

**PLACER COUNTY**  
**REDEVELOPMENT AGENCY**

**MEMORANDUM**

**TO:** Honorable Members of the Redevelopment Agency Board  
**FROM:** Richard Colwell, Chief Assistant CEO-Redevelopment Director  
Rae James, Deputy Director *Richard Colwell*  
**DATE:** August 7, 2007  
**SUBJECT:** Adopt a Resolution to Re-Commit Up To \$1,000,000 In North Lake Tahoe Redevelopment Project Area Housing Funds For An Affordable Senior Rental Housing Development near Tahoe City and Authorize the Chief Assistant CEO-Redevelopment Director or Designee To Sign All Related Documents Subject To Review by Agency Counsel.

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**ACTION REQUESTED:** Adopt a resolution to re-commit up to \$1,000,000 in North Lake Tahoe Redevelopment Project Area Housing Funds for an affordable senior rental housing development near Tahoe City and authorize the Chief Assistant CEO-Redevelopment Director or designee to sign all related documents subject to review by Agency Counsel.

**BACKGROUND:** In January 2005, the Board of Supervisors approved the environmental documents and related entitlements for the Highlands Village development. The approved planned development (Development) consists of up to 78 units of affordable senior multi-family housing, 50 market-rate town homes, and a small-scale commercial development located in the Dollar Hill area, near Tahoe City. In December 2006, the County Planning Commission approved an option to reduce the number of affordable units from 78 units to approximately 42. The developer and property owner proposed the reduction due to limited funding resources and market studies.

This request is to renew a commitment of up to \$1,000,000 in North Lake housing set-aside funds which was previously authorized by your Board in August 2005 and again in July 2006. These previous commitments have since expired. In a separate report on this Board agenda, the County seeks its Board approval to apply for up to \$4,000,000 in State of California Department of Housing and Community Development Federal HOME (HOME) funds for the Development. In order to be competitive with the HOME funding application, HOME procedures require that your Board provide an updated resolution for the \$1,000,000 loan commitment and specify the terms of the loan.

The financing terms for the \$1,000,000 loan commitment are as follows:

Interest Rate:	3% simple interest amortized over 30 years
Repayment Terms:	Annual Residual Receipts Payment
Security:	Deed of Trust due in 30 years
Affordability Restriction:	55 year, long term affordability covenant
Number of Affordable Units:	42
Affordability Levels:	Low Income

The loan commitment terms are consistent with Agency loan guideline procedures and policies. This loan commitment is contingent upon the Development receiving other funding commitments which include HOME funds and Federal Low Income Housing Tax Credits.

The project financing package contains both public and private financing. The site is owned by Highlands Village Partnership, whose principal is Randall Nahas. The Partnership has entered into an option to purchase the site for \$1 by W.R. Spann, LLC. W.R. Spann, LLC and Roope, LLC have formed a separate, limited partnership, known as Dollar Hill Pacific Associates, LP which will develop the site with a future, non-profit limited partner. William Spann and Caleb Roope are both principles of Pacific West Communities (PWC) and experienced developers of affordable housing in mountain communities. PWC recently completed an affordable housing complex in Truckee and has started another.

The site is just outside the boundaries of the North Lake Tahoe Redevelopment Project Area. Section 33334.2 of California Redevelopment Law provides that the Agency may use housing funds outside of a project area if it finds the expenditure to be of benefit to the Project Area. As the Placer County portion of the Lake Tahoe Basin has no affordable housing with long-term covenants, the attached resolution has the finding.

**ENVIRONMENTAL STATUS:** In January 2005, the Placer County Board of Supervisors approved the environmental documents for the Highlands Village development.

**FISCAL IMPACT:** Total Project cost is estimated at \$12,000,000. The Developer will leverage the \$4,000,000 in HOME funds with several different private and public funding sources including 4% tax credits, deferred developer fees, and donated land. The Agency has designated sufficient North Lake Tahoe housing set-aside funds in its 2007-2008 budget for this loan. There is no impact to the County's general fund.

**RECOMMENDATION:** Adopt a resolution to re-commit up to \$1,000,000 in North Lake Tahoe Redevelopment Project Area Housing Funds for an affordable senior rental housing development near Tahoe City and authorize the Chief Assistant CEO-Redevelopment Director or designee to sign all related documents subject to review by Agency Counsel.

Attachment: Resolution

cc: Karin Schwab, Agency Counsel

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**Before the Placer County  
Redevelopment Agency Board of Directors  
State of California**

**In the matter of:**

**Adopt a resolution to re-commit up to \$1,000,000 in North Lake Tahoe Redevelopment Project Area Housing Funds for an affordable senior rental housing development near Tahoe City and authorize the Chief Assistant CEO-Redevelopment Director or designee to sign all related documents subject to review by Agency Counsel.**

**Resol. No:**.....

**Ord. No:**.....

**First Reading:**.....

**The following Resolution was duly passed by the Redevelopment Agency Board of Directors**

**of the County of Placer at a regular meeting held August 7, 2007,**

**by the following vote on roll call:**

**Ayes:**

**Noes:**

**Absent:**

**Signed and approved by me after its passage.**

**Attest:  
Clerk of said Board**

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**Chair, Redevelopment Agency Board**

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**WHEREAS, the Redevelopment Plan for the North Lake Tahoe Redevelopment Project Area (Project Area) was adopted by the Placer County Board of Supervisors on July 16, 1996 by Ordinance No. 4753-B and as subsequently amendment from time to time; and**

WHEREAS, Section 33334.2 requires that not less than twenty percent (20%) of all taxes that are allocated to the Redevelopment Agency (Agency) from the Project Area be used by the Agency for the purposes of increasing, improving, and preserving the community's supply of very low, low, and moderate income housing available to persons and families that are very low, low, or moderate income households; and

WHEREAS, the Agency received a request for financial assistance from W.R. Spann, LLC and Dollar Hill Pacific Associates, LP (Developer) for the Highlands Village development (Project) which shall provide for approximately 42 units of senior housing affordable to low income seniors with household income no more than 40% to 60% of the Area Median Income ; and

WHEREAS, the Project is located in Dollar Hill, just outside the boundary of the Project Area; and

WHEREAS, Section 33334.2 of the Law provides that the Agency may use its housing funds outside of a project area if a finding is made by the Agency Board that such use will be of benefit to the Project Area; and

WHEREAS, the Project is consistent with the North Lake Tahoe Five Year Implementation Plan and of benefit to the Project Area as no affordable senior rental housing exists in Project Area or its adjacent communities; and

WHEREAS, loan documents will be recorded on the property with the following terms: Interest Rate, 3% simple interest amortized over 30 years; Repayment Terms, Annual Residual Receipts Payment; Security, Deed of Trust due in 30 years; Affordability Restriction, 55 years; Number of Affordable Units, approximately 42; Affordability Levels, Very Low and Low Income; and

WHEREAS, these funds are locally generated and are not state or federal subventions; and

WHEREAS, Placer County will submit a 2007 HOME Investment Partnership Project Application for approximately 42 units of affordable senior rental housing; and

WHEREAS, The California Department of Housing and Community Development (Department) is authorized to allocate HOME Investment Partnerships Program (HOME) funds made available from the U.S. Department of Housing and Urban Development (HUD). HOME funds are to be used for the purposes set forth in Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, in federal implementing regulations set forth in Title 24 of the Code of Federal Regulations, part 92, and in title 25 of the California Code of Regulations commencing with section 8200.

NOW, THEREFORE, BE IT RESOLVED by the Agency Board that all the evidence presented has been duly considered, the findings, including environmental findings regarding this action as stated in the staff report that accompanies this resolution, are approved.

BE IT FURTHER RESOLVED, that the Agency Board of Directors hereby re-commits up to \$1,000,000 from North Lake Tahoe tax increment housing funds budgeted in its 2007-2008 budget for the development of affordable senior rental housing in the Highlands Village development near Tahoe City; and

BE IT FURTHER RESOLVED that the Board of Supervisors of the County of Placer, authorizes the Chief Assistant CEO-Redevelopment Director or his designee to execute in the name of the Redevelopment Agency of the County of Placer all related documents subject to review by Agency Counsel,

BE IT FURTHER RESOLVED, that this resolution shall become effective immediately upon adoption.

