

November 1, 2011

Dear Interested Developer,

**Subject: Lot Offering by CADA for 1610 17th Street
Sacramento, California 95814
Purchase and Development of Real Property**



The Capitol Area Development Authority (CADA) is offering to sell the 40' x 40' lot at 1610 17th Street in Midtown Sacramento for \$64,000. The site was formerly under a purchase agreement with the previous developer who terminated it because of the unavailability of financing.

The site is located on the west side of 17th Street between P and Q Streets and is vacant. A copy of the topographic/boundary survey is available at the CADA office.

CADA's intent is to select a capable and qualified developer to purchase the lot and to develop a quality urban residential project.

CADA obtained a Limited Phase II Environmental Site Assessment (ESA) of the site that concluded "it does not appear that significant elevated lead concentrations are present". The ESA report dated July 13, 2006, is available for review at the CADA office.

There are deed restrictions on the title that require the property to remain as a residential use for 45 years and all mineral rights are to be retained by the State of California. The site is currently zoned R5 – Multi-family. The City of Sacramento General Plan requires a minimum of 2 units on the Site. Interested Developers are responsible for (1) insuring that their proposed development is consistent with such zoning, City building codes/standards and for completing the City review process, and (2) completing their own due diligence including title and environmental conditions if any. The site is categorically exempt from the California Environmental Quality Act (CEQA) as an infill Development Project under Section 15332, Class 32 in Article 19, Division 13, Environmental Quality of the Public Resources Code.

Required Submittal

Interested developers are to submit a letter to CADA (maximum 4 pages) answering the following:

- A.** What do you propose to build and what are the estimated sources and uses?
- Provide at a minimum a rough sketch and description of the proposed structure including details of its various components.
 - Provide a breakdown of the estimated cost including the cost of providing a performance bond that indemnifies CADA, the State and City of Sacramento

**CAPITOL AREA
DEVELOPMENT AUTHORITY**

1522 14th Street
Sacramento, CA 95814-5958
916.322.2114 / fax 916.441.1804
www.cadanet.org

- Project proforma that includes sources and uses of funds, amount and sources of equity, anticipated construction loan, average sales price per square foot for residential units, or average rent per square foot if the project is proposed to be a rental project and return on cost.
- B.** Describe your proposed financing plan to include types of financing and potential equity requirements
- List potential lenders with which you have relationships
 - Identify source of equity

(NOTE: NO SUBSIDY FUNDS FROM CADA ARE AVAILABLE FOR THIS PROJECT, INCLUDING LAND FINANCING).

- C.** Describe your proposed schedule
- CADA requires that the selected developer start construction no later than one year following entering into a purchase agreement
- D.** Describe your qualifications and related completed projects

CADA asserts that the submission of a proposal and the accompanying documents in no way obligates CADA to a submitting developer with respect to the proposal and CADA reserves the right to reject any and all proposals in its sole and absolute discretion.

Development Selection Process

Proposals will be evaluated and presented to the CADA Board for approval at the discretion of the Executive Director.

Goals

- High quality of project design, specifically character, scale, texture and materials
- Design compatible with structures in the neighborhood
- Feasibility based on development cost, financing and projected revenue
- Ownership versus rental housing – preference will be given to ownership housing
- Expedient commencement and completion of construction
- Exceed Title 24 requirements

Energy Efficiency

The developer is encouraged to work with CADA, SMUD staff and others to explore opportunities for solar installations and the use of their design programs that exceed Title 24 requirements. The developer is also encouraged to participate in all applicable energy conservation programs offered by SMUD and others.

Parking

The proposed project should comply with the City of Sacramento Zoning Ordinance provisions for residential on-site parking which is one parking space per one residential unit.

Selection Process

CADA staff will evaluate proposals and make a recommendation to the CADA Board. Upon selection of a developer, CADA will enter into a purchase agreement with the developer. The purchase agreement will require the developer to provide evidence of having obtained a building permit(s) and a financing commitment prior to closing on the site.

Prospective developers are strongly encouraged to review carefully each of the terms and conditions of the draft purchase agreement, a copy of which is available at the CADA office, since if selected, they will be required to comply with such terms and conditions.

Holding Fee

The selected developer is required to pay a monthly \$879 Holding Fee to CADA during the period between entering into the Purchase and Sale Agreement and closing on the site. This fee is to keep the Site off the market and help insure performance by the selected developer. The total amount of the Holding Fees paid including the Good Faith Earnest Deposit will be credited against the purchase price. Should the selected developer fail to close on the site, the Fees will be retained by CADA.

Plans Available

Developers interested in using the drawings by Darryl Chinn Architects previously proposed by the Dyer/Chinn Development team, design development plans by Dennis Bylo or the plans previously commissioned by the Diepenbrock Development Team are responsible for contacting these individuals and making arrangements for use of the plans. If you are interested you are to contact Tom Kigar using the below contact information.

Schedule for Selection of a Developer

If a developer is not selected within the below timeframe, the Site will continue to be offered in the open market until an acceptable proposal is received and a Developer selected.

December 30, 2011	Proposals due ¹
January 10, 2012	CADA staff present proposals to Capitol Area Committee (CAC)
January 27, 2012	Developer(s) present their proposals to the CADA Board
January 30 to February 25, 2012	Developer(s) and CADA staff present proposals to stakeholders (Sacramento Old City Association (SOCA), Invited Neighbors/Friends of Fremont Park/CARSA and Midtown Neighborhood Association)
March 18, 2012	Staff provides submitting developer(s) with staff report that includes recommendation to the CADA Board to select a developer
March 22, 2012	CADA staff present proposals to Technical Advisory Committee (TAC)
March 23, 2012	CADA Board selects developer
April 27, 2012	CADA Board approves Purchase and Sale Agreement with the Selected developer

Term of Offering

Developers are to submit ten copies of complete proposals to the CADA Administration Office, 1522 14th Street, Sacramento, CA 95814 Attention: Tom Kigar. Developers are required to include with their proposal a \$1,758 Good Faith Earnest Deposit that will be used to cover the Holding Fee due for the first two months of the term of the purchase agreement (refunded if not selected/retained by CADA if selected developer fails to close on the Site). The Holding Fee will be applied to the purchase price at closing. This offering is also available on CADA's website at: www.cadanet.org. For additional information call Rachel Mercurio (rMercurio@cadanet.org) or Tom Kigar (tkigar@cadanet.org) at (916-322-2214).

Sincerely,



Tom Kigar
Development Director
Capitol Area Development Authority

Cc: CADA Board of Directors
Paul B. Schmidt

¹ Developers interested in submitting a proposal will be requested to review their plans with Luis Sanchez, Senior Architect, and William Crouch, Urban Design Manager at the City prior to submitting to CADA.