

EXHIBIT B

**SUPPORTING DOCUMENTATION THAT HOUSING ASSETS
MEET THE CRITERIA OF
HEALTH AND SAFETY CODE SECTION 34176**

Exhibit B-1	1744 I Street 1815 I Street
Exhibit B-2	1823 I Street
Exhibit B-3	150 W. 19th Street
Exhibit B-4	202 W. 19th Street
Exhibit B-5	205 W. 18th Street
Exhibit B-6	211 W. 18th Street
Exhibit B-7	49 W. 18th Street
Exhibit B-8	73 S. R Street

EXHIBIT B-1

Address/APN: 1744 I Street (APN 031-161-001)
1815 I Street (APN 031-074-010)

Description: Vacant land

Parcel Size: 5,000 sq.ft / .11 ac.
2,400 sq.ft / .055 ac.

Date Purchased: 2008

Purchase Price: \$180,000
\$ 85,000

Estimated Market Value: \$181,044.32
(As of 2/1/2012) \$ 85,259.45

Property Background:

1744 I Street: Acquired in 2008 for \$180,000. The Property is a small residential lot, located on the corner of I Street and 18th Street. The Property was improved with a dilapidated residential structure that was subsequently demolished. The Property was acquired with low/moderate income-housing funds, as part of an effort to eliminate dilapidated structures and construct new, high-quality affordable housing in the area (see page 3, Administrative Report, 4/21/2008).

1815 I Street: Acquired in 2008 for \$85,000. The Property is a small residential lot, located on I Street, between W. 18th Street and the alley north of W. 18th Street. The Property was improved with a dilapidated residential structure that was subsequently demolished. The Property was acquired with low/moderate income-housing funds, as part of an effort to eliminate dilapidated structures and construct new, high-quality affordable housing in the area (see page 3, Administrative Report, 4/21/2008; page 1, Purchase and Sale Agreement).

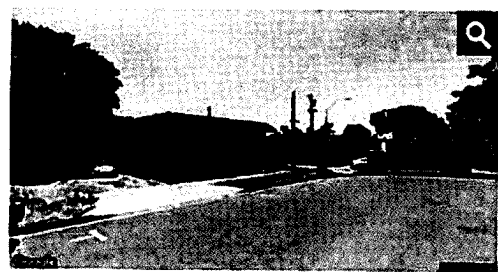
Environmental History: No record of environmental studies.

Potential for Transit Oriented Development: Not applicable.

Purpose for Which Property Acquired: Assembly of land for residential project, including affordable housing units.

Revenue Generation: None

1744 I Street



ADDRESS
1744 I ST
MERCED, CA 95340

OWNER
CITY OF MERCED

APN	COUNTY DATA [SHOW HIDE]		
031-161-001-000	MERCED		
BEDROOMS	BATHS (F / H)	LIVING	SQ FT
0	0 / 0	0	5,000 sq ft



1815 I Street



ADDRESS

1815 I ST

MERCED, CA 95340

OWNER

CITY OF MERCED

APN

031-074-010-0

COUNTY DATA [SHOW / HIDE]

MERCED

BEDROOMS

0

BATHS (F / H)

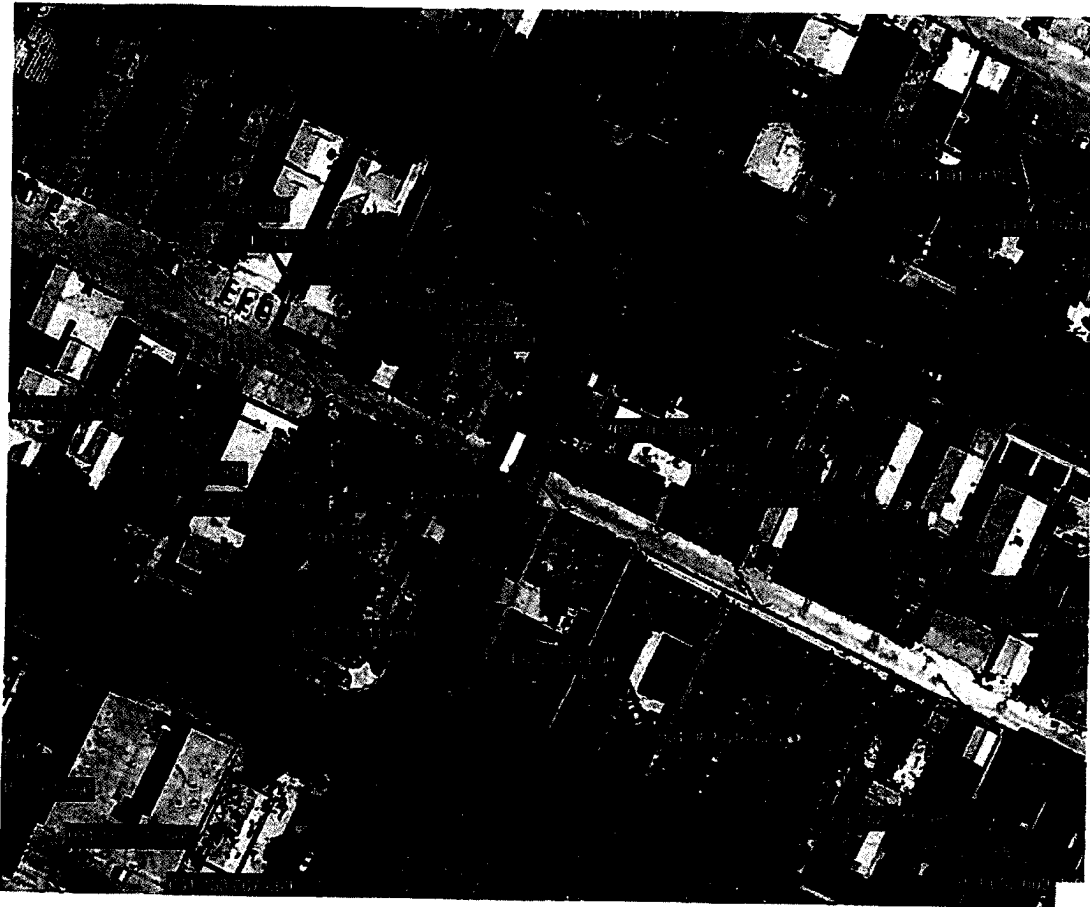
0 / 0

LIVING

0

LOT

2,400 sq ft





ADMINISTRATIVE REPORT

AGENDA
ITEM:

I-3

MTG.
DATE:

4/21/08

TO: James G. Marshall, Executive Director
FROM: Daniel Ainslie, Development Coordinator
DATE: April 14, 2008

SUBJECT: Purchase Agreement for two homes located on 18th and I Street
and one office on 18th and I Street

RECOMMENDATION: Adopt a motion:

- A. Approving Purchase Agreements between the Redevelopment Agency of the City of Merced and Chrispin and Yolanda Chavez.
- B. Approving Purchase Agreements between the Redevelopment Agency of the City of Merced and the Estate of Julia Chibante.
- C. Authorizing Executive Director to execute necessary documents.

POSSIBLE AGENCY ACTIONS:

- 1. Adopt the motion as recommended by staff; or
- 2. Adopt amended motion (specify); or
- 3. Defer action until a date certain (specify date); or
- 4. Take no action.

AUTHORITY: Redevelopment sections 33080-33080.8 of the California Health and Safety Code, as amended; Merced City Charter, Section 200 and Gateways Project Area Redevelopment Plan.

Downtown Strategy

Action Item 2.3 of the 2007 Downtown Strategy challenges the City and Agency to "Build at least 300 housing units throughout the Downtown." This was meant to represent a large concentration of new, high quality residences that would serve to densify Downtown. These residences were envisioned to be a mixture of condo/apartment style and single-family units.

History

The 18th and I Street neighborhood presently consists of 5 different property owners (Attachment A). This has long been a target for

Executive Director
April 14, 2008
Page 2

neighborhood rejuvenation. Nine years ago, the Agency purchased a 2,200 sq. ft. parcel and entered into a home rehabilitation agreement with the Central Valley Affordable Housing Coalition. The rehabilitation agreement led to the restoration of the house located on the northeast corner of 18th and I and an option for the Agency to develop the remainder of the site. That option is still in effect today.

Since this action, the Agency has sought to purchase two lots immediately south of the Agency owned parcel. This would allow for the reconstruction of the entire neighborhood and the opportunity to remove extensive blight. This would hopefully become a catalyst project for future residential development and revitalization in the East Main area.

After nine years, the two parcels in question are now available. In addition, the two parcels across 18th Street are currently for sale. The vacant office building located on the southeast corner of 18th and I is located on a 5,000 sq. ft. lot. This could provide enough land for the construction of two housing units.

Envisioned Project

The project would bring a number of new homes to this neighborhood. The new neighborhood is strategically situated just north of Main Street, allowing residents easy access to downtown amenities. Though design has not started, the vision would be for small to medium sized homes of historic character. This would likely mean row homes or Victorian style homes with little or no separation. The homes would likely be a mix between affordable and market rate homes. This would be the next catalyst project for Downtown housing. If this project is successful, it would help stabilize an area and set an example for future developments to follow.

Economic Considerations of Development

Currently, the most affordable new homes in Merced are located on the outskirts of town. An average 1,075 square foot home starts at \$200,000. Units to be built at the 18th and I location can be price-competitive due to the existing public improvements and absence of impact fees.

Executive Director
April 14, 2008
Page 3

Purchases

Staff are recommending three purchases from two separate land owners.

<u>Address</u>	<u>Owner</u>	<u>Negotiated Price</u>	<u>Lot Sq. Ft.</u>
1815 I Street	Chibante Trust	\$85,000	2,400
205 18 th Street	Chibante Trust	\$85,000	3,000
1744 I Street	Cristin Chavez	\$180,000	5,000

In addition, all three parcels currently have structures. These structures will provide offsetting credits for some of the development fees that will result from the proposed development. One of the units is currently occupied. If the Agency purchases the homes, the resident will need to be relocated.

FUNDING: Since a portion of the project will be affordable, it is appropriate to use the low/moderate income-housing fund. Project #108049 Highway 59 & Cooper Avenue Housing Project has a large balance that will not be used until construction on the project actually begins. If this fund is used for this purchase, it will continue to have a sizeable balance. Given that the majority of these funds are not needed for at least one year, the account could be reimbursed in the next fiscal year if needed.

RECOMMENDATION: The Redevelopment Advisory Committee unanimously recommended approval of the three property purchases.

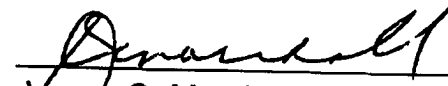
RESPECTFULLY SUBMITTED:


Daniel Ainslie
Development Coordinator

REVIEWED AND APPROVED:


William D. Cahill
Assistant City Manager

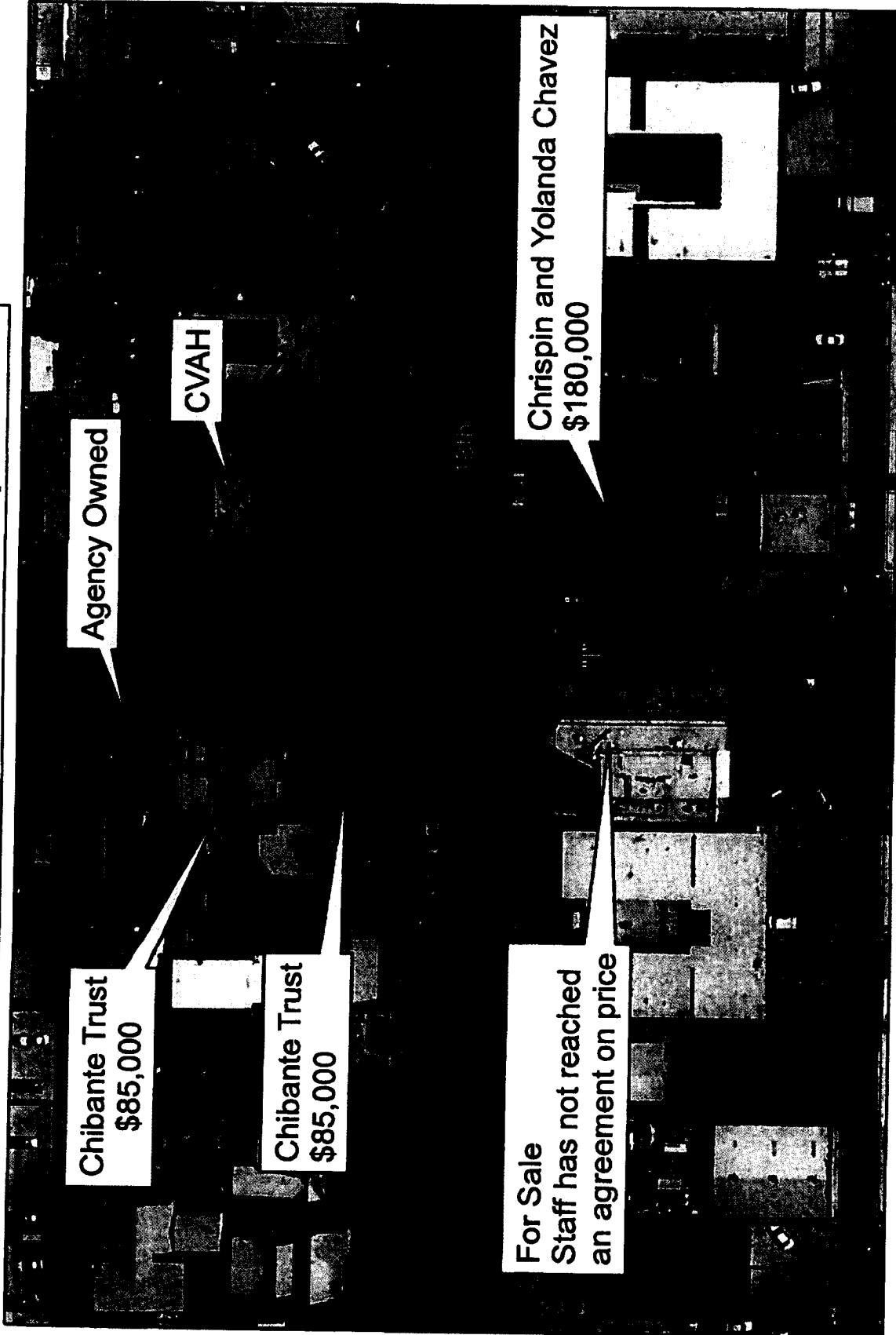
REVIEWED AND APPROVED:


James G. Marshall
Executive Director

ATTACHMENTS

- A. 18th and I Neighborhood Map
- B. Chibante Trust Agreement
- C. Chavez Agreement

18th and I Street Properties



Chibante Trust
\$85,000

Agency Owned

CVAH

Chibante Trust
\$85,000

For Sale
Staff has not reached
an agreement on price

Chrispin and Yolanda Chavez
\$180,000

ATTACHMENT B

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this 26th day of MARCH, 2008, by and between the Estate of Julia Chibante ("Seller), and the Redevelopment Agency of the City of Merced, a Public Body, Corporate and Politic, of the State of California ("Buyer").

WITNESSETH

WHEREAS, Seller owns a certain real properties known as APN 031-074-010 located at 1815 "T" Street and APN 031-074-011 located at 205 West 18th Street, both located in the City of Merced, County of Merced, State of California, consisting of approximately 2,400 square feet, and 3,000 square feet respectively, more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference (the "Subject Properties"); and,

WHEREAS, Buyer desires to purchase the Subject Properties for the purpose of constructing an affordable housing development (the "Project").

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. Seller agrees to sell and Buyer agrees to purchase the Subject Properties.

SECTION 2. PURCHASE PRICE. The purchase price for Subject Properties shall be One Hundred Seventy Thousand Dollars (\$170,000.00) for approximately 5,400 square feet of the Subject Properties without any liens or encumbrances.

a. Buyer shall have until close of escrow ("Final Payment Date") to pay the purchase price of One Hundred Seventy Thousand Dollars (\$170,000.00) to Seller deposited with the Escrow holder as listed in Section 3.

SECTION 3. ESCROW. Escrow shall open on the Property within three (3) days following the mutual execution of this Agreement at Fidelity Title in

Merced, California, and shall close within eighty-seven (87) days thereafter, subject to the terms and conditions of this Agreement. Reasonable and customary costs of escrow shall be divided equally between Buyer and Seller. Agency shall pay costs of title insurance. Seller shall pay taxes current. Each party shall pay for its own legal fees, if any are incurred.

SECTION 4. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their respective heirs, transferees, successors, assignee, partners, and legal representatives. Neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto. Such consent shall not be unreasonably withheld. Any attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale Agreement not executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void

SECTION 5. REAL ESTATE COMMISSIONS. Buyer represents and warrants that it is not, and have not been represented by any real estate broker or agent. Seller agrees that any commission due or owed as a result of Buyer's Close of Escrow on the Subject Property shall be the financial responsibility of Seller.

SECTION 6. DUE DILIGENCE & ENVIRONMENTAL STUDIES.

a. Within five (5) days after the mutual execution of this Agreement, or as soon thereafter as possible through reasonable diligence on behalf of Seller, Seller shall furnish Buyer with a preliminary California Land Title Association report of the title to the Subject Property and each document shown as an exception or encumbrance in the report. Within twenty (20) business days after the delivery of the title report and related documents to Buyer, Buyer shall notify Seller in writing of any objection to any exception therein. Buyer's failure to object in this matter to any exception shall be an approval by Buyer of that exception.

b. Buyer's acceptance of the condition of the Subject Property, and any other matter affecting the Subject Property, is a contingency of this Agreement. Buyer and Buyer's agents and representatives, shall have unrestricted access to the property to conduct all inspections, investigations, tests, surveys, analysis, and other studies, immediately upon execution of this Agreement.

c. Therefore, Buyer shall have fifteen (15) days from the date this Agreement is mutually executed to undertake and complete any and all studies, reports, investigations, inspections, and analysis Buyer deems necessary regarding the Subject Property. All studies, reports, investigations, and analysis undertaken by Buyer or any representative of Buyer shall be performed at Buyer's own and sole cost and expense.

SECTION 7. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and properly addressed with correct postage fully paid thereon or by personal delivery to the individuals designated above at the address designated below. All mailed notices shall be deemed delivered within three (3) business days of deposit in the U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

SELLER: Estate of Julia Chibante
c/o Richard Stowe
Coldwell Banker Gonella Realty
701 West Olive Avenue
Merced, California 95348

BUYER: Agency Secretary
The Redevelopment Agency of the City of Merced
678 West 18th Street
Merced, California 95340

With a Copy to: City Attorney
City of Merced
678 West 18th Street
Merced, California 95340

SECTION 8. FURTHER DOCUMENTATION. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

SECTION 9. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or

feminine, as the context may require. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

SECTION 10. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this document reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretations hereof, based upon the identity of the drafter, shall be applicable in interpreting or enforcing this document.

SECTION 11. RELATIONSHIP OF PARTIES. Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third person, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between Seller and Buyer or their agents, employees or contractors. Except as either party may specify in writing, neither party shall have the authority to act as an agent of the other party or to bind the other party to any obligation.

SECTION 12. NO THIRD PARTY BENEFICIARIES. The parties hereto intend not to create rights in, or to grant to any third party as a beneficiary of the agreement or of any duty, covenant, obligation, or undertaking established herein.

SECTION 13. VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 14. ENTIRE AGREEMENT. This Agreement is a fully integrated agreement that contains the complete, final, entire, and exclusive expression of the agreement and understanding of the parties hereto. This Agreement supersedes and replaces all negotiations, and all proposed agreements, whether oral or written, between the parties hereto regarding, arising out of, or relating to the subject matter hereof. Each party acknowledges that it has read this Agreement and has signed it freely and voluntarily without reliance on any representations or promises made by any of the other, or their attorneys or its

representatives, other than as expressly set forth within this Agreement.

SECTION 15. AMENDMENTS IN WRITING. This Agreement may be amended or modified only by a written agreement executed by or on behalf of each of the parties hereto and approved and adopted as required by law. Any attempted amendment not in compliance with the provisions of this Section shall be null and void.

SECTION 16. WAIVER. Any waiver by either party of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by either party to take action on any breach or default of the other party or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to either party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligation under this Agreement. Consent by either party to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the other party's written consent to future waivers.

SECTION 17. TIME OF THE ESSENCE. Seller and Buyer agree that time is of the essence of this Agreement.

SECTION 18. SEVERABILITY. If any provision of this Agreement or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

SECTION 19. COUNTERPARTS. This Agreement may be executed in counterparts and when each party has signed and delivered at least one such counterpart to the other parties hereto, each counterpart shall be deemed an original, and all counterparts taken together will constitute one and the same agreement, which will be binding and effective as to the Seller and Buyer. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other party to this Agreement is in the physical possession of the party seeking enforcement thereof.

SECTION 20. AUTHORITY TO EXECUTE. Each party hereto expressly warrants and represents that he/she/they has/have the authority to

execute this Agreement on behalf of his/her/their governmental or business entity and warrants and represents that he/she/they has/have the authority to bind his/her/their entity to the performance of its obligations hereunder.

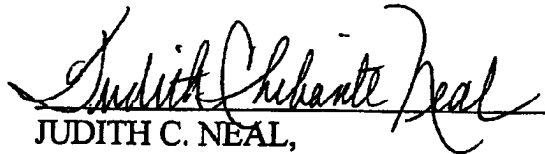
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

SELLER:

ESTATE OF JULIA CHIBANTE



KAREN HUGHES STOWE,
Administrator



JUDITH C. NEAL,
Administrator

BUYER:

THE REDEVELOPMENT AGENCY OF
THE CITY OF MERCED

A Public Body, Corporate and Politic, of the
State of California

BY: _____
Executive Director

ATTEST:

JAMES G. MARSHALL, AGENCY SECRETARY

BY: _____
Deputy Secretary

APPROVED AS TO FORM:

BY: Ken D. Agall 3/19/08
Agency General Counsel Date

ACCOUNT DATA:

BY: _____
Verified by Finance Office

Exhibit A

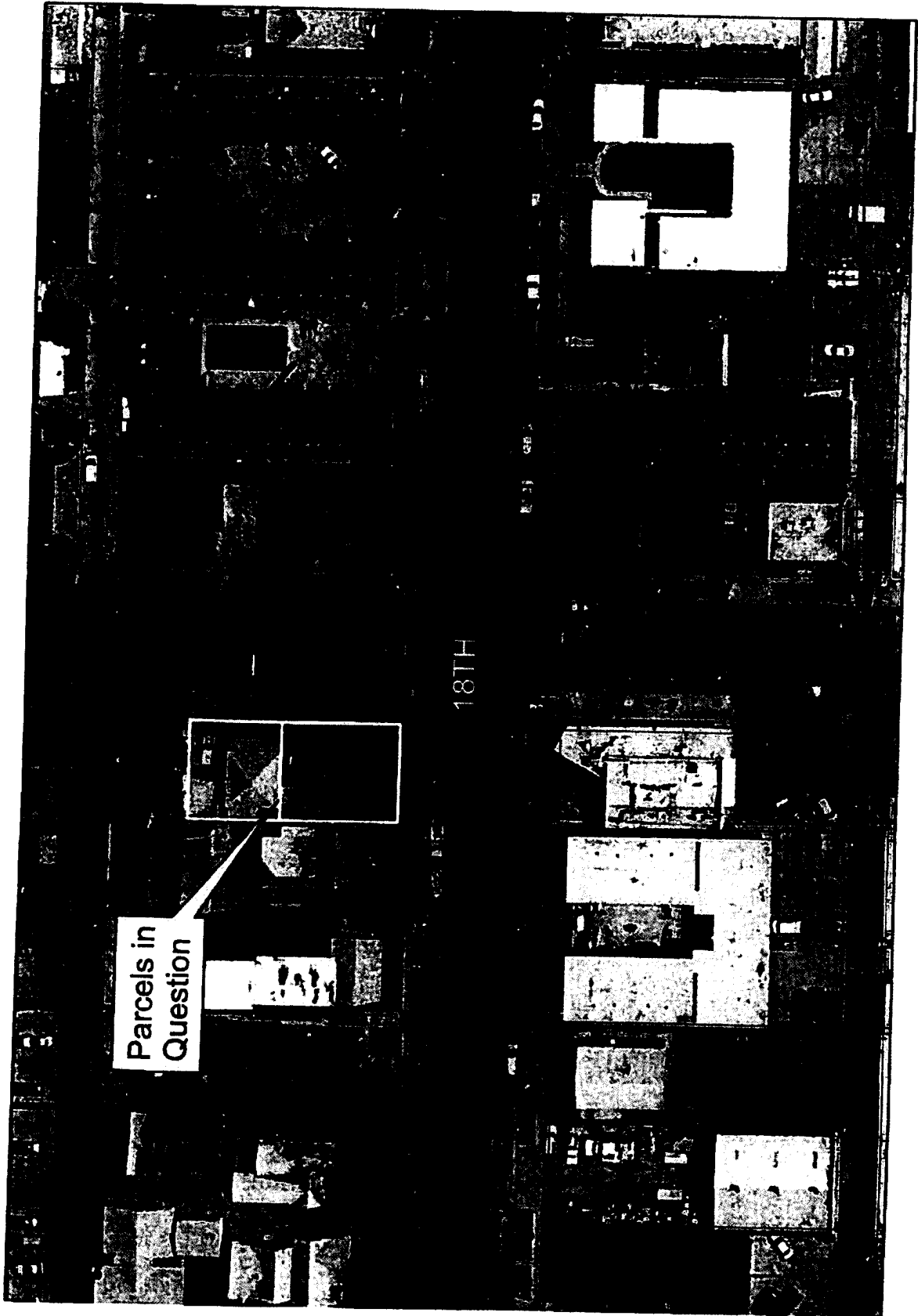
APN 031-074-010

The Northeasterly 48 feet of the southwesterly 108 feet of Lot 16, Block 148 according to map entitled "SUPPLEMENTAL MAP TO THE TOWN OF MERCED" recorded March 4, 1889 in Book 2 of Maps, Page 12, Merced County Records.

Exhibit A

APN 031-074-011

The southwesterly 60 feet of Lot 16, Block 148 according to map entitled "SUPPLEMENTAL MAP TO THE TOWN OF MERCED" recorded March 4, 1889 in Book 1 of Maps, Page 12, Merced County Records and now appears in Book 2 of Maps, Page 12, Merced County Records.



ATTACHMENT C

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this 21 day of March, 2008, by and between Chrispin O. Chavez and Yolanda S. Chavez ("Seller), and the Redevelopment Agency of the City of Merced, a Public Body, Corporate and Politic, of the State of California ("Buyer").

WITNESSETH

WHEREAS, Seller owns a certain real property known as APN 031-161-001 located at 1744 "I" Street in the City of Merced, County of Merced, State of California, consisting of approximately 5,000 square feet, more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference (the "Subject Property"); and,

WHEREAS, Buyer desires to purchase the Subject Property for the purpose of constructing a housing development (the "Project").

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. Seller agrees to sell and Buyer agrees to purchase the Subject Property.

SECTION 2. PURCHASE PRICE. The purchase price for Subject Property shall be One Hundred Eighty Thousand Dollars (\$180,000.00) for approximately 5,000 square feet of the Subject Property without any liens or encumbrances.

a. Buyer shall have until close of escrow ("Final Payment Date") to pay the purchase price of One Hundred Eighty Thousand Dollars (\$180,000.00) to Seller deposited with the Escrow holder as listed in Section 3.

SECTION 3. ESCROW. Escrow shall open on the Property within three (3) days following the mutual execution of this Agreement at TransCounty Title in Merced, California, and shall close within eighty-seven (87) days

thereafter, subject to the terms and conditions of this Agreement. Reasonable and customary costs of escrow shall be divided equally between Buyer and Seller. Agency shall pay costs of title insurance. Seller shall pay taxes current. Each party shall pay for its own legal fees, if any are incurred.

SECTION 4. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their respective heirs, transferees, successors, assignee, partners, and legal representatives. Neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto. Such consent shall not be unreasonably withheld. Any attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale Agreement not executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void

SECTION 5. REAL ESTATE COMMISSIONS. Buyer represents and warrants that it is not, and have not been represented by any real estate broker or agent. Seller agrees that any commission due or owed as a result of Buyer's Close of Escrow on the Subject Property shall be the financial responsibility of Seller.

SECTION 6. DUE DILIGENCE & ENVIRONMENTAL STUDIES.

a. Within five (5) days after the mutual execution of this Agreement, or as soon thereafter as possible through reasonable diligence on behalf of Seller, Seller shall furnish Buyer with a preliminary California Land Title Association report of the title to the Subject Property and each document shown as an exception or encumbrance in the report. Within twenty (20) business days after the delivery of the title report and related documents to Buyer, Buyer shall notify Seller in writing of any objection to any exception therein. Buyer's failure to object in this matter to any exception shall be an approval by Buyer of that exception.

b. Buyer's acceptance of the condition of the Subject Property, and any other matter affecting the Subject Property, is a contingency of this Agreement. Buyer and Buyer's agents and representatives, shall have unrestricted access to the property to conduct all inspections, investigations, tests, surveys, analysis, and other studies, immediately upon execution of this Agreement.

c. Therefore, Buyer shall have fifteen (15) days from the date this Agreement is mutually executed to undertake and complete any and all studies, reports, investigations, inspections, and analysis Buyer deems necessary regarding

the Subject Property. All studies, reports, investigations, and analysis undertaken by Buyer or any representative of Buyer shall be performed at Buyer's own and sole cost and expense.

SECTION 7. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and properly addressed with correct postage fully paid thereon or by personal delivery to the individuals designated above at the address designated below. All mailed notices shall be deemed delivered within three (3) business days of deposit in the U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

SELLER: Chrispin Chavez
 2755 McKee
 Merced, California 95340

BUYER: Agency Secretary
 The Redevelopment Agency of the City of Merced
 678 West 18th Street
 Merced, California 95340

SECTION 8. FURTHER DOCUMENTATION. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

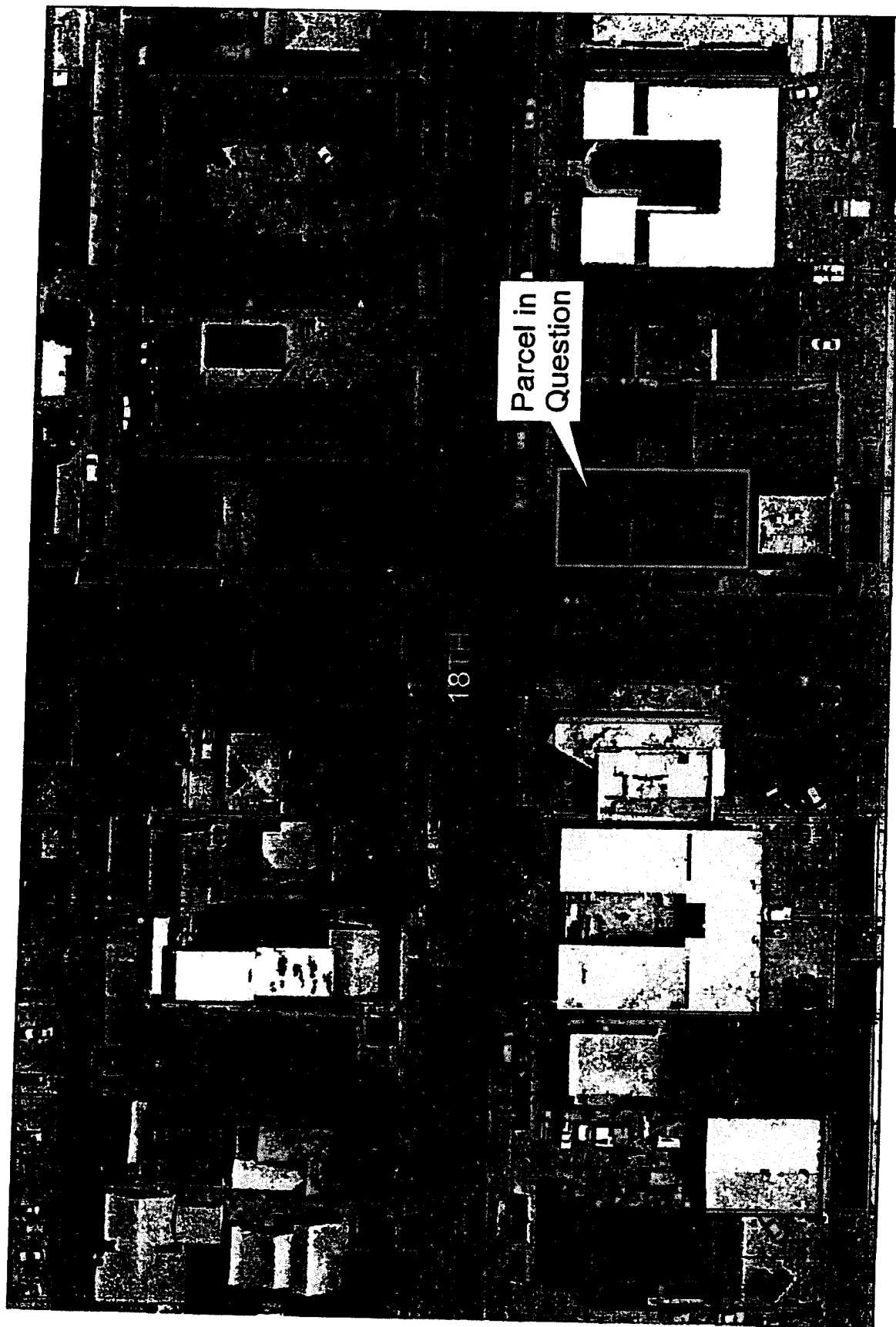
SECTION 9. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or feminine, as the context may require. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

SECTION 10. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this document reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretations hereof, based upon the identity of the

Exhibit A

APN 031-161-001

The Northeasterly 100 feet of Lot 8, Block 159, according to the map entitled, Supplemental Map to Town of Merced, filed for record in the office of the County Recorder of the County of Merced, State of California, in Book 2, Page 12 of Maps, Merced County Records.



Parcel in
Question

18TH

M E M O R A N D U M

DATE: April 22, 2008 **AGENDA ITEM:** I-3
TO: Bill Cahill, Assistant City Manager
FROM: James G. Marshall, City Manager
RE: Purchase Agreement for Two Homes Located on 18th
and I Streets and One Office on 18th and I Streets

On Monday, April 21, 2008, the Redevelopment Agency adopted a motion:

- A. Approving purchase agreements between the Redevelopment Agency and the City of Merced and Chrispin and Yolanda Chavez;
- B. Approving purchase agreements between the Redevelopment Agency and the City of Merced and the Estate of Julia Chibante; and
- C. Authorizing the Executive Director to execute necessary documents.

Please proceed with implementation of this action.



James G. Marshall
City Manager/Executive Director

JGM:dw:cahill

cc: Brad Grant
Deneen Proctor
Frank Quintero
Daniel Ainslie

EXHIBIT B-2

Address/APN: 1823 I Street (APN 031-074-009)

Description: Vacant land

Parcel Size: 2,100 sq.ft / .048 ac.

Date Purchased: 1998

Purchase Price: \$ 35,000

Estimated Market Value: \$ 19,050.00
(As of 2/1/2012, per Housing Asset Transfer List)

Property Background:

The Property was acquired in 1998 from HUD. The Property is located along I Street, and the alley between W. 18th Street and W. 19th Street, adjacent to other dilapidated residential properties acquired by the Redevelopment Agency. The Property was improved with an unoccupied residential unit, that was beyond the scope of rehabilitation. The residential unit was subsequently demolished. The Property was acquired with low/moderate income-housing funds, as part of an effort to upgrade and rejuvenate this portion of Merced (see pages 1 and 2, Administrative Report, 8/17/1998; Resolutions).

Environmental History: No record of environmental studies.

Potential for Transit Oriented Development: Not applicable.

Purpose for Which Property Acquired: Affordable housing.

Revenue Generation: None

1823 I Street



ADDRESS

1823 I ST

MERCED, CA 95340

OWNER

CITY OF MERCED

APN:

031-074-009-0

COUNTY DATA [SHOW HIDE]

MERCED

BEDROOMS

0

BATHS (F / H)

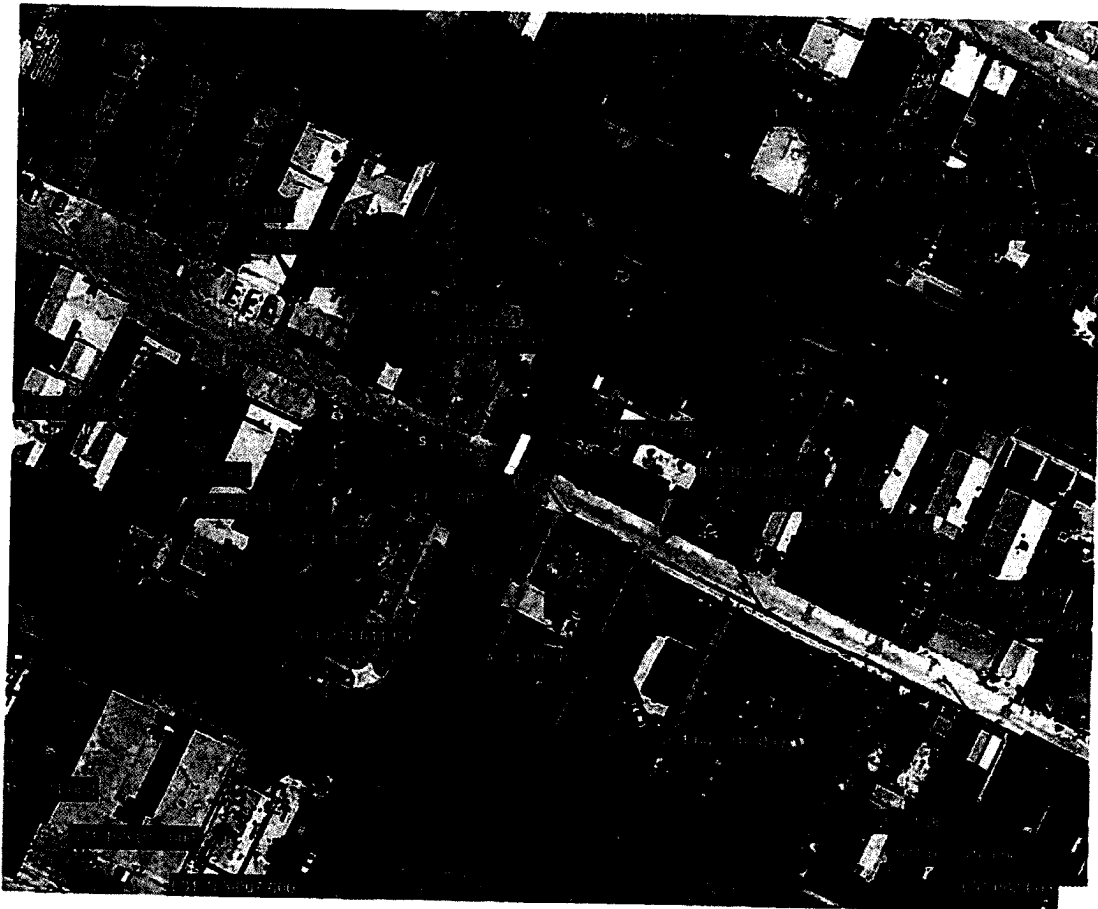
0 / 0

LIVING

0

LOT

2,100 sq ft





ADMINISTRATIVE REPORT

D. 260.5

AGENDA

ITEM: G-5

MTG.

DATE: 8-17-98

To: City Manager/Executive Director

From: Housing and Transportation Director
Director of Economic Development and Redevelopment

Date: August 13, 1998

Subject: Appropriation of \$35,000 for the purchase of property at 1823 "I" Street and authorization for the City Manager to sign all documents in connection with the sale.

RECOMMENDATION:

City Council:

- 1) Adopt Resolution #98-59 Resolution of the City Council of the City of Merced making findings pursuant to subsection (g) of Section 33334.2 of the Health and Safety Code.

Redevelopment Agency:

- 1) Adopt Resolution #555 Resolution of the Redevelopment Agency of the City of Merced making findings pursuant to subsection (g) of Section 33334.2 of the Health and Safety Code.
- 2) Appropriate \$35,000 from the Low and Moderate Income Housing Fund (Housing Set Aside) from Project Area 2, and authorize the purchase of the property at 1823 "I" Street at a cost not to exceed the appropriation.

POSSIBLE CITY COUNCIL /REDEVELOPMENT AGENCY ACTIONS:

- 1) Approve as recommended,
- 2) deny request.

AUTHORITY:

Section 200 et seq. of the Merced City Charter

City Manager/Executive Director
August 13, 1998
Page Two

DISCUSSION:

The house located at 1823 "I" Street is currently listed for sale by HUD with the bid opening occurring on August 18, 1998. The suggested price is \$31,300, but the actual price that would have to be paid is subject to the submission of sealed bids. City Staff will need to determine a submission price not to exceed \$35,000. The house is currently unoccupied and is beyond the scope of rehabilitation. Our desire to purchase the property is based on a continuing goal to upgrade this particular block as part of an over-all strategy of rejuvenating portions of Central Merced. The City Council/Redevelopment Agency approved the purchase of a lot and the construction of a single family dwelling very near the subject property. The new house is currently under construction at 214 W. 19th Street. We see the current lot as a target of opportunity that we would hope will allow further improvement to the area.

Resolutions must be adopted by the City Council and Redevelopment Agency making findings required in the Health and Safety Code in order for Redevelopment Agency funds to be spent outside of the Project Area.

Respectfully Submitted:

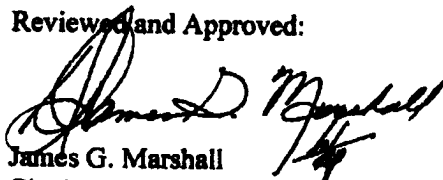


Lee Pevsner
Housing and Transportation Director



William D. Cahill
Director of Economic Development and Redevelopment

Reviewed and Approved:



James G. Marshall
City Manager

Attachments

RESOLUTION NO. _____

**RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE
CITY OF MERCED MAKING FINDINGS PURSUANT TO
SUBSECTION (g) OF SECTION 33334.2 OF THE HEALTH AND
SAFETY CODE**

**WHEREAS, the Redevelopment Agency of the City of Merced (Agency)
proposes to purchase property for the purpose of developing low and moderate income
housing; and,**

**WHEREAS, the Agency intends to use money from the Agency's Low and
Moderate Income Housing Fund; and,**

**WHEREAS, the affected housing units are within the City of Merced but may be
outside the Agency's Project Area; and,**

**WHEREAS, Health & Safety Code Section 33334.2(g) permits the use of monies
from said fund outside the Project Area if certain findings are made.**

**NOW, THEREFORE, the Redevelopment Agency of the City of Merced does
resolve as follows:**

**SECTION 1. The Agency finds that it is highly likely that residents of the
housing will patronize the commercial properties within the Project Area.**

**SECTION 2. The Agency further finds that it is likely that the Project will
provide badly needed shelter for persons who work in the Project Area.**

**SECTION 3. Therefore, the Agency finds that the use of funds from the Low and
Moderate Income Housing Fund for the Project will be of benefit to the Project Area.**

PASSED AND ADOPTED by the Redevelopment Agency of the City of Merced
at a regular meeting held on the 17th day of August 1998, by the following called vote:

AYES: Commissioners:

NOES: Commissioners:

ABSTAIN: Commissioners:

ABSENT: Commissioners:

APPROVED:

ATTEST:

JAMES G. MARSHALL, SECRETARY

BY: _____
Assistant Secretary

Vice Chairman

Pubffos4

11,266.0

.GENDA ITEM: H-19
MTG. DATE: 8-17-98

18. ACQUISITION OF 1823 I STREET FOR LOW AND MODERATE INCOME HOUSING

RECOMMENDATION:

- a. ADOPT RESOLUTION NO. _____ RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MERCED MAKING FINDINGS PURSUANT TO SUBSECTION (g) OF SECTION 33334.2 OF THE HEALTH AND SAFETY CODE; AND**
- b. ADOPT A MOTION AUTHORIZING THE CITY MANAGER TO EXECUTE THE NECESSARY DOCUMENTS.**

Please see Redevelopment Agency Consent Calendar Item G-5 for complete Administrative Report.

RESOLUTION NO. 98-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MERCED MAKING FINDINGS PURSUANT TO SUBSECTION
(g) OF SECTION 33334.2 OF THE HEALTH AND SAFETY
CODE

WHEREAS, the Redevelopment Agency of the City of Merced (Agency)
proposes to purchase property for the purpose of developing low and moderate income
housing; and,

WHEREAS, the Agency intends to use money from the Agency's Low and
Moderate Income Housing Fund; and,

WHEREAS, the affected housing units are within the City of Merced but may be
outside the Agency's Project Area; and,

WHEREAS, Health & Safety Code Section 33334.2(g) permits the use of monies
from said fund outside the Project Area if certain findings are made.

NOW, THEREFORE, the City Council of the City of Merced does resolve as
follows:

SECTION 1. The City Council of the City of Merced finds that it is highly likely
that residents of the housing will patronize the commercial properties within the Project
Area.

SECTION 2. The City Council of the City of Merced further finds that it is likely
that the Project will provide badly needed shelter for persons who work in the Project
Area.

SECTION 3. Therefore, the City Council of the City of Merced finds that the use of funds from the Low and Moderate Income Housing Fund for the Project will be of benefit to the Project Area.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the 17th day of August 1998, by the following called vote:

AYES: Council Members:

NOES: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:

APPROVED:

ATTEST:

JAMES G. MARSHALL, CITY CLERK

BY: _____
Deputy City Clerk

Mayor

(SEAL)

pubffos3

EXHIBIT B-3

Address/APN: 150 W. 19th Street (APN 031-082-002)

Description: Vacant land

Parcel Size: 7,500 sq.ft / .17 ac.

Date Purchased: 2009

Purchase Price: \$ 73,000

Estimated Market Value: \$ 73,600.25
(As of 2/1/2012, per Housing Asset Transfer List)

Property Background:

The Property was acquired in 2009. The Property is located along W. 19th Street, just east of I Street, in the vicinity of other dilapidated residential properties acquired by the Redevelopment Agency. The Property was improved with three dilapidated structures, including an 8-unit multi-family structure, which were subsequently demolished. The Property was acquired with low/moderate income-housing funds, as part of an effort to eliminate dilapidated structures and construct owner occupied housing (see page 3, Administrative Report, 2/17/2009; page 1, Purchase and Sale Agreement).

Environmental History: No record of environmental studies.

Potential for Transit Oriented Development: Not applicable.

Purpose for Which Property Acquired: Affordable housing development.

Revenue Generation: None

150 W. 19th Street



ADDRESS

150 W 19TH ST
MERCED, CA 95340

OWNER

CITY OF MERCED

APN

031-082-002-0...

COUNTY DATA [SHOW HIDE]

MERCED

BEDROOMS

0

BATHS (F / H)

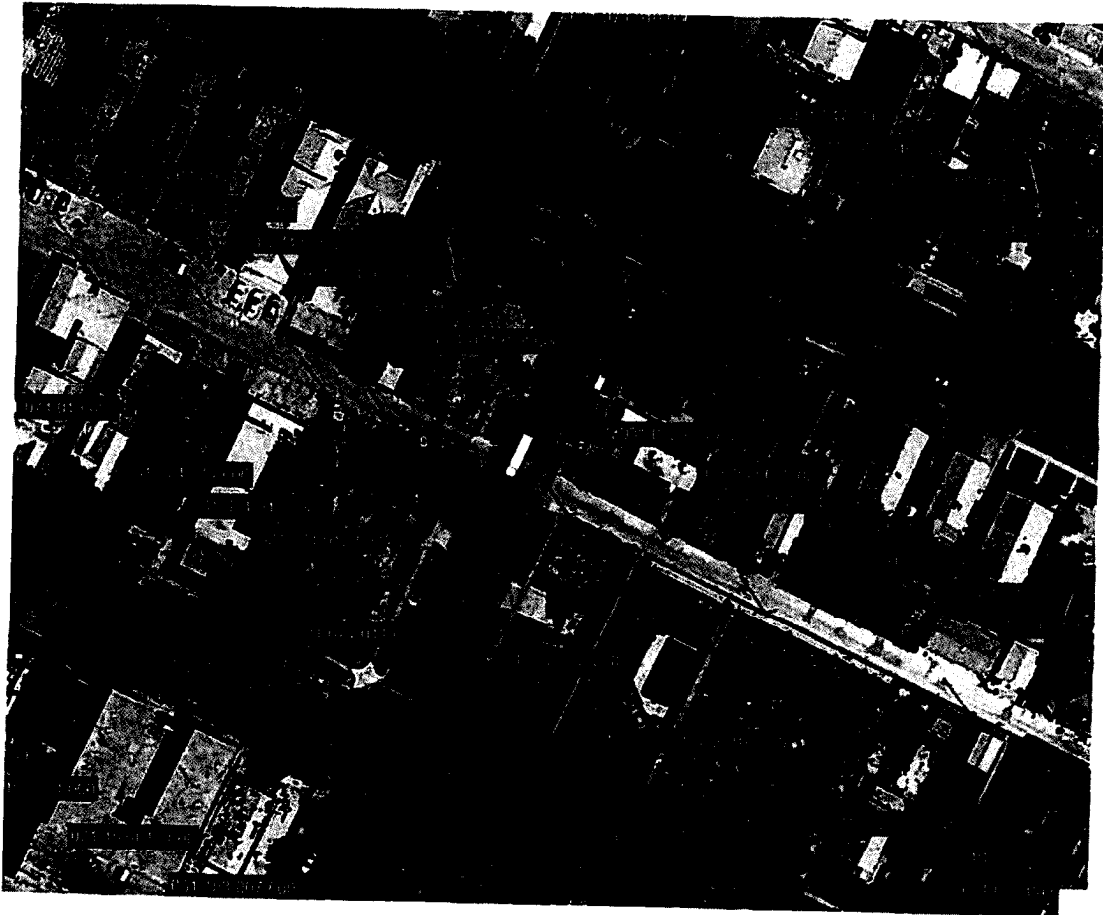
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LIVING

0

LOT

7,500 sq ft



ADMINISTRATIVE REPORT

AGENDA
ITEM:

I-3

MTG.
DATE:

2-17-09

TO: John M. Bramble Executive Director
FROM: Joshua Ewen, Redevelopment Technician
DATE: February 17, 2009
SUBJECT: Purchase Agreement for 150 West 19th Street

RECOMMENDATION: Adopt a motion:

- A. Approving the Purchase Agreement between the Redevelopment Agency of the City of Merced and Robert N. Contreras; and
- B. Authorizing Executive Director to execute necessary documents.

POSSIBLE AGENCY ACTIONS:

- 1. Adopt the motion as recommended by staff; or
- 2. Adopt amended motion (specify); or
- 3. Deny the request completely, or
- 4. Defer action until a date certain (specify date); or
- 5. Take no action.

AUTHORITY: Redevelopment sections 33031a Sec. 1 & 2, 33031b Sec. 1, 2 & 5 & 33391a of the California Health and Safety Code, as amended; Merced City Charter, Section 200 and Gateways Project Area Redevelopment Plan, as amended.

DISCUSSION:

The Redevelopment Agency is moving towards establishing the Midtown neighborhood in accordance with the 2007 Downtown Strategy. Agency actions in the Midtown neighborhood include the elimination of dilapidated structures and the reconstruction of owner occupied housing. Recent Agency efforts include the purchases of blighting influences at the corner of 18th & I Street. The Redevelopment Agency is now wanting to purchase a site located within the Midtown neighborhood at 150 West 19th Street from Robert N. Contreras.

History:

On April 14, 2008, the Agency approved the purchase of three properties at the northwest and southeast corners of 18th Street & I Street. Prior to this purchase, the Agency had acquired property to the direct north some nine years earlier. The Agency also worked with the Central Valley Coalition for Affordable Housing to restore a home located on a portion of the lot at the northeast corner of 18th and I, with the Agency being given the option to develop the remainder of the existing property at a future date.

The Agency currently owns four parcels at 18th & I. The neighborhood being targeted is plagued by high crime rates, vacant properties and unstable real estate values. The goal of targeting this neighborhood will be to reconstruct quality owner occupied housing and decrease the amount of existing blight. In addition, the project at 18th & I is strategically located one block north of Main Street which will make the newly constructed homes more desirable to individuals and families who would like to live close to the amenities, employment and services located within the City Center.

The project will involve the development of small to medium sized urban housing that will complement the historical nature of the Midtown neighborhood. The single family homes will be offered for sale at a mix of affordable and market rates. If the project is successful, it would help to beautify and stabilize the Midtown neighborhood as well as set an example for future developments to follow.

Description:

The parcel in question, 150 W. 19th Street, APN 031-082-002, is one of the most dilapidated in its neighborhood. The subject parcel is northeast of the proposed development at 18th & I (Attachment 1). The structures are uninhabitable and are in a state of disrepair. A boarded up rear dwelling unit is visible from I Street. In addition, the subject parcel neighbors a restored Victorian home to the west. Demolition of the structures will be necessary. The owner will be required to clean the parcel of rubbish as well as remove all vehicles prior to the Agency taking possession of the property.

Executive Director
February 17, 2009
Page 3

The current zoning is R-4 multifamily residential which allows for higher density housing to be constructed. The subject parcel will be packaged together with other Agency owned Midtown properties to create a cohesive, historically sensitive development.

Purchases:

Staff is recommending the purchase of one parcel, including three existing structures;

<u>Address</u>	<u>Owner</u>	<u>Negotiated Price</u>	<u>Lot Sq. Ft.</u>
150 W. 19 th Street	Robert N. Contreras	\$73,000.00	7,500 ±

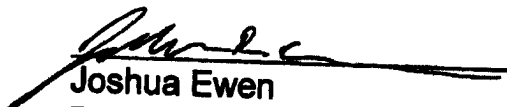
The existing three structures will provide offsetting credits for some of the development fees resulting from the new construction. Given that the parcel is uninhabited, no form of relocation assistance will be due with this purchase.

Funding:


Since a portion of the project will be affordable, it is appropriate to use the low/moderate income-housing fund. Project # 109024 has a sufficient balance to complete the purchase. Additional funds may be needed in future fiscal years to provide a subsidy for the actual construction of the affordable housing units.

RECOMMENDATION: The Redevelopment Advisory Committee unanimously approved the purchase on January 20, 2009. The purchase of this property will eliminate present blight and provide for future affordable housing. Staff recommends approval for the purchase of the parcel located at 150 West 19th Street.

RESPECTFULLY SUBMITTED:

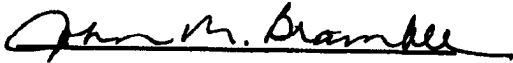

Joshua Ewen
Redevelopment Technician

REVIEWED AND APPROVED:


William D. Cahill
Assistant City Manager

Executive Director
February 17, 2009
Page 4

REVIEWED AND APPROVED:






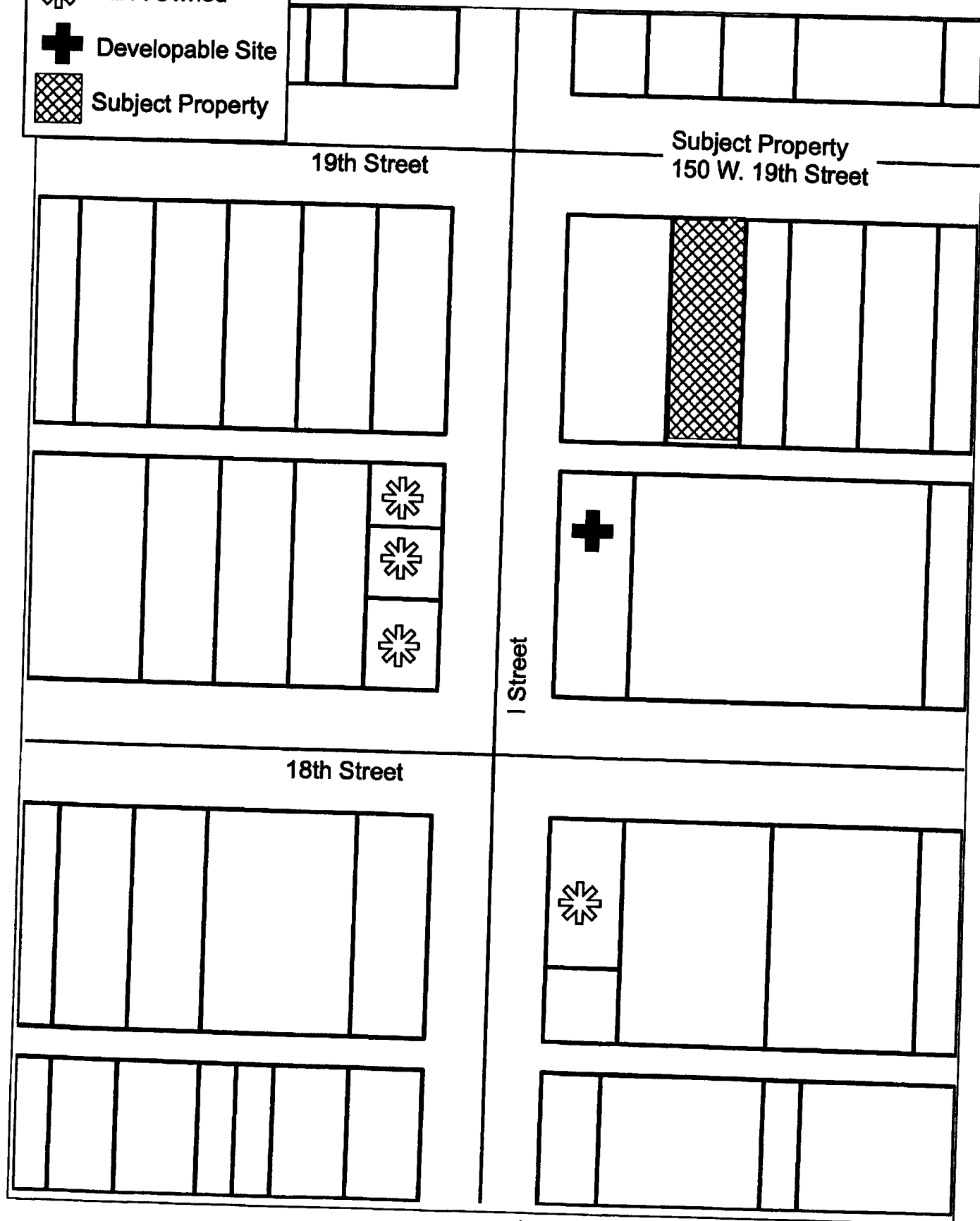
John M. Bramble
Executive Director

ATTACHMENTS

1. 150 West 19th Street Location Map
2. Subject Property Photos
3. Purchase and Sale Agreement

ATTACHMENT 1

-  RDA Owned
-  Developable Site
-  Subject Property



0 50 100 200 Feet

ATTACHMENT 2

Subject Property Photos
150 W. 19th Street

North View (19th St.)



North View (19th St.)



Southwest View (I Street)



Neighboring Victorian



PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2009, by and between the Robert N. Contreras ("Seller), and the Redevelopment Agency of the City of Merced, a Public Body, Corporate and Politic, of the State of California ("Buyer").

W I T N E S S E T H

WHEREAS, Seller owns a certain real property commonly known as 150, 150½, and 152 West 19th Street, in the City of Merced, County of Merced, State of California, consisting of approximately 7,500 square feet, more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference (the "Subject Property"); and,

WHEREAS, Buyer desires to purchase the Subject Property for the purpose of constructing an affordable housing development (the "Project").

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. Seller agrees to sell and Buyer agrees to purchase the Subject Property, subject to the terms and conditions of this Agreement.

SECTION 2. PURCHASE PRICE. The purchase price for Subject Property shall be Seventy-Three Thousand Dollars (\$73,000.00) for the Subject Property without any liens or encumbrances, subject to Section 7(b) of this Agreement.

a. Buyer shall have until close of escrow ("Final Payment Date") to pay the purchase price of Seventy-Three Thousand Dollars (\$73,000.00) to Seller deposited with the Escrow holder as listed in Section 3.

SECTION 3. ESCROW. Within three (3) days following the mutual execution of this Agreement, escrow shall open on the Property at TransCounty Title in Merced, California, and shall close within fifty-seven (57) days thereafter, subject to the terms and conditions of this Agreement. Reasonable and customary costs of escrow shall be divided equally between Buyer and Seller. Agency shall pay costs of title insurance. Seller shall pay taxes current. Each party shall pay for its own legal fees, if any are incurred.

SECTION 4. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their respective heirs, transferees, successors, assignee, partners, and legal representatives. Neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto. Such consent shall not be unreasonably withheld. Any attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale

Agreement not executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void

SECTION 5. REAL ESTATE COMMISSIONS. Buyer represents and warrants that he is not, and have not been represented by any real estate broker or agent. Seller agrees that any commission due or owed as a result of Buyer's Close of Escrow on the Subject Property shall be the financial responsibility of Seller.

SECTION 6. DUE DILIGENCE & ENVIRONMENTAL STUDIES.

a. Within five (5) days after the mutual execution of this Agreement, or as soon thereafter as possible through reasonable diligence on behalf of Seller, Seller shall furnish Buyer with a preliminary California Land Title Association report of the title to the Subject Property and each document shown as an exception or encumbrance in the report. Within twenty (20) business days after the delivery of the title report and related documents to Buyer, Buyer shall notify Seller in writing of any objection to any exception therein. Buyer's failure to object in this matter to any exception shall be an approval by Buyer of that exception.

b. Buyer's acceptance of the condition of the Subject Property, and any other matter affecting the Subject Property, is a contingency of this Agreement. Buyer acknowledges the structure on the Subject Property shall be sold in "as-is" condition.

c. Buyer and Buyer's agents and representatives, shall have unrestricted access to the property to conduct all inspections, investigations, tests, surveys, analysis, and other studies, immediately upon execution of this Agreement.

d. Therefore, Buyer shall have fifteen (15) days from the date this Agreement is mutually executed to undertake and complete any and all studies, reports, investigations, inspections, and analysis Buyer deems necessary regarding the Subject Property. All studies, reports, investigations, and analysis undertaken by Buyer or any representative of Buyer shall be performed at Buyer's own and sole cost and expense.

SECTION 7. NO THIRD PARTY BENEFICIARIES. The parties hereto intend not to create rights in, or to grant to any third party as a beneficiary of the agreement or of any duty, covenant, obligation, or undertaking established herein.

a. Seller warrants that all leases, rental agreements, or occupancy agreements, written or verbal, affecting the Subject Property have been disclosed. Seller warrants that the Subject Property is not used as a primary residence and no tenants reside on the Subject Property, and Seller will not be eligible for relocation benefits.

b. Additional tenants not disclosed in Section 7(a) above shall reduce the purchase price in an amount equal to the amount of relocation benefits to be provided. Buyer shall possess the option to terminate this Agreement if such

additional tenants are found to reside on or claim an interest in the Subject Property.

SECTION 8. CONDITIONS TO CLOSE OF ESCROW. As a contingency of this Agreement, the following conditions shall be met prior to the close of escrow. If such conditions are not met, Buyer reserves the right to terminate this Agreement.

- a. Within fifteen (15) days from the mutual execution of this Agreement, Seller shall clear the Subject Property, including the interior of the building structure, of all debris and rubbish to the acceptance of the Buyer.
- b. Within thirty (30) days from the mutual execution of this Agreement, Seller shall remove all vehicles from the Subject Property.
- c. Seller shall remove all personal property from the Subject Property no later than ten (10) days prior to the close of escrow.

SECTION 9. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and properly addressed with correct postage fully paid thereon or by personal delivery to the individuals designated above at the address designated below. All mailed notices shall be deemed delivered within three (3) business days of deposit in the U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

SELLER: Robert N. Contreras *Swite#*
3114 North "G" Street #125 PMB 210
Merced, California 95340

BUYER: Agency Secretary
The Redevelopment Agency of the City of Merced
678 West 18th Street
Merced, California 95340

With a Copy to: City Attorney
City of Merced
678 West 18th Street
Merced, California 95340

SECTION 10. FURTHER DOCUMENTATION. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

SECTION 11. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or feminine, as the context may require. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

SECTION 12. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this document reflects their mutual agreement regarding the same. Because of the

nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretations hereof, based upon the identity of the drafter, shall be applicable in interpreting or enforcing this document.

SECTION 13. RELATIONSHIP OF PARTIES. Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third person, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between Seller and Buyer or their agents, employees or contractors. Except as either party may specify in writing, neither party shall have the authority to act as an agent of the other party or to bind the other party to any obligation.

SECTION 14. VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 15. ENTIRE AGREEMENT. This Agreement is a fully integrated agreement that contains the complete, final, entire, and exclusive expression of the agreement and understanding of the parties hereto. This Agreement supersedes and replaces all negotiations, and all proposed agreements, whether oral or written, between the parties hereto regarding, arising out of, or relating to the subject matter hereof. Each party acknowledges that it has read this

Agreement and has signed it freely and voluntarily without reliance on any representations or promises made by any of the other, or their attorneys or its representatives, other than as expressly set forth within this Agreement.

SECTION 16. AMENDMENTS IN WRITING. This Agreement may be amended or modified only by a written agreement executed by or on behalf of each of the parties hereto and approved and adopted as required by law. Any attempted amendment not in compliance with the provisions of this Section shall be null and void.

SECTION 17. WAIVER. Any waiver by either party of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by either party to take action on any breach or default of the other party or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to either party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligation under this Agreement. Consent by either party to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the other party's written consent to future waivers.

SECTION 18. TIME OF THE ESSENCE. Seller and Buyer agree that time is of the essence of this Agreement.

SECTION 19. SEVERABILITY. If any provision of this Agreement or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

SECTION 20. COUNTERPARTS. This Agreement may be executed in counterparts and when each party has signed and delivered at least one such counterpart to the other parties hereto, each counterpart shall be deemed an original, and all counterparts taken together will constitute one and the same agreement, which will be binding and effective as to the Seller and Buyer. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other party to this Agreement is in the physical possession of the party seeking enforcement thereof.

SECTION 21. AUTHORITY TO EXECUTE. Each party hereto expressly warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of his/her/their governmental or business entity and warrants and represents that he/she/they has/have the authority to bind his/her/their entity to the performance of its obligations hereunder.

///

///

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

SELLER:
ROBERT N. CONTRERAS



Robert N. Contreras

BUYER:
THE REDEVELOPMENT AGENCY OF
THE CITY OF MERCED,
A Public Body, Corporate and Politic, of the
State of California

BY: _____
Executive Director

ATTEST:
AGENCY SECRETARY

BY: _____
Assistant/Deputy Secretary

APPROVED AS TO FORM:

BY: 

Agency General Counsel Date

ACCOUNT DATA:

BY: _____
Verified by Finance Office

EXHIBIT "A"

**THE LAND REFFERED TO IN THIS GUARANTEE IS SITUATED IN THE
STATE OF CALIFORNIA, COUNTY OF MERCED AND IS DESCRIBED AS
FOLLOWS:**

The Northwesterly 20 feet of Lot 6 and the Southeasterly 30 feet of Lot 7 in Block 149 according to map entitled "SUPPLEMENTAL MAP TO TOWN OF MERCED", recorded March 4, 1889 in Book 1 of Maps, Page 12, originally, and now appearing in Book 2 of Maps, Page 12, Merced County Records.

APN 031-082-002

EXHIBIT B-4

Address/APN: 202 W. 19th Street (APN 031-074-008)

Description: Vacant land

Parcel Size: 7,500 sq.ft / .17 ac.

Date Purchased: 2010

Purchase Price: \$ 115,000

Estimated Market Value: \$ 115,132.57
(As of 2/1/2012, per Housing Asset Transfer List)

Property Background:

The Property was acquired in 2010. The Property is located on the corner of W. 19th Street and I Street, directly north of other dilapidated residential properties acquired by the Redevelopment Agency. The Property was improved with a dilapidated 5-unit multi-family structure, which was subsequently demolished. The Property was acquired with low/moderate income-housing funds, as part of an effort to eliminate dilapidated structures and construct affordable owner occupied housing (see pages 5-6, Administrative Report, 9/20/2010; page 1, Purchase and Sale Agreement).

Environmental History: No record of environmental studies.

Potential for Transit Oriented Development: Not applicable.

Purpose for Which Property Acquired: Affordable housing development.

Revenue Generation: None

202 W. 19th Street



ADDRESS

202 W 19TH ST
MERCED, CA 95340

OWNER

CITY OF MERCED

APN

031-074-008-0

COUNTY DATA [SHOW HIDE]

MERCED

BEDROOMS

0

BATHS (F / H)

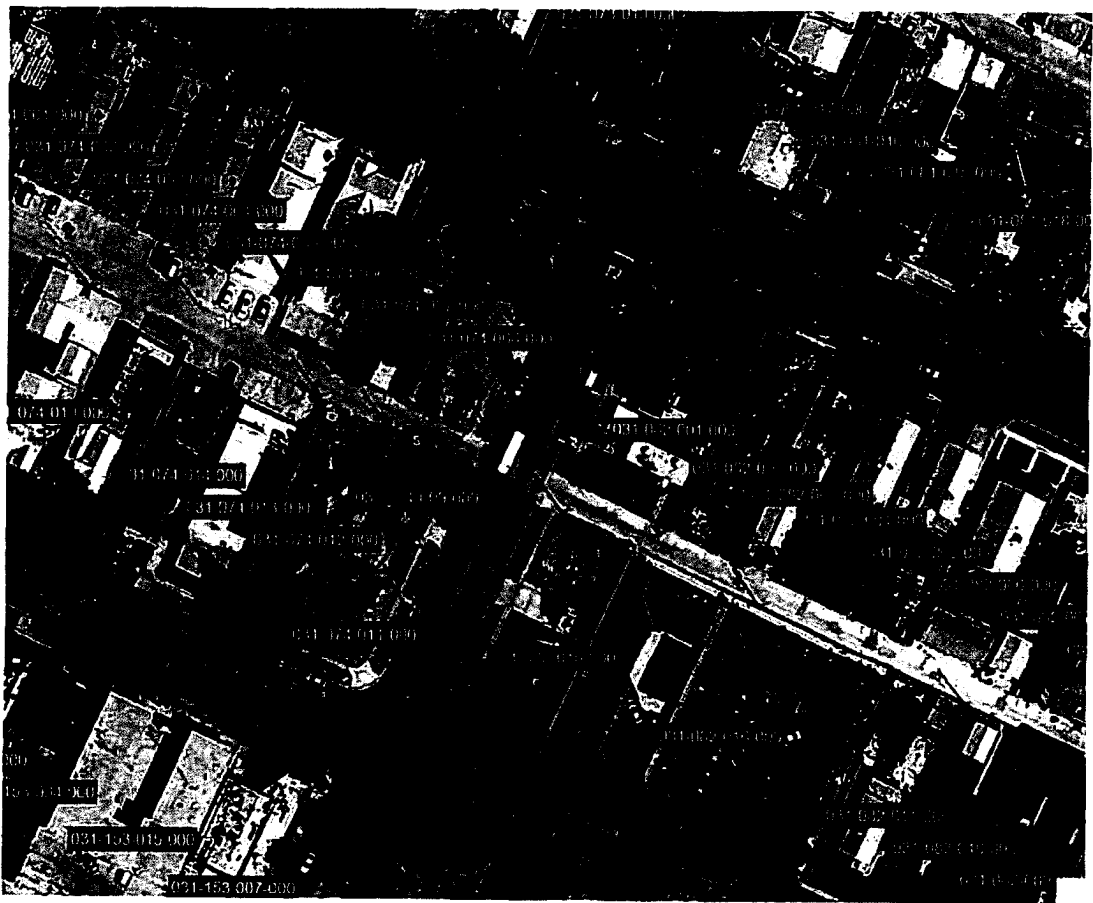
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LIVING

0

LOT

7,500 sq ft



Agenda Item: J-3
Meeting Date: 09-20-10

ADMINISTRATIVE REPORT

TO: John M. Bramble, Executive Director
FROM: Joshua R. Ewen, Redevelopment Technician
DATE: September 20, 2010
SUBJECT: Property Purchase of 202 W. 19th Street

REPORT IN BRIEF

Authorizes the Agency to purchase blighted property at 202 W. 19th Street for demolition and eventual reconstruction of affordable housing dwelling units. Authorizes staff to proceed with the Relocation Plan for three family households residing on the property.

RECOMMENDATION:

Adopt a motion:

- A. Approving the Purchase Agreement between the Redevelopment Agency of the City of Merced and Robert H. Crawford and Doreen M. Crawford, Trustees; and
- B. Adopt Resolution _____ approving the Relocation Plan for three occupied dwelling units at 202 W. 19th Street; and,
- C. Authorizing the disbursement of Relocation Benefits pursuant to the approved Relocation Plan; and,
- D. Authorizing Executive Director to execute all necessary documents.

ALTERNATIVES:

- 1. Adopt the motion as recommended by the Redevelopment Advisory Committee and staff; or
- 2. Adopt amended motion (specify); or
- 3. Deny the request completely, or
- 4. Defer action until a date certain (specify date); or
- 5. Take no action.

AUTHORITY:

Redevelopment sections 33031a Sec. 1 & 2, 33031b Sec. 1, 2 & 5 & 33391a & 33410 of the California Health and Safety Code known as Community Redevelopment Law (CRL), as amended; Merced City Charter, Section 200 and the Gateways Project Area Redevelopment Plan, as amended.

DISCUSSION:

The Redevelopment Agency is actively pursuing the revitalization of the Midtown district in accordance with the 2007 Downtown Strategy. Action item 2.2 of the strategy states that the Agency should seek to acquire, retrofit or demolish dilapidated structures that detract from the historical character of one of Merced's premier residential neighborhoods. Recent Agency efforts include the purchases and demolition of blighting influences in the general vicinity of 18th & I Streets. In addition, the Agency has assisted to revitalize four separate parcels consisting of eighteen (18) dwelling units under the Residential Façade Improvement Grant Program within the Midtown district. The Redevelopment Agency is now wanting to purchase a blighted five (5) unit multi-family site located at 202 West 19th Street. The property owners, Robert and Doreen Crawford, have signed the agreement (Attachment 6).

History:

In 2008, the Agency approved the purchase of three properties at the northwest and southeast corners of 18th Street & I Street. These sites have since been cleared and are awaiting future development. In 2009, the Agency purchased a dilapidated eight (8) unit multi-family structure at 211 W. 18th Street and has since demolished and cleared the site. The Agency currently owns six parcels in the general vicinity of 18th & I Streets with an option to develop a seventh parcel. Thus far, the available land area for future new construction at the northwest corner of 18th & I Street amounts to 15,000 sq. ft. (.35 acres). With the purchase of the subject site, the available land area will be equal to 22,500 sq. ft. (.52 acres).

The neighborhood being targeted is plagued by high crime rates, vacant properties and unstable real estate values. Targeting this neighborhood will lead to the reconstruction of a mix of quality owner occupied and rental housing and visible decreases in the amount of existing blight. A Disposition and Development Agreement (DDA) with an affordable housing developer will be presented to the Agency Board within the month for the development of 18th & I Streets. The planned development will involve the construction of small to medium sized urban

housing that will complement the historical nature of the Midtown neighborhood. Housing is expected be offered for sale and lease at a mix of affordable and market rates. If the project is successful, it would help to beautify and stabilize the Midtown neighborhood as well as set an example for future downtown housing developments to follow.

Description:

The subject property, 202 West 19th Street, APN 031-074-008, abuts directly north of Agency owned vacant parcels at the northwest corner of 18th & I Streets (Attachment 1). The subject site consists of four (4) 500 sq. ft. apartment dwellings, of which two (2) have been damaged by a structure fire in July 2010 and are currently unoccupied. There is also one (1) 1,150 sq. ft. unit. According to the owner, the subject site in its current condition produces \$18,000 in gross rents annually. The Agency is seeking to purchase and demolish the site.

This property purchase will allow for a more cohesive development at 18th & I Street. If left standing, the neglected appearance of the subject site, as shown in Attachment 2, will make the development at 18th & I Streets less attractive to potential buyers of the completed housing project. The subject site is in general disrepair and it is not adequate in size for the number of residential dwelling units and families on the site. Clearance of existing blight is a priority with this property purchase.

Purchase:

Staff is recommending the purchase of one parcel, including three structures containing five (5) total dwelling units. The subject site was not listed for sale on the market. An independent property appraisal was conducted by Appraisal and You of Merced on July 9, 2010. The appraisal lists a fair market value of \$102,000. The property owner was unwilling to sell at the appraised price and negotiated a price of \$115,000. This is a 13% increase over the appraised value but represents a fair sale based on income generation potential of the units under the current ownership. The details of the proposed property purchase are as follows:

<u>Address</u>	<u>Owner</u>	<u>Price</u>	<u>Lot Sq. Ft.</u>
202 W. 19th Street	Robert & Doreen Crawford, Trustee	\$115,000.00	7,500 <u>±</u>

Closing

Date: Within 30 days of execution of Purchase Agreement between the Redevelopment Agency and Seller. Purchase Agreement is subject to Agency Board approval.

Escrow: Escrow services shall be supplied by TransCounty Title Company, Merced, Ca.

Condition

of Title: Seller shall provide merchantable title, acceptable to the Buyer.

Closing

Costs: The Agency will pay costs of title insurance acceptable to Agency. Taxes, if any, will be paid current by Seller. Other costs of closing (document fees, recording fees, transfer taxes, and others) shall be divided equally between Buyer and Seller.

Broker

Commission: Neither party is represented by a broker.

Leases: Seller shall disclose to Buyer all leases or rental agreements affecting property. Three (3) of five (5) units are occupied. No additional tenants shall reside on the property. Buyer will reduce the purchase price if additional tenants are found to reside on the property.

Contingencies:

1. Inspection of the property, including satisfactory results of inspection for hazardous substances and geologic conditions.
2. Satisfactory condition of title.
3. Seller to disclose necessary tenant unit repairs.
4. Property to remain in safe and sanitary condition throughout escrow period.

Environmental:

Seller shall provide to Buyer all documents or data in its possession dealing with the property's environmental condition. Seller shall provide entry to the property and structures for Buyer's consultants and inspectors for environmental and other inspections within 20 days of mutual execution of the agreement.

Relocation Plan:

California Community Redevelopment Law (CRL) requires relocation assistance to be made to displaced persons of redevelopment projects. Assistance involves housing counseling and financial assistance for moving and unit relocation. A Relocation Plan has been prepared as per HSC 33410 (Attachment 3). A 30-day public comment review period will begin upon approval of the Plan by the Agency Board. All comments will be incorporated to the Plan and placed on file with the Agency Secretary. Staff will begin the relocation process upon close of escrow of the subject site and completion of the Relocation Plan process.

Three (3) tenant families occupy the units of 1833 I Street, 1827 I Street and 1825 I Street contained on the subject site. Each tenant will be eligible for up to \$5,250.00 in relocation assistance payments plus an additional moving stipend of up to \$1,450 based on unit size. Total cost for relocation is expected to be \$18,575. Relocation assistance payments may be exceeded beyond on this amount as one tenant unit is overcrowded with multiple families.

Additional Considerations:

The Agency will receive impact fee credits that can be applied to the 18th & I Street project. Based on the August 3, 2009 impact fee reduction, this project will fall within the infill zone and would therefore receive a multi-family residential fee credit of \$19,215.00 per unit, which includes public facilities, transportation, park dedication, sewer and water expansion fees. A total of \$96,075.00 in impact and expansion fee credits, in addition to fee credits for purchased and cleared parcels at 18th & I Streets, could be applied to the new development.

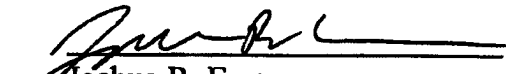
Funding:

Since a portion of the project will be affordable, it is appropriate to use the Gateways Project Area low/moderate income-housing fund (854.2001.677.65.00). Gateways Housing CIP #111041, has a sufficient balance to complete the purchase.

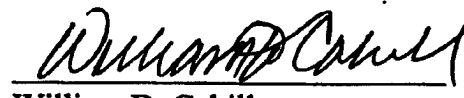
Recommendation:

The Redevelopment Advisory Committee unanimously recommended this property purchase on July 20, 2010. The purchase of this property will eliminate present blight and provide for future affordable housing. Staff recommends approval for the purchase of the parcel located at 202 W. 19th Street and approval of the Relocation Plan.

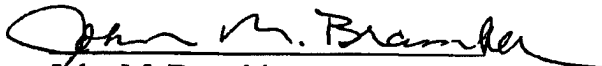
Respectfully Submitted:


Joshua R. Ewen
Redevelopment Technician

Reviewed and Approved:


William D. Cahill
Assistant City Manager

Approved By:


John M. Bramble
Executive Director

ATTACHMENTS:

1. 202 W. 19th Street Map
2. Subject Property Photos
3. Model Relocation Plan
4. Resolution 2010-_____
5. Property Appraisal Checklist
6. Purchase and Sale Agreement

ATTACHMENT 3
Housing Resource Survey

1 Bedroom Units

Location	Units Available	Monthly Rents
Within 2 Miles of Site	5	\$375-500
Within 95340	6+	\$400-825
Within City Limits	3+	\$400-825

2 Bedroom Units

Location	Units Available	Monthly Rents
Within 2 Miles of Site	6	\$450-600
Within 95340	5	\$450-700
Within City Limits	7	\$500-895

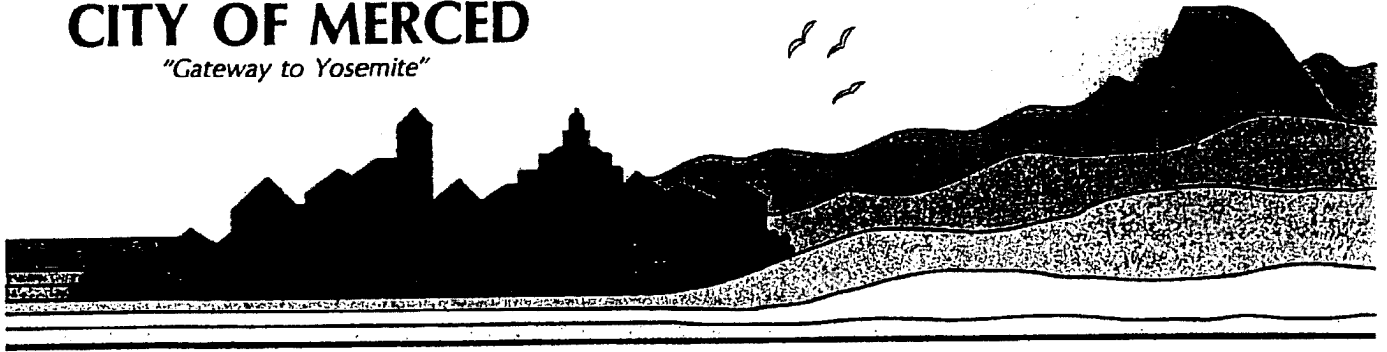
3 Bedroom Units

Location	Units Available	Monthly Rents
Within 2 Miles of Site	1	\$700
Within 95340	3	\$600-1,000
Within City Limits	7	\$600-1,100

ATTACHMENT 4
Residential Information Brochure

CITY OF MERCED

"Gateway to Yosemite"



GENERAL INFORMATION NOTICE RESIDENTIAL TENANT TO BE DISPLACED

October 21, 2010

Sent First Class Mail

Dear: Tenant

The Redevelopment Agency of the City of Merced has purchased the property you currently occupy at 202 West 19th Street, Merced, Ca 95340 for a proposed affordable and market rate housing project.

The purpose of this notice is to inform you that you may be displaced as a result of the proposed project. This notice also serves to inform you of your potential rights as a displaced person under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and California State Community Redevelopment Law HSC 33000 *et seq.* You may be eligible for relocation assistance and payments under Community Redevelopment Law HSC 33,000 *et. Seq.*, if you are displaced as a result of acquisition, rehabilitation or demolition for the project.

- This is not a notice to vacate the premises.
- This is not a notice of relocation eligibility.

If you are determined to be eligible for relocation assistance in the future, you may be eligible for: 1) Relocation advisory services including help to you find another place to live; 2) At least 90 days advance written notice of the date you will be required to move; 3) Payment for your moving expenses; and 4) Replacement housing payments to enable you to rent, or if you prefer to purchase, a comparable replacement home. You will also have the right to appeal the Agency's determination, if you feel that your application for assistance was not properly considered.

(NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in an exceptional hardship to a qualifying spouse, parent or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.)

Please note, no eligible persons shall be required to move from a dwelling unless comparable replacement dwellings are available to them within a reasonable period of time prior to displacement.

Again, this is not a notice to vacate the premises and does not establish your eligibility for relocation payments or assistance at this time. If you are determined to be displaced and are required to vacate the premises in the future, you will be informed in writing. In the event the proposed project does not proceed or if you are determined not to be displaced, you will also be notified in writing.

The enclosed HUD brochure, "Relocation Assistance To Tenants Displaced From Their Homes" provides an explanation of this assistance and other helpful information.

If you have any questions about this notice or the proposed project, please contact:

Joshua Ewen, Redevelopment Technician,
678 W. 18th St. Merced, California 95340,
209-385-6827

Sincerely,

Joshua R. Ewen
Redevelopment Technician

RELOCATION ASSISTANCE TO TENANTS DISPLACED FROM THEIR HOMES

Introduction

This booklet describes the relocation payments and other relocation assistance provided under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) to tenants displaced from their homes. This includes any family or individual that must move as a direct result of rehabilitation, demolition or acquisition for a project in which Federal funds are used.

If you are notified that you will be displaced, it is important that you **do not move** before you learn what you must do to receive the relocation payments and other assistance to which you are entitled.

This booklet may not answer all of your questions. If you have more questions about your relocation, contact the Agency responsible for the project. Ask your questions before you move. Afterwards, it may be too late.

Summary of Relocation Assistance

As an eligible tenant displaced from your home, you will be offered the following advisory and financial assistance:

- **Advisory Services.** This includes referrals to comparable and suitable replacement homes, the inspection of replacement housing to ensure that it meets established standards, help in preparing claim forms for relocation payments and other assistance to minimize the impact of the move.
- **Payment for Moving Expenses.** You may choose either a:
 - **Payment for Your Actual Reasonable Moving and Related Expenses, or**
 - **Fixed Moving Expense and Dislocation Allowance.**
- **Replacement Housing Assistance.** To enable you to rent, or if you prefer, buy a comparable or suitable replacement home, you may choose either:
 - **Rental Assistance, or**
 - **Purchase Assistance.**

If you disagree with the Agency's decision as to the relocation assistance for which you are eligible, you may appeal that decision.

General Questions

How Will I Know I Am Eligible For Relocation Assistance?

You should receive a written notice explaining your eligibility for relocation assistance. You should not move before receiving that notice. If you do, you may not receive relocation assistance.

How Will The Agency Know How Much Help I Need?

You will be contacted at an early date and personally interviewed by a representative of the Agency to determine your relocation needs and preferences for replacement housing and advisory services. The interviewer will ask certain questions about you and other members of your household, including questions about your income. It is to your advantage to provide the information so that the Agency can assist you in moving with a minimum of hardship. The information you give will be kept in confidence.

How Soon Will I Have To Move?

If possible, a mutually agreeable date for the move will be worked out. You will be given enough time to make plans for moving. Unless there is a health or safety emergency, you will not be required to move without at least 90 days advance written notice of (1) at least one "comparable replacement home" that is available to you and (2) the earliest date by which you must move.

What Is A Comparable Replacement Home?

A comparable replacement home is:

- Decent, safe, and sanitary.
- Functionally equivalent to (and equal or better than) your present home.
- Actually available for you to rent.
- Affordable.
- Reasonably accessible to your place of employment.
- Generally as well located with respect to public and commercial facilities, such as schools and shopping, as your present home.
- Not subject to unreasonable adverse environmental conditions.
- Available to all persons regardless of race, color, religion, sex, or national origin.

What is Decent, Safe, and Sanitary Housing?

Decent, safe, and sanitary housing is housing that:

- Meets applicable housing and occupancy requirements.
- Is structurally sound, weathertight, and in good repair.
- Contains a safe, adequate electrical wiring system.
- Has adequate living space for the occupants.
- Has a kitchen with a sink, hot and cold running water, and connections for a stove and refrigerator (if you were displaced from a housekeeping unit).
- Has a separate, complete bathroom with hot and cold running water.
- Has heating as required by climatic conditions.
- Has an unobstructed exit to safe, open space at ground level.
- Meets standards protecting occupants from lead-based paint hazards.
- If you are physically handicapped, is free of any barriers which would preclude your reasonable use of the unit.

Will The Agency Help Me Find A Replacement Home?

Yes. You will be provided with referrals to housing that has been inspected to ensure that it meets established standards. If possible, you will be referred to at least three comparable replacement homes.

The maximum financial assistance for which you may qualify will be based on the cost of the most representative comparable replacement home that is available to you. Promptly after you become eligible for relocation assistance, the Agency will inform you of such unit and the maximum payment available.

Once the Agency representative has a clear understanding of your needs and preferences, he or she will work with you to assure that you are given the best possible choice of housing. The Agency will offer you appropriate transportation to inspect these units.

If you would like to move to government-owned housing or obtain a Section 8 "housing voucher" or "certificate," let the Agency representative know of your interest. Generally, an eligible displaced person receives preference for such long term housing assistance. You will be given assistance in completing any required application forms.

What If I Find My Own Replacement Housing?

You have every right to find your own replacement housing. However, before you rent or buy, ask the Agency to inspect the unit to make sure that it is decent, safe, and sanitary. If the housing unit is not decent, safe, and sanitary, you will not receive a replacement housing payment.

What If I Encounter A Problem In Obtaining Housing Of My Choice?

If you encounter a problem in buying or renting housing of your choice, notify the Agency immediately. The Agency will look into the matter and try to resolve it. You will receive this help whether you were referred to the housing unit or found it yourself.

If you are unable to buy or rent a housing unit because of discriminatory practices on the part of a real estate broker, rental agent, lender, or a property owner, the Agency will help you file a formal housing discrimination complaint with the U.S. Department of Housing and Urban Development or the appropriate State or local fair housing agency.

What Other Services Will I Receive?

In addition to help in obtaining a comparable replacement home, other assistance, as necessary, will be provided in order to minimize the impact of your move. This assistance may include referral to appropriate public and private agencies that provide services concerning housing financing, employment, health, welfare, or legal assistance. The range of services depends on the needs of the person being displaced. You should ask the Agency representative to tell you about the specific services that will be available to help you and your family.

What Is a Payment For Actual Reasonable Moving and Related Expenses?

You may choose to receive a relocation payment to cover the reasonable cost of your move. If you choose a Payment For Actual Reasonable Moving And Related Expenses, you may include in your claim the reasonable and necessary costs for:

- Transportation for you and your family.
- Packing, moving and unpacking your household goods.
- Disconnecting and reconnecting household appliances and other personal property (e.g., telephone and cable TV).

- Storage of household goods, as may be necessary.
- Insurance for the replacement value of your property during the move and necessary storage.
- The replacement value of property lost, stolen or damaged in the move (but not through your neglect) if insurance is not reasonably available.

The Agency will explain all eligible moving costs, as well as those which are not eligible. You must be able to account for any costs that you incur, so keep all your receipts. Select your mover with care. The Agency can help you select a reliable and reputable mover.

You may elect to pay your moving costs yourself and be repaid by the Agency or, if you prefer, you may have the Agency pay the mover. In either case, let the Agency know before you move.

What Is A Fixed Moving Expense And Dislocation Allowance?

If you choose a Fixed Moving Expense and Dislocation Allowance, you will receive an allowance which is based on the number of rooms in your home or the number of rooms of furniture you will be moving, as shown on a schedule. The Agency has a copy of the schedule and will help you decide whether choosing this allowance is in your best interest.

If you do not have a large amount of personal property to move, this payment should be more advantageous. No special documentation is required to support your claim. You need only move your personal property and complete the appropriate claim form in order to receive your payment.

How Much Rental Assistance Will I Receive?

You may be eligible to receive Rental Assistance for a 42-month period. The assistance is computed in the following manner:

The assistance needed for one month is determined by subtracting the "base monthly rent" for your present home from the cost of rent and utilities for your new home (or a comparable replacement home, if that cost is lower). That monthly need, if any, is multiplied by 42, to determine the total amount that you will receive. This amount will be paid directly to you. However, the Agency may elect to provide the assistance in monthly installments or other periodic payments. Generally, the base monthly rent for your present home is the lesser of: (1) the monthly rent and average monthly cost for utilities, or (2) thirty (30) percent of your average monthly gross household income.

Examples: Let's say that the monthly rent and average cost for utilities for your present home are \$250; the monthly rent and estimated average utility costs for a comparable replacement home are \$350; and your monthly gross income is \$700. In this case your "base monthly rent" would be \$210 because that amount (30 percent of your income) is less than the monthly cost of rent and utilities at your present home (\$250).

- If you rent a replacement home for \$360 per month, including estimated average monthly utility charges, you will receive \$5,880. That amount is 42 times \$140 (the difference between the "base monthly rent" for your present home (\$210) and the cost for a comparable replacement home (\$350)).
- If you rent a replacement home for \$310, including estimated average monthly utility charges, you will receive \$4,200. That amount is 42 times \$100 (the difference between the "base monthly rent" for your present home (\$210) and the actual cost of your new home (\$310)).

To qualify for rental assistance, you must rent and occupy a decent, safe, and sanitary home within one year after the date you move. However, the Agency will extend this period for good cause.

If I Decide to Buy, Rather Than Rent, How Much Assistance Will I Receive?

If you buy a replacement home, you may be eligible for assistance to make a down payment equal to the amount you would receive if you rented a comparable replacement home (i.e., 42 times the amount obtained by subtracting the "base monthly rent" for your present home from the monthly rent and estimated average monthly utility costs for a comparable replacement home). A down payment assistance payment will be paid in a lump sum.

Example: Assuming the information in the prior examples, the downpayment assistance payment would be \$5,880. That amount is 42 times \$140 (the difference between the "base monthly rent" for your present home (\$210) and the monthly rent and estimated average monthly utilities cost for a comparable replacement home (\$350). The full amount of the payment must be applied to the purchase of the replacement dwelling.

Must I File A Claim To Obtain A Relocation Payment?

Yes. You must file a claim for each relocation payment. The Agency will, however, provide you with the required claim form, help you to complete it, and explain the type of documentation, if any, that you must submit in order to receive the payment.

If you must pay any relocation expenses before you move (e.g., a security deposit when you sign a lease for your new home), discuss your financial needs with the Agency. You should be able to obtain an advance payment to meet these costs. An advance payment may be placed in "escrow" or paid directly to a contractor to ensure that the move will be completed on a timely basis.

You must file your claim within 18 months after the date you move. However, it is to your advantage to file as soon as possible after you move. The sooner you submit your claim, the sooner it can be processed and paid. If you are unable to file your claim within 18 months, ask the Agency to extend this period.

Be careful not to confuse this 18-month period with the 12-month period within which you must rent (or buy) and occupy a replacement dwelling in order to be eligible for a replacement housing payment.

You will be paid promptly after you file an acceptable claim. If there is any question regarding your right to a relocation payment or the amount of the payment, you will be notified, in writing, of the problem and the action you may take to resolve the matter.

Will I Have To Pay Rent To The Agency Before I Move?

If the Agency acquires the property in which you live, you may be required to pay a fair rent to the Agency for the period between the acquisition of the property and the date that you move. Such rent will not exceed the market rent for comparable properties in the area.

Do I Have To Pay Federal Income Taxes On My Relocation Payments?

No. Section 216 of the URA states that you need not report relocation payments as part of your gross income for Federal tax purposes. For information on State or local income taxes, you should

check with the State or local income tax office in your area or with your personal tax advisor.

What If I Don't Receive The Required Assistance. Can I Appeal?

If you disagree with the Agency's decision as to your right to relocation assistance or the amount of a payment, or the adequacy of the housing to which you have been referred, you may appeal the decision to the Agency.

The Agency will inform you of its appeal procedures. At a minimum, you will have 60 days to file your appeal with the Agency after you receive written notification of the Agency's determination on your claim. Your appeal must be in writing. However, if you need help, the Agency will assist you in preparing your appeal.

If you are a low- or moderate-income person and are dissatisfied with the Agency's determination on your appeal, you may have an additional right to request administrative review of that decision (e.g., by HUD or the State).

You can expect a fair decision on any appeal. However, if you are not satisfied with the final administrative decision on your appeal, you may seek review of the matter by the courts.

I Have More Questions. Who Will Answer Them?

If you have further questions after reading this booklet, contact the Agency and discuss your concerns with an Agency representative. Call your local HUD office for assistance. Go to www.hud.gov to find out about your local HUD office.

HUD-1042-CPD

(Previous Edition Obsolete)

ATTACHMENT 5
Moving Assistance Schedule

Occupant Owns Furniture		Occupant Does Not Own Furniture	
1 room	\$ 575	1 room	\$375
2 rooms	750	Each additional room	60
3 rooms	925		
4 rooms	1,100		
5 rooms	1,325		
6 rooms	1,550		
7 rooms	1,775		
8 rooms	2,000		
Each additional room \$200			

1825 I Street

\$750.00

1827 I Street

\$1,325.00

1833 I Street

\$750.00

ATTACHMENT 6

Relocation Payment Policy regarding Procedures for Relocation Payments and Assistance

The Redevelopment Agency will provide all relocation assistance in accordance with the State of California, Title 25, Housing and Community Development Guidelines ("Code"), as amended. A copy of the Code is available with the Agency Secretary's office during normal operating hours. Relocation resources shall be available to all displaced without discrimination.

ATTACHMENT 7

Appeals and Procedures Policy for Relocation Plan

TITLE 25. HOUSING AND COMMUNITY DEVELOPMENT
DIVISION 1. HOUSING AND COMMUNITY DEVELOPMENT
CHAPTER 6. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
PROGRAMS
SUBCHAPTER 1. RELOCATION ASSISTANCE AND REAL PROPERTY
ACQUISITION GUIDELINES
ARTICLE 5. GRIEVANCE PROCEDURES (25 CCR 6150 et seq. (2003))

§ 6150. Purpose. The purpose of this article is to set forth guidelines for processing appeals from public entity determinations as to eligibility, the amount of payment, and for processing appeals from persons aggrieved by a public entity's failure to refer them to comparable permanent or adequate temporary replacement housing. Public entities shall establish procedures to implement the provisions of this Article.

§ 6152. Right of Review. (a) Any complainant, that is any person who believes himself aggrieved by a determination as to eligibility, the amount of payment, the failure of the public entity to provide comparable permanent or adequate temporary replacement housing or the public entity's property management practices may, at his election, have his claim reviewed and reconsidered by the head of the public entity or an authorized designee (other than the person who made the determination in question) in accordance with the procedures set forth in this article, as supplemented by the procedures the public entity shall establish for such review and reconsideration.

(b) A person or organization directly affected by the relocation plan may petition the department to review the final relocation plan of a public entity to determine if the plan is in compliance with state laws and guidelines or review the implementation of a relocation plan to determine if the public entity is acting in compliance with its relocation plan. Review undertaken by the department under this section shall be in accordance with the provisions of sections 6158 and may be informal. Before conducting an investigation, the department should attempt to constrain disputes between parties. Failure to petition the department shall not limit a complainant's right to seek judicial review.

(c) If a relocation appeals board has been established pursuant to Section 33417.5 of the Health and Safety Code, a city by ordinance may designate the board to hear appeals from local public entities which do not have an appeal process. In the absence of such an ordinance, public entities shall establish procedures to implement the provisions of this Article.

§ 6154. Notification to Complainant. If the public entity denies or refuses to consider a claim, the public entity's notification to the complainant of its determination

shall inform the complainant of its reasons and the applicable procedures for obtaining review of the decision. If necessary, such notification shall be printed in a language other than English in accordance with section 6046.

§ 6156. Stages of Review by a Public Entity. (a) Request for Further Written Information. A complainant may request the public entity to provide him with a full written explanation of its determination and the basis therefore, if he feels that the explanation accompanying the payment of the claim or notice of the entity's determination was incorrect or inadequate. The public entity shall provide such an explanation to the complainant within three weeks of its receipt of his request.

(b) Informal Oral Presentation. A complainant may request an informal oral presentation before seeking formal review and reconsideration. A request for an informal oral presentation shall be filed within the period described in subsection (d) of this section, and within 15 days of the request the public entity shall afford the complainant the opportunity to make such presentation. The complainant may be represented by an attorney or other person of his choosing. This oral presentation shall enable the complainant to discuss the claim with the head of the public entity or a designee (other than the person who made the initial determination) having authority to revise the initial determination on the claim. The public entity shall make a summary of the matters discussed in the oral presentation to be included as part of its file. The right to formal review and reconsideration shall not be conditioned upon requesting an oral presentation.

(c) Written Request for Review and Reconsideration. At any time within the period described in subsection (d) a complainant may file a written request for formal review and reconsideration. The complainant may include in the request for review any statement of fact within the complainant's knowledge or belief or other material which may have a bearing on the appeal. If the complainant requests more time to gather and prepare additional material for consideration or review and demonstrates a reasonable basis therefor, the complainant's request should be granted.

(d) Time Limit for Requesting Review. A complainant desiring either an informal oral presentation or seeking a formal review and reconsideration shall make a request to the public entity within eighteen months following the date he moves from the property or the date he receives final compensation for the property, whichever is later.

§ 6158. Formal Review and Reconsideration by the Public Entity. (a) General. The public entity shall consider the request for review and shall decide whether a modification of its initial determination is necessary. This review shall be conducted by the head of the public entity or an authorized, impartial designee. (The designee may be a committee). A designee shall have the authority to revise the initial determination or the determination of a previous oral presentation. The public entity shall consider every aggrieved person's complaint regardless of form, and shall, if necessary provide assistance to the claimant in preparing the written claim. When a claimant seeks review,

the public entity shall inform him that he has the right to be represented by an attorney, to present his case by oral or documentary evidence, to submit rebuttal evidence, to conduct such cross-examination as may be required for a full and true disclosure of facts, and to seek judicial review once he has exhausted administrative appeal.

(b) **Scope of Review.** The public entity shall review and reconsider its initial determination of the claimant's case in light of:

(1) All material upon which the public agency based its original determination including all applicable rules and regulations, except that no evidence shall be relied upon where a claimant has been improperly denied an opportunity to controvert the evidence or cross-examine the witness.

(2) The reasons given by the claimant for requesting review and reconsideration of the claim.

(3) Any additional written or relevant documentary material submitted by the claimant.

(4) Any further information which the public entity in its discretion, obtains by request, investigation, or research, to ensure fair and full review of the claim.

(c) **Determination on Review by Public Entity.**

(1) The determination on review by the public entity shall include, but is not limited to:

(A) The public entity's decision on reconsideration of the claim.

(B) The factual and legal basis upon which the decision rests, including any pertinent explanation or rationale.

(C) A statement to the claimant of the right to further administrative appeal, if the public entity has such an appeal structure, or if not, a statement to the claimant that administrative remedies have been exhausted and judicial review may be sought.

(2) The determination shall be in writing with a copy provided to the claimant.

(d) **Time Limits.**

(1) The public entity shall issue its determination of review as soon as possible but no later than 6 weeks from receipt of the last material submitted for consideration by the claimant of the date of the hearing, whichever is later.

(2) In the case of complaints dismissed for untimeliness or for any other reason not based on the merits of the claim, the public entity shall furnish a written statement to the claimant stating the reason for the dismissal of the claim as soon as possible but no later than 2 weeks from receipt of the last material submitted by the claimant or the date of the hearing, whichever is later.

§ 6160. Refusals to Waive Time Limitation. Whenever a public entity rejects a request by a claimant for a waiver of the time limits provided in section 6088, a claimant may file a written request for review of this decision in accordance with the procedures set forth in sections 6156 and 6158, except that such written request for review shall be filed within 90 days of the claimant's receipt of the public entity's determination.

§ 6162. Extension of Time Limits. The time limits specified in Section 6156 may be

extended for good cause by the public entity.

§ 6164. Recommendations by Third Party. Upon agreement between the claimant and the public entity, a mutually acceptable third party or parties may review the claim and make advisory recommendations thereon to the head of the public entity for its final determination. In reviewing the claim and making recommendations to the public entity, the third party or parties shall be guided by the provisions of this Article. Except to the extent the confidentiality of material is protected by law or its disclosure is prohibited by law, a public entity shall permit the claimant to inspect all files and records bearing upon his claim or the prosecution of the claimant's grievance. If a claimant is improperly denied access to any relevant material bearing on the claim, such material may not be relied upon in reviewing the initial determination.

§ 6166. Review of Files by Claimant. Except to the extent the confidentiality of material is protected by law or its disclosure is prohibited by law, a public entity shall permit the claimant to inspect all files and records bearing upon his claim or the prosecution of the claimant's grievance. If a claimant is improperly denied access to any relevant material bearing on the claim, such material may not be relied upon in reviewing the initial determination.

§ 6168. Effect of Determination on Other Persons. The principles established in all determinations by a public entity shall be considered as precedent for all eligible persons in similar situations regardless of whether or not a person has filed a written request for review. All written determinations shall be kept on file and available for public review.

§ 6170. Right to Counsel. Any aggrieved party has a right to representation by legal or other counsel at his expense at any and all stages of the proceedings set forth in these sections.

§ 6172. Stay of Displacement Pending Review. If a complainant seeks to prevent displacement, the public entity shall not require the complainant to move until at least 20 days after it has made a determination and the complainant has had an opportunity to seek judicial review. In all cases the public entity shall notify the complainant in writing 20 days prior to the proposed new date of displacement.

§ 6174. Joint Complainants. Where more than one person is aggrieved by the failure of the public entity to refer them to comparable permanent or adequate temporary replacement housing the complainants may join in filing a single written request for review. A determination shall be made by the public entity for each of the complainants.

§ 6176. Judicial Review. Nothing in this Article shall in any way preclude or limit a claimant from seeking judicial review of a claim upon exhaustion of such administrative remedies as are available under this Article

ATTACHMENT 8
Amendment to Relocation Plan

RESOLUTION NO.: RDA _____

**A RESOLUTION OF THE REDEVELOPMENT
AGENCY OF THE CITY OF MERCED,
CALIFORNIA, APPROVING THE RELOCATION
PLAN AND AUTHORIZING THE EXECUTIVE
DIRECTOR TO EXECUTE RELOCATION
ASSISTANCE AGREEMENTS RELATED TO THE
APPROVED RELOCATION PLAN**

WHEREAS, The Redevelopment Agency of the City of Merced has prepared for the Relocation Plan for the purchase and demolition of real property at 202 West 19th Street, Merced, California 95340, APN 031-074-018; and,

WHEREAS, By Resolution No. 608 adopted on July 15, 2002, the Redevelopment Agency of the City of Merced, and Resolution 2002-62 adopted on July 15, 2002 by the City of Merced, concurrently adopted the California Department of Housing and Community Development (HCD) Relocation Assistance and Property Acquisition Guidelines pursuant to Government Code Section 7260 et seq. and the California Code of Regulations at Title 25, Division 1, Chapter 6, Subchapter 1, Article 1, Section 6000 et seq. (2002), as amended; and,

WHEREAS, A Relocation Plan was reviewed and approved by the Agency Board and is on file with the Clerk of the Agency Board; and,

WHEREAS, Said Relocation Plan shall be distributed affected residents for review and public comment for a period of no less than 30 days from adoption of this resolution; and,

WHEREAS, All comments received on the Relocation Plan shall be incorporated and the Plan shall be amended to include such public comments; and,

WHEREAS, The Relocation Plan was prepared in accordance with the US Code Title 42, Chapter 61 "Uniform Relocation Assistance and Real Property Acquisition Policies Act" of 1970 and as amended thereafter, and

the California Relocation Assistance Law and the California Relocation Assistance and Real Property Acquisition Guidelines, Title 25, California Code of Regulations, Chapter 6, Section 6000 et seq. for residential displacements; pursuant to Community Redevelopment Law 33410 et seq.; and,

WHEREAS, the relocation costs associated with the Relocation Plan are fully funded.

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF MERCED DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Relocation Plan for eligible residential tenants of the Site is approved and adopted.

SECTION 2. The Executive Director and/or his designee is hereby authorized and directed to act on the Agency's behalf on all matters pertaining to the approved and adopted Relocation Plan including entering into agreement(s) with eligible tenants and payment of benefits to eligible tenants.

SECTION 3. This Resolution shall become effective immediately upon adoption. The Agency Secretary shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

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PASSED AND ADOPTED by the Redevelopment Agency of the City of Merced at a regular meeting held on the _____ day of _____ 2010, by the following called vote:

AYES: Agency Members:

NOES: Agency Members:

ABSTAIN: Agency Members:

ABSENT: Agency Members:

APPROVED:

Chair of the Agency

ATTEST:
AGENCY SECRETARY

BY: _____
Assistant/Deputy Agency Secretary

(SEAL)

APPROVED AS TO FORM:

Ken Ryell 8/3/11
Agency General Counsel Date

Appraisal Checklist

- ☒ Appraisal obtained
- ☐ For possible eminent domain action
 - ☐ Project grant conditions require appraisal
- ☐ Appraisal not obtained because:
- ☐ Negotiated sale. Property is in a distress sale and appraisal is impractical
 - ☒ Negotiated sale. Property not actively marketed; seller unaffected by appraisal
 - ☐ Negotiated sale. Property on market but seller willingness unaffected by appraisal
- ☐ Other indicators of value obtained in lieu of appraisal
-

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2010, by and between the Robert H. Crawford and Doreen M. Crawford, as Trustees of the Crawford Family 2001 Trust ("Seller), and the Redevelopment Agency of the City of Merced, a Public Body, Corporate and Politic, of the State of California ("Buyer").

W I T N E S S E T H

WHEREAS, Seller owns a certain real property known as APN 031-074-008 located at 202 West 19th Street in the City of Merced, County of Merced, State of California, consisting of five (5) residential dwelling units on 7,500 square feet, more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference (the "Subject Property"); and,

WHEREAS, Buyer desires to purchase the Subject Property for the purpose of constructing an affordable housing development (the "Project").

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. Seller agrees to sell and Buyer agrees to purchase the Subject Property, subject to the terms and conditions of this Agreement.

SECTION 2. PURCHASE PRICE. The purchase price for Subject Property shall be One Hundred Fifteen Thousand Dollars (\$115,000.00) for the Subject Property without any liens or encumbrances, subject to Section 7(b) of this Agreement. ✓

a. Buyer shall have until close of escrow ("Final Payment Date") to pay the purchase price of One Hundred Fifteen Thousand Dollars (\$115,000.00) to Seller deposited with the Escrow holder as listed in Section 3.

SECTION 3. ESCROW. Escrow shall open on the Property within three (3) days following the mutual execution of this Agreement at TransCounty Title in Merced, California, and shall close within twenty-seven (27) days thereafter, subject to the terms and conditions of this Agreement. Reasonable and customary costs of escrow shall be divided equally between Buyer and Seller. Agency shall pay costs of title insurance. Seller shall pay taxes current. Each party shall pay for its own legal fees, if any are incurred. Escrow officer shall process tenant deposits and rent payments in accordance to the close of escrow.

SECTION 4. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their

respective heirs, transferees, successors, assignee, partners, and legal representatives. Neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto. Such consent shall not be unreasonably withheld. Any attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale Agreement not executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void

SECTION 5. REAL ESTATE COMMISSIONS. Buyer represents and warrants that it is not, and have not been represented by any real estate broker or agent. Seller agrees that any commission due or owed as a result of Buyer's Close of Escrow on the Subject Property shall be the financial responsibility of Seller.

SECTION 6. DUE DILIGENCE & ENVIRONMENTAL STUDIES.

a. Within seven (7) days after the mutual execution of this Agreement, or as soon thereafter as possible through reasonable diligence on behalf of Seller, Seller shall furnish Buyer with a preliminary California Land Title Association ✓ report of the title to the Subject Property and each document shown as an exception or encumbrance in the report. Within fifteen (15) business days after the delivery of the title report and related documents to Buyer, Buyer shall notify Seller in writing of any objection to any exception therein. Buyer's failure to object in this matter to any exception shall be an approval by Buyer of that exception.

b. Buyer's acceptance of the condition of the Subject Property, and any other matter affecting the Subject Property, is a contingency of this Agreement.

c. Buyer and Buyer's agents and representatives, shall have unrestricted access to the property to conduct all inspections, investigations, tests, surveys, analysis, and other studies, immediately upon execution of this Agreement.

d. Seller shall disclose all information pertaining to the condition of the Subject Property, including all structures that may have been damaged by fire. Seller shall disclose any findings of hazardous materials, including asbestos, lead, mold, or other harmful material.

e. Therefore, Buyer shall have twenty (20) days from the date this Agreement is mutually executed to undertake and complete any and all studies, reports, investigations, inspections, and analysis Buyer deems necessary regarding the Subject Property. All studies, reports, investigations, and analysis undertaken by Buyer or any representative of Buyer shall be performed at Buyer's own and sole cost and expense.

SECTION 7. NO THIRD PARTY BENEFICIARIES. The parties hereto intend not to create rights in, or to grant to any third party as a beneficiary of the agreement or of any duty, covenant, obligation, or undertaking established herein.

a. Seller warrants that all leases, rental agreements, or occupancy agreements, written or verbal, affecting the five (5) dwelling units contained within

the Subject Property have been disclosed. Seller discloses the following tenants occupy three (3) individual dwelling units and have such agreements affecting the Subject Property:

1. Khamley Phavinag
2. Srisuphan Chaphon
3. Ignacio Padilla

b. Additional tenants not disclosed in Section 7(a) above shall reduce the purchase price in an amount equal to the amount of relocation benefits to be provided. Buyer shall possess the option to terminate this Agreement if such additional tenants are found to reside on or claim an interest in the Subject Property. Buyer acknowledges that the above-mentioned individuals and/or heads of household claim tenancy in dwelling units located on the Subject Property.

SECTION 8. CONDITIONS TO CLOSE OF ESCROW. As a contingency of this Agreement, the following conditions shall be met prior to the close of escrow. If such conditions are not met, Buyer reserves the right to terminate this Agreement.

a. Within fifteen (15) days from the mutual execution of this Agreement, Seller shall clear the Subject Property of all debris and rubbish to the acceptance of the Buyer.

b. Seller shall disclose any necessary tenant unit repairs.

1877

c. Property shall remain in a safe and sanitary condition, as to the satisfaction of the Buyer.

SECTION 9. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and properly addressed with correct postage fully paid thereon or by personal delivery to the individuals designated above at the address designated below. All mailed notices shall be deemed delivered within three (3) business days of deposit in the U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

SELLER: Robert and Doreen Crawford
162 West 19th Street
Merced, California 95340

BUYER: Agency Secretary
The Redevelopment Agency of the City of Merced
678 West 18th Street
Merced, California 95340

With a Copy to: City Attorney
City of Merced
678 West 18th Street
Merced, California 95340

SECTION 10. FURTHER DOCUMENTATION. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein

contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

SECTION 11. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or feminine, as the context may require. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

SECTION 12. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this document reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretations hereof, based upon the identity of the drafter, shall be applicable in interpreting or enforcing this document.

SECTION 13. RELATIONSHIP OF PARTIES. Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third person, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between Seller and Buyer or their agents, employees or contractors. Except as either party may specify in writing,

neither party shall have the authority to act as an agent of the other party or to bind the other party to any obligation.

SECTION 14. VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 15. ENTIRE AGREEMENT. This Agreement is a fully integrated agreement that contains the complete, final, entire, and exclusive expression of the agreement and understanding of the parties hereto. This Agreement supersedes and replaces all negotiations, and all proposed agreements, whether oral or written, between the parties hereto regarding, arising out of, or relating to the subject matter hereof. Each party acknowledges that it has read this Agreement and has signed it freely and voluntarily without reliance on any representations or promises made by any of the other, or their attorneys or its representatives, other than as expressly set forth within this Agreement.

SECTION 16. AMENDMENTS IN WRITING. This Agreement may be amended or modified only by a written agreement executed by or on behalf of each of the parties hereto and approved and adopted as required by law. Any attempted amendment not in compliance with the provisions of this Section shall be null and void.

SECTION 17. WAIVER. Any waiver by either party of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by either party to take action on any breach or default of the other party or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to either party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligation under this Agreement. Consent by either party to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the other party's written consent to future waivers.

SECTION 18. TIME OF THE ESSENCE. Seller and Buyer agree that time is of the essence of this Agreement.

SECTION 19. SEVERABILITY. If any provision of this Agreement or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

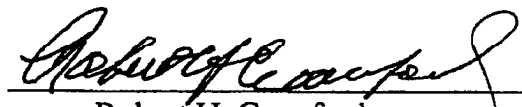
SECTION 20. COUNTERPARTS. This Agreement may be executed in counterparts and when each party has signed and delivered at least one such counterpart to the other parties hereto, each counterpart shall be deemed an

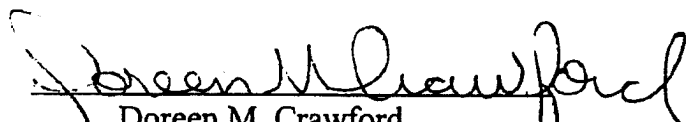
original, and all counterparts taken together will constitute one and the same agreement, which will be binding and effective as to the Seller and Buyer. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other party to this Agreement is in the physical possession of the party seeking enforcement thereof.

SECTION 21. AUTHORITY TO EXECUTE. Each party hereto expressly warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of his/her/their governmental or business entity and warrants and represents that he/she/they has/have the authority to bind his/her/their entity to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

SELLER:
ROBERT H. CRAWFORD AND DOREEN
M. CRAWFORD, AS TRUSTEES OF THE
CRAWFORD FAMILY 2001 TRUST


Robert H. Crawford


Doreen M. Crawford

BUYER:
THE REDEVELOPMENT AGENCY OF
THE CITY OF MERCED,
A Public Body, Corporate and Politic, of the
State of California

BY: _____
Executive Director

ATTEST:
AGENCY SECRETARY

BY: _____
Assistant/Deputy Secretary

APPROVED AS TO FORM:

BY: Kan Agell 8/23/11
Agency General Counsel Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

EXHIBIT A

A parcel of land situated in a portion of Section 30, Township 7 South, Range 14 East, M.D.B. & M., City of Merced, County of Merced, State of California, said parcel of land being more particularly described as follows:

Lot 1 in Block 148, as shown on the map entitled "Supplemental Map to Town of Merced", filed March 4, 1889 in the office of the County Recorder of Merced County in Book 2, of Official Plats, at Page 12.

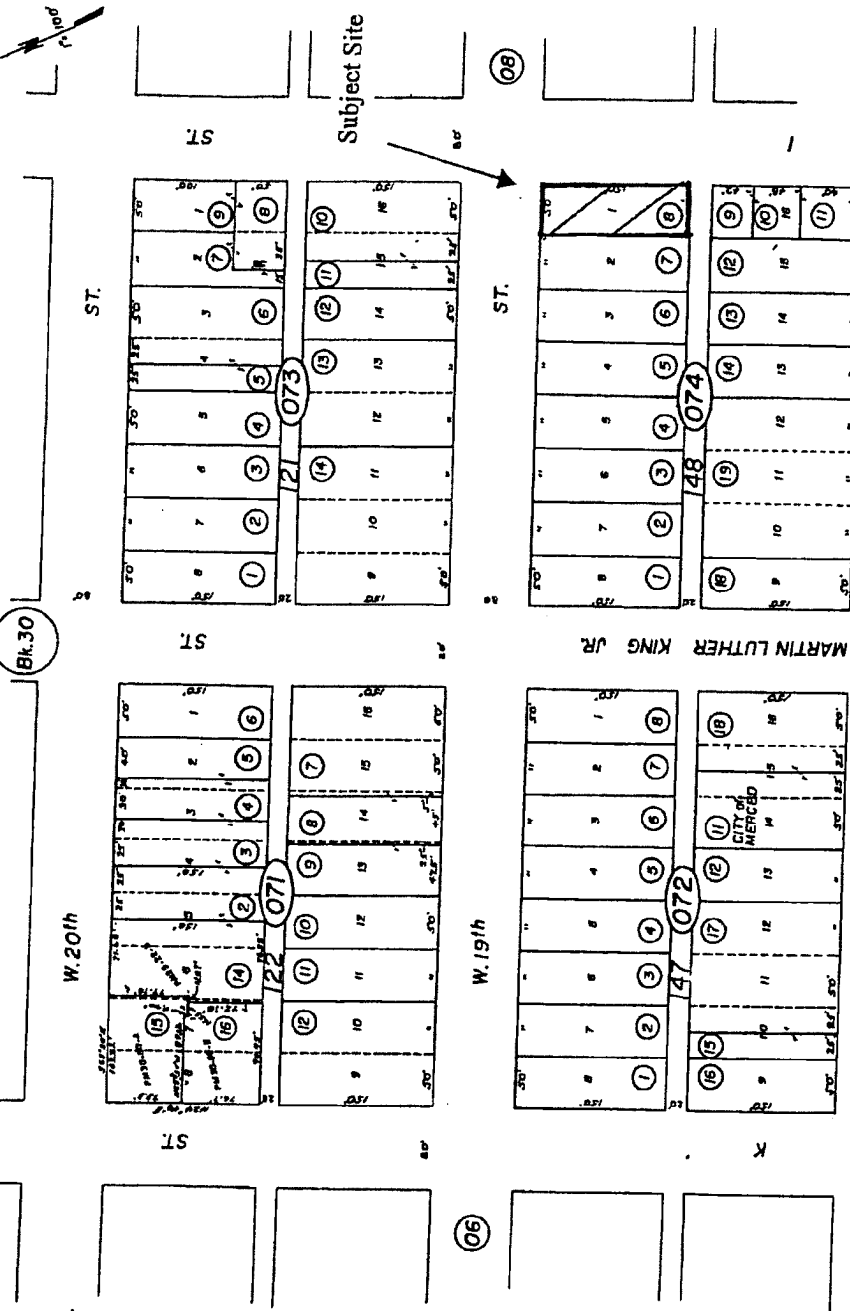
--NOTE--
This map is for Assessed purposes only.
It is not to be construed as portraying
legal ownership or divisions of land for
purposes of zoning or subdivision law.

TOWN OF MERCED
R.M. W.2 Pg.12

Tax Rate Area 5-00
5-11
5-50

31-07

POR. SEC'S 19.830, T.7S, R.14E., M.D.B. & M.



REVISED 11/74

EXHIBIT B

CITY OF MERCED
Assessor's Map Bk. 31 -
County of Merced,
1956

NOTE - Assessor's Block Numbers shown in Ellipses
Assessor's Parcel Numbers shown in Circles

(15)

-NOTE-
This map is for Assessment purposes only
It is not to be construed as partitioning
land interests or divisions of land for
purpose of zoning or subdivision law.

TOWN OF MERCED
P.M. Vol. 2 Pg. 12
POR. SEC. 30, T. 7S., R. 14E., M.D.B. & M.

Tax Rate Area 5-00 5-47 31-08

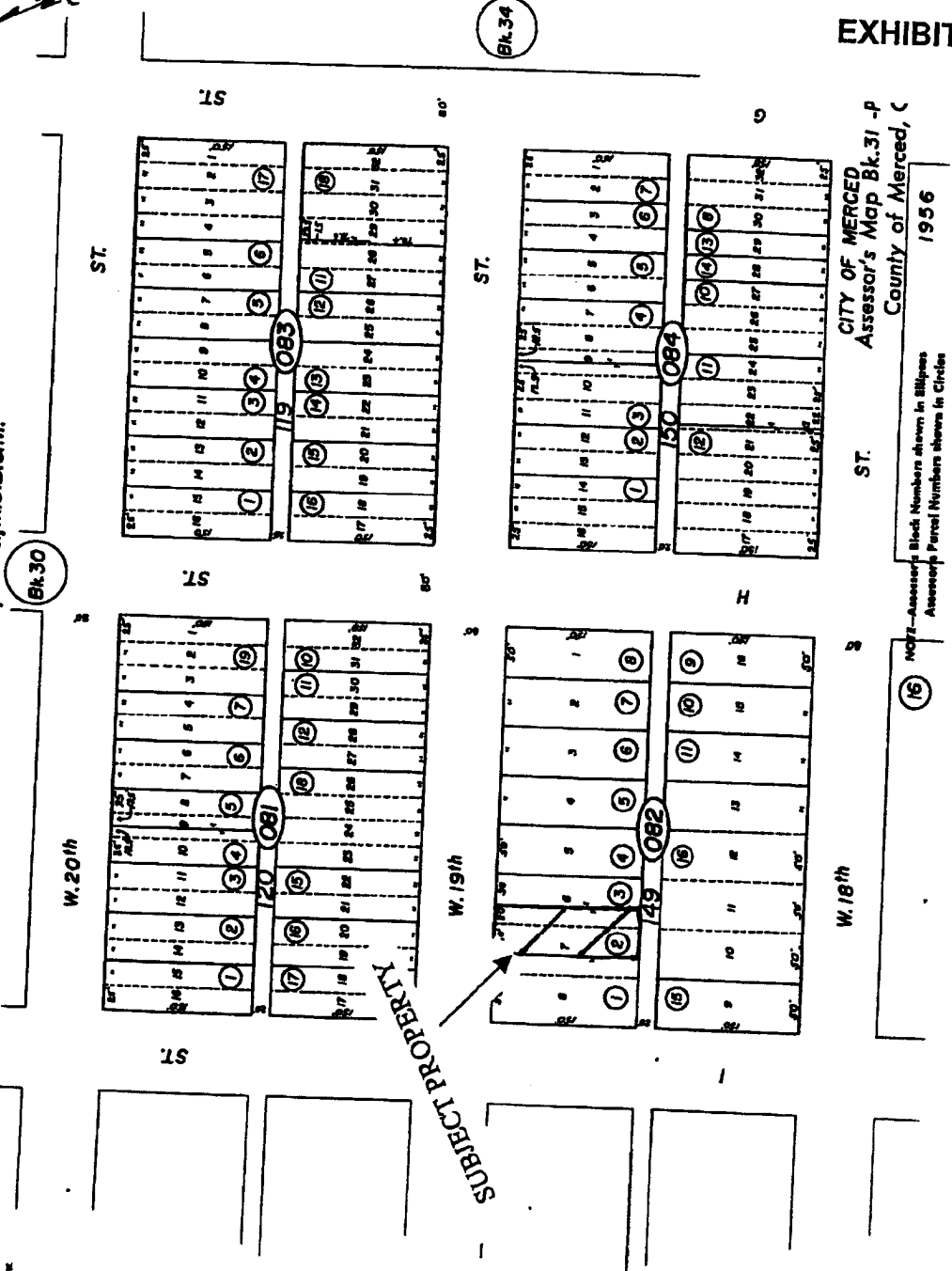


EXHIBIT B-5

Address/APN: 205 W. 18th Street (APN 031-074-011)

Description: Vacant land

Parcel Size: 3,000 sq.ft / .068 ac.

Date Purchased: 2008

Purchase Price: \$ 85,000

Estimated Market Value: \$ 85,370.00
(as of 2/1/2012, per Housing Asset Transfer List)

Property Background:

The Property was acquired in 2008. The Property is a small residential lot, located on the corner of I Street and W. 18th Street. The Property was improved with a residential unit that was subsequently demolished. The Property was acquired with low/moderate income-housing funds, as part of an effort to eliminate dilapidated residential structures and construct new, high-quality affordable housing in the area (see page 3, Administrative Report, 4/21/2008; page 2, Purchase and Sale Agreement).

Environmental History: No record of environmental studies.

Potential for Transit Oriented Development: Not applicable.

Purpose for Which Property Acquired: Assembly of land for residential project, including affordable housing units.

Revenue Generation: None

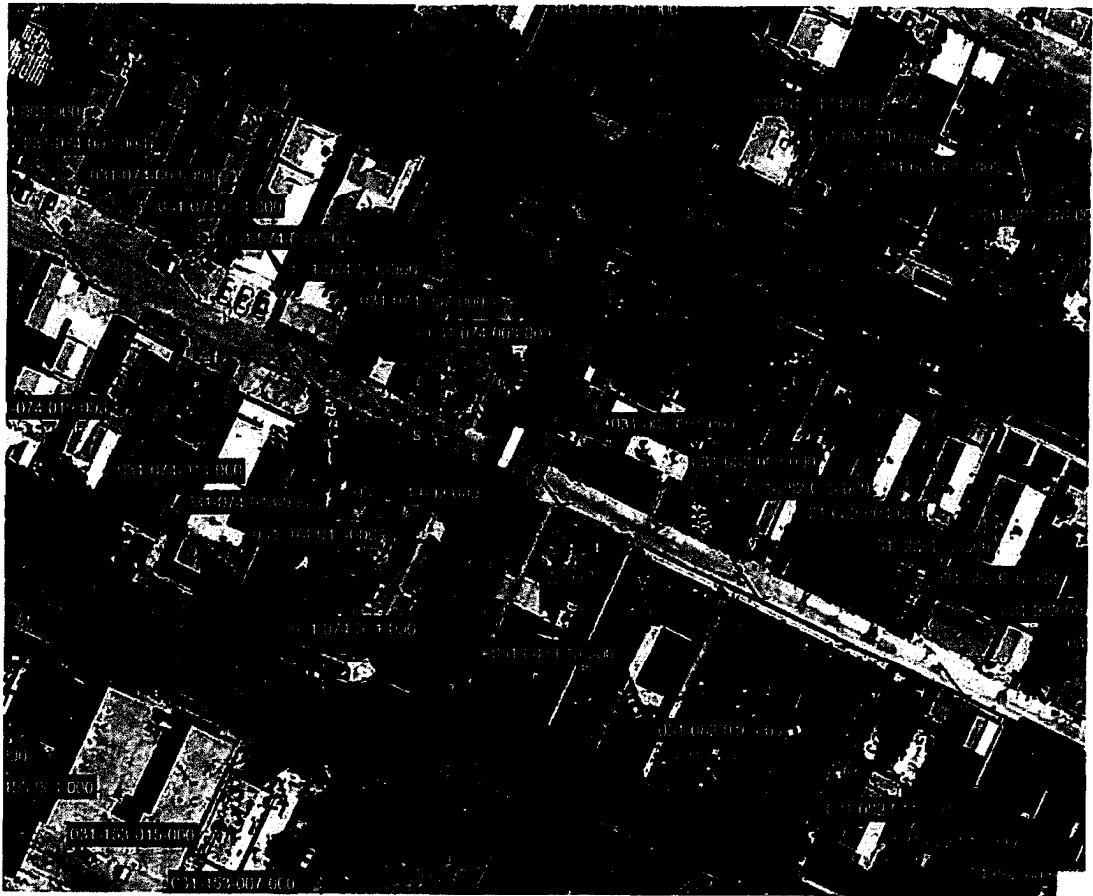
205 W. 18th Street



ADDRESS
205 W 18TH ST
MERCED, CA 95340

OWNER
CITY OF MERCED PUBLIC FINANCING & ECONOMI..

APN	COUNTY DATA [SHOW HIDE]		
031-074-011-0...	MERCED		
BEDROOMS	BATHS (F / H)	LIVING	LOT
0	0 / 0	0	3,000 sq ft





ADMINISTRATIVE REPORT

AGENDA
ITEM:

I-3

MTG.
DATE:

4/21/08

TO: James G. Marshall, Executive Director
FROM: Daniel Ainslie, Development Coordinator
DATE: April 14, 2008

SUBJECT: Purchase Agreement for two homes located on 18th and I Street
and one office on 18th and I Street

RECOMMENDATION: Adopt a motion:

- A. Approving Purchase Agreements between the Redevelopment Agency of the City of Merced and Chrispin and Yolanda Chavez.
- B. Approving Purchase Agreements between the Redevelopment Agency of the City of Merced and the Estate of Julia Chibante.
- C. Authorizing Executive Director to execute necessary documents.

POSSIBLE AGENCY ACTIONS:

- 1. Adopt the motion as recommended by staff; or
- 2. Adopt amended motion (specify); or
- 3. Defer action until a date certain (specify date); or
- 4. Take no action.

AUTHORITY: Redevelopment sections 33080-33080.8 of the California Health and Safety Code, as amended; Merced City Charter, Section 200 and Gateways Project Area Redevelopment Plan.

Downtown Strategy

Action Item 2.3 of the 2007 Downtown Strategy challenges the City and Agency to "Build at least 300 housing units throughout the Downtown." This was meant to represent a large concentration of new, high quality residences that would serve to densify Downtown. These residences were envisioned to be a mixture of condo/apartment style and single-family units.

History

The 18th and I Street neighborhood presently consists of 5 different property owners (Attachment A). This has long been a target for

neighborhood rejuvenation. Nine years ago, the Agency purchased a 2,200 sq. ft. parcel and entered into a home rehabilitation agreement with the Central Valley Affordable Housing Coalition. The rehabilitation agreement led to the restoration of the house located on the northeast corner of 18th and I and an option for the Agency to develop the remainder of the site. That option is still in effect today.

Since this action, the Agency has sought to purchase two lots immediately south of the Agency owned parcel. This would allow for the reconstruction of the entire neighborhood and the opportunity to remove extensive blight. This would hopefully become a catalyst project for future residential development and revitalization in the East Main area.

After nine years, the two parcels in question are now available. In addition, the two parcels across 18th Street are currently for sale. The vacant office building located on the southeast corner of 18th and I is located on a 5,000 sq. ft. lot. This could provide enough land for the construction of two housing units.

Envisioned Project

The project would bring a number of new homes to this neighborhood. The new neighborhood is strategically situated just north of Main Street, allowing residents easy access to downtown amenities. Though design has not started, the vision would be for small to medium sized homes of historic character. This would likely mean row homes or Victorian style homes with little or no separation. The homes would likely be a mix between affordable and market rate homes. This would be the next catalyst project for Downtown housing. If this project is successful, it would help stabilize an area and set an example for future developments to follow.

Economic Considerations of Development

Currently, the most affordable new homes in Merced are located on the outskirts of town. An average 1,075 square foot home starts at \$200,000. Units to be built at the 18th and I location can be price-competitive due to the existing public improvements and absence of impact fees.

Executive Director
April 14, 2008
Page 3

Purchases

Staff are recommending three purchases from two separate land owners.

<u>Address</u>	<u>Owner</u>	<u>Negotiated Price</u>	<u>Lot Sq. Ft.</u>
1815 I Street	Chibante Trust	\$85,000	2,400
205 18 th Street	Chibante Trust	\$85,000	3,000
1744 I Street	Cristin Chavez	\$180,000	5,000

In addition, all three parcels currently have structures. These structures will provide offsetting credits for some of the development fees that will result from the proposed development. One of the units is currently occupied. If the Agency purchases the homes, the resident will need to be relocated.

FUNDING: Since a portion of the project will be affordable, it is appropriate to use the low/moderate income-housing fund. Project #108049 Highway 59 & Cooper Avenue Housing Project has a large balance that will not be used until construction on the project actually begins. If this fund is used for this purchase, it will continue to have a sizeable balance. Given that the majority of these funds are not needed for at least one year, the account could be reimbursed in the next fiscal year if needed.

RECOMMENDATION: The Redevelopment Advisory Committee unanimously recommended approval of the three property purchases.

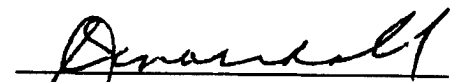
RESPECTFULLY SUBMITTED:


Daniel Ainslie
Development Coordinator

REVIEWED AND APPROVED:


William D. Cahill
Assistant City Manager

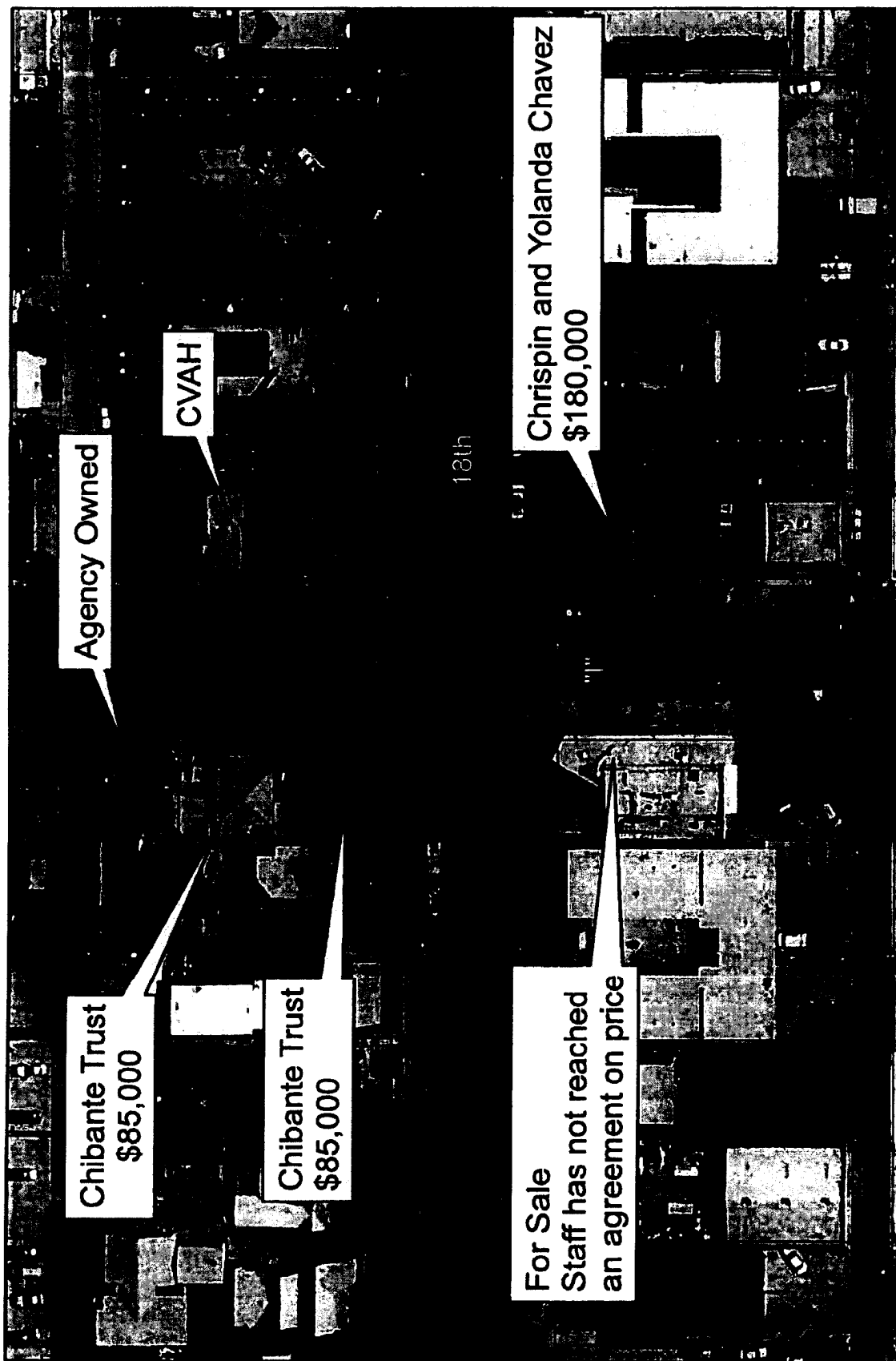
REVIEWED AND APPROVED:


James G. Marshall
Executive Director

ATTACHMENTS

- A. 18th and I Neighborhood Map
- B. Chibante Trust Agreement
- C. Chavez Agreement

18th and I Street Properties



Chibante Trust
\$85,000

Agency Owned

CVAH

Chibante Trust
\$85,000

For Sale
Staff has not reached
an agreement on price

Crispin and Yolanda Chavez
\$180,000

18th

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this 26th day of MARCH, 2008, by and between the Estate of Julia Chibante ("Seller), and the Redevelopment Agency of the City of Merced, a Public Body, Corporate and Politic, of the State of California ("Buyer").

WITNESSETH

WHEREAS, Seller owns a certain real properties known as APN 031-074-010 located at 1815 "I" Street and APN 031-074-011 located at 205 West 18th Street, both located in the City of Merced, County of Merced, State of California, consisting of approximately 2,400 square feet, and 3,000 square feet respectively, more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference (the "Subject Properties"); and,

WHEREAS, Buyer desires to purchase the Subject Properties for the purpose of constructing an affordable housing development (the "Project").

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. Seller agrees to sell and Buyer agrees to purchase the Subject Properties.

SECTION 2. PURCHASE PRICE. The purchase price for Subject Properties shall be One Hundred Seventy Thousand Dollars (\$170,000.00) for approximately 5,400 square feet of the Subject Properties without any liens or encumbrances.

a. Buyer shall have until close of escrow ("Final Payment Date") to pay the purchase price of One Hundred Seventy Thousand Dollars (\$170,000.00) to Seller deposited with the Escrow holder as listed in Section 3.

SECTION 3. ESCROW. Escrow shall open on the Property within three (3) days following the mutual execution of this Agreement at Fidelity Title in

Merced, California, and shall close within eighty-seven (87) days thereafter, subject to the terms and conditions of this Agreement. Reasonable and customary costs of escrow shall be divided equally between Buyer and Seller. Agency shall pay costs of title insurance. Seller shall pay taxes current. Each party shall pay for its own legal fees, if any are incurred.

SECTION 4. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their respective heirs, transferees, successors, assignee, partners, and legal representatives. Neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto. Such consent shall not be unreasonably withheld. Any attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale Agreement not executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void

SECTION 5. REAL ESTATE COMMISSIONS. Buyer represents and warrants that it is not, and have not been represented by any real estate broker or agent. Seller agrees that any commission due or owed as a result of Buyer's Close of Escrow on the Subject Property shall be the financial responsibility of Seller.

SECTION 6. DUE DILIGENCE & ENVIRONMENTAL STUDIES.

a. Within five (5) days after the mutual execution of this Agreement, or as soon thereafter as possible through reasonable diligence on behalf of Seller, Seller shall furnish Buyer with a preliminary California Land Title Association report of the title to the Subject Property and each document shown as an exception or encumbrance in the report. Within twenty (20) business days after the delivery of the title report and related documents to Buyer, Buyer shall notify Seller in writing of any objection to any exception therein. Buyer's failure to object in this matter to any exception shall be an approval by Buyer of that exception.

b. Buyer's acceptance of the condition of the Subject Property, and any other matter affecting the Subject Property, is a contingency of this Agreement. Buyer and Buyer's agents and representatives, shall have unrestricted access to the property to conduct all inspections, investigations, tests, surveys, analysis, and other studies, immediately upon execution of this Agreement.

c. Therefore, Buyer shall have fifteen (15) days from the date this Agreement is mutually executed to undertake and complete any and all studies, reports, investigations, inspections, and analysis Buyer deems necessary regarding the Subject Property. All studies, reports, investigations, and analysis undertaken by Buyer or any representative of Buyer shall be performed at Buyer's own and sole cost and expense.

SECTION 7. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and properly addressed with correct postage fully paid thereon or by personal delivery to the individuals designated above at the address designated below. All mailed notices shall be deemed delivered within three (3) business days of deposit in the U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

SELLER: Estate of Julia Chibante
c/o Richard Stowe
Coldwell Banker Gonella Realty
701 West Olive Avenue
Merced, California 95348

BUYER: Agency Secretary
The Redevelopment Agency of the City of Merced
678 West 18th Street
Merced, California 95340

With a Copy to: City Attorney
City of Merced
678 West 18th Street
Merced, California 95340

SECTION 8. FURTHER DOCUMENTATION. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

SECTION 9. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or

feminine, as the context may require. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

SECTION 10. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this document reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretations hereof, based upon the identity of the drafter, shall be applicable in interpreting or enforcing this document.

SECTION 11. RELATIONSHIP OF PARTIES. Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third person, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between Seller and Buyer or their agents, employees or contractors. Except as either party may specify in writing, neither party shall have the authority to act as an agent of the other party or to bind the other party to any obligation.

SECTION 12. NO THIRD PARTY BENEFICIARIES. The parties hereto intend not to create rights in, or to grant to any third party as a beneficiary of the agreement or of any duty, covenant, obligation, or undertaking established herein.

SECTION 13. VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 14. ENTIRE AGREEMENT. This Agreement is a fully integrated agreement that contains the complete, final, entire, and exclusive expression of the agreement and understanding of the parties hereto. This Agreement supersedes and replaces all negotiations, and all proposed agreements, whether oral or written, between the parties hereto regarding, arising out of, or relating to the subject matter hereof. Each party acknowledges that it has read this Agreement and has signed it freely and voluntarily without reliance on any representations or promises made by any of the other, or their attorneys or its

representatives, other than as expressly set forth within this Agreement.

SECTION 15. AMENDMENTS IN WRITING. This Agreement may be amended or modified only by a written agreement executed by or on behalf of each of the parties hereto and approved and adopted as required by law. Any attempted amendment not in compliance with the provisions of this Section shall be null and void.

SECTION 16. WAIVER. Any waiver by either party of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by either party to take action on any breach or default of the other party or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to either party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligation under this Agreement. Consent by either party to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the other party's written consent to future waivers.

SECTION 17. TIME OF THE ESSENCE. Seller and Buyer agree that time is of the essence of this Agreement.

SECTION 18. SEVERABILITY. If any provision of this Agreement or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

SECTION 19. COUNTERPARTS. This Agreement may be executed in counterparts and when each party has signed and delivered at least one such counterpart to the other parties hereto, each counterpart shall be deemed an original, and all counterparts taken together will constitute one and the same agreement, which will be binding and effective as to the Seller and Buyer. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other party to this Agreement is in the physical possession of the party seeking enforcement thereof.

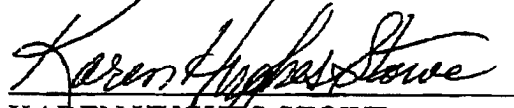
SECTION 20. AUTHORITY TO EXECUTE. Each party hereto expressly warrants and represents that he/she/they has/have the authority to

execute this Agreement on behalf of his/her/their governmental or business entity and warrants and represents that he/she/they has/have the authority to bind his/her/their entity to the performance of its obligations hereunder.

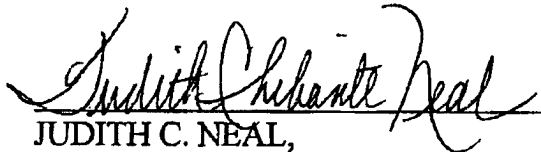
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

SELLER:

ESTATE OF JULIA CHIBANTE



KAREN HUGHES STOWE,
Administrator



JUDITH C. NEAL,
Administrator

BUYER:

THE REDEVELOPMENT AGENCY OF
THE CITY OF MERCED

A Public Body, Corporate and Politic, of the
State of California

BY: _____
Executive Director

ATTEST:

JAMES G. MARSHALL, AGENCY SECRETARY

BY: _____
Deputy Secretary

APPROVED AS TO FORM:

BY: *Ken D. Agall* *3/19/08*
Agency General Counsel Date

ACCOUNT DATA:

BY: _____
Verified by Finance Office

Exhibit A

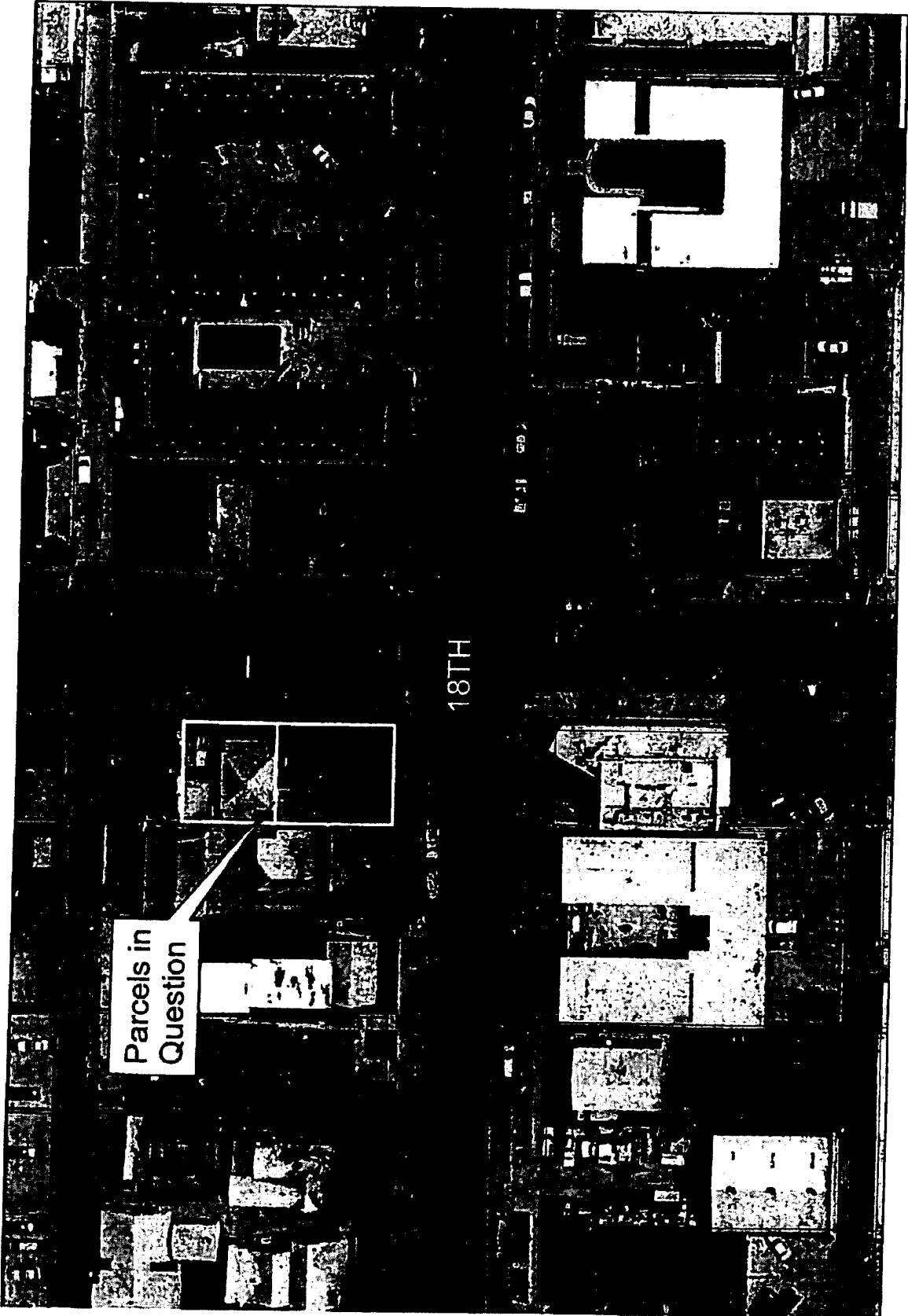
APN 031-074-010

The Northeasterly 48 feet of the southwesterly 108 feet of Lot 16, Block 148 according to map entitled "SUPPLEMENTAL MAP TO THE TOWN OF MERCED" recorded March 4, 1889 in Book 2 of Maps, Page 12, Merced County Records.

Exhibit A

APN 031-074-011

The southwesterly 60 feet of Lot 16, Block 148 according to map entitled "SUPPLEMENTAL MAP TO THE TOWN OF MERCED" recorded March 4, 1889 in Book 1 of Maps, Page 12, Merced County Records and now appears in Book 2 of Maps, Page 12, Merced County Records.



PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this 21 day of March, 2008, by and between Chrispin O. Chavez and Yolanda S. Chavez ("Seller), and the Redevelopment Agency of the City of Merced, a Public Body, Corporate and Politic, of the State of California ("Buyer").

WITNESSETH

WHEREAS, Seller owns a certain real property known as APN 031-161-001 located at 1744 "I" Street in the City of Merced, County of Merced, State of California, consisting of approximately 5,000 square feet, more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference (the "Subject Property"); and,

WHEREAS, Buyer desires to purchase the Subject Property for the purpose of constructing a housing development (the "Project").

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. Seller agrees to sell and Buyer agrees to purchase the Subject Property.

SECTION 2. PURCHASE PRICE. The purchase price for Subject Property shall be One Hundred Eighty Thousand Dollars (\$180,000.00) for approximately 5,000 square feet of the Subject Property without any liens or encumbrances.

a. Buyer shall have until close of escrow ("Final Payment Date") to pay the purchase price of One Hundred Eighty Thousand Dollars (\$180,000.00) to Seller deposited with the Escrow holder as listed in Section 3.

SECTION 3. ESCROW. Escrow shall open on the Property within three (3) days following the mutual execution of this Agreement at TransCounty Title in Merced, California, and shall close within eighty-seven (87) days

thereafter, subject to the terms and conditions of this Agreement. Reasonable and customary costs of escrow shall be divided equally between Buyer and Seller. Agency shall pay costs of title insurance. Seller shall pay taxes current. Each party shall pay for its own legal fees, if any are incurred.

SECTION 4. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their respective heirs, transferees, successors, assignee, partners, and legal representatives. Neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto. Such consent shall not be unreasonably withheld. Any attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale Agreement not executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void

SECTION 5. REAL ESTATE COMMISSIONS. Buyer represents and warrants that it is not, and have not been represented by any real estate broker or agent. Seller agrees that any commission due or owed as a result of Buyer's Close of Escrow on the Subject Property shall be the financial responsibility of Seller.

SECTION 6. DUE DILIGENCE & ENVIRONMENTAL STUDIES.

a. Within five (5) days after the mutual execution of this Agreement, or as soon thereafter as possible through reasonable diligence on behalf of Seller, Seller shall furnish Buyer with a preliminary California Land Title Association report of the title to the Subject Property and each document shown as an exception or encumbrance in the report. Within twenty (20) business days after the delivery of the title report and related documents to Buyer, Buyer shall notify Seller in writing of any objection to any exception therein. Buyer's failure to object in this matter to any exception shall be an approval by Buyer of that exception.

b. Buyer's acceptance of the condition of the Subject Property, and any other matter affecting the Subject Property, is a contingency of this Agreement. Buyer and Buyer's agents and representatives, shall have unrestricted access to the property to conduct all inspections, investigations, tests, surveys, analysis, and other studies, immediately upon execution of this Agreement.

c. Therefore, Buyer shall have fifteen (15) days from the date this Agreement is mutually executed to undertake and complete any and all studies, reports, investigations, inspections, and analysis Buyer deems necessary regarding

the Subject Property. All studies, reports, investigations, and analysis undertaken by Buyer or any representative of Buyer shall be performed at Buyer's own and sole cost and expense.

SECTION 7. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and properly addressed with correct postage fully paid thereon or by personal delivery to the individuals designated above at the address designated below. All mailed notices shall be deemed delivered within three (3) business days of deposit in the U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

SELLER: Chrispin Chavez
2755 McKee
Merced, California 95340

BUYER: Agency Secretary
The Redevelopment Agency of the City of Merced
678 West 18th Street
Merced, California 95340

SECTION 8. FURTHER DOCUMENTATION. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

SECTION 9. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or feminine, as the context may require. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

SECTION 10. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this document reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretations hereof, based upon the identity of the

drafter, shall be applicable in interpreting or enforcing this document.

SECTION 11. RELATIONSHIP OF PARTIES. Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third person, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between Seller and Buyer or their agents, employees or contractors. Except as either party may specify in writing, neither party shall have the authority to act as an agent of the other party or to bind the other party to any obligation.

SECTION 12. NO THIRD PARTY BENEFICIARIES. The parties hereto intend not to create rights in, or to grant to any third party as a beneficiary of the agreement or of any duty, covenant, obligation, or undertaking established herein.

SECTION 13. VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 14. ENTIRE AGREEMENT. This Agreement is a fully integrated agreement that contains the complete, final, entire, and exclusive expression of the agreement and understanding of the parties hereto. This Agreement supersedes and replaces all negotiations, and all proposed agreements, whether oral or written, between the parties hereto regarding, arising out of, or relating to the subject matter hereof. Each party acknowledges that it has read this Agreement and has signed it freely and voluntarily without reliance on any representations or promises made by any of the other, or their attorneys or its representatives, other than as expressly set forth within this Agreement.

SECTION 15. AMENDMENTS IN WRITING. This Agreement may be amended or modified only by a written agreement executed by or on behalf of each of the parties hereto and approved and adopted as required by law. Any attempted amendment not in compliance with the provisions of this Section shall be null and void.

SECTION 16. WAIVER. Any waiver by either party of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by either party to take action on any breach or default of the other party or to pursue any remedy allowed under this Agreement or applicable

law. Any extension of time granted to either party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligation under this Agreement. Consent by either party to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the other party's written consent to future waivers.

SECTION 17. TIME OF THE ESSENCE. Seller and Buyer agree that time is of the essence of this Agreement.

SECTION 18. SEVERABILITY. If any provision of this Agreement or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

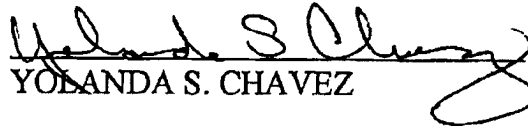
SECTION 19. COUNTERPARTS. This Agreement may be executed in counterparts and when each party has signed and delivered at least one such counterpart to the other parties hereto, each counterpart shall be deemed an original, and all counterparts taken together will constitute one and the same agreement, which will be binding and effective as to the Seller and Buyer. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other party to this Agreement is in the physical possession of the party seeking enforcement thereof.

SECTION 20. AUTHORITY TO EXECUTE. Each party hereto expressly warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of his/her/their governmental or business entity and warrants and represents that he/she/they has/have the authority to bind his/her/their entity to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

SELLER:
CHRISPIN O. & YOLANDA S. CHAVEZ


CHRISPIN O. CHAVEZ


YOLANDA S. CHAVEZ

BUYER:

THE REDEVELOPMENT AGENCY OF
THE CITY OF MERCED
A Public Body, Corporate and Politic, of the
State of California

BY: _____
Executive Director

ATTEST:
JAMES G. MARSHALL, AGENCY SECRETARY

BY: _____
Deputy Secretary

APPROVED AS TO FORM:

BY: Ken D. Agell 3/14/98
Agency General Counsel Date

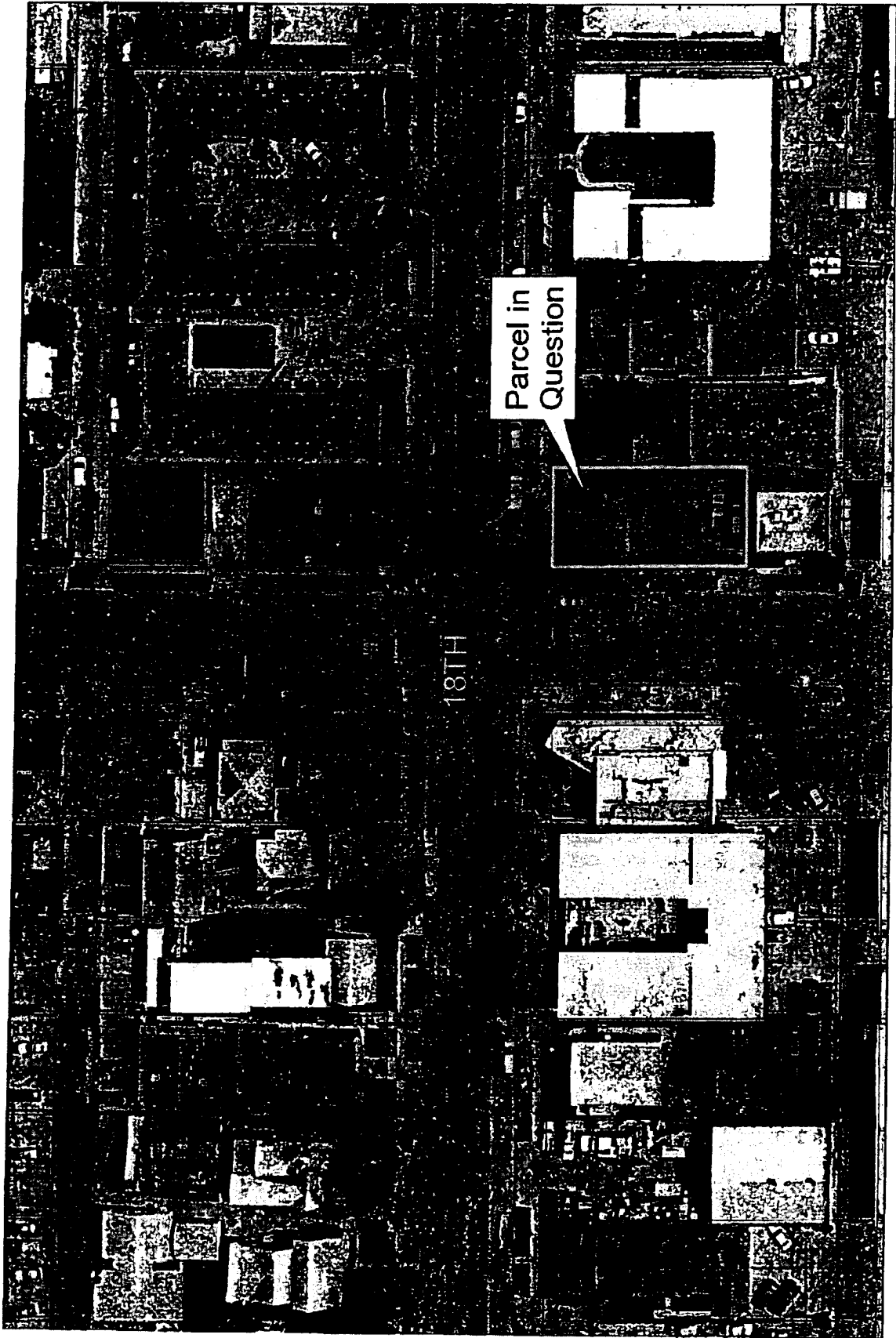
ACCOUNT DATA:

BY: _____
Verified by Finance Office

Exhibit A

APN 031-161-001

The Northeasterly 100 feet of Lot 8, Block 159, according to the map entitled, Supplemental Map to Town of Merced, filed for record in the office of the County Recorder of the County of Merced, State of California, in Book 2, Page 12 of Maps, Merced County Records.



M E M O R A N D U M

DATE: April 22, 2008 **AGENDA ITEM:** I-3
TO: Bill Cahill, Assistant City Manager
FROM: James G. Marshall, City Manager
RE: Purchase Agreement for Two Homes Located on 18th
and I Streets and One Office on 18th and I Streets

On Monday, April 21, 2008, the Redevelopment Agency adopted a motion:

- A. Approving purchase agreements between the Redevelopment Agency and the City of Merced and Chrispin and Yolanda Chavez;
- B. Approving purchase agreements between the Redevelopment Agency and the City of Merced and the Estate of Julia Chibante; and
- C. Authorizing the Executive Director to execute necessary documents.

Please proceed with implementation of this action.



James G. Marshall
City Manager/Executive Director

JGM:dw:cahill

cc: Brad Grant
Deneen Proctor
Frank Quintero
Daniel Ainslie

EXHIBIT B-6

Address/APN: 211 W. 18th Street (APN 031-074-012)

Description: Vacant land

Parcel Size: 7,500 sq.ft / .17 ac.

Date Purchased: 2009

Purchase Price: \$ 240,000

Estimated Market Value: \$ 241,379.50
(As of 2/1/2012, per Housing Asset Transfer List)

Property Background:

The Property was acquired in 2009. The Property is a larger residential lot, located on W. 18th Street, just east of I Street. The Property was improved with an 8-unit substandard multi-family residential structure; 4 of the units were occupied at the time of purchase by the Redevelopment Agency. The tenants of the 4 occupied units were relocated, and the multi-family structure was subsequently demolished. The Property was acquired with low/moderate income-housing funds, as part of an effort to eliminate dilapidated residential structures and construct new, high-quality affordable housing in the area (see page 5, Administrative Report, 9/21/2009; page 1, Purchase and Sale Agreement).

Environmental History: No record of environmental studies.

Potential for Transit Oriented Development: Not applicable.

Purpose for Which Property Acquired: Assembly of land for residential project, including affordable housing units.

Revenue Generation: None

211 W. 18th Street



ADDRESS

211 W 18TH ST
MERCED, CA 95340

OWNER

CITY OF MERCED PUBLIC FINANCING & ECONOMIC DEVELOPMENT

APN

COUNTY DATA [SHOW / HIDE]

031-074-012-0 **MERCED**

BEDROOMS

BATHS (F / H)

LIVING

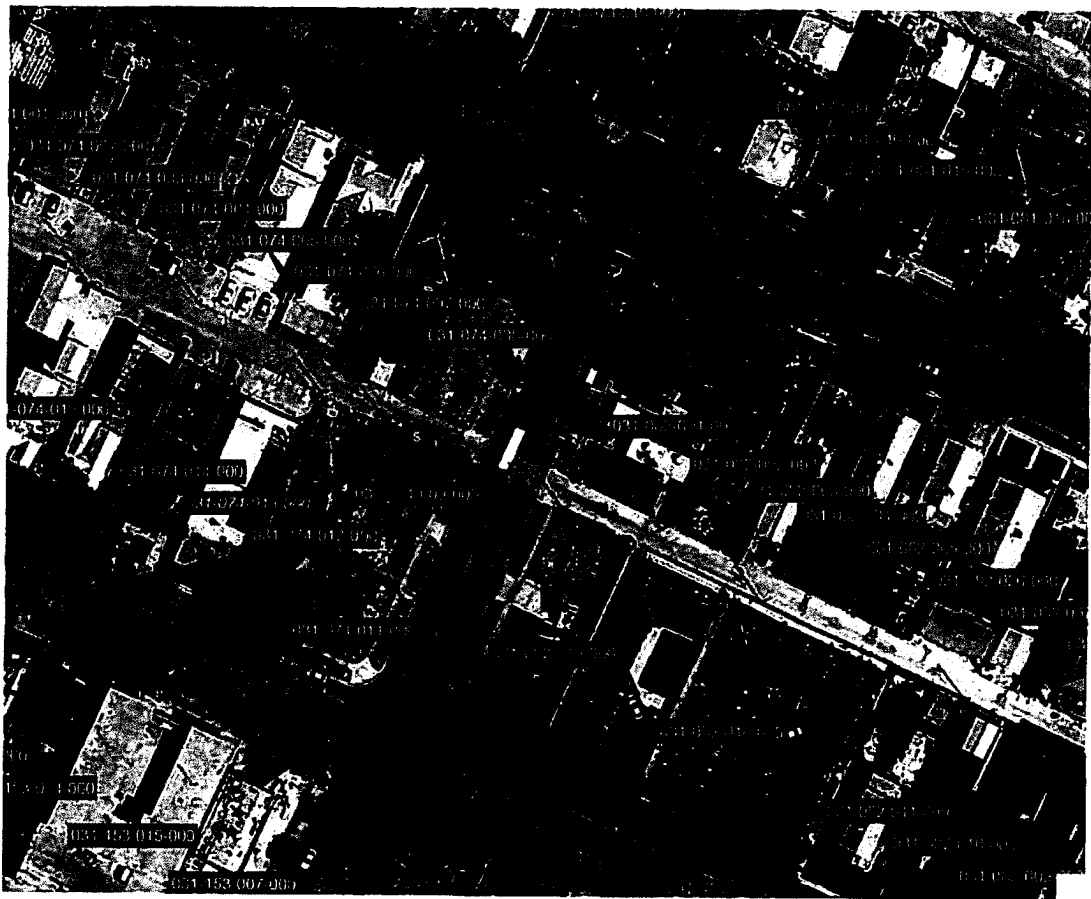
LOT

0

0 / 0

0

7,500 sq ft



ADMINISTRATIVE REPORT

AGENDA
ITEM:

I-5

MTG.

DATE:

9-21-09

TO: John M. Bramble, Executive Director

FROM: Joshua Ewen, Redevelopment Technician

DATE: September 21, 2009

SUBJECT: Purchase Agreement for Multi-Family Property located at 211
West 18th Street

RECOMMENDATION: Adopt a motion:

- A. Approving the Purchase Agreement between the Redevelopment Agency of the City of Merced and Mark Heagy; and
- B. Authorizing Executive Director to execute necessary documents.

POSSIBLE AGENCY ACTIONS:

- 1. Adopt the motion as recommended by staff; or
- 2. Adopt amended motion (specify); or
- 3. Deny the request completely, or
- 4. Defer action until a date certain (specify date); or
- 5. Take no action.

AUTHORITY: Redevelopment sections 33031a Sec. 1 & 2, 33031b Sec. 1, 2 & 5 & 33391a of the California Health and Safety Code, as amended; Merced City Charter, Section 200 and Gateways Project Area Redevelopment Plan, as amended.

DISCUSSION:

The Redevelopment Agency is actively pursuing the revitalization of the Midtown district in accordance with the 2007 Downtown Strategy. Action item 2.2 of the strategy states that the Agency should seek to acquire, retrofit or demolish dilapidated structures that detract from the historical character of one of Merced's premier residential neighborhoods. Recent Agency efforts include the purchases and demolition of blighting influences in the general vicinity of 18th & I Streets. The Redevelopment Agency is now wanting to purchase an eight (8) unit multi-family housing property located within the Midtown neighborhood at 211 West 18th Street. The property owner, Mark Heagy, has signed the agreement and it is being for your review (Attachment 3).

History:

On April 14, 2008, the Agency approved the purchase of three properties at the northwest and southeast corner of 18th Street & I Street. These sites have since been cleared and are awaiting future development. In addition, the Agency purchased a dilapidated single family home directly north of 18th & I Streets at 150 W. 19th Street in February of 2009.

The Agency currently owns five parcels in the general vicinity of 18th & I Streets with an option to develop a sixth parcel. The neighborhood being targeted is plagued by high crime rates, vacant properties and unstable real estate values. Targeting this neighborhood will lead to the reconstruction of a mix of quality owner occupied and rental housing and visible decreases in the amount of existing blight. The planned development will involve the construction of small to medium sized urban housing that will complement the historical nature of the Midtown neighborhood. Housing is expected be offered for sale and lease at a mix of affordable and market rates. If the project is successful, it would help to beautify and stabilize the Midtown neighborhood as well as set an example for future downtown housing developments to follow.

Description:

The subject property, 211 W. 18th Street, APN 031-074-012, neighbors Agency owned parcels at the northwest corner of 18th & I Streets (Attachment 1). Consisting of eight (8) substandard dwelling units and 7,500 square feet of land area, this multi-family site would be cleared for higher quality new construction units. Clearing the land will allow for the northwest corner of 18th & I Street to expand to 15,000 \pm sq. ft. with additional units to be constructed. Agency subsidies to a selected housing developer should be reduced as the economies of scale of producing additional units will make the underlying cost per developed unit to decrease.

Current R-4 zoning is valuable in creating a higher density project. Additional land area may permit shared parking in the rear of the development with alleyway access. In addition, the development may wrap around 18th Street and continue westward. Final designs will be presented to the Redevelopment Advisory Committee and Agency Board for approvals.

This property purchase will allow for a more cohesive development at 18th & I Street. With the current configuration, any newly constructed housing at the northwest corner of 18th & I street will back up to the property in question. If left standing the neglected appearance of the property, as shown in Attachment 2, will make the development at 18th & I Streets less attractive to potential buyers of the completed project. The subject property lacks historical character and has building additions visible from the public right of way that are not conducive to the historically sensitive revitalization of the neighborhood. In addition, the housing units appear to be substandard in size and have visible deferred maintenance. Clearance of existing blight is a priority with this property purchase.

Purchases:

Staff is recommending the purchase of one parcel, including two structures containing eight (8) total dwelling units. The details of the proposed property purchase are as follows:

<u>Address</u>	<u>Owner</u>	<u>Price</u>	<u>Lot Sq. Ft.</u>
211 W. 18 th Street	Mark Heagy	\$240,000.00	7,500 ±

Closing

Date: Within 45 days of execution of Purchase Agreement between the Redevelopment Agency and Seller. Purchase Agreement is subject to Agency Board approval.

Escrow: Escrow services shall be supplied by TransCounty Title Company, Merced, Ca

Condition

of Title: Seller shall provide merchantable title, acceptable to the Buyer.

Closing

Costs: The Agency will pay costs of title insurance acceptable to Agency. Taxes, if any, will be paid current by Seller. Other costs of closing (document fees, recording fees, transfer taxes, and others) shall be divided equally between Buyer and Seller.

Broker

Commission: Neither party is represented by a broker.

Leases: Seller shall disclose to Buyer all leases or rental agreements affecting property. Four (4) of eight (8) units are occupied. No other tenants are to reside on the property. Buyer may reduce the purchase price if additional tenants are found on the property.

Contingencies:

1. Inspection of the property, including satisfactory results of inspection for hazardous substances and geologic conditions.
2. Satisfactory condition of title.
3. Seller to disclose necessary tenant unit repairs.
4. Property to remain in safe and sanitary condition throughout escrow period.

Environmental:

Seller shall provide to Buyer all documents or data in its possession dealing with the property's environmental condition. Seller shall provide entry to the property and structures for Buyer's consultants and inspectors for environmental and other inspections within 20 days of mutual execution of the agreement.

Additional Considerations:

The subject property was not listed for sale and is currently being used as an income generator for the owner. Staff has been in negotiations with Mr. Heagy since November of 2008 and have settled on this offer price. The Agency will receive impact fee credits that can be applied to the 18th & I Street project. Based on the August 3, 2009 impact fee reduction proposal, this project will fall within the infill zone and would therefore receive a multi-family residential fee credit of \$19,215.00 per unit, which includes public facilities, transportation, park dedication, sewer and water expansion fees. A total of \$153,720.00 in impact and expansion fee credits, in addition to fee credits for purchased and cleared parcels at 18th & I Streets, could be applied to the new development.

Executive Director
September 21, 2009
Page 5

Relocation will be due to the current tenants with four (4) of the eight (8) units being occupied. Depending upon eligibility, each tenant family may be due a \$5,250.00 relocation assistance payment and a \$575.00 moving allowance. Total costs for relocating the four (4) families may amount to \$23,300.00.

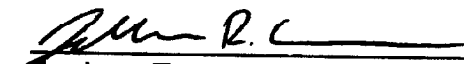
Additional costs will be incurred through the demolition process. Asbestos testing may be required with an anticipated cost of \$6,000.00. Demolition costs are anticipated at \$15,000.00. The site will be leveled and fenced in for future development.

Funding:

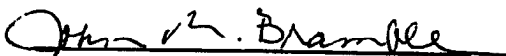
Since a portion of the project will be affordable, it is appropriate to use the Gateways Project Area low/moderate income-housing fund (854.2001.677.65.00). Land Acquisition Project #109027, has a sufficient balance to complete the purchase. Prior to this purchase the Gateways housing fund FY 2009-2010 balance is \$995,256.00.

RECOMMENDATION: The Redevelopment Advisory Committee unanimously recommended this property purchase on August 18, 2009. The purchase of this property will eliminate present blight and provide for future affordable housing. Staff recommends approval for the purchase of the parcel located at 211 W. 18th Street.


RESPECTFULLY SUBMITTED:


Joshua Ewen
Redevelopment Technician

REVIEWED AND APPROVED:


John M. Bramble
Executive Director

REVIEWED AND APPROVED:

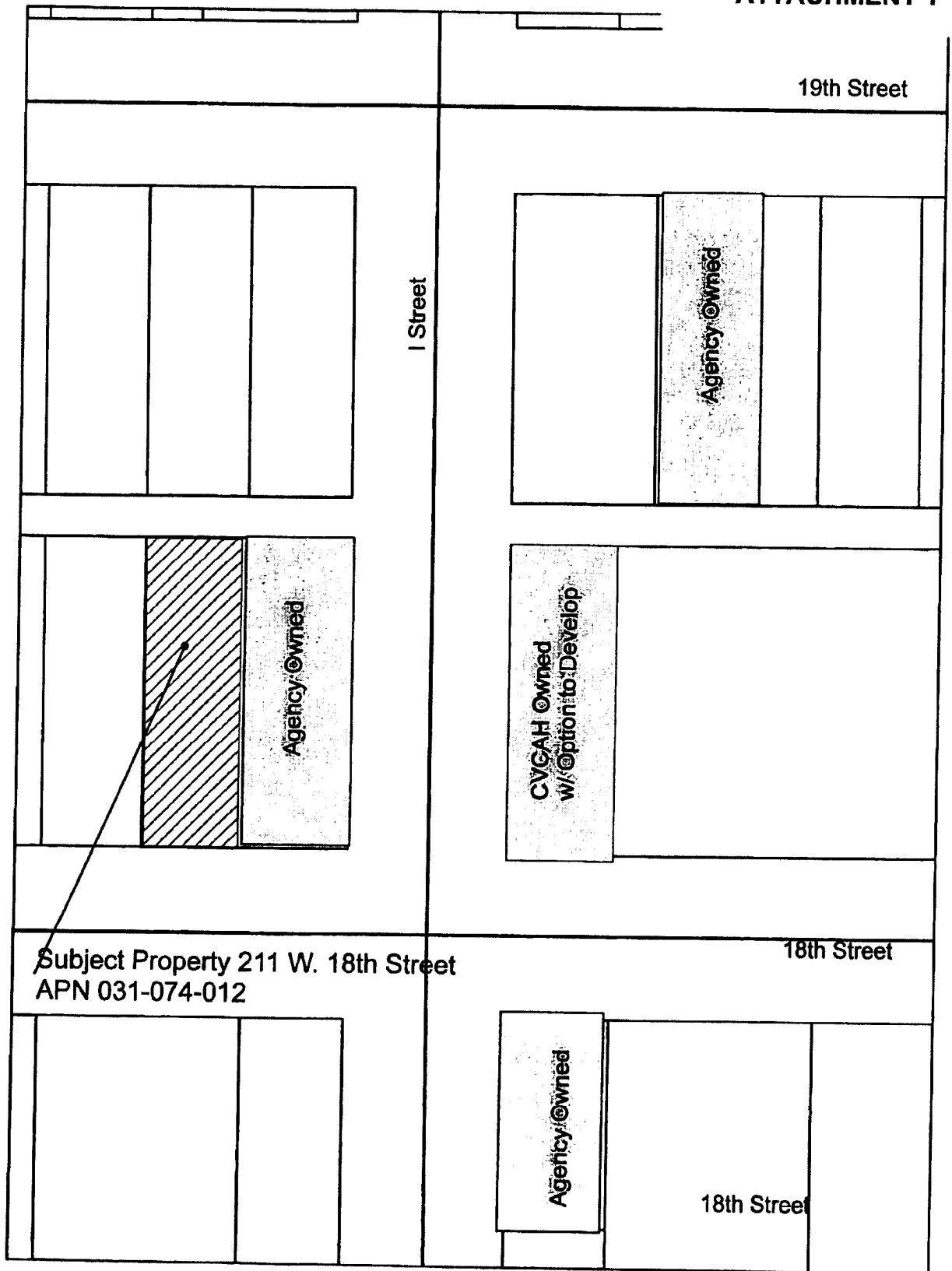

William D. Cahill
Assistant City Manager

ATTACHMENTS

1. 211 W. 19th St. Map
2. Subject Property Photos
3. Purchase and Sale Agreement

211 W. 18th Street

ATTACHMENT 1



0 25 50 100 Feet

ATTACHMENT 2

211 W. 18th Street



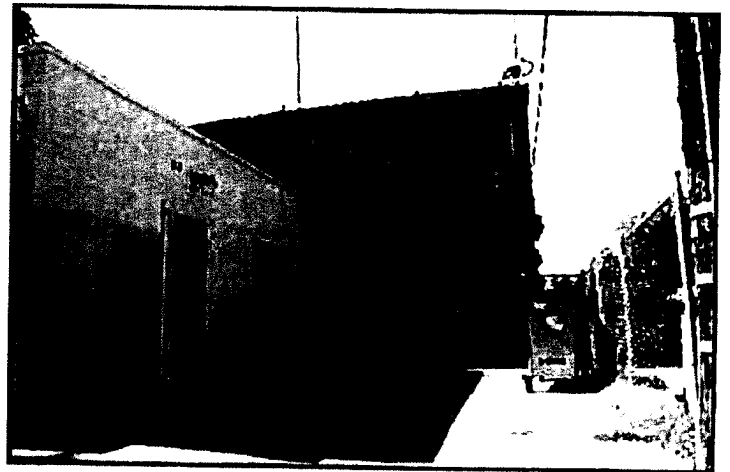
North View from 18th Street



West View from I Street



View from Alleyway



South View from Alleyway

ATTACHMENT 3

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2009, by and between the Mark Heagy ("Seller), and the Redevelopment Agency of the City of Merced, a Public Body, Corporate and Politic, of the State of California ("Buyer").

WITNESSETH

WHEREAS, Seller owns a certain real property known as APN 031-074-012 located at 211 West 18th Street in the City of Merced, County of Merced, State of California, consisting of eight (8) residential dwelling units on approximating 7,500 square feet, more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference (the "Subject Property"); and,

WHEREAS, Buyer desires to purchase the Subject Property for the purpose of constructing an affordable housing development (the "Project").

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. Seller agrees to sell and Buyer agrees to purchase the Subject Property, subject to the terms and conditions of this Agreement.

SECTION 2. PURCHASE PRICE. The purchase price for Subject Property shall be Two Hundred Forty Thousand Dollars (\$240,000.00) for the Subject Property without any liens or encumbrances, subject to Section 7(b) of this Agreement.

a. Buyer shall have until close of escrow ("Final Payment Date") to pay the purchase price of Two Hundred Forty Thousand Dollars (\$240,000.00) to Seller deposited with the Escrow holder as listed in Section 3.

SECTION 3. ESCROW. Escrow shall open on the Property within three (3) days following the mutual execution of this Agreement at TransCounty Title in Merced, California, and shall close within forty-two (42) days thereafter, subject to the terms and conditions of this Agreement. Reasonable and customary costs of escrow shall be divided equally between Buyer and Seller. Agency shall pay costs of title insurance. Seller shall pay taxes current. Each party shall pay for its own legal fees, if any are incurred. Escrow officer shall process tenant deposits and rent payments in accordance to the close of escrow.

SECTION 4. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their

respective heirs, transferees, successors, assignee, partners, and legal representatives. ~~Neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto. Such consent shall not be unreasonably withheld. Any attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale Agreement not executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void~~

SECTION 5. REAL ESTATE COMMISSIONS. Buyer represents and warrants that it is not, and have not been represented by any real estate broker or agent. Seller agrees that any commission due or owed as a result of Buyer's Close of Escrow on the Subject Property shall be the financial responsibility of Seller.

SECTION 6. DUE DILIGENCE & ENVIRONMENTAL STUDIES.

a. Within seven (7) days after the mutual execution of this Agreement, or as soon thereafter as possible through reasonable diligence on behalf of Seller, Seller shall furnish Buyer with a preliminary California Land Title Association report of the title to the Subject Property and each document shown as an exception or encumbrance in the report. Within thirty (30) business days after the delivery of the title report and related documents to Buyer, Buyer shall notify Seller in writing of any objection to any exception therein. Buyer's failure to object in this matter to any exception shall be an approval by Buyer of that exception.

b. Buyer's acceptance of the condition of the Subject Property, and any other matter affecting the Subject Property, is a contingency of this Agreement.

c. Buyer and Buyer's agents and representatives, shall have unrestricted access to the property to conduct all inspections, investigations, tests, surveys, analysis, and other studies, immediately upon execution of this Agreement.

d. Therefore, Buyer shall have twenty (20) days from the date this Agreement is mutually executed to undertake and complete any and all studies, reports, investigations, inspections, and analysis Buyer deems necessary regarding the Subject Property. All studies, reports, investigations, and analysis undertaken by Buyer or any representative of Buyer shall be performed at Buyer's own and sole cost and expense.

SECTION 7. NO THIRD PARTY BENEFICIARIES. The parties hereto intend not to create rights in, or to grant to any third party as a beneficiary of the agreement or of any duty, covenant, obligation, or undertaking established herein.

a. Seller warrants that all leases, rental agreements, or occupancy agreements, written or verbal, affecting the eight (8) dwelling units contained within the Subject Property have been disclosed. Seller discloses the following tenants occupy four (4) individual dwelling units and have such agreements affecting the Subject Property:

1. Marta Salas

2. Elsa Malizo
3. Mirwa Pizeud
4. Osvaldo Chaves

b. Additional tenants not disclosed in Section 7(a) above shall reduce the purchase price in an amount equal to the amount of relocation benefits to be provided. Buyer shall possess the option to terminate this Agreement if such additional tenants are found to reside on or claim an interest in the Subject Property. Buyer acknowledges that the above-mentioned individuals and/or heads of household claim tenancy in dwelling units located on the Subject Property.

SECTION 8. CONDITIONS TO CLOSE OF ESCROW. As a contingency of this Agreement, the following conditions shall be met prior to the close of escrow. If such conditions are not met, Buyer reserves the right to terminate this Agreement.

- a. Within thirty (30) days from the mutual execution of this Agreement, Seller shall clear the Subject Property of all debris and rubbish to the acceptance of the Buyer.
- b. Seller shall disclose any necessary tenant unit repairs.
- c. Property shall remain in a safe and sanitary condition, as to the satisfaction of the Buyer.

SECTION 9. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and properly addressed with correct postage fully paid thereon or by personal delivery to the individuals designated above at the address designated below. All mailed notices shall be deemed delivered within three (3) business days of deposit in the U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

SELLER: Mark Heagy
P.O. Box 426
Merced, California 95341-0426

BUYER: Agency Secretary
The Redevelopment Agency of the City of Merced
678 West 18th Street
Merced, California 95340

With a Copy to: City Attorney
City of Merced
678 West 18th Street
Merced, California 95340

SECTION 10. FURTHER DOCUMENTATION. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

SECTION 11. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or feminine, as the context may require. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

SECTION 12. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this document reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretations hereof, based upon the identity of the drafter, shall be applicable in interpreting or enforcing this document.

SECTION 13. RELATIONSHIP OF PARTIES. Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third person, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between Seller and Buyer or their agents, employees or contractors. Except as either party may specify in writing, neither party shall have the authority to act as an agent of the other party or to bind the other party to any obligation.

SECTION 14. VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 15. ENTIRE AGREEMENT. This Agreement is a fully integrated agreement that contains the complete, final, entire, and exclusive expression of the agreement and understanding of the parties hereto. This Agreement supersedes and replaces all negotiations, and all proposed agreements, whether oral or written, between the parties hereto regarding, arising out of, or relating to the subject matter hereof. Each party acknowledges that it has read this Agreement and has signed it freely and voluntarily without reliance on any representations or promises made by any of the other, or their attorneys or its representatives, other than as expressly set forth within this Agreement.

SECTION 16. AMENDMENTS IN WRITING. This Agreement may be amended or modified only by a written agreement executed by or on behalf of each of the parties hereto and approved and adopted as required by law. Any attempted amendment not in compliance with the provisions of this Section shall be null and void.

SECTION 17. WAIVER. Any waiver by either party of any obligation or condition in this Agreement must be in writing. No waiver will be implied from

any delay or failure by either party to take action on any breach or default of the other party or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to either party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligation under this Agreement. Consent by either party to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the other party's written consent to future waivers.

SECTION 18. TIME OF THE ESSENCE. Seller and Buyer agree that time is of the essence of this Agreement.

SECTION 19. SEVERABILITY. If any provision of this Agreement or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.


SECTION 20. COUNTERPARTS. This Agreement may be executed in counterparts and when each party has signed and delivered at least one such counterpart to the other parties hereto, each counterpart shall be deemed an original, and all counterparts taken together will constitute one and the same agreement, which will be binding and effective as to the Seller and Buyer. No

counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other party to this Agreement is in the physical possession of the party seeking enforcement thereof.

SECTION 21. AUTHORITY TO EXECUTE. Each party hereto expressly warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of his/her/their governmental or business entity and warrants and represents that he/she/they has/have the authority to bind his/her/their entity to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

SELLER:
MARK HEAGY



Mark Heagy

BUYER:
THE REDEVELOPMENT AGENCY OF
THE CITY OF MERCED,
A Public Body, Corporate and Politic, of the
State of California

BY: _____
Executive Director

ATTEST:
AGENCY SECRETARY

BY: _____
Assistant/Deputy Secretary

APPROVED AS TO FORM:

BY: Kan Ryell 8/27/07
Agency General Counsel Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

EXHIBIT A

Lot 15 in Block 148, according to map entitled, "SUPPLEMENTAL MAP TO TOWN OF MERCED," recorded March 4, 1889 in Book 1 of Maps, Page 12, Merced County Records, now appearing in Vol. 2 of Maps, Page 12, Merced County Records.

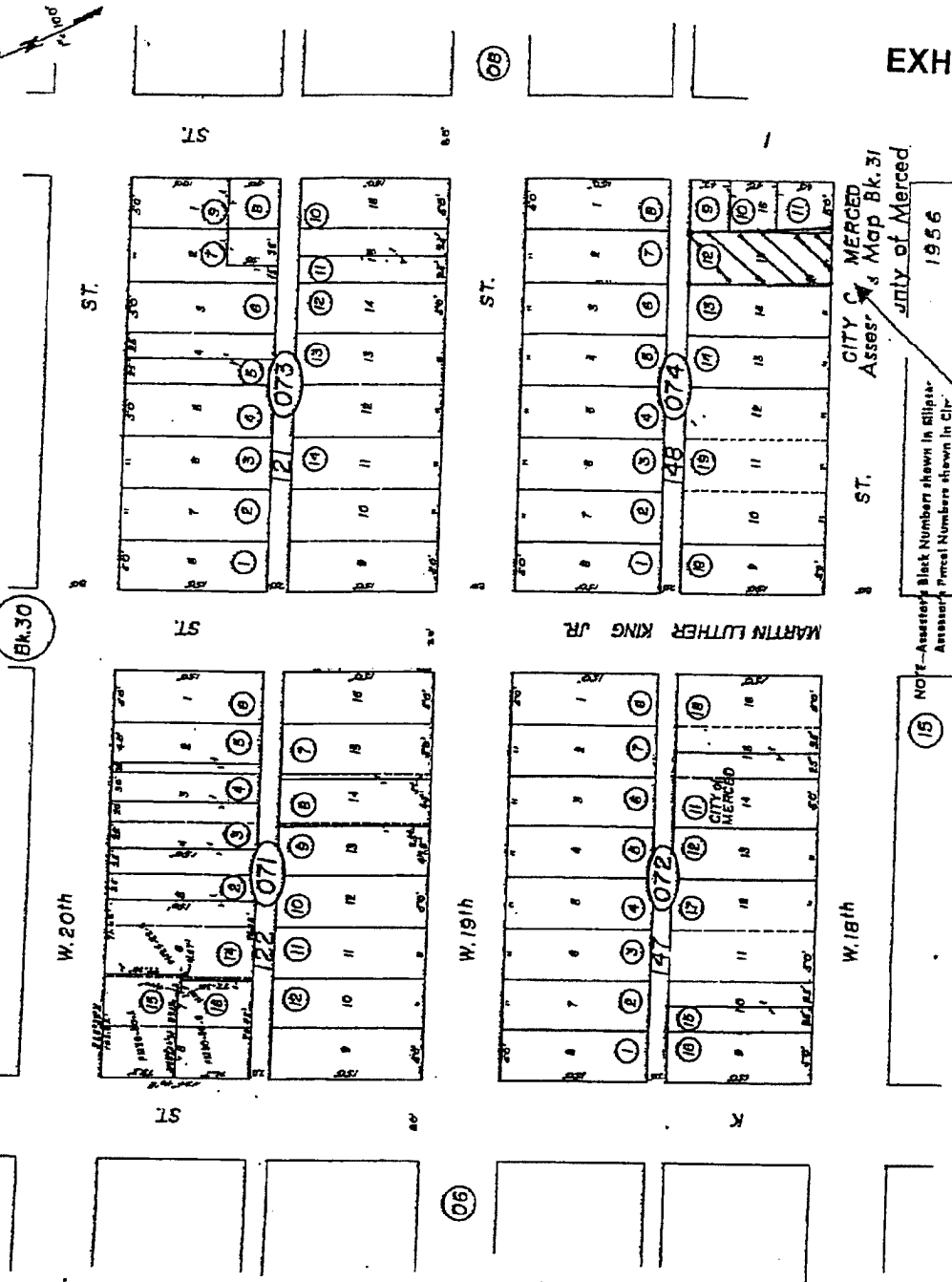
-NOTE -
This map is for assessment purposes only.
It is not to be construed as conveying
legal ownership or division of land for
purposes of zoning or subdivision laws.

TOWN OF MERCED
R.M. No. 2 Pg. 12

POR. SEC'S 19 & 30, T.7S., R.14E., M.D.B. & M.

Tax Rate Area 5-00
5-11
5-50

31-07



REVISED 1/74

EXHIBIT B

Subject Site

EXHIBIT B-7

Address/APN: 49 W. 18th Street (APN 031-084-011)

Description: Vacant land

Parcel Size: 10,800 sq.ft / .25 ac.

Date Purchased: 2010

Purchase Price: \$ 35,000

Estimated Market Value: \$ 35,626.00
(As of 2/1/2012, per Housing Asset Transfer List)

Property Background:

The Property was acquired in 2010. The Property is a larger residential lot, located on W. 18th Street, between H and I Streets. The Property consisted of 2 fire-damaged residential structures that had been tagged as uninhabitable by the Development Services Department, and were subsequently demolished. The Property was acquired with low/moderate income-housing funds, as part of an effort to eliminate dilapidated residential structures and construct new, high-quality affordable housing in the area (see page 4, Administrative Report, 12/21/2009).

Environmental History: No record of environmental studies.

Potential for Transit Oriented Development: Not applicable.

Purpose for Which Property Acquired: Assembly of land for residential project, including affordable housing units.

Revenue Generation: None

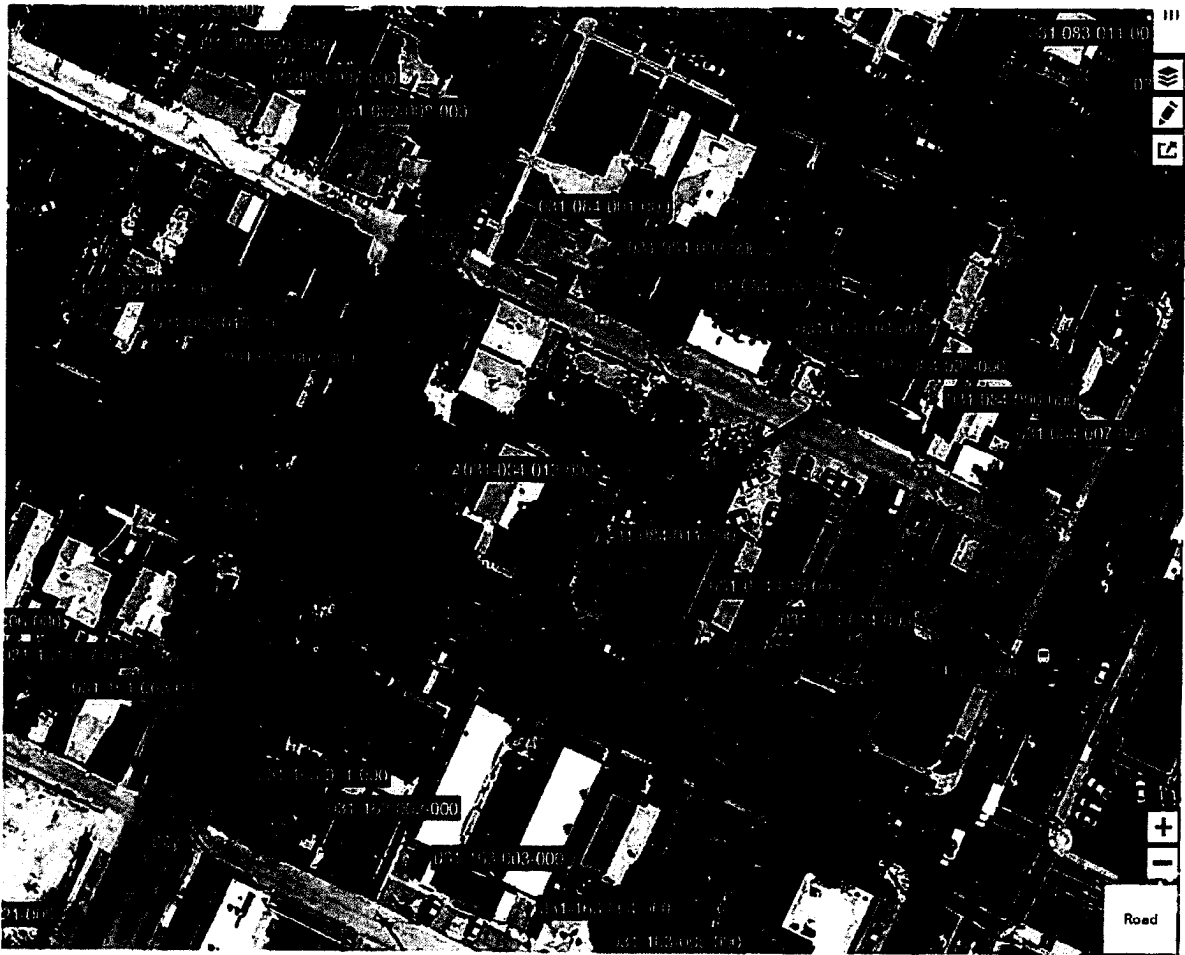
49 W. 18th Street



ADDRESS
49 W 18TH ST
MERCED, CA 95340

OWNER
CITY OF MERCED

APN	COUNTY DATA [SHOW HIDE]		
031-084-011-0	MERCED		
BEDROOMS	BATHS (F / H)	LIVING	LOT
3	2 / 0	1,340 sq ft	10,800 sq ft





Agenda Item: I-4
Meeting Date: 12-21-09

ADMINISTRATIVE REPORT

TO: John M. Bramble, Executive Director
FROM: Joshua R. Ewen, Redevelopment Technician
DATE: December 21, 2009
SUBJECT: Property Purchase of 49 West 18th Street

REPORT IN BRIEF

Authorizes the purchase of real property to eliminate blight and allow for the future construction of high quality affordable housing

RECOMMENDATION:

Adopt a motion:

- A. Approving the Purchase Agreement between the Redevelopment Agency of the City of Merced and Victor and Pranom Phothipayna; and
- B. Authorizing Executive Director to execute the necessary documents.

ALTERNATIVES:

- 1. Adopt the motion as recommended by staff; or
- 2. Adopt amended motion (specify); or
- 3. Deny the request completely, or
- 4. Defer action until a date certain (specify date); or
- 5. Take no action.

AUTHORITY:

Redevelopment sections 33031a Sec. 1 & 2, 33031b Sec. 1, 2 & 5 & 33391a of the California Health and Safety Code, as amended; Merced City Charter, Section 200 and Gateways Project Area Redevelopment Plan, as amended.

DISCUSSION:

The Redevelopment Agency has been seeking to revitalize the Midtown district for many years through the elimination of existing blight and the creation of high quality affordable housing. Recent Agency actions have included the purchase of substandard property on the corners of West 18th & I Streets and West 19th Street. The 2007 Downtown Strategy proposes the Agency purchase and demolish dilapidated structures where necessary, rehabilitate historically sensitive residential homes and eventually reconstruct new high quality, historically sensitive housing. The goal of the revitalization in this district is to create a premiere neighborhood that is close to downtown amenities, entertainment and employment. The purchase of the severely dilapidated subject property at 49 West 18th Street, APN 031-084-011 (Attachment 1), was brought before the Agency Board on September 21, 2009. The REO bank sold the property to an independent private party on September 24, 2009. Staff immediately contacted the new owners with a purchase offer. The Seller, Victor and Pranom Phothipayna, have signed a purchase agreement (Attachment 3).

Property Description:

The subject property consists of two (2) fire damaged residential structures that have been tagged as uninhabitable by the Development Services Department. The subject property consists of 10,800 square feet of developable land. Properties within the district are generally a standard lot size of 7,500 square feet or less. The property has become a significant blighting influence on the neighborhood with evident graffiti and neglect (Attachment 2). Zoning is multi-family residential (R-4) which allows for future higher density housing.

Property Appraisal:

The Agency's offer of \$35,000 was accepted by the Sellers. A property appraisal was not performed because it may have resulted in an estimated added cost of up to \$3,000-\$5,000. A recent professional property appraisal for single family homes on North Highway 59 resulted in a price per square foot of \$5.19. A search of current property listings using the Multiple Listing Service (MLS) for surrounding area residential properties resulted in a price ranging from \$3.61 to \$7.46 per square foot. The subject property was negotiated to a price of \$3.24 per square foot which is consistent with the condition of the site and lot size in relation to other comparable for sale properties.

Staff was negotiating with the previous REO bank property owner for acquisition of the site for over a period of year with Agency offers in excess of this current negotiated price. Staff has reviewed comparable listings within the district and has concluded that the purchase price is appropriate given market conditions and the current state of the subject property.

The Agency offered the Seller assistance for development of the site. The Seller stated that they did not have enough capital nor could they secure financing to demolish and redevelop the subject property. The Seller is willing to sell the subject property to the Agency. Without Agency intervention, the property may remain an eyesore for many years until the Sellers can develop a project.

Staff is recommending the purchase of one parcel containing two (2) residential structures and consisting of 10,800 sq. ft. The details of the proposed property purchase are as follows:

<u>Address</u>	<u>Owner</u>	<u>Price</u>	<u>Lot Sq. Ft.</u>
49 West 18 th Street	Victor & Pranom Phothipayna	\$35,000	10,800 ±

Broker

Commission: Seller shall be responsible for all broker fees.

Contingencies:

1. Inspection of the property, including satisfactory results of inspection for hazardous substances and geologic conditions.
2. Satisfactory condition of title.

Environmental:

Seller shall provide to Buyer all documents or data in its possession dealing with the property's environmental condition. Seller shall provide entry to the property and structures for Buyer's consultants and inspectors for environmental and other inspections within 20 days of mutual execution of the agreement.

Closing

Date: Within 30 days of execution of Purchase Agreement between the Redevelopment Agency and Seller. Purchase Agreement is subject to Agency Board approval.

Escrow: Escrow services shall be supplied by TransCounty Title Company, Merced, Ca

Condition of Title: Seller shall provide merchantable title, acceptable to the Buyer.

Closing

Costs: The Agency will pay costs of title insurance acceptable to Agency. Taxes, if any, will be paid current by Seller. Other costs of closing (document fees, recording fees, transfer taxes, and others) shall be divided equally between Buyer and Seller.

Funding:

Since a portion of the project will be affordable, it is appropriate to use the Gateways Project Area low/moderate income-housing fund (854.2001.677.65.00). Land Acquisition Project #109027 has a sufficient balance to complete the property purchase.

Additional Considerations:

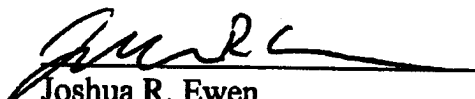
Since the property is vacant, relocation assistance will not be due to any party. The Agency conditioned the purchase agreement to not allow residents onto the site without a significant monetary loss to the Seller. Upon development of a new high quality home, the Agency will receive impact fee credits for this single family home site. Based on the recently implemented impact fee reduction, this project will fall within the infill zone and would therefore receive a single family residential fee credit of \$7,491 per unit. Additional fee credits may also be eligible including transportation, park dedication, sewer and water expansion fees. The applicable fee credit benefit in this case may exceed the outright cost of purchasing the blighted subject property.


Recommendation:

Purchasing the site will remove existing blight and allow for the creation of new high quality housing. Without Agency intervention, the subject property will remain a blighting influence on the neighborhood. Staff recommends approval for the purchase of the parcel located at 49 West 18th Street, APN 031-084-011.

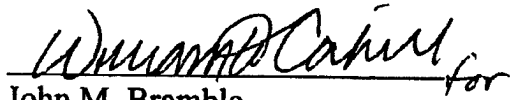
Respectfully Submitted,

Reviewed and Approved,


Joshua R. Ewen
Redevelopment Technician


William D. Cahill
Assistant City Manager

Approved By,


John M. Bramble
Executive Director

ATTACHMENTS:

1. 49 West 18th Street Parcel Map
2. Subject Property Photos
3. Purchase Agreement

N:\SHARED\CITYHALL\ARDA\Ewen, Joshua\Property Interest & Purchases\49 West 18th Street

-NOTE-
This map is for Assessment purposes only.
It is not to be construed as portraying
legal ownership or divisions of land for
purposes of zoning or subdivision law.

TOWN OF MERCED
R.M. Vol. 2 Pg. 12

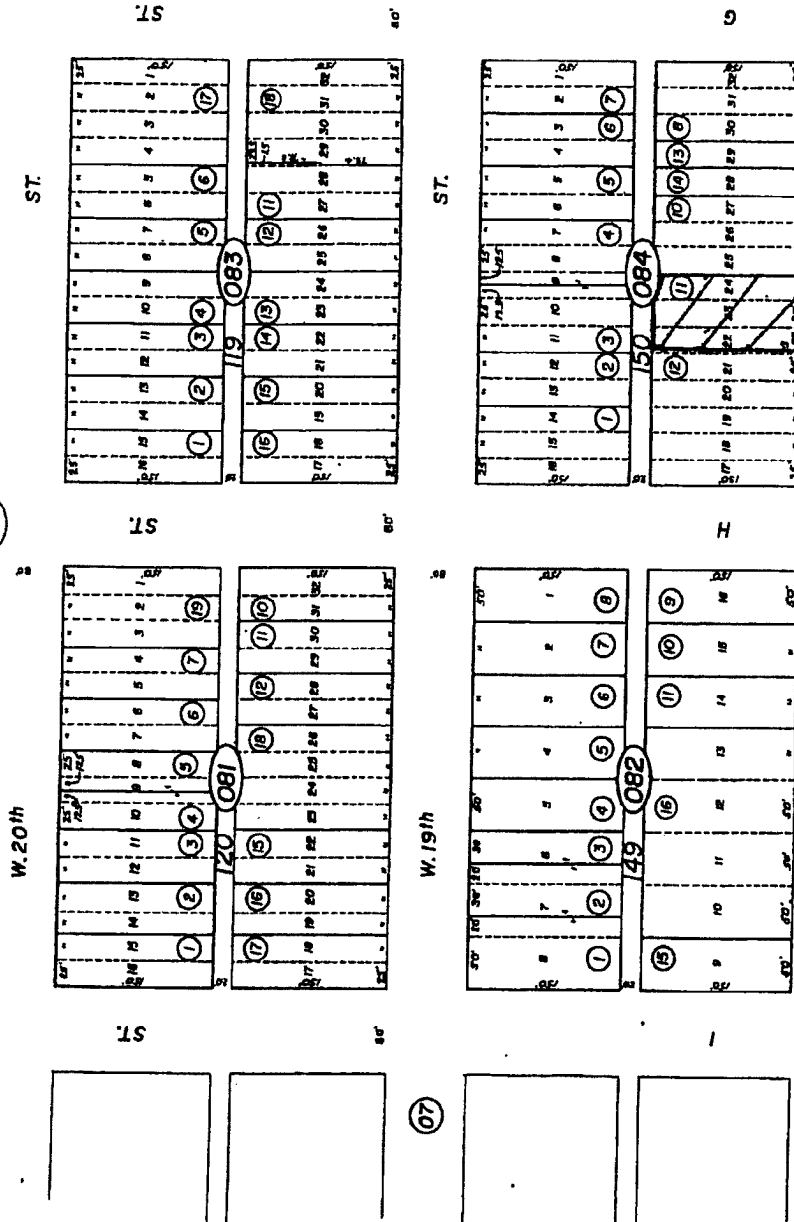
POR. SEC. 30, T. 7S, R. 14E, M.D.B. 8M.

Bk. 30

Tax Rate Area 5-00
5-47

31-08

ATTACHMENT 1



REVISED 11/74

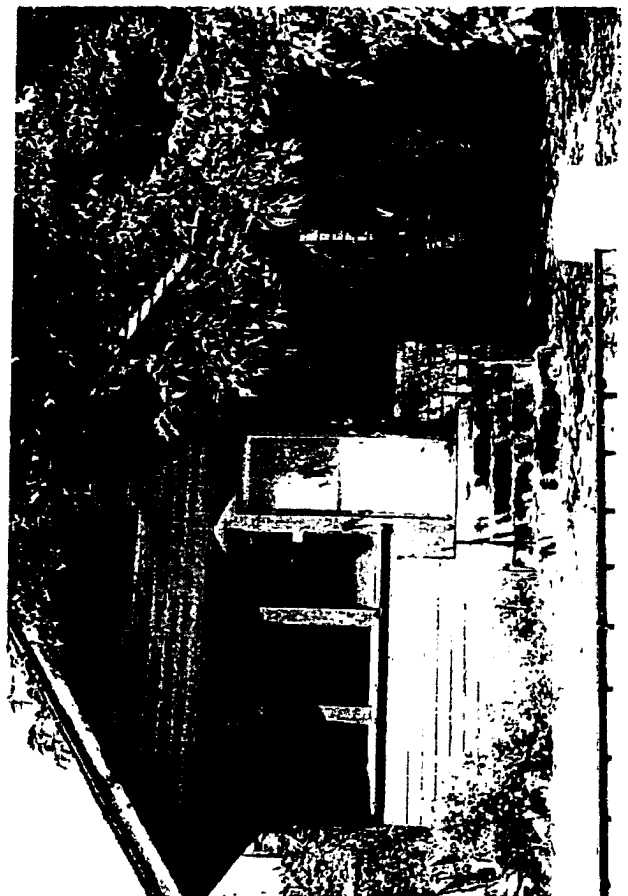
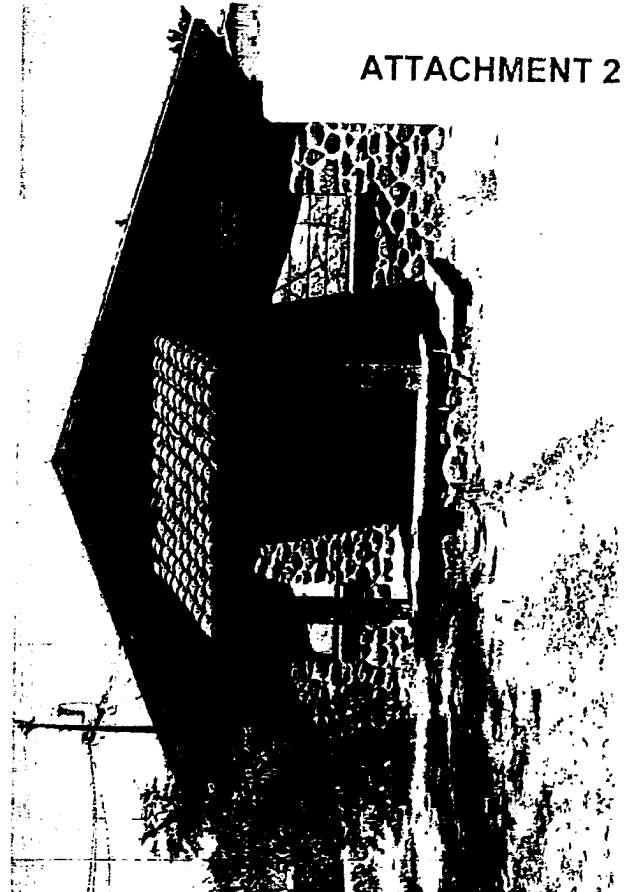
CITY OF MERCED
Assessor's Map Bk. 31 -Pg. 08
County of Merced, Calif.

NOTE—Assessor's Block Numbers shown in Bk. 31
Assessor's Parcel Numbers shown in Ctr.

15

SUBJECT SITE

ATTACHMENT 2



PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2009, by and between Victor Phothipanya and Pranom Phothipanya (collectively "Seller), and the Redevelopment Agency of the City of Merced, a Public Body, Corporate and Politic, of the State of California ("Buyer").

W I T N E S S E T H

WHEREAS, Seller owns certain real property known as APN 031-084-011 located at 49 West 18th Street in the City of Merced, County of Merced, State of California, consisting of approximately of 10,800 square feet, more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference (the "Subject Property"); and,

WHEREAS, Buyer desires to purchase the Subject Property for the purpose of redevelopment of the area (the "Project").

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. Seller agrees to sell and Buyer agrees to purchase the Subject Property, subject to the terms and conditions of this Agreement.

SECTION 2. PURCHASE PRICE. The purchase price for Subject Property shall be Thirty-Five Thousand Dollars (\$35,000.00) for the Subject Property without any liens or encumbrances.

a. Buyer shall have until close of escrow ("Final Payment Date") to pay the purchase price of Thirty-Five Thousand Dollars (\$35,000.00) to Seller deposited with the Escrow holder as listed in Section 3.

SECTION 3. ESCROW. Escrow shall open on the Property within three (3) days following the mutual execution of this Agreement at a Merced area title company, and shall close within thirty (30) days thereafter, subject to the terms and conditions of this Agreement. Reasonable and customary costs of escrow shall be divided equally between Buyer and Seller. Agency shall pay costs of title insurance. Seller shall pay taxes current. Each party shall pay for its own legal fees, if any are incurred.

SECTION 4. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their respective heirs, transferees, successors, assignee, partners, and legal representatives. Neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto.

Such consent shall not be unreasonably withheld. Any attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale Agreement not executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void

SECTION 5. REAL ESTATE COMMISSIONS. Buyer represents and warrants that it is not, and have not been represented by any real estate broker or agent. Seller agrees that any commission due or owed as a result of Buyer's Close of Escrow on the Subject Property shall be the financial responsibility of Seller.

SECTION 6. DUE DILIGENCE & ENVIRONMENTAL STUDIES.

a. Within seven (7) days after the mutual execution of this Agreement, or as soon thereafter as possible through reasonable diligence on behalf of Seller, Seller shall furnish Buyer with a preliminary California Land Title Association report of the title to the Subject Property and each document shown as an exception or encumbrance in the report. Within twenty-five (25) business days after the delivery of the title report and related documents to Buyer, Buyer shall notify Seller in writing of any objection to any exception therein. Buyer's failure to object in this matter to any exception shall be an approval by Buyer of that exception.

b. Buyer's acceptance of the condition of the Subject Property, and any other matter affecting the Subject Property, is a contingency of this Agreement.

c. Buyer and Buyer's agents and representatives, shall have unrestricted access to the property to conduct all inspections, investigations, tests, surveys, analysis, and other studies, immediately upon execution of this Agreement.

d. Therefore, Buyer shall have twenty-five (25) days from the date this Agreement is mutually executed to undertake and complete any and all studies, reports, investigations, inspections, and analysis Buyer deems necessary regarding the Subject Property. All studies, reports, investigations, and analysis undertaken by Buyer or any representative of Buyer shall be performed at Buyer's own and sole cost and expense. Seller to disclose all environmental hazards of which may be known to affect the Subject Property.

SECTION 7. NO THIRD PARTY BENEFICIARIES. The parties hereto intend not to create rights in, or to grant to any third party as a beneficiary of the agreement or of any duty, covenant, obligation, or undertaking established herein.

SECTION 8. CONDITIONS TO CLOSE OF ESCROW. As a contingency of this Agreement, the following conditions shall be met prior to the close of escrow. If such conditions are not met, Buyer reserves the right to terminate this Agreement.

a. Within twenty (20) days from the mutual execution of this Agreement, Seller shall clear the Subject Property of all debris and rubbish to the acceptance of the Buyer.

b. Property shall remain in a safe and sanitary condition, as to the satisfaction of the Buyer, throughout the term of escrow.

c. Property shall remain secured during term of escrow. Buyer shall possess the option to terminate the Agreement if tenants are found to reside on or claim an interest in the Subject Property.

SECTION 9. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and properly addressed with correct postage fully paid thereon or by personal delivery to the individuals designated above at the address designated below. All mailed notices shall be deemed delivered within three (3) business days of deposit in the U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

SELLER: Victor Phothipanya
Pranom Phothipanya
114 West 13th Street
Merced, California 95340

BUYER: Agency Secretary
The Redevelopment Agency of the City of Merced
678 West 18th Street
Merced, California 95340

With a Copy to: City Attorney
City of Merced
678 West 18th Street
Merced, California 95340

SECTION 10. FURTHER DOCUMENTATION. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

SECTION 11. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or feminine, as the context may require. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

SECTION 12. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this document reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretations hereof, based upon the identity of the drafter, shall be applicable in interpreting or enforcing this document.

SECTION 13. RELATIONSHIP OF PARTIES. Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third person, as creating the relationship of employer and employee, principal and agent,

limited or general partnership, or joint venture between Seller and Buyer or their agents, employees or contractors. Except as either party may specify in writing, neither party shall have the authority to act as an agent of the other party or to bind the other party to any obligation.

SECTION 14. VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 15. ENTIRE AGREEMENT. This Agreement is a fully integrated agreement that contains the complete, final, entire, and exclusive expression of the agreement and understanding of the parties hereto. This Agreement supersedes and replaces all negotiations, and all proposed agreements, whether oral or written, between the parties hereto regarding, arising out of, or relating to the subject matter hereof. Each party acknowledges that it has read this Agreement and has signed it freely and voluntarily without reliance on any representations or promises made by any of the other, or their attorneys or its representatives, other than as expressly set forth within this Agreement.

SECTION 16. AMENDMENTS IN WRITING. This Agreement may be amended or modified only by a written agreement executed by or on behalf of each of the parties hereto and approved and adopted as required by law. Any attempted

amendment not in compliance with the provisions of this Section shall be null and void.

SECTION 17. WAIVER. Any waiver by either party of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by either party to take action on any breach or default of the other party or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to either party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligation under this Agreement. Consent by either party to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the other party's written consent to future waivers.

SECTION 18. TIME OF THE ESSENCE. Seller and Buyer agree that time is of the essence of this Agreement.

SECTION 19. SEVERABILITY. If any provision of this Agreement or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.


SECTION 20. COUNTERPARTS. This Agreement may be executed in counterparts and when each party has signed and delivered at least one such


counterpart to the other parties hereto, each counterpart shall be deemed an original, and all counterparts taken together will constitute one and the same agreement, which will be binding and effective as to the Seller and Buyer. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other party to this Agreement is in the physical possession of the party seeking enforcement thereof.

SECTION 21. AUTHORITY TO EXECUTE. Each party hereto expressly warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of his/her/their governmental or business entity and warrants and represents that he/she/they has/have the authority to bind his/her/their entity to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

SELLER:
VICTOR PHOTHIPANYA AND
PRANOM PHOTHIPANYA

BY: 
Victor Phothipanya

BY: 
Pranom Phothipanya

BUYER:
THE REDEVELOPMENT AGENCY OF
THE CITY OF MERCED,
A Public Body, Corporate and Politic, of the
State of California

BY: _____
Executive Director

ATTEST:
AGENCY SECRETARY

BY: _____
Assistant/Deputy Secretary

APPROVED AS TO FORM:

BY: Ken Ryed 11/23/09
Agency General Counsel Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

EXHIBIT "A"

LEGAL DESCRIPTION

THE LAND REFFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MERCED, COUNTY OF MERCED, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Lot 22, 23, AND 24, in block 150, as shown on the map entitled, "SUPPLEMENTAL MAP TO TOWN OF MERCED", file March 4, 1889 in the office of the County Recorder of Merced County, in vol. 2 of official plats, at page 12.

Excepting the northwesterly three feet of lot 22.

APN: 031-084-011-000

31-08

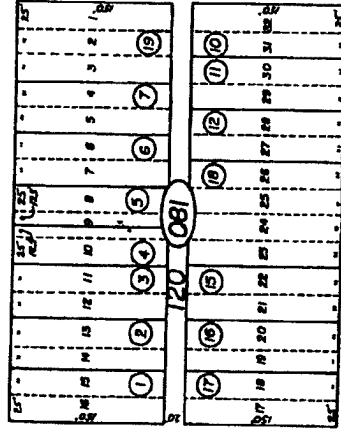
Tax Rate Area 5-00
5-47

TOWN OF MERCED
R.M. Vol. 2 Pg. 12

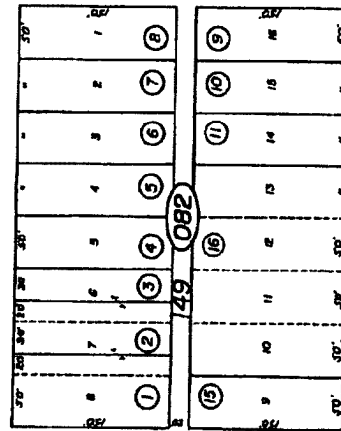
POR. SEC. 30, T. 7S., R. 14E., M.D.B. & M.

Blk. 30

W. 20th



W. 19th



W. 18th



EXHIBIT "B"

CITY OF MERCED
Assessor's Map Bk. 31 -Pg. 08
County of Merced, Calif.

1956

NOTE - Assessors Block Numbers shown in Blk.
Assessors Parcel Numbers shown in Circle

SUBJECT SITE

NOTE -
This map is for Assessment purposes only.
It is not to be construed as purporting
legal ownership or divisions of land for
purposes of zoning or subdivision laws.

REVISED 11/74

EXHIBIT B-8

Address/APN: 73 South R Street (APN 059-256-004)
Description: Vacant land
Parcel Size: 20,417 sq.ft / .47 ac.
Date Purchased: 2007
Purchase Price: \$ 200,000
Estimated Market Value: \$ 201,293.00
(As of 2/1/2012, per Housing Asset Transfer List)

Property Background:

The Property was acquired in 2007. The Property is a larger residential lot, located on South R Street, between Childs and Home Avenue. The Property was improved with a residential structure that was tagged unsafe for occupation by City Code Enforcement officials in 2004 and had been vacant since that time. The structure was subsequently demolished. The Property was acquired with low/moderate income-housing funds, as part of an effort to eliminate dilapidated residential structures and construct a new affordable housing development (see pages 2-3, Administrative Report, 7/16/2007; page 1, Purchase and Sale Agreement).

Environmental History: No record of environmental studies.

Potential for Transit Oriented Development: Not applicable.

Purpose for Which Property Acquired: Affordable housing development.

Revenue Generation: None

73 S. R Street




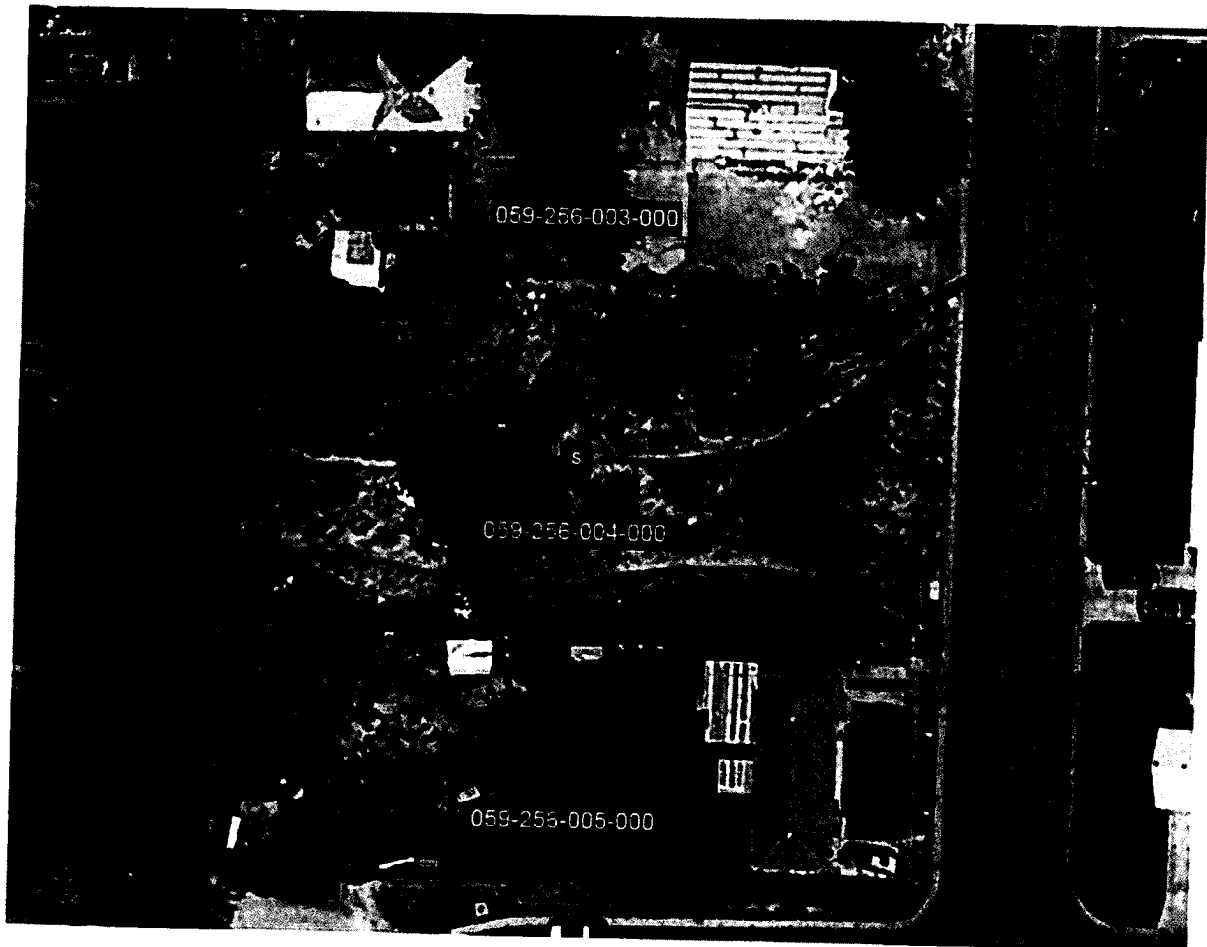
ADDRESS
73 S R ST
MERCED, CA 95341

OWNER
CITY OF MERCED

APN COUNTY DATA [SHOW HIDE]
059-256-004-0... MERCED

BEDROOMS	BATHS (F / H)	LIVING	TOTAL
3	2 / 0	1,123 sq ft	20,417 sq ft

 RUN FLEXSEARCH FOR '73 S R ST MERCED CA 95341'





ADMINISTRATIVE REPORT

AGENDA
ITEM: G-2

MTG.
DATE: 7/16/07

TO: James G. Marshall, Executive Director
FROM: Jack Newell, Redevelopment Technician
DATE: July 16, 2007
SUBJECT: Purchase Agreement for 73 South R Street

RECOMMENDATION: Adopt a motion:

- A. Approving substantially in the form submitted the Purchase Agreement between the Redevelopment Agency of the City of Merced and Lynard Slaton, Marie Love, Semonola Turner, Derome Scoggins and the Estate of Lenora Williams,
- B. Authorizing Executive Director to execute necessary documents.

POSSIBLE AGENCY ACTIONS:

- 1. Adopt the motion as recommended by staff; or
- 2. Adopt amended motion (specify); or
- 3. Defer action until a date certain (specify date); or
- 4. Take no action.

AUTHORITY: Redevelopment sections 33080-33080.8 of the California Health and Safety Code, as amended; Merced City Charter, Section 200 and Project Area Redevelopment Plan.

DISCUSSION: The Redevelopment Agency is proposing to purchase a 20,400 square foot lot for the price of \$200,000 (Attachment A). The purchase will allow the Agency to provide up to three low/moderate income units on the half-acre site under current zoning standards.

The Agency would purchase the property at a fair market price without the use of eminent domain. The structure was tagged unsafe for occupation by City Code Enforcement officials in 2004 and has been vacant since that time. The remaining land will be used to construct an affordable housing project after the existing structure is demolished. Staff will work with an affordable housing developer to create new housing. Because there is currently a structure on the site an Impact Fee Credit will be issued for new construction. This will increase the success of an affordable housing development.

Executive Director
July 16, 2007
Page 2

Since low/moderate income housing funds will be used to purchase the site, the final project will have an affordability covenant of 45 years placed on the completed building if it is owner occupied and 55 years if it is a rental.

Ownership of the property is split between four individuals and an estate. The complicated ownership has hindered the development of this site. Ownership by the Agency will streamline future development of the property.

LOCATION: The subject property is located on the west side of South R Street, south of Childs Avenue in the Gateways Project Area. It is located mid-block in a neighborhood composed of single-family residences and duplexes (Attachment B).

PURCHASE COST ESTIMATE: Staff has negotiated a letter of intent for the property with an accepted offer of \$200,000. Upon the purchase of the parcel, the Agency will likely incur additional costs for demolition, which is reflected in the Total Project Cost below. A Disposition and Development Agreement would then be negotiated with an affordable housing developer, the result of which may include additional financial assistance.

FUNDING: The proposed funding for the purchase is as follows:

<u>#108056 Property Acquisition</u>	<u>\$210,000</u>
Total Project Cost	\$210,000

Property Acquisition funds are from the Gateways Project Area Housing capital improvements budget. Additional funding would likely be needed for demolition and other items upon the close of escrow. On May 15, 2007, the Redevelopment Advisory Committee reviewed the project and unanimously recommends approval of the purchase by the Agency Board.

PROPOSED TERMS: Key proposed sales terms include the following:

Property: 73 South R Street APN 059-256-004
20,400± sq. ft. (subject to verification);

Consideration: Agency shall pay \$200,000 in cash at the close of escrow;

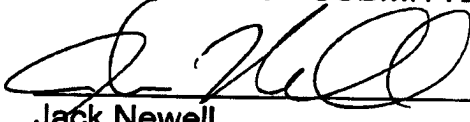
Executive Director
July 16, 2007
Page 3

- Deposit:** Agency shall deposit \$20,000 into an escrow account within ten (10) business days of a mutually executed Purchase and Sale Agreement;
- Closing Costs:** Agency shall pay the premiums for the CLTA Title insurance policy and the escrow fee;
- Final Payment:** The balance of the purchase price (\$180,000) shall be paid in full upon close of escrow;
- Title Company:** Escrow shall be opened with Alliance Title company;
- Open Escrow:** Escrow shall open within three (3) days of the approval of the Agreement by the Agency;
- Due Diligence:** Agency will have 15 days after the opening of escrow to complete all due diligence studies. Agency is responsible for the administration, costs of any and all studies, and reports during the due diligence period;
- Close of Escrow:** Escrow shall close within 87 days from the date that it is opened (escrow closing is subject to the time required for Agency legal review, modification and/or approval of escrow instructions);
- Contract:** A Purchase and Sale Agreement has been drawn by the Agency Attorney's Office, based upon the terms and conditions mutually agreed upon in the Letter of Intent. The Purchaser has agreed to and signed the Purchase and Sale Agreement (Attachment A).

RECOMMENDATION: The Redevelopment Advisory Committee recommends approval of the purchase agreement as presented. The purchase of this land will provide opportunity for future affordable housing.

Executive Director
July 16, 2007
Page 4

RESPECTFULLY SUBMITTED:



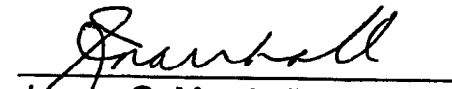
Jack Newell
Redevelopment Technician

REVIEWED AND APPROVED:



William D. Cahill
Assistant City Manager

REVIEWED AND APPROVED:



James G. Marshall
Executive Director

ATTACHMENTS

- A. Purchase and Sale Agreement
- B. Site Map

ATTACHMENT A

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2007, by and between the Estate of Lenora Williams, through its probate executors Rosie L. Knott and Josephine Bowen as shown on the Testamentary Letters of Administration dated April 7, 2003, Lynard Slaton, Marie Love, Semonola Turner and Derome Scoggins (hereinafter collectively known as "Seller), and the Redevelopment Agency of the City of Merced, a Public Body, Corporate and Politic, of the State of California ("Buyer").

WITNESSETH

WHEREAS, Seller owns a certain real property known as APN 059-256-04 at 73 South R Street in the City of Merced, County of Merced, State of California, consisting of approximately 20,400 square feet, more fully described in Exhibit "A" and shown in Exhibit "B," both attached hereto and incorporated herein by reference (the "Subject Property"); and,

WHEREAS, Buyer desires to purchase the Subject Property for the purpose of removing blight and constructing a low/moderate income housing project (the "Project").

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto do hereby agree as follows:

SECTION 1. PURCHASE & SALE. Seller agrees to sell and Buyer agrees to purchase the Subject Property.

SECTION 2. PURCHASE PRICE. The purchase price for Subject Property shall be Two Hundred Thousand Dollars (\$200,000.00) for approximately 20,400 square feet of the Subject Property without any liens or encumbrances.

a. Deposit: Buyer will deposit the sum of Twenty Thousand Dollars (\$20,000.00) into escrow within fourteen (14) business days following the mutual execution of this Agreement.

b. Balance of Purchase Price: Buyer shall have until close of escrow ("Final Payment Date") to pay the balance of the purchase price of One Hundred Eighty Thousand Dollars (\$180,000.00) to Seller deposited with the Escrow holder as listed in Section 3.

SECTION 3. ESCROW. Escrow shall open on the Property within three (3) days following the mutual execution of this Agreement at Alliance Title in Merced, California, and shall close within fifty-seven (57) days thereafter, subject to the terms and conditions of this Agreement. Reasonable and customary costs of escrow shall be divided equally between Buyer and Seller. Agency shall pay costs of title insurance. Seller shall pay taxes current. Each party shall pay for its own legal fees, if any are incurred.

SECTION 4. ASSIGNMENT. This Purchase and Sale Agreement shall be binding upon and inure to the benefit of the respective parties hereto and to their respective heirs, transferees, successors, assignee, partners, and legal representatives. Neither this Purchase and Sale Agreement nor any part thereof shall be assignable except with the prior written consent of the other party hereto. Such consent shall not be unreasonably withheld. Any attempted assignment or delegation of the rights and responsibilities under this Purchase and Sale Agreement not executed in writing by the other party hereto shall constitute a material breach of this Purchase and Sale Agreement and shall be null and void.

SECTION 5. REAL ESTATE COMMISSIONS. Seller agrees that any commission due or owed as a result of Buyer's Close of Escrow on the Subject Property shall be the financial responsibility of Seller.

SECTION 6. DUE DILIGENCE & ENVIRONMENTAL STUDIES.

a. Within five (5) days after the mutual execution of this Agreement, or as soon thereafter as possible through reasonable diligence on behalf of Seller, Seller shall furnish Buyer with a preliminary California Land Title Association report of the title to the Subject Property and each document shown as an exception or encumbrance in the report. Within twenty (20) business days after the delivery of the title report and related documents to Buyer, Buyer shall notify Seller in writing of any objection to any exception therein. Buyer's failure to object in this matter to any exception shall be an approval by Buyer of that exception.

b. Buyer's acceptance of the condition of the Subject Property, and any other matter affecting the Subject Property, is a contingency of this Agreement. Buyer and Buyer's agents and representatives, shall have unrestricted access to the property to conduct all inspections, investigations, tests, surveys, analysis, and other studies, immediately upon execution of this Agreement.

c. Therefore, Buyer shall have fifteen (15) days from the date this Agreement is mutually executed to undertake and complete any and all studies, reports, investigations, inspections, and analysis Buyer deems necessary regarding the Subject Property. All studies, reports, investigations, and analysis undertaken by Buyer or any representative of Buyer shall be performed at Buyer's own and sole cost and expense.

SECTION 7. NOTICE. All notices required or available to be sent pursuant to this Agreement shall be delivered by either first-class certified mail, return receipt requested, and

properly addressed with correct postage fully paid thereon or by personal delivery to the individuals designated above at the address designated below. All mailed notices shall be deemed delivered within three (3) business days of deposit in the U.S. Mail and personal delivery shall be deemed delivered upon actual delivery thereof at the addresses set forth below:

SELLER: Violette Torres
 London Properties
 87 West Alexander Avenue
 Merced, California 95348

BUYER: Agency Secretary
 The Redevelopment Agency of the City of Merced
 678 West 18th Street
 Merced, California 95340

SECTION 8. FURTHER DOCUMENTATION. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein contemplated and shall use their diligent efforts to accomplish the Close of Escrow in accordance with the provisions in this Agreement.

SECTION 9. INTERPRETATION. The use of the singular herein includes the plural, and the use of the neuter herein includes the masculine and/or feminine, as the context may require. The captions of the Sections and Subsections of this Agreement are for convenience only and shall not be considered nor referred to in resolving questions of interpretation and construction.

SECTION 10. NO PRESUMPTION RE DRAFTER. The parties hereto acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this document reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no

presumption for or against validity or as to any interpretations hereof, based upon the identity of the drafter, shall be applicable in interpreting or enforcing this document.

SECTION 11. RELATIONSHIP OF PARTIES. Nothing contained in this Agreement shall be interpreted or understood by any of the parties, or by any third person, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between Seller and Buyer or their agents, employees or contractors. Except as either party may specify in writing, neither party shall have the authority to act as an agent of the other party or to bind the other party to any obligation.

SECTION 12. NO THIRD PARTY BENEFICIARIES. The parties hereto intend not to create rights in, or to grant to any third party as a beneficiary of the agreement or of any duty, covenant, obligation, or undertaking established herein.

SECTION 13. VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

SECTION 14. ENTIRE AGREEMENT. This Agreement is a fully integrated agreement that contains the complete, final, entire, and exclusive expression of the agreement and understanding of the parties hereto. This Agreement supersedes and replaces all negotiations, and all proposed agreements, whether oral or written, between the parties hereto regarding, arising out of, or relating to the subject matter hereof. Each party acknowledges that it has read this Agreement and has signed it freely and voluntarily without reliance on any representations or promises made by any of the other, or their attorneys or its representatives, other than as expressly set forth within this Agreement.

SECTION 15. AMENDMENTS IN WRITING. This Agreement may be amended or

modified only by a written agreement executed by or on behalf of each of the parties hereto and approved and adopted as required by law. Any attempted amendment not in compliance with the provisions of this Section shall be null and void.

SECTION 16. WAIVER. Any waiver by either party of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by either party to take action on any breach or default of the other party or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to either party to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligation under this Agreement. Consent by either party to any act or omission by the other party shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the other party's written consent to future waivers.

SECTION 17. TIME OF THE ESSENCE. Seller and Buyer agree that time is of the essence of this Agreement.

SECTION 18. SEVERABILITY. If any provision of this Agreement or the application thereof to any person, place or circumstance shall be held by a court of competent jurisdiction to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

SECTION 19. COUNTERPARTS. This Agreement may be executed in counterparts and when each party has signed and delivered at least one such counterpart to the other parties hereto, each counterpart shall be deemed an original, and all counterparts taken together will constitute one and the same agreement, which will be binding and effective as to the Seller and Buyer. No counterpart shall be deemed to be an original or presumed delivered unless and until

the counterpart executed by the other party to this Agreement is in the physical possession of the party seeking enforcement thereof.

SECTION 20. AUTHORITY TO EXECUTE. Each party hereto expressly warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of his/her/their governmental or business entity and warrants and represents that he/she/they has/have the authority to bind his/her/their entity to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

SELLER:

ROSIE L. KNOTT, Executor of the
Estate of Lenora Williams

JOSEPHINE BOWEN, Executor of the
Estate of Lenora Williams

LYNARD SLATON

MARIE LOVE

SEMONOLA TURNER

DEROME SCOGGINS

BUYER:

THE REDEVELOPMENT AGENCY OF THE
CITY OF MERCED
A Public Body, Corporate and Politic, of the State
of California

BY: _____
Executive Director

ATTEST:
JAMES G. MARSHALL, AGENCY SECRETARY

BY: _____
Deputy Secretary

APPROVED AS TO FORM:

BY: *D. Isaac Gualde* *7-2-07*
Agency General Counsel Date

ACCOUNT DATA:

BY: _____
Verified by Finance Office

Title No. 05-193714-85
Locate No. CAFNT0924-0924-0001-0000193714

LEGAL DESCRIPTION**EXHIBIT "A"**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MERCED, COUNTY OF MERCED, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

All that portion of Lot 9, as shown on the map entitled, "MAP OF HARTLEY COLONY", filed January 3, 1911 in the Office of the County Recorder of Merced County in Vol. 4 of Official Plats, at page 41, described as follows, to-wit:

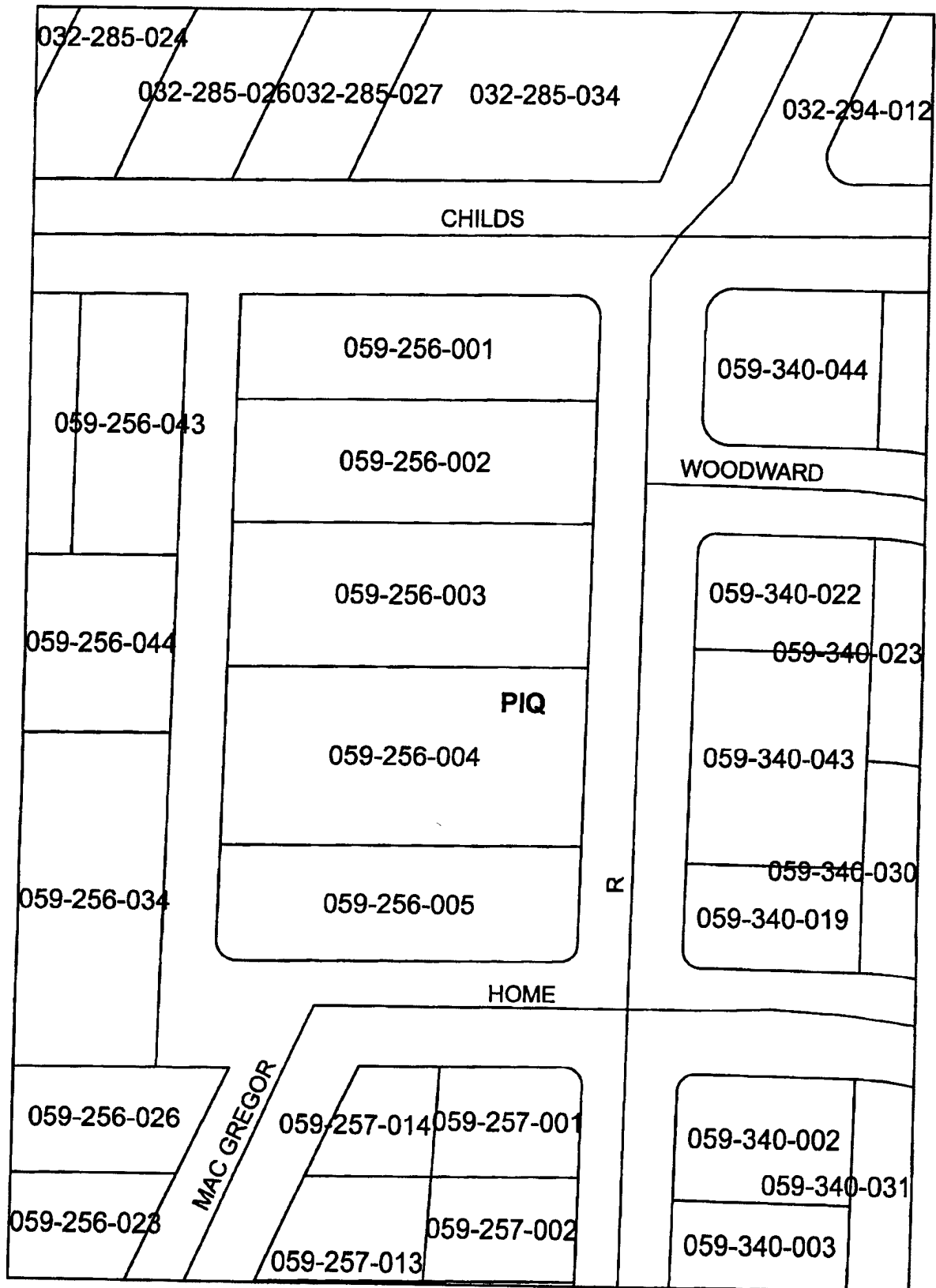
BEGINNING at a point on the West line of a 40 foot avenue along the east side of said Lot 9, distant thereon South 0 deg. 54'30" West 210 feet from the intersection of said line with the south line of the 60 foot County Road along the north side of said Lot 9; thence South 89 deg. 38' West a distance of 214.24 feet to the west line of the property conveyed to Samuel G. R. Daniels by deed recorded May 2, 1946 as File No. 5994; thence South 0 deg. 33'15" West and along the west line of said Daniels property, a distance of 100 feet; thence North 89 deg. 38' East a distance of 214.24 feet, more or less, to a point on the west line of the 40 foot avenue, known as "South "R" Street"; thence north and along the west line of said avenue, a distance of 100 feet, more or less, to the point of beginning.

EXCEPTING THEREFROM all that portion of the herein described land lying within the strip of land conveyed to the City of Merced by deed dated March 25, 1901 and recorded in Vol. 55 of Deeds, at page 86.

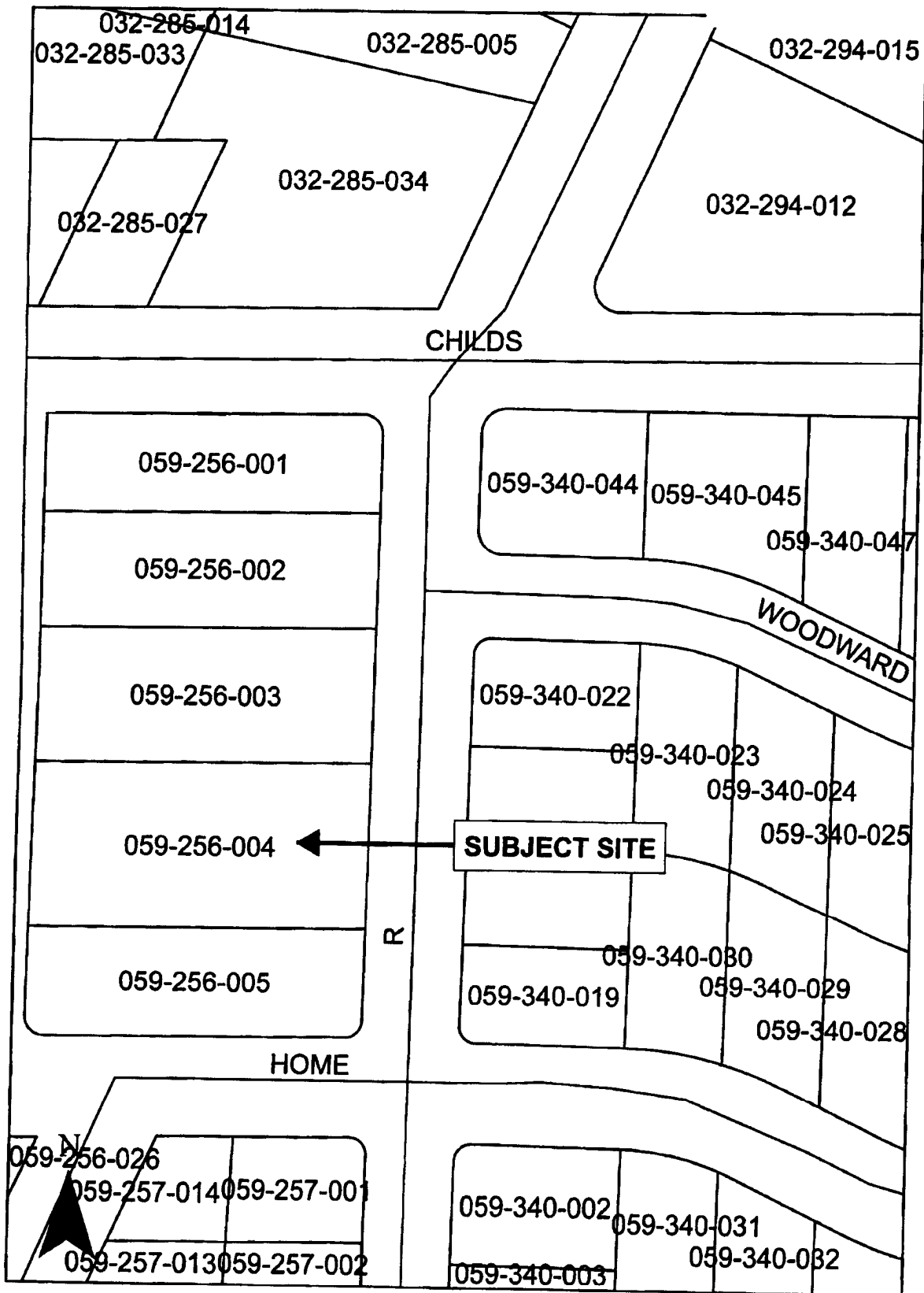
ALSO EXCEPTING THEREFROM 1/16th interest of all coal, oil, gas, hydrocarbon and other mineral deposits contained, in, on or under said real property herein described and other land as reserved in the deed from Floyd W. West and Bernice West, his wife, to Joseph L. Paden dated April 18, 1932 and recorded November 16, 1932 in Vol. 378 of Official Records, at page 394.

ALSO EXCEPTING THEREFROM that portion conveyed to the City of Merced by deed dated July 20, 1976 and recorded August 2, 1976 in Book 2040, Official Records, Page 75, Merced County Records. (16032-76)

Assessors Parcel No: 059-256-004.



ATTACHMENT B



M E M O R A N D U M

DATE: July 17, 2007 **AGENDA ITEM:** G-2
TO: Bill Cahill, Assistant City Manager
FROM: James G. Marshall, City Manager
RE: Purchase Agreement for 73 South R Street

On Monday, July 16, 2007, the Redevelopment Agency Commission adopted a motion approving substantially in the form submitted the purchase agreement between the Redevelopment Agency of the City of Merced and Lynard Slaton, Marie Love, Semonola Turner, Derome Scoggins, and the Estate of Lenora Williams; and authorized the Executive Director to execute the necessary documents.

Please proceed with implementation of this action.



James G. Marshall
City Manager

JGM:nr:Cahill

cc: Brad Grant
Deneen Proctor ✓
Jack Newell