

**PLACER COUNTY**  
**SUCCESSOR AGENCY**  
**MEMORANDUM**

**TO:** Honorable Placer County Successor Agency  
**FROM:** Michael J. Johnson, Community Development Resource Agency, Director  
Allison Carlos, Successor Agency Official, Designee  
**DATE:** October 22, 2013  
**SUBJECT:** Housing Successor Entity and Successor Agency Request to Extend  
Disposition and Development Agreement for Quartz Ridge Family  
Housing

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**ACTION REQUESTED:**

Adopt a resolution approving the extension of the Disposition and Development Agreement for Quartz Ridge Family Housing for an additional two years as contemplated by the original agreement, and authorize submission to the Placer County Oversight Board for approval.

**BACKGROUND:**

The Placer County Community Development / Resource Agency (CDRA) is Placer County's Housing Successor Entity for the Dissolved Redevelopment Agency. The former Placer County Redevelopment Agency entered into a Disposition and Development Agreement with Quartz Ridge Family Apartments, L.P., on February 22, 2011 (the DDA), for the development of the Quartz Ridge Multi-Family Housing project (Project). This Project and the DDA have been identified in the Enforceable Obligation Payment Schedule and Recognized Obligation Payment Schedule and have been approved by the Oversight Board and by the Department of Finance as enforceable obligations. As the Project involves land and financing for an affordable housing development, the Project was identified on the Housing Assets Transfer inventory (HAT) that was submitted to the Department of Finance. On August 29, 2012, the Placer County Successor Agency received a letter from the Department of Finance in which the Department stated that it did not object to any asset transfers identified on the HAT.

The developer of this Project proposes to construct 64 units of affordable housing at 360 Silver Bend Way, Auburn. Once the developer has successfully obtained tax credit financing, the Project will be submitted for building plan check to provide the building permits required to begin construction. The three year initial term of the DDA will expire on February 22, 2014. It is the Housing Successor Entity, the Successor Agency, and the Developer's desire to extend the DDA for an additional two years, as provided for and as contemplated by the DDA, Section 205 – Conditions of Closing and Term of the Agreement. The developer has performed its duties as required in the DDA, but has not yet obtained tax credit financing. Implementing the two-year extension as contemplated by and provided for in the DDA will allow the developer to submit applications to the California Tax Credit Allocation Committee in up to four additional tax credit finance funding rounds.

Extension of the closing date as contemplated by the DDA will permit the development of critically needed affordable and workforce housing, will result in the creation of construction jobs, and will generate additional sales and property tax revenue that will benefit the affected taxing entities. Development of the Project is consistent with the development plan for the North Auburn redevelopment project area, the implementation plans adopted in connection with that plan, and with the County General Plan.

**ENVIRONMENTAL STATUS**

This is an administrative action, does not constitute a project, and is exempt from environmental review per California environmental Quality act Guidelines section 15378(b)(5).

**FISCAL IMPACT**

This action has no fiscal impact as an enforceable obligation and would not result in any additional encumbrance of the Housing Successor Entity, Successor Agency or County General funds.

Attachment: Resolution

**Before the Governing Board of the Placer County  
Successor Agency to the Former  
Redevelopment Agency of the  
County of Placer, State of California**

**In the matter of:**

Reso. No. \_\_\_\_\_

Adopt a resolution approving an extension of  
the Disposition and Development  
Agreement for Quartz Ridge Family Apartments  
and authorize submission to the  
Placer County Oversight Board for approval.

Ord. No. \_\_\_\_\_

First Reading \_\_\_\_\_

**The following Resolution was duly passed by the Governing Board of the Placer County  
Successor Agency , at a regular meeting held \_\_\_\_\_, by the following  
vote on roll call:**

**Ayes:**

**Noes:**

**Absent:**

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

**Attest:**

\_\_\_\_\_  
**Chair, Placer County Successor Agency**

**Clerk of Said Board**

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WHEREAS, on February 20, 2013, the Placer County Oversight Board ("Oversight Board") approved the Recognized Obligations Payment Schedule ("ROPS") for the Placer County Successor Agency ("Successor Agency") for the six month period ending December 31, 2013 ("ROPS 13-14A");

WHEREAS the ROPS 13-14A included funding for the Quartz Ridge Family Housing Project (the "Project") pursuant to a Disposition and Development Agreement (the "DDA") executed with Quartz Ridge Family Apartments, L.P. (the "Developer");

WHEREAS, On August 27, 2013 Oversight Board approved ROPS 13-14B prepared by the Successor Agency for the six-month period beginning January 1, 2014 and ending June 30, 2014 which includes the Project;

WHEREAS, in 2004 the former Placer County Redevelopment Agency ("RDA") began working with a developer for the construction of affordable housing at 360 Silver Bend Way in the North Auburn Project Area (the "Property") as part of the former RDA Five Year Implementation Plan to provide affordable housing in the Project Area;

WHEREAS, in 2008 the original developer for this site defaulted on its housing development loans, the former RDA negotiated with the original developer, and acquired the Property for an initial cost of \$816,164;

WHEREAS, the total development cost of the Project is estimated at \$18.6 million, which, in accordance with the DDA, includes a land loan in the amount of \$1.2 million, which is the fair market value of the Property; a development gap financing loan in the amount of \$2 million, of which \$262,750 in predevelopment funds have already been expended; an anticipated \$12.6 million in equity contributions to be provided by investors who will purchase Federal and State Low Income Housing Tax Credits; and a \$2.6 million conventional first mortgage loan;

WHEREAS, to date the former RDA has expended approximately \$1.7 million on the Project including the funds expended for acquisition of the Property and the predevelopment funds that have been provided, and that pursuant to the DDA would be forgiven if the Project does not proceed;

WHEREAS, California Health and Safety Code Section 34181(e) authorizes oversight boards to direct successor agencies to amend agreements between the former redevelopment agency and private parties in order to increase net revenues to the taxing entities when the oversight board has determined that such amendments are in the best interests of the affected taxing entities;

WHEREAS, amendment of the DDA to extend the closing date as originally contemplated by the DDA will permit the development of critically needed affordable and workforce housing, will result in the creation of construction jobs, and may generate additional tax revenue that will benefit the affected taxing entities;

WHEREAS, development of the Project is consistent with the development plan for the North Auburn redevelopment project area and the implementation plans adopted in connection with such redevelopment plan;

WHEREAS, the proposed action will not result in new or additional financial obligations for the Successor Agency.

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of the Successor Agency to the former Placer County Redevelopment Agency hereby:

1. Finds and determines that an extension of the term of the Disposition and Development Agreement for Quartz Ridge Family Housing for a period of two years to enable the Developer to obtain an allocation of low-income housing tax credits for the Project is in the best interests of the community and the taxing entities because development of the Project will: (a) result in the construction of critically needed affordable and workforce housing that will be of benefit to the employees and clientele of the taxing entities, (b) result in the creation of construction jobs that will result in additional tax revenue for the benefit of the taxing entities, and (c) may generate additional tax revenue that will benefit the affected taxing entities.

2. Finds and determines that both the near-term and long-term financial benefits to the taxing entities that will result from completion of the Project outweigh the short-term gain that may be realized from a termination of the DDA.

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3. Approves an amendment to the DDA to provide for the two-year extension originally contemplated by Section 205 of the DDA so that the term of the DDA will end on February 22, 2016, and approves submission to the Placer County Oversight Board for approval.

