY THE CITY COUNCIL

NOV 19 1985

OFFICE OF THE
CITY CLERK

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LAW OFFICES OF
DE LA VERGNE & McMURTRY

A PROFESSIONAL CORPORATION
901 H STREET, SUITE 503
SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 441-1978

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OUR FILE NO. 84-2278

November 19, 1985

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de la VERGNE & McMURTRY
A Professional Corporation

By: David W. McMurry
DAVID W. McMURTRY

DWM:plc

cc: RJB Interests
City Attorney

NOV 19 4 50 PM '85

RECEIVED
CITY OF SACRAMENTO
CITY CLERK'S OFFICE

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