

File ID: 2026-01254

6/23/2026

[Redevelopment Agency Successor Agency] Exclusive Right to Negotiate for RASA-Owned Property at 1340-1414 Del Paso Boulevard

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Location: 1340-1414 Del Paso Boulevard, District 2

Recommendation: Pass a **Redevelopment Agency Successor Agency Motion:** 1) approving an Exclusive Right to Negotiate with Vrilakas Groen Architects for the Redevelopment Agency Successor Agency-owned properties at 1340-1414 Del Paso Boulevard (Assessor Parcel Numbers 275-0123-010, 275-0125-001, 275-0125-028, 275-01250-004); and 2) authorizing the City Manager or designee to execute the attached Exclusive Right to Negotiate with Vrilakas Groen Architects and take any additional necessary actions to implement the Exclusive Right to Negotiate with Vrilakas Groen Architects and to pursue grant opportunities for the site.

Contact: Leslie Fritzsche, Economic Investment Manager, (916) 808-5450, lfritzsche@cityofsacramento.org; Amanda Wallace, Project Manager, (916) 808-5453, awallace@cityofsacramento.org; Office of Innovation and Economic Development

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Site Location
- 3-Exclusive Right to Negotiate with Vrilakas Groen Architects

Description/Analysis

Issue Detail: The Redevelopment Agency Successor Agency (RASA) owns property in the North Sacramento area on Del Paso Boulevard at the corner of Edgewater Road (APNs 275-0123-010, 275-0125-001, 275-0125-028, 275-01250-004), referred to as the "Site," as shown in Attachment 2. In accordance with the redevelopment dissolution law, RASA is to dispose of its real property holdings and distribute the sales proceeds to various taxing entities. The Oversight Board for RASA and the California Department of Finance approved RASA's Long Range Property Management Plan (Plan) in 2015. The Plan included an inventory of all RASA properties and specified the type of disposition and use for each property. In 2016, the Oversight Board delegated authority to RASA to sell properties at fair market value based on

an appraisal or the highest bid. Accordingly, RASA is authorized to proceed with disposition of its real property assets.

Disposition of the Site is also subject to the California Surplus Land Act (Act). The first step in the process of disposing property under the Act is for the property to be declared surplus. All of RASA's real property holdings were deemed surplus through adoption of the Plan, pursuant to Government Code section 54221(b)(2) of the Surplus Land Act. To further comply with the Act, RASA staff sent out a Notice of Availability (NOA) for 1340 and 1414 Del Paso Boulevard on December 8, 2021 and for 1400-1410 Del Paso Boulevard on March 3, 2023 for to all required recipients, including affordable housing developers on the list managed by the California Housing and Community Development department (HCD), affordable housing developers on a list maintained by the Sacramento Housing and Redevelopment Agency, and public agencies. The NOAs informed recipients that the Site was available for affordable housing and, if interested, entities should submit an offer within 60 days of the NOA.

After receiving no offers in response to its Notices of Availability, RASA received two later offers to purchase the Property, but they did not result in a sale. Recently, staff has been in conversation with Ron Vrillakas of Vrillakas Groen Architects (Vrillakas) about his interest in the site. He also identified a potential Sacramento Area Council of Government \$1.8 million grant opportunity for affordable housing through Green Means Go that he is interested in pursuing for this site. The attached Exclusive Right to Negotiate Agreement (ERN) contains negotiated terms to provide a 270-day period to pursue this grant opportunity and other funding, complete site investigation, due diligence and planning work for the Site.

Policy Considerations: The recommendations in this report are in accordance with California redevelopment agency dissolution laws (Health & Safety Code § 34170 et seq.) and the California Surplus Land Act (Government Code § 54220 et seq.).

The use contemplated for the Site is in accordance with the goals of the former Redevelopment Agency of the City of Sacramento's North Sacramento Redevelopment Plan and the Implementation Plan.

Economic Impacts: The actions recommended in this report have no direct economic impact but are a step towards development of the site and further economic revitalization of Del Paso Boulevard.

Environmental Considerations:

California Environmental Quality Act (CEQA): Entering into an ERN as described in this report is exempt from environmental review under CEQA Guidelines Section 15312 (Surplus Government Property Sales) because the Site is not located in an area of statewide, regional or areawide concern; it does not have significant values for wildlife

habitat; the use of the Site and adjacent property has not changed since the time of purchase.

This report only proposes execution of an ERN for the Site. If this leads to a Purchase and Sale Agreement, the developer will have to obtain any necessary land use entitlements and conduct any necessary environmental review under CEQA before the Site can be developed.

Sustainability: This report does not directly address any sustainability issues however it is in furtherance of infill housing and is located along a light rail line.

Commission/Committee Action: On January 25, 2016, by Resolution 2016-0001, RASA's Oversight Board delegated authority to RASA to sell properties without the need for further Oversight Board approval, provided the properties were sold at fair market value as determined by appraised value or the highest bid. This approval was sought to aid in streamlining the disposition process. The proposed ERN is the first step in the disposition process.

Rationale for Recommendation: The Site consists of 3,900 square feet building on a 7,500 square feet lot and two vacant contiguous parcels with a combined land area of all three parcels equaling 30,000 square feet. An additional 15,000 sq. ft. parcel lies south of Edgewater Road. All four parcels are contained within the proposed ERN.

Vrilakas envisions a mixed-use development for the site that could yield between 70-80 affordable units. The potential project advances the vision of introducing housing to the Del Paso Boulevard corridor, a long-held goal to aid in the corridor's revitalization and to increase housing supply. The project also includes commercial space at the ground level that will be designed for emerging entrepreneurs.

Vrilakas Groen Architects was formed in 1995 and has been one of Sacramento's premier residential architect and developer. The firm and Ron Vrilakas specifically, has a proven track record of transforming underutilized spaces into vibrant thriving corridors; elevating up and coming businesses and building stronger communities. A striking example is his work on the Broadway Triangle in Oak Park which brought new residential units, vibrant businesses and a sense of place to the heart of Oak Park. Notable architectural work includes The Sutter Hotel, Ice Block 3, 1801 L Street, Township 9 light rail station and Mercy Housing in West Sacramento. With a commitment to enhancing urban environments, they undertake projects that contribute to the community's revitalization and bring urban character and architectural presence.

The firm's experience lends itself to the type of infill that is imagined for the Del Paso

Boulevard corridor. The scale of their infill sites is in keeping with the Boulevard's attributes and development of the site will further the revitalization of the corridor and leverage investments made by the Redevelopment Agency, the City, and SACOG's Green Means Go program (currently paying for a utility upgrade adjacent to the site) and the commitment of the many business owners and residents in North Sacramento.

Financial Considerations: The proposed ERN will provide an opportunity for Vrillakas to initiate due diligence on the site and to develop plans. This information will provide the basis for negotiating a potential disposition price.

The ERN includes a \$500 non-refundable deposit for the provision of the 270-day period negotiation period. These funds will be provided to the County Auditor-Controller for distribution to the taxing entities. The City's portion will be deposited into the Innovation and Growth Fund (Fund 2031).

Local Business Enterprise (LBE): Vrillakas Groen Architects is a local business enterprise.

Section Two: Building Location

DEL PASO



BUILDING LOCATION

IN THE MIDDLE OF A HIGHLY-DESIRABLE NEIGHBORHOOD

The Subject Properties are centrally located along the Del Paso Boulevard corridor, a corridor with very unique and attractive storefronts. The infill development site features efficient access to Downtown Sacramento, the urban core as well as Highway 160 and Highway 80. Additionally, the property is situated less than 400 feet from the Swansston Regional Transit Blue Line Station. The Blue Line services stations from North-80 on the north through North Sacramento, the Downtown Central Business District, past Sacramento City College, and terminates at Colusa River College in Elk Grove.

1 MINS TO ARDEN WAY	2 MINS TO WOODLAKE NEIGHBORHOOD	3 MINS TO HWY 160	3 MINS TO LIGHT RAIL STOP	4 MINS TO INTERSTATE 80
4 MINS TO COSTCO / REI	6 MINS TO ARDEN MALL	6 MINS TO DOWNTOWN	10 MINS TO CAL EXPO	15 MINS TO CSUS



SITE LOCATION

Contract Routing Sheet

Payment / Performance Bond Only

General Routing Information

Department: Economic Development Department

Contract Coordinator: Blair Hongo Email: bhongo@cityofsacramento.org

Effective Date: 06/24/2026 Expiration Date: 03/22/2027

Grant/Project Name: Exclusive Right to Negotiate for 1340-1414 Del Paso

Other Party: Vrilakasis Groen Architects

Original Not to Exceed Amount: \$ 500.00

Assessor's Parcel Number(s): 275-0123-010,275-0125-001,-028,-004

Project Number: _____ Bid/RFP/RFP#: _____

Supplements/Addendums/Change Orders

Adjusted Amount of this Change (+/-): _____ New Not to Exceed Amount: _____

Change In Scope: No

Original Contract Number: _____ Supplement Number: _____

Council Approval

Original Meeting Date: 06/23/2026 Council File ID: 2026-01254

Supplement Meeting Date: _____ Council File ID: _____

Processing Information

- Clerk's Office to Mail for Recording
- Return to Dept for Other Party Signature
- Real Estate
- Return to Dept for Recording
- Construction Related
- Additional Originals Attached – Return to Dept.

Add notes/instructions, including any other contract or council file ID numbers related to this agreement:

Exempt from AB339

Signing Authority - Department Directors up to \$100K; \$100K -\$250K City Manager or Assistant City Manager; \$250K+ Council Approval & Council Appointee or designee.

Department Review and Routing

AB 339 Review Confirmation (if needed) _____

Sign Blair Hongo

Sign leslie fritzsche

Sign _____

Sign _____

Sign _____

**EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT
FOR 1340,1400,1410 AND 1414 DEL PASO BOULEVARD**

This Exclusive Right to Negotiate Agreement (“Agreement”) is made and entered into on June 23, 2026 (“Effective Date”) between the Sacramento City Redevelopment Agency Successor Agency, a municipal corporation (“RASA”), and Vrilakas Groen Architects (“Developer”). RASA and Developer may also be referred to as “Party” or “Parties.”

Background

- A. RASA is the successor entity to the dissolved Redevelopment Agency of the City of Sacramento (“Agency”) and RASA obtained ownership of the Agency’s non-housing properties as of February 1, 2012. RASA is required under the “Dissolution Law” (California Health and Safety Code (“HSC”) section 34170 et seq.) to sell Agency properties and distribute the proceeds to various taxing entities. Under the delegated authority from the Sacramento Countywide Oversight Board, RASA may sell the Agency properties based on the highest bid or appraisal. RASA was initially managed by an “Oversight Board,” comprising representatives of local agencies in the Agency’s former project area, but RASA is now managed by the City of Sacramento (“City”). The City Council therefore currently serves as the governing board for RASA. However, RASA is a separate public entity per HSC section 34173(g).

- B. In accordance with the Surplus Land Act (California Government Code Section 54220 et seq.), all RASA properties were declared “surplus property” on December 16, 2013 by the Oversight Board’s adoption of a Long Range Property Management Plan (“LRPMP”) for RASA properties. RASA’s LRPMP was amended by the Oversight Board on December 15, 2015 and then approved by the California Department of Finance on December 31, 2015. The Surplus Land Act requires that RASA issue a Notice of Availability for surplus properties, send the notice to various entities, including the list of “Housing Sponsors” maintained by the California Department of Housing and Community Development (“HCD”), and provide an opportunity to negotiate with proposers that offer to develop the most affordable housing units.

- C. RASA issued a Notice of Availability for the sale of surplus parcels located at 1340,1400,1410 and 1414 Del Paso Boulevard in Sacramento (APNs 275-0123-010, 275-0125-001, 275-0125-028, 275-0125-004, collectively, the “Property”) and received no offers. Because no offers were received, RASA can sell the Property without further regard to the Surplus Land Act, except that RASA must comply with Government Code section 54233. Section 54233 generally requires that, if 10 or more housing units are developed on the Property, at least 15% of the total housing units must be sold or rented at an “Affordable Housing Cost” (as defined in California Health and Safety Code section 50052.5 for units sold and California Health and Safety Code section 50053 for units rented) to “Lower Income Households” (as defined in California Health and Safety Code section 50079.5).

- D. The Property has been listed for sale with a broker hired by RASA. Developer is interested in potentially acquiring the Property and has been in conversation with RASA staff. The conversations form the basis for proceeding with this Agreement. RASA desires that the Property be developed in the near term to benefit the community and the taxing entities.
- E. The Parties enter into this Agreement to allow time for good faith negotiations between the Parties to determine whether a purchase and sale agreement (“PSA”) for the Property is desirable and to develop the key business terms of the PSA to meet the requirements of the Dissolution Law and the Surplus Land Act.
- F. The Parties enter into this Agreement to also allow time for Developer’s due diligence and to apply for funding opportunities to aid in the project’s development.

Based on the facts in the foregoing Background, RASA and Developer hereby agree as follows:

1. **Identity of Parties.** The legal identities of the Parties to this Agreement and their addresses are as follows:
 - a. Developer is Vrilakas Groen Architects a California corporation organized and doing business in the State of California. The principal office of Developer is located at 1221 18th Street, Sacramento, CA 95811. Developer shall make full disclosure to RASA of the identity of all principals, officers, stockholders, partners, joint venturers, and entities comprising Developer. The principals are Ron Vrilakas and Mark Groen.
 - b. RASA is a public entity created under the Dissolution Law and functioning within the jurisdiction of the City. The principal office of RASA for purposes of this Agreement is located at 915 I Street, 3rd floor, Sacramento, California 95814.
 - c. Notices to a Party shall be personally delivered or sent by first class mail to its principal office address. Notices to RASA shall be clearly marked “Attention: Office of Innovation & Economic Development.”
2. **Term.** This Agreement shall be effective as of Effective Date and shall terminate upon the earlier of: (i) completion of all obligations, or (ii) 270 calendar days after the Effective Date, unless extended by written agreement of the Parties or terminated due to default pursuant to Section 7 below.
3. **Legislative Action.** RASA and Developer acknowledge that RASA must exercise its independent legislative authority in making any and all findings and determinations required by law concerning the sale of the Property under the terms of a PSA. This Agreement does not restrict the legislative authority of RASA in any manner, whatsoever, and does not obligate RASA to enter into a PSA or to take any course of action with respect to the sale of the Property.

Developer acknowledges that RASA and the City are separate legal entities, and that the proposed development project of Developer as set forth in its Letter of Intent is also subject to independent review by the City in the proper exercise of its jurisdiction, including without limitation, review by the City’s Community Development Department, Planning and Design Commission, City Council, and the City’s Building Division.

4. **CEQA Review.** Because RASA is only authorized to sell its properties and cannot undertake any redevelopment activities under the Dissolution Law, RASA is not obligated to undertake environmental review of Developer’s planned project under the California Environmental Quality Act (“CEQA”) as a precondition to approving the PSA. Nothing in this Agreement shall be construed to limit the application of CEQA by the City to Developer’s project or to require changes in the project to meet its CEQA obligations.
5. **Schedule of Performances.** Developer shall perform the following stated obligations at the times specified in the following schedule (“Schedule of Performances”):

Responsible Party	Action	Due Date Following Effective Date
Developer	Submit Deposit	Within 10 calendar days
Developer	Prepare SACOG Grant application and submit it to SACOG	Within 30 calendar days
Developer	Complete due diligence on the property	Within 270 calendar days
Developer	Submit a Letter of Intent to RASA, including terms for purchase	Within 270 calendar days

6. **Deposit Fee.** Developer shall deliver to RASA a deposit of \$500 (the “Deposit”) for RASA’s staff costs to draft this Agreement, negotiate with Developer, evaluate the proposed project, and draft the PSA, if applicable. Once submitted to RASA, the Deposit is non-refundable. The Deposit shall be paid by check and delivered to: Office of Innovation and Economic Development, Third Floor, Sacramento City Hall, 915 I Street, Sacramento CA. 95814.
7. **Defaults.** Either RASA or Developer may be in default of this Agreement if it fails to fulfill its obligations when due, which failure is not caused by the other Party, and does not reasonably cooperate with the other in fulfilling the other’s obligations under this Agreement. No waiver of any default under this Agreement will be effective unless the waiver is in writing and signed by the waiving Party.

The defaulting Party shall have 15 calendar days to cure the default. Should the defaulting Party fail to cure the default within 30 calendar days, the non-defaulting Party may terminate this Agreement by written notice to the defaulting Party, and may pursue equitable remedies available to it for such default.

The remedies contained in this Section 7 are the sole, exclusive remedies for default of this Agreement, and neither Party may claim, because of a default of this Agreement, any damages, whether monetary, non-monetary, contingent, consequential or otherwise. In particular, in no event shall RASA be liable to the Developer for its anticipated profits from the project, or its third party consultant expenses, staff costs, overhead, or attorneys' fees.

8. **Predevelopment Costs.** Developer shall bear all predevelopment costs relating to actions of Developer under this Agreement, including without limitation, costs for planning, environmental review, architectural and engineering plans, legal services, and other costs associated with preparation of studies for Developer's planned project.
9. **Assignment.** This Agreement is not assignable by either Party in whole or in part without the prior written consent of the other Party.
10. **Applicable Law; Venue.** This Agreement shall be construed in accordance with the law of the State of California, and venue for any action under this Agreement shall be in Sacramento County, California.
11. **Compliance with Laws.** Both Parties shall comply with all applicable federal, state, and local laws, regulations, and requirements in performing their respective obligations under this Agreement.
12. **Counterparts.** The Parties may sign this Agreement in counterparts, each of which is considered an original, but all of which constitute the same agreement. Pdfs and photocopies of signature pages have the same binding effect as originals. The Parties agree this document may be executed with electronic signatures.
13. **Authority.** The persons signing this Agreement represent and warrant that they are fully authorized to sign this Agreement on behalf of their respective Party and to bind their respective Party to the performance of its obligations hereunder.

[Signature Page Follows]

Executed as of the Effective Date stated above.

**SACRAMENTO CITY REDEVELOPMENT
AGENCY SUCCESSOR AGENCY**

VRILAKAS GROEN ARCHITECTS

By: _____
Maraskeshia S. Smith
City Manager

By: *Ron Vrilakas*
Ron Vrilakas (Jun 15, 2026 15:54:38 PDT)
Name: Ron Vrilakas
Title: President, Vrilakas Groen Architects

Approved as to form:

By: *RM*
Ryan Meyerhoff (Jun 15, 2026 16:10:16 PDT)
Senior Deputy City Attorney

Attest:

By: _____
Assistant City Clerk