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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

August 4, 1981

Redevelopment Agency of the
City of Sacramento
Sacramento, California

CITY MANAGER'S OFFICE
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Honorable Members in Session:

SUBJECT: Notice of Default - Victoria Park Associates
11th and G Streets, Alkali Flat

SUMMARY

This report recommends that the Agency find Victoria Park Associates, Inc., in default of their Contract for Sale of Land for Private Redevelopment (11th and G Streets), dated March 12, 1980. The attached resolution finds the Redeveloper in default and directs staff to transmit a formal Notice of Default.

BACKGROUND

On March 12, 1980 Victoria Park Associates entered into an agreement with the Agency for the development of Victoria Park, a condominium project to be constructed upon Agency owned property at the north-west corner of 11th and G Streets in Alkali Flat. As per the Schedule of Performance of the Contract, preliminary plans, final plans, evidence of financing, and purchase of the property was to be accomplished by February 1, 1981. As of the April 28, 1981 meeting of the Planning, Development and Old Sacramento (PD/OS) Committee, none of the requirements had been satisfied.

Additionally, the existing structure on the site is to be relocated and rehabilitated on the Agency owned site at 516 10th Street by Victoria Park Associates. Plans for the rehabilitation of the subject structure also were to be completed and submitted to the Agency by February 1, 1981. The site has not been purchased, nor have plans been submitted.

At the April 28, 1981 PD/OS meeting, the developers were given 60 days to prepare a new Schedule of Performance. The subject document has not been submitted to Agency staff. Subsequent to

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the April 28, 1981 PD/OS meeting, staff received a request for reassignment from Dean F. Unger which would assign his position to Bill Cook, Sr. (July 14, 1981 letter attached). This request was due to Mr. Unger's inability to secure permanent "take-out" financing for the project.

Irrespective of the request for reassignment, staff recommends that Victoria Park Associates be found in default for noncompliance with Exhibit "F" of the Contract for Sale of Land for Private Redevelopment, dated March 12, 1980, and a formal Notice of Default be transmitted.

FINANCIAL DATA

Should Victoria Park Associates, Inc. be found in default and should the developer fail to cure the default in the 60 days allowed and the Contract is terminated by the Agency, the good faith deposit of \$4,973.32 could be retained by the Agency as provided in Section 3(d) of the subject Contract. Termination of the Contract will result in the need to readvertise the parcel for development. The Agency will incur advertising costs of approximately \$1,000.00, depending upon the type and frequency of advertising.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of August 3, 1981, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES: Coleman, Luevano, A. Miller, Teramoto, B. Miller

NOES: None

ABSENT: Fisher, Knepprath, Serna, Teramoto

RECOMMENDATION

The staff recommends the Redevelopment Agency find Victoria Park Associates, Inc. in default of the Contract for Sale of Land for Private Redevelopment, dated March 12, 1980, and direct staff to

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transmit a formal Notice of Default.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Interim Executive Director

TRANSMITTAL TO COUNCIL:

Walter J. Slupe

WALTER J. SLUPE
City Manager

Contact Person: Leo T. Goto

RESOLUTION NO. 81-057

Adopted by the Redevelopment Agency of the City of Sacramento

August 11, 1981

AUTHORIZING ISSUANCE OF NOTICE OF DEFAULT
11TH AND G STREETS SITE, ALKALI FLAT
VICTORIA PARK ASSOCIATES, INC.

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

Section 1. The Interim Executive Director is directed to transmit a formal Notice of Default to Victoria Park Associates, Inc., pertaining to the Contract for Sale of Land for Private Redevelopment dated March 12, 1980, in connection with the 11th and G Streets site in Alkali Flat Redevelopment Project No. 6, pursuant to Section 703 of Part II of said Contract.

Section 2. The Interim Executive Director is authorized to take such other actions as may be necessary to give effect to such notice.

ATTEST:

CHAIRMAN

SECRETARY

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SACRAMENTO REDEVELOPMENT AGENCY

Date 8/11/81