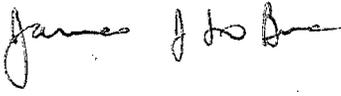


**PLACER COUNTY**  
**REDEVELOPMENT AGENCY**

**MEMORANDUM**

**TO:** Honorable Members of the Redevelopment Agency Board  
**FROM:** Thomas M. Miller, Director  
James LoBue, Deputy Director   
**DATE:** January 25, 2011  
**SUBJECT:** Authorize an Amendment to the Predevelopment Loan Agreement with Quartz Ridge Family Apartments, LP to Increase the Loan to an Amount Not to \$350,000

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**ACTION REQUESTED**

Adopt a resolution authorizing the Redevelopment Director or his designee to execute an amendment to the Predevelopment Loan Agreement and any accompanying documents with Quartz Ridge Family Apartments, LP in an amount not to exceed \$350,000 for the Redevelopment Agency-owned property at 360 Silver Bend Way, in the Bowman area.

**BACKGROUND**

The Redevelopment Agency (Agency) has partnered with Quartz Ridge Family Apartments, LP (Developer) to pursue a housing development on Agency-owned property at 360 Silver Bend Way, within the North Auburn Redevelopment Project Area (Site). On July 13, 2010, your Board approved a Predevelopment Loan with Developer in an amount not to exceed \$100,000. The Developer has requested an amendment to increase the predevelopment loan to a total amount not to exceed \$350,000. The additional funding would allow for the development of improvement and architectural plans which will be submitted to the County for building and engineering review. With improvement plans in place, the project readiness scores will be higher on funding applications that the developer and/or Agency plan to apply for in 2011. The completed plans would also enable the Developer to meet implementation deadlines if the Project is awarded funding in 2011.

**Agency Gap Financing & Land Loan**

To continue the predevelopment activities on the Site the Developer has requested that the Agency provide additional predevelopment loan funding in an amount not to exceed \$250,000. The predevelopment loan would be used to pay for architectural and engineering work necessary to prepare the project for improvement plan review by the county. Additional environmental testing and title research has been conducted on the Site utilizing a portion of the funding in the original predevelopment loan.

Agency staff anticipates presenting a Disposition and Development Agreement (DDA) with the Developer to your Board in the future after the financing strategy for a Tax Credit Allocation Committee (TCAC) application has been determined. Based on the current financing proposal, the funding gap identified for this Project is \$2,000,000 and the Agency has allocated \$2,000,000 of Redevelopment Housing Set-Aside and Housing Bond proceeds in its FY 2010-2011 Budget

for this project. Staff proposes to provide \$350,000 of the \$2,000,000 as a predevelopment loan. The \$2,000,000 would be included in the DDA as a residual receipts loan to the Developer. The loan will be secured by a deed of trust and regulatory agreement on the property. If the Developer fulfills their commitment to submit multiple funding applications to obtain financing, yet the project is still not financed after TCAC funding rounds in 2013, the \$350,000 Predevelopment Loan may be forgiven. However, in this event, the Agency would retain ownership to the environmental testing documentation, title research, architectural, and engineering documents, which would increase the value and future marketability of the property and its subsequent development.

### **FISCAL IMPACT**

The proposed additional \$250,000 for the Predevelopment Loan is available from budgeted North Auburn Redevelopment Project Area Housing Set-Aside funds and Redevelopment Housing Bond proceeds. There will be no impact to the County General Fund.

### **ENVIRONMENTAL REVIEW**

The actions requested in this item are activities taken in furtherance of the Redevelopment Plan for the North Auburn Redevelopment Project Area, for which an environmental impact report was prepared and certified pursuant to the California Environmental Quality Act (CEQA). Therefore, no further environmental review is required for these actions (CEQA Guidelines Section 15180).

In addition, the development project has undergone all environmental review required by the County and is in compliance with CEQA. An addendum to the subsequent mitigated negative declaration was prepared for this project by the County pursuant to CEQA and was certified as document PMUP 20100029 by the Planning Commission on May 13, 2010.

Attachments: Resolution  
Amended Predevelopment Loan Agreement

cc: Karin Schwab, Agency Counsel

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

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

In the matter of:

Authorization for the Redevelopment Director or his designee to execute an Amendment to the Predevelopment Loan Agreement and any accompanying documents with Quartz Ridge Family Apartments, LP to increase the loan to an amount not to exceed \$350,000 for the Agency-owned property at 360 Silver Bend Way, in the Bowman area

Resol. No:.....

Ord. No:.....

First Reading: .....

The following Resolution was duly passed by the Redevelopment Agency Board 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, Agency Board

WHEREAS, the Placer County Redevelopment Agency (Agency) is a redevelopment agency formed, existing, and exercising its powers pursuant to California Community Redevelopment Law, Health and Safety Code (HSC) Section 33000 *et seq.*;

WHEREAS, by Ordinance No. 4832-B, adopted on June 24, 1997, the Placer County Board of Supervisors (Board of Supervisors) established the North Auburn Redevelopment Project Area (Project Area) and adopted the Redevelopment Plan for the Project Area (as subsequently amended, the Redevelopment Plan);

WHEREAS, pursuant to an Exclusive Negotiating Rights Agreement by and between the Agency and USA Properties Fund, Inc., a California corporation, dated November 17, 2009, and

subsequently amended, Agency staff is negotiating the terms and conditions under which Quartz Ridge Family Apartments, L.P., a California limited partnership formed by USA Properties Fund, Inc. (Developer), would acquire the following real property from the Agency: 360 Silver Bend Way, (the Property) APN: 054-171-031, 054-171-032, 054-171-035, 054-171-036, 054-171-037, and 054-171-038 for development of affordable, multi-family housing;

WHEREAS, the Agency has prepared an amendment to the Predevelopment Loan Agreement with Developer to increase the total loan amount in order to provide additional funding for the planning, design, and implementation of the Quartz Ridge Housing Project;

WHEREAS, the Developer has demonstrated good faith progress towards completion of the task identified in the Predevelopment Loan Agreement and will be required to demonstrate the same pursuant to the additional performance benchmarks identified in the proposed amendment; and

WHEREAS, the actions requested in this item are activities taken in furtherance of the Redevelopment Plan for the Project Area, for which an environmental impact report was prepared and certified pursuant to the California Environmental Quality Act (CEQA) and, therefore, no further environmental review is required for these actions (CEQA Guidelines Section 15180).

NOW, THEREFORE, BE IT RESOLVED, that the Agency Board authorizes the Redevelopment Director or his designee to execute an amendment to the Predevelopment Loan Agreement and any accompanying documents to increase the loan to an amount not to exceed \$350,000 with Quartz Ridge Family Apartments, LP, a California limited partnership.