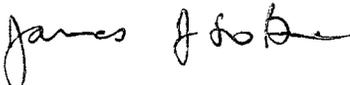


PLACER COUNTY
REDEVELOPMENT AGENCY

MEMORANDUM

TO: Honorable Members of the Redevelopment Agency Board
FROM: Thomas M. Miller, Director
James LoBue, Deputy Director 
DATE: January 25, 2011
SUBJECT: Amendment to the Disposition, Development, and Loan Agreement with Kings Beach Housing Associates to Authorize Use of Reimbursed Funds from the Infill Infrastructure Grant Program for the Kings Beach Scattered Sites Housing Project

ACTION REQUESTED: Adopt a resolution authorizing the Redevelopment Agency Director or designee to execute an Amendment to the Disposition, Development, and Loan Agreement with Kings Beach Housing Associates to authorize use of reimbursed funds from the Infill Infrastructure Grant Program for the Kings Beach Scattered Sites Housing Project.

BACKGROUND: On March 16, 2010, your Board authorized the execution of a Disposition, Development, and Loan Agreement (DDA) with Kings Beach Housing Associates (KBHA), which provided for the Redevelopment Agency (Agency) transfer of land and contribution of Agency funds to KBHA for development of the Kings Beach Scattered Sites Housing Project. The project has since received all necessary development approvals and has begun construction of two of the five project sites in Kings Beach. In addition to the Agency's land and funding contributions, valued in total at \$7,918,300, a number of other public and private funding sources have been committed for the project. Included among them is a \$3,314,400 Infill Infrastructure Grant (IIG) program allocation provided through the California Department of Housing and Community Development (HCD). The Agency and KBHA have entered into multiple agreements with HCD to authorize and regulate the use of the IIG funds.

The primary source of funding for the project construction is a \$14,760,000 loan obtained by KBHA from Wells Fargo Bank. In their negotiation of the loan agreement for this funding, KBHA and Wells Fargo Bank agreed that a portion of the IIG funding would be disbursed for the project prior to the bulk of the Wells Fargo Bank loan funds being made available for project costs. In order to accommodate this arrangement, it is proposed that KBHA and the Agency submit to HCD a draw request that would reimburse the Agency for funds already paid by the Agency to KBHA for previous project expenditures. The Agency and KBHA are mutually desirous that the IIG funds reimbursed to the Agency be applied to new project expenses. However, the DDA does not address the issue of recycling Agency funding reimbursements and this DDA Amendment is proposed to specifically authorize the use of those IIG reimbursement funds to pay for new project expenses.

ENVIRONMENTAL STATUS: This administrative action does not constitute a project and is exempt from the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15178 (b) (5). Mitigated Negative Declarations were previously prepared for the development proposals of four of the five project sites and an exemption finding was prepared for the one

other site. The environmental reviews have all been approved by the County and the notices of determination filed with the State.

FISCAL IMPACT: The proposed action would authorize the Agency to receive IIG funds, paid to the Agency as reimbursement for previous Agency payments for the Kings Beach Scattered Sites Housing Project, and use the funds to pay for new expenses incurred for the project. The total amount of Agency funding commitment to the project remains the same. There is no impact on the County General Fund.

Attachment: Resolution
DDA Amendment

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
County of Placer, State of California**

In the matter of:

Authorizing the Redevelopment Agency Director or designee to execute an Amendment to the Disposition, Development and Loan Agreement with Kings Beach Housing Associates to authorize use of reimbursed funds from the Infill Infrastructure Grant program for the Kings Beach Scattered Sites Housing Project

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 Section 33000 *et seq*;

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

WHEREAS, on March 16, 2010, the Agency approved a Disposition, Development, and Loan Agreement (DDA) with Kings Beach Housing Associates (KBHA) for the development of the Kings Beach Scattered Sites Housing Project (Project);

WHEREAS, the Agency and KBHA were granted \$3,314,400 in Infill Infrastructure Funds by the California Department of Housing and Community Development for the Project; and,

WHEREAS, the Agency and KBHA are mutually desirous of amending the DDA to authorize the Agency to receive IIG funds as reimbursement for previous payments for the Project and use the funds received to pay for new costs of the Project.

NOW, THEREFORE, BE IT RESOLVED, that the Agency authorizes the Agency Director or designee to execute an amendment to the Disposition, Development and Loan Agreement with Kings Beach Housing Associates to authorize the use of reimbursed Infill Infrastructure Grant program funds for the Kings Beach Scattered Sites Housing Project.