

## RESOLUTION NO. 2006-319

Adopted by the Sacramento City Council

May 9, 2006

### APPROVAL OF AGENCY'S SALE OF PROPERTY AT 6<sup>TH</sup> AND R STREETS TO THE SOCAP LOFTS – SACRAMENTO, LLC FOR DEVELOPMENT OF TWO SINGLE FAMILY HOMES

#### BACKGROUND

- A. The City of Sacramento approved by Ordinance the Merged Downtown Sacramento Redevelopment Plan ("Redevelopment Plan") for the Merged Downtown Sacramento Redevelopment Project Area ("Project Area").
- B. The Redevelopment Agency of the City of Sacramento ("Agency") owns certain real property generally described as located on 6<sup>th</sup> Street adjacent to the east-west alley between Q and R streets (006-026-2019) ("Property") in the Project Area.
- C. Agency and the SoCap Lofts – Sacramento LLC ("Developer") desire to enter into Disposition and Development Agreement ("DDA") to convey the Property to Developer for construction of two townhouse units, as more specifically described in the DDA.
- D. In accordance with the California Environmental Quality Act and its implementing regulations, the Project is exempt under CEQA Guidelines for the reasons set out in the Agency staff report that accompanies this resolution, and the Agency Executive Director has been directed to prepare a Notice of Exemption for the sale of the Property for the Project in accordance with CEQA Guidelines Section 15332.
- E. A report under Health and Safety Code Section 33433 ("Section 33433 Report") has been prepared and is attached hereto as Exhibit A filed with the Agency Clerk, and made available for public review pursuant to Section 33433.
- F. Proper notice of this action has been given and a public hearing has been held in accordance with Health and Safety Code Sections 33431 and 33433.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

Section 1. The Agency's sale of the Property for construction of the Project is consistent with the goals and objectives of the Redevelopment Plan to promote homeownership and new construction of housing on vacant lots and is consistent with the Implementation Plan adopted for the Redevelopment Plan. The sale of the Property will assist in the elimination of blight as stated in the 33433 Report.

Section 2. The consideration for the Agency's conveyance of the Property to Developer is not less than the fair reuse value of the Property at the use and with the covenants, conditions, restrictions required by the DDA and the related Regulatory Agreement and Grant Deed.

Section 3. The City Council hereby approves the Agency's sale of the Property to the Developer for the Project pursuant to the terms of the DDA.

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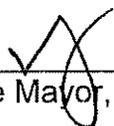
Adopted by the City of Sacramento City Council on May 9, 2006 by the following vote:

Ayes: Councilmembers Cohn, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Vice Mayor Fong.

Noes: None.

Abstain: None.

Absent: Mayor Fargo.

  
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Vice Mayor, Robert King Fong

Attest:

  
\_\_\_\_\_  
Shirley Concolino, City Clerk

**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 Disposition and Development Agreement ("Agreement") disposing of an interest in Agency real property is on file with the Agency Clerk.

**II. Summary of Terms of Disposition**

<b>AGENCY'S COST OF ACQUIRING THE LAND</b>	
Purchase Price including acquisition and demolition costs	0

<b>ESTIMATED VALUE OF INTEREST CONVEYED</b>	
Value of the property determined at its highest and best use under the redevelopment plan	\$106,000

<b>ESTIMATED REUSE VALUE OF INTEREST CONVEYED</b>	
Value of property determined with consideration of the restrictions and development costs imposed by the Agreement	\$106,000

<b>VALUE RECEIVED ON DISPOSITION</b>	
The purchase price or the total of the lease payments due to the Agency under the Agreement	\$106,000

**III. Explanation of Disposition for Less than Full Value**

Disposition of this property for less than full value is due to the following reasons:

- ◆ The \$136,000 value of the property as determined by appraisal in January 2005 did not take into consideration the toxics discovered on the site. The removal of these toxics will cost approximately \$30,000 leaving a net value of \$106,000.

**IV. Elimination of Blight**

The project will add two townhouse units within the larger 36-unit SoCap Lofts project. It will help to address the jobs-housing balance in the Central City. The subject property has been underutilized and in a blighted state for many years. Its small lot size has deterred reuse and by being able to aggregate it with adjacent property, the whole site can be brought into active, viable use and contribute to the revitalization of

the Merged Downtown Sacramento Redevelopment area. Specifically the blighting influences this project will address include:

- Parcels of inadequate size and configuration; and
- Abundance of vacant lots and vacant buildings.

The Project will provide a unique residential opportunity within the Downtown area, generate additional property tax revenue and attract new investment, and bring new residents to the area. The Project is consistent with the adopted Merged Downtown's 2005-2009 Implementation Plan and furthers redevelopment of the Project Area. It meets the objectives of the Implementation Plan by creating attractive new housing.