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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



January 4, 1988

CITY MANAGER'S OFFICE
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Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Termination of Terms and Conditions of Development
Disposition Agreement Executed Between the Domus
Modular Corporation and the Agency

SUMMARY

This report authorizes the Executive Director to execute all documents necessary to terminate all terms and conditions of the Development Disposition Agreement executed August 16, 1982 between the Agency and Domus Modular Corporation except for the Declaration of Restrictions. The Declaration of Restrictions would remain recorded against the properties.

BACKGROUND

On August 16, 1982 the Agency adopted Resolution NO. 82-060 approving the selection of DOMUS Modular Corporation as redeveloper of the parcels in Del Paso Heights identified in Exhibit A and authorizing the execution of the Disposition Development Agreement (DDA) and Covenants and Restrictions. The lots were purchased by the Agency in 1972 utilizing Neighborhood Development Program funds and subsequently sold to Domus Modular Corporation for \$31,450 in 1982. The disposition proceeds were deposited in the Community Development Block Grant program income account. The purchaser proposed to construct on three scattered sites (or eight parcels) a total of eight single family dwelling units. Each of the units was to consist of 1,152 square feet and provide three bedrooms, two baths, and two-car covered garages. The units were to be priced at approximately \$55,000 - \$63,000. The housing units were to be prefabricated units to be installed using local skilled labor.

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APPROVED

FEB 9 1988

SPECIAL INVESTIGATION DIVISION

FEDERAL BUREAU OF INVESTIGATION

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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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City of Sacramento
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The DOMUS Corporation was noticed of default for failure to submit final plans and evidence of financing on September 24, 1982. Subsequently the Agency granted a thirty day extension until March 30, 1983 (Reso No. 83-016) to cure the default. On March 29, 1983 the developer submitted both the final plans and evidence of financing for construction of two modular units. The Plans were approved by the Del Paso Heights Project Area Committee and the Sacramento Housing and Redevelopment Commission. The Bank of America granted the DOMUS Corporation a line of credit (maturing 9/15/83) in the amount of \$100,000 for construction of the eight units. Consistent with the Agency Contract, the Bank provided construction financing for two homes at a time, subject to developer performance.

Two units were completed and listed for sale at \$65,000 to \$72,000 and two units were 40 percent completed prior to Domus Corporation abandoning the project in 1984. Exhibit A indicates the current status of each parcel. The Bank of America requested that the Agency provide financial assistance with completion of the project. No agreement was reached and the properties were eventually sold by the Bank of America to private individuals. At this time, the properties (some of which are vacant) continue to turn-over as resales, however, the title still shows the Disposition Development Agreement (DDA) recorded on the properties.

The terms and conditions contained in the Development Disposition Agreement were recorded on the properties in Exhibit A. The conditions in the DDA apply specifically to the Domus Modular Corporation project (i.e., time for commencement and completion of construction work, liquidated damages provisions, and schedule of performance) and are no longer applicable. Therefore, staff is recommending that these terms and conditions be terminated.

The Declaration of Restrictions would remain on the property record. These covenants include restrictions concerning upkeep and maintenance and nondiscrimination.

FINANCIAL DATA

The approval of termination of the DDA does not have any financial impact on the Del Paso Heights budget.

POLICY IMPLICATIONS

The above recommended actions are consistent with approved policy.

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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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ENVIRONMENTAL REVIEW

This project, Domus Modular Corporation DDA, has been reviewed under the requirements of both the California Environmental Quality Act (CEQA) and the National Environmental Protection Act (NEPA). The results are as follows:

CEQA: Not a project by definition under Section 15378(b)(3).

NEPA: Exempt - no federal funds involved.

VOTE AND RECOMMENDATION OF THE DEL PASO HEIGHTS REDEVELOPMENT COMMITTEE

At the January 13, 1988 meeting the Del Paso Heights Redevelopment Advisory Committee adopted a motion approving the attached resolution. The motion was moved by Marilyn Arnold and seconded by Auntine Burney.

AYES: Arnold, Burney, Cunningham, Feiling, Fry, Mayhand, Vinson

NOES: None

ABSENT: Burnett, Roseman, Scott

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of January 25, 1988, the Sacramento Housing and Redevelopment Commission adopted a motion recommending that you adopt the attached resolution by the following vote:

AYES: Amundson, Glud, Simon, Simpson, Wiggins, Wooley, Moose

NOES:

NOT PRESENT TO VOTE: Pettit

ABSENT: Sheldon

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ENVIRONMENTAL REVIEW

COMMITTEE ON THE REORGANIZATION OF THE DELTA PACIFIC RIVER

A REPORT TO THE BOARD OF DIRECTORS

1967

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REPORT AND RECOMMENDATIONS OF COMMITTEE

1967

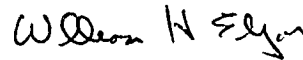
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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RECOMMENDATION

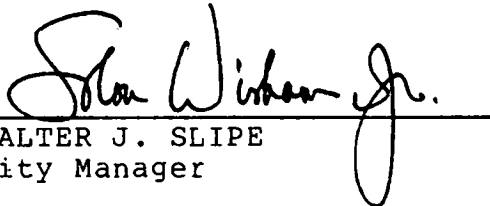
The staff recommends adoption of the attached resolution which authorizes the Executive Director to execute all documents necessary to terminate the terms and conditions of the Development Disposition Agreement except for the Declaration of Restrictions executed August 16, 1982 between the Agency and Domus Modular Corporation.

Sincerely,



WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL



Per: WALTER J. SLIPE
City Manager

Contact Person: Trish Davey - 440-1315

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FORM 100-3

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HEREIN IS UNCLASSIFIED
DATE 11-10-64 BY 60322/RSJ

11-10-64
60322/RSJ

RESOLUTION NO. 88-015

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

February 9, 1988

TERMINATION OF DEVELOPMENT DISPOSITION AGREEMENT WITH DOMUS MODULAR CORPORATION

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

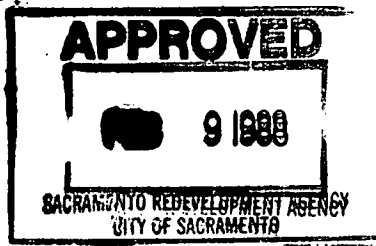
Section 1: The Executive Director is hereby authorized to execute all documents and take all actions necessary to terminate, rescind and cancel the Development Disposition Agreement executed August 16, 1982 between the Agency and Domus Modular Corporation.

Section 2: Notwithstanding Section 1 of this resolution, the Declaration of Restrictions related to said Agreement shall not terminate and shall remain of record against the properties described in said Agreement.

CHAIR

ATTEST:

SECRETARY



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