



Agency 39

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

June 30, 1981

CITY MANAGER'S OFFICE
RECEIVED
JUN 30 1981

Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Default of MJC Partnership Contract for 1105 F Street

SUMMARY

This report regards the purchase and rehabilitation of the structure located at 1105 F Street. The developer, MJC Partnership, has been determined to be in default of the Contract of Sale for the structure located at 1105 F Street. The staff recommends the Redevelopment Agency concur with the determination of default.

BACKGROUND

The structure at 1105 F Street has changed ownership twice since 1977 and prior to the current commitment to MJC Partnership for acquisition and rehabilitation in June, 1980. Between June and December, 1980, the MJC Partnership had difficulty in submitting acceptable rehabilitation plans. Due to the concern of the Agency and the Alkali Flat PAC regarding the delay in rehabilitating the structure, Agency staff sent the attached December 31, 1980 correspondence to Mr. James Moore of MJC Partnership advising him of a revised time schedule for the purchase and rehabilitation of the subject structure.

The City Building Division has indicated that the structural plans have been accepted. However, issuance of the building permit will not be given until detail plans are submitted relative to plumbing, electrical and mechanical.

The developer has submitted acceptable rehabilitation/architectural plans, and an acceptable letter of financial capability to the Agency. Escrow was closed on the subject property as of March 31, 1981. According to the contract, "redeveloper shall commence rehabilitation work thirty (30) days after close of escrow".

APPROVED
SACRAMENTO REDEVELOPMENT AGENCY

7-7-81
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Date 7-7-81

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City of Sacramento
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June 30, 1981

Mr. Moore indicated that work could not commence by May 1, 1981 because the contract with his general contractor will not be finalized until the first week in May, 1981.

As of May 1, 1981, MJC Partnership was technically in default and, therefore, Mr. Moore was informed verbally that his contract would be discussed by the Planning Development/Old Sacramento Committee on May 12, 1981. A return-receipt letter was sent to Mr. Moore formally informing him of that meeting and requesting that he attend to show cause why he should not be held in default.

On May 26, 1981, the Planning Development/Old Sacramento Committee concurred with staff in declaring MJC Partnership in default due to the lack in commencing construction thirty (30) days after the close of escrow on the structure located at 1105 F Street.

FINANCIAL DATA

This report has no financial impact at this time.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of June 15, 1981, the Sacramento Housing and Redevelopment Commission adopted the attached resolution adopting the above-mentioned action. The vote was recorded as follows:

AYES: Coleman, Fisher, Knepprath, Luevano, A. Miller,
Serna, Teramoto, Walton, B. Miller

NOES: None

ABSENT: None

RECOMMENDATION

The staff recommends the Commission concur with the determination of default of the MJC Partnership Contract.

Respectfully submitted,

William H. Edgar

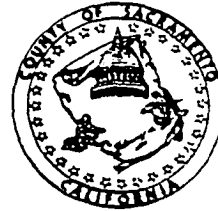
WILLIAM H. EDGAR

Interim Executive Director

TRANSMITTAL TO COUNCIL:

Walter J. Slife

WALTER J. SLIFE, City Manager



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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

December 31, 1980

Mr. James E. Moore
MJC Partnership
925 L Street, Suite 850
Sacramento, CA 95814

Dear Mr. Moore:

As a result of our meeting of December 17, 1980, I have requested that my staff develop a revised time schedule as reflected in this letter. In addition, you were concerned about the City Engineering Department reviewing plans and specifications previously submitted to them. In discussing this matter with the City Engineering Department, I am informed by my staff that it is necessary that a complete new set of plans and specifications for the rehabilitation of four (4) units at 1105 F Street be submitted. As a result, the first activity outlined below is to instruct your architect to proceed immediately with the preparation of the necessary plans. The remaining chronology represents the activities for timely rehabilitation of 1105 F Street.

CITY GOVERNING BOARD
PHILLIP L. ISENBERG, MAYOR
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EXECUTIVE DIRECTOR
WILLIAM G. SELINE

P.O. Box 1834
SACRAMENTO, CA 95809
630 I STREET
SACRAMENTO, CA 95814
(916) 444-9210

- 1) Redeveloper shall submit acceptable rehabilitation/architectural plans, work write-ups and cost estimates for four (4) units to the Agency, City Building Dept., and City Preservation Director for approval within twenty-one (21) days. Architectural plans to be developed by Neil Wilson of Pacific Design Associates, Ltd. 1/23/81
- 2) Redeveloper shall submit to Agency a letter from California Canadian Bank confirming that \$105,000 is on deposit to be used by MJC Partnership for rehabilitation of 1105 F Street structure 1/23/81
- 3) Approval by Preservation and Building Dept. should be completed by approximately February 20, 1981 depending on department's work schedule 2/23/81

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Mr. Moore
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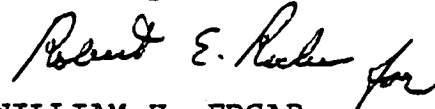
December 31, 1980

- 4) Agency, after approval of plans by Preservation and Building Dept. shall approve plans and authorize escrow to close within one week 2/27/81
- 5) Redeveloper shall commence rehabilitation work on the property within thirty (30) days after close of escrow and continuously perform until completion 3/27/81
- 6) Redeveloper shall complete rehabilitation of the property within twelve months after commencement of such rehabilitation 3/27/82

I trust that you will find this time schedule reasonable and equitable. I intend to forward a copy of this letter to the Alkali Flat Project Area Committee for their information.

As you are aware, it is very important that you adhere to this schedule in order to avoid future problems with our agreement. I appreciate your cooperative spirit in meeting on December 17th and anticipate that we can both expedite this very important project.

Sincerely,



WILLIAM H. EDGAR
Interim Executive Director

WHE/drn

cc: Alice Woodyard
Frank Johnson, PAC
Chairman