

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

**MEMORANDUM**

**TO:** Honorable Members of the Redevelopment Agency Board  
**FROM:** Richard Colwell, Chief Assistant CEO–Redevelopment Director *REC Colwell*  
James LoBue, Deputy Director  
**DATE:** February 26, 2008  
**SUBJECT:** Adopt a Resolution and Approve Findings (1) Approving the Assignment and Assumption of Real Property Purchase and Sale Agreements for the Real Property located at 325, 348, and 385 Deer Street, Kings Beach, 265 Fox Street, Kings Beach, and 200 Chipmunk Street, Kings Beach; (2) Authorizing the Purchase of 325, 348, and 385 Deer Street, Kings Beach for \$1,400,000; 265 Fox Street, Kings Beach for \$880,000; and 200 Chipmunk Street, Kings Beach for \$1,690,000; Plus Related Escrow Costs in an Amount not to exceed \$25,000; (3) Approving a Revision to the Redevelopment Agency FY 2007-08 Budget in the Amount of \$3,995,000; and (4) Authorizing the Chief Assistant CEO–Redevelopment Director or Designee to Sign all Assignment and Assumption Agreements and any Documents Related to the Aforementioned Real Property Transactions.

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**ACTION REQUESTED**

Adopt a resolution and approve findings (1) approving the assignment and assumption of Real Property Purchase and Sale Agreements for the real property located at 325, 348, and 385 Deer Street, Kings Beach, 265 Fox Street, Kings Beach, and 200 Chipmunk Street, Kings Beach; (2) authorizing the purchase of 325, 348, and 385 Deer Street, Kings Beach for \$1,400,000; 265 Fox Street, Kings Beach for \$880,000; and 200 Chipmunk Street, Kings Beach for \$1,690,000; plus related escrow costs in an amount not to exceed \$25,000; (3) approving a revision to the Redevelopment Agency FY 2007-08 Budget in the amount of \$3,995,000; and (4) authorizing the Chief Assistant CEO–Redevelopment Director or designee to sign all assignment and assumption agreements and any documents related to the aforementioned real property transactions.

**BACKGROUND**

On July 23, 2007, your Board authorized the Redevelopment Agency (Agency) to enter into an Exclusive Negotiating Rights Agreement with Domus Development, LLC, a California limited liability company (Domus), to pursue affordable housing development projects. Domus has contractual rights to purchase the property at 325, 348, and 385 Deer Street, 265 Fox Street, and 200 Chipmunk Street all in Kings Beach. The Deer and Fox Street properties are owned by Nancy Hurtado and Tracy Ellen Hurtado Amaro. The Chipmunk Street property is owned by Peter J. and Elizabeth R. Gifford (see Attachment: Map).

The Agency desires to be assigned the contractual rights from Domus to purchase these properties. The Assignment and Assumption agreements are attached hereto. If approved for execution these agreements would result in Domus assigning to the Agency all of Domus' right, title and interest under the Purchase and Sale Agreements for the aforementioned real property. The Agency has conducted extensive due diligence and is satisfied that purchase of the subject properties meet redevelopment goals and objectives for the area. The negotiated purchase price is supported by current formal appraisals of the properties. The sites have a combined total of 37 units currently being used as rental housing. It is requested that the land purchase be approved and added to the Agency's Master Fixed Asset List. It is proposed that the properties be acquired using the attached purchase agreements.

After acquisition, the property management agreement with Domus Management Company, LLC (Domus Management) that is included as a separate item on this Agenda, will become effective and will require Domus Management to provide property management and to maintain the existing housing on the sites. Rents will be restricted at an affordable level. In accordance with California Community Redevelopment Law, when the property is ready for development and suitable replacement housing is available to relocate the current residents, the existing units will be vacated and demolished. Domus Management will be required to comply with Redevelopment relocation laws. Also included in a separate item before the Agency Board is the proposed option agreement with Domus for the construction of new and replacement housing units on these sites. By this agreement, the Agency would hold the sites exclusively for Domus for a specified time period. If Domus fails to meet the requirements to make the properties ready for development within the specified time period, the Agency could then make them available for other development opportunities.

California Redevelopment Law (Health and Safety Code Section 33445) requires that your Board make certain findings for the purchase of land. First, a finding must be made that the purchase of land is of benefit to the project area or the immediate neighborhood in which the redevelopment project is located. Staff has concluded that the purchase of the land will facilitate the removal of blighting influences and engage cleanup activities on sites to remove impediments to development. Second, a finding must be made that there are no other reasonable means of financing the acquisition. Staff has determined that there are no other sources of funding available at this time to facilitate site acquisition. Finally, a finding must be made that acquisition of the sites will assist in the elimination of one or more blighting conditions inside the project area and is consistent with the project area implementation plan adopted pursuant to Health and Safety Code Section 33490. Staff has determined that the site acquisitions will help remove adverse conditions and demolish old and outdated structures to facilitate new development opportunities in the Redevelopment Plan for the North Tahoe Redevelopment Project area.

#### **ASSIGNMENT AND ASSUMPTION KEY ELEMENTS**

- **Assignment:** Domus, as the Assignor will assign to the Agency, as the Assignee, all of Assignor's right, title and interest under the Purchase and Sale Agreements.
- **Price:** The prices included in each Assignment have been established based on current appraisals.

- **Indemnification:** Domus agrees to indemnify, defend and hold the Agency harmless from and against any and all losses, etc. arising in any manner in connection with the failure of any of Domus' representations or warranties set forth in the Assignment Agreement(s) to be true and correct. These indemnification provisions are drafted to survive the close of escrow for the sale of the real property herein identified.

### ACQUISITION KEY ELEMENTS

- **Price:** The total price for all parcels is \$3,970,000 plus up to \$25,000 for escrow closing costs. The Agency is accepting the property in an "As-Is" condition. The sites contain land coverage, commercial floor area, and development rights which are marketable commodities and may be held by the Agency for future development opportunities. The appraised value of the sites is \$3,970,000.
- **Environmental:** A Phase I study was conducted on each of the sites and they were found to be free from any environmental contaminants.
- **Due Diligence:** Staff has secured preliminary title reports. The Agency will obtain CLTA title insurance policies prior to closing. Full appraisals were conducted on the properties, along with a property inspection to identify any health and safety issues in the residential units.
- **Operational & Maintenance Expenses:** Upon acquisition, the Agency will incorporate the sites into its fixed asset list. Under the separate property management agreement Domus Management Company, LLC will be responsible for property management and maintenance of the sites. In addition, Domus Management Company, LLC will be responsible for conducting any necessary repairs.

### FISCAL IMPACT

The action will require a budget revision in the amount of \$3,995,000 to the Agency's FY 2007-08 Budget (see Attachment: Budget Revision). There will be no cost to the County General Fund; however, the properties will be removed from the County's tax roll.

### ENVIRONMENTAL STATUS

Property acquisition in furtherance of the project area implementation plan is exempt from environmental review per California Environmental Quality Act Guidelines, Section 15180. In addition, the proposed action to acquire land does not commit the Agency to a definite course of action. The proposed action is not a federal undertaking under National Environmental Policy Act guidelines.

### RECOMMENDATIONS

Adopt a resolution and approve findings (1) approving the assignment and assumption of Real Property Purchase and Sale Agreements for the real property located at 325, 348, and 385 Deer Street, Kings Beach, 265 Fox Street, Kings Beach, and 200 Chipmunk Street, Kings Beach; (2) authorizing the purchase of 325, 348, and 385 Deer Street, Kings Beach for \$1,400,000; 265 Fox Street, Kings Beach for \$880,000; and 200 Chipmunk Street, Kings Beach for \$1,690,000; plus related escrow costs in an amount not to exceed \$25,000; (3) approving a revision to the

Redevelopment Agency FY 2007-08 Budget in the amount of \$3,995,000; and (4) authorizing the Chief Assistant CEO–Redevelopment Director or designee to sign all assignment and assumption agreements and any documents related to the aforementioned real property transactions.

Attachments: Resolution  
Map  
Property Photos  
Budget Revision  
Purchase Agreements  
Assignment and Assumption Agreements

CONTRACT/AGREEMENT  
FOR REVIEW ONLY AT  
THE CLERK OF THE BOARD

cc: Karin Schwab, Agency Counsel

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

In the matter of:

Approving findings (1) approving the assignment and assumption of Real Property Purchase and Sale Agreements for the real property located at 325, 348, and 385 Deer Street, Kings Beach, 265 Fox Street, Kings Beach, and 200 Chipmunk Street, Kings Beach; (2) authorizing the purchase of 325, 348, and 385 Deer Street, Kings Beach for \$1,400,000; 265 Fox Street, Kings Beach for \$880,000; and 200 Chipmunk Street, Kings Beach for \$1,690,000; plus related escrow costs in an amount not to exceed \$25,000; (3) approving a revision to the Redevelopment Agency FY 2007-08 Budget in the amount of \$3,995,000; and (4) authorizing the Chief Assistant CEO-Redevelopment Director or designee to sign all assignment and assumption agreements and any documents related to the aforementioned real property transactions.

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 \_\_\_\_\_, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:  
Clerk of said Board

\_\_\_\_\_  
Chair, Redevelopment Agency Board

\_\_\_\_\_

\_\_\_\_\_

WHEREAS, by Ordinance No. 4753-B adopted on July 16, 1996, the Board of Supervisors of the County of Placer has adopted the Redevelopment Plan for the North Lake Tahoe Project Area (Project Area); and

WHEREAS, the Redevelopment Agency of the County of Placer (Agency) is vested with responsibility pursuant to the Community Redevelopment Law (Part I of Division 24 of the Health and Safety Code of the State of California) (Law) to implement the Redevelopment Plan in the Project Area; and

WHEREAS, the Agency intends to purchase that certain real property within the Project Area identified as 325, 348, and 385 Deer Street, Kings Beach, 265 Fox Street, Kings Beach, and 200 Chipmunk Street, Kings Beach (Property) to facilitate site assemblage for new development opportunities; and

NOW, THEREFORE, BE IT RESOLVED THAT, based on information presented to the Agency and in compliance with the requirements of Section 33445 of the Law, the Agency finds and determines as follows:

1. All of the above recitals are true and correct, and the Agency has based the findings and actions set forth in this Resolution, in part, on such recitals.

2. The Agency Board hereby finds and determines that (a) Agency assistance for acquisition of the Property for site assemblage will be of benefit to the Project Area; (b) no other reasonable means of financing the acquisition of the Property are available to the community; and (c) the payment of Agency funds for the acquisition of the property (i) will assist in the elimination of one or more blighting conditions in the Project Area and (ii) is consistent with the Implementation Plan adopted by the Agency pursuant to Section 33490 of the Law.

3. The Agency Board finds (a) the purchase of the land will facilitate the removal of blighting influences and engage cleanup activities on the Property to remove impediments to development; (b) there are no other sources of funding available at this time to facilitate site acquisition, and (c) the Property acquisitions will help remove adverse conditions and demolish old and outdated structures to facilitate new development opportunities in the Redevelopment Plan for the North Tahoe Redevelopment Project area and acquisition is consistent with the project area implementation plan adopted pursuant to Health and Safety Code Section 33490.

4. The Agency Board approves the Assignment and Assumption of Real Property Purchase and Sale Agreements for the real property located at 325, 348, and 385 Deer Street, Kings Beach, 265 Fox Street, Kings Beach, and 200 Chipmunk Street, Kings Beach ("Property").

5. The Agency Board authorizes the purchase of the Property by the Agency in the amount of \$3,970,000 plus related escrow costs not to exceed \$25,000 and authorizes amendment of the Agency's master fixed asset list to include the Property.

6. The Agency Board hereby authorizes the Chief Assistant CEO-Redevlopment Director or designee to execute the Assignment and Assumption Agreements, the Purchase and Sale Agreements and Joint Escrow Instructions and all related escrow documents pursuant to the Purchase and Sale Agreements and Joint Escrow Instructions, and to take such actions and execute such other documents as are appropriate to effectuate the intent of this Resolution.

7. This Resolution shall take immediate effect from and after its passage and approval.

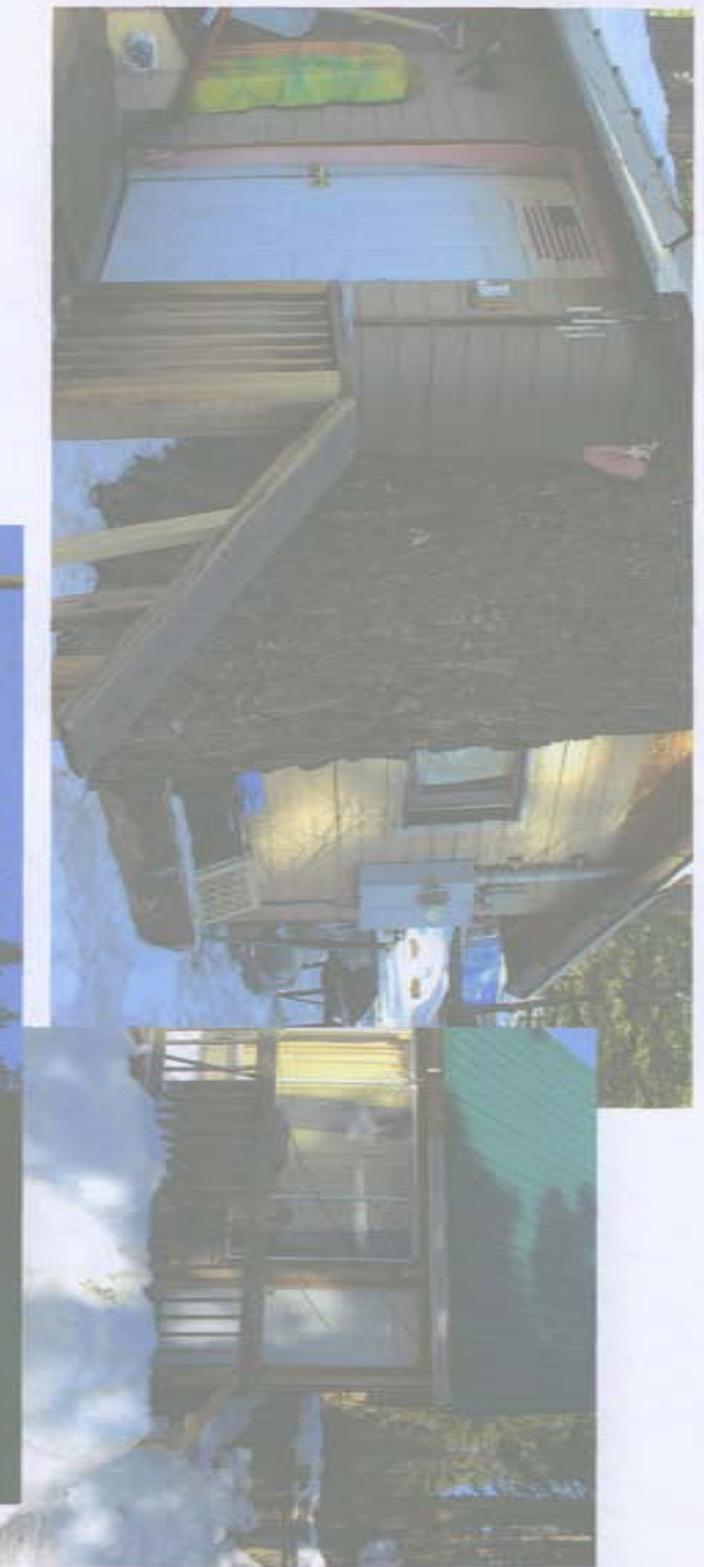


ATTACHMENT

**Kings Beach  
Hurtado / Gifford Properties**

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**200 Chipmunk Street  
Kings Beach, California  
10 units**



# 325, 348, 385 Deer Street Property 20 units



View from Deer to the site



View from the corner of Rainbow and Deer

# 265 Fox Street 7 units



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PAS DOCUMENT NO.

**BUDGET REVISION**

**POST DATE:**

DEPT NO.	DOC TYPE	Total \$ Amount	TOTAL LINES
85	BR	6,022,304.00	7

Cash Transfer Required

Reserve Cancellation Required Fund 504/500 OCA 995045  
PCA BONDS GL 2420/531000 \$2,969,232

Establish Reserve Required

Auditor-Controller

County Executive

Board of Supervisors

**ESTIMATED REVENUE ADJUSTMENT**

**APPROPRIATION ADJUSTMENT**

DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT
85	006		504	500	995045	BONDS	8780			500,768.00
<b>TOTAL</b>										500,768.00

DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT
85	014		504	500	995045	BONDS	4001			3,995,000.00
85	015		504	500	995045	BONDS	3761			525,000.00
85	015		504	100	995041	NOTAH	4001			348,668.00
85	014		504	100	995041	NOTAH	3780			348,668.00
85	015		505	100	995051	NOTAH	2555			152,100.00
85	014		505	100	995051	NOTAH	3780			152,100.00
<b>TOTAL</b>										5,521,536.00

REASON FOR REVISION: The Agency is entering into an agreement to purchase 5 parcels located in Kings Beach for the development of affordable housing.

This land is not budgeted in FY07/08. The Agency must cancel reserves from Fund 505/500 GL 2420/531000 in the amount of \$2,969,232 to fund the purchase.

Prepared by Coree Roeder Ext 3161

Department Head \_\_\_\_\_

Date: 1/25/08

Board of Supervisors \_\_\_\_\_

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Budget Revision # 08-03 FOR INDIVIDUAL DEPT USE

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