

# PLACER COUNTY

## COMMUNITY DEVELOPMENT GRANTS AND LOANS

### MEMORANDUM

**TO:** Honorable Board of Supervisors  
**FROM:** Richard Colwell, Chief Assistant CEO *R. E. Colwell*  
**DATE:** August 4, 2009  
**SUBJECT:** Adopt a Resolution Authorizing Submittal of an Application for up to \$2,100,000 to the California State Department of Housing and Community Development for Funding Under the 2009 HOME Investment Partnerships Program and, if Awarded, Authorizing the Execution of a Standard Agreement, any Amendments thereto, and any Related Documents Necessary to Participate in the HOME Program.

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**ACTION REQUESTED:** Adopt a resolution authorizing submittal of an application for up to \$2,100,000 to the California State Department of Housing and Community Development for funding under the 2009 HOME Investment Partnerships Program (HOME) Program and, if awarded, authorizing the execution of a standard agreement, any amendments thereto, and any related documents necessary to participate in the HOME Program.

**BACKGROUND:** A Notice of Funding Availability (NOFA) was issued on June 1, 2009 by the HOME Program. Placer County is eligible to apply to the State of California, Department of Housing and Community Development for Federal HOME funds of up to \$4,100,000 to assist in the construction of replacement affordable multi-family rental housing units at 325, 348, and 385 Deer Street in Kings Beach. Applications are due by August 14, 2009.

The Placer County Redevelopment Agency (Agency) has entered into multiple agreements with Domus Development with the goal of providing affordable housing in Kings Beach. The master development, Kings Beach Housing Now, when fully complete will provide 36 replacement units and 41 additional new, affordable multi-family rental housing units.

This request is to submit a funding application to the HOME Program for the first phase of the Kings Beach Housing Now project, Deer Street. The Redevelopment Agency currently owns the occupied Deer Street property which consists of 20 former motel units that the Agency has restricted as low-income rental housing units. Current residents in the Deer property will be relocated with relocation assistance as prescribed by law. The existing units have exceeded their useful lifespan and are undersized and inadequately equipped to serve as residential units. The Agency will demolish and replace the existing units with 18 new larger units designed for residential use, comprised of 6 one-bedroom and 12 three-bedroom units. The income range of households eligible for these housing units will be 30% to 60% of area median income. One-bedroom rents are estimated at \$347-\$757 per month and three-bedroom rents at \$475-\$1,043 per

month. Professional property management will be hired to screen tenants, enforce rules, and keep the complex clean and safe.

Total cost of the Deer project is estimated at \$8,494,530. The Developer will leverage the \$2,100,000 in HOME funds with a variety of private and public funding sources. At a later time, the Agency will follow up with a request to the Agency Board to approve a Disposition and Development Agreement between the Agency and Domus Development which will outline the Agency's contribution of the Deer Street property to Domus Development in the form of a residual receipts loan. A fifty-five (55) year affordable housing covenant and related documents will be recorded against the property to secure the loan.

**ENVIRONMENTAL STATUS:** The proposed action does not constitute a project. A Notice of Intent to adopt a Mitigated Negative Declaration for the proposed project has been prepared with a determination of no significant impact, the State Clearinghouse comment period for the document closed on July 1, 2009 and the North Tahoe Design/Site Review Committee recommended approval on July 9, 2009.

**FISCAL IMPACT:** There will be no impact on the County General Fund. HOME funds will be used as a residual receipts loan to the developer to assist in the construction of the project. Total development cost is estimated at \$8,494,530. The developer will use several different private and public funding sources.

**RECOMMENDATION:** Adopt a resolution authorizing submittal of an application for up to \$2,100,000 to the California State Department of Housing and Community Development for funding under the 2009 HOME Program, and, if awarded, authorizing the execution of a standard agreement, any amendments thereto, and any related documents necessary to participate in the HOME Program.

Attachment: Resolution

cc: Karin Schwab, Deputy County Counsel

**Before the Board of Supervisors  
County of Placer, State of California**

**In the matter of:**

**Authorizing submittal of an application for up to \$2,100,000 to the California State Department of Housing and Community Development for funding under the HOME Investment Partnerships Program (HOME), and, if awarded, authorizing the execution of a Standard Agreement, any amendments thereto, and of any related documents necessary to participate in the HOME Program**

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

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

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

**The following Resolution was duly passed by the Board of Supervisors  
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, Board of Supervisors**

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WHEREAS, County of Placer, a political subdivision of State of California, wishes to apply for, and receive, an allocation of funds through the 2009 HOME Investment Partnership Program (HOME) for the Kings Beach Housing Now Project;

WHEREAS, the California Department of Housing and Community Development (Department) is authorized to allocate 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;

WHEREAS, on June 1, 2009, the Department issued a 2009 Notice of Funding Availability (NOFA) announcing the availability of funds under the HOME program; and

WHEREAS, in response to the 2009 NOFA, Placer County wishes to apply to the Department for an amount not to exceed Two Million, One Hundred Thousand Dollars (\$2,100,000), and receive an allocation of, HOME funds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Placer that the County of Placer, in response to the 2009 NOFA, shall submit an application to the Department to participate in the HOME program and for an allocation of funds not to exceed Two Million One Hundred Thousand Dollars (\$2,100,000) for the development of rental new construction to be located in Kings Beach, California.

BE IT FURTHER RESOLVED by the Board of Supervisors of the County of Placer that if the application is successful, the County of Placer hereby agrees to use the HOME funds for eligible activities in the manner presented in the application as approved by the Department and in accordance with the statutes and regulations cited above. The County of Placer may also execute a standard agreement, any amendments thereto, and any and all other documents or instruments necessary or required by the Department or HUD for participation in the HOME program (collectively, the required documents).

BE IT FURTHER RESOLVED that the Board of Supervisors of the County of Placer, authorizes the Housing Programs Coordinator who is the County's NEPA Certifying Officer to execute in the name of the County of Placer all NEPA related environmental documents as required by the Department or HUD.

BE IT FURTHER RESOLVED that the Board of Supervisors of the County of Placer authorizes the Chief Assistant CEO or his designee to execute in the name of the County of Placer, the application, the Standard Agreement, any amendments thereto, and all other documents required by the Department or HUD for participation in the HOME program, and any amendments thereto.