

PLACER COUNTY
REDEVELOPMENT AGENCY
MEMORANDUM

TO: Honorable Members of the Redevelopment Agency Board
FROM: Thomas M. Miller, Director
James LoBue, Deputy Director
DATE: June 21, 2011
SUBJECT: Redevelopment Agency FY 2011-12 Proposed Budget of \$29,212,535

ACTION REQUESTED

Adopt a resolution approving the Redevelopment Agency FY 2011-12 Proposed Budget of \$29,212,535.

BACKGROUND

California law requires that all redevelopment agencies adopt their annual budgets prior to July 1. The proposed budget for the Redevelopment Agency (Agency) for FY 2011-12 totals \$29,212,535. This number includes anticipated revenues coming from annual tax increment, tax allocation bond proceeds, outside grants and loans, interest earnings, and other contributions. Planned expenditures during FY 2011-12 for administration, debt service, and the planning, design, and implementation of multiple projects, and programs totals \$22,993,522. An additional \$6,219,013 is projected to be carried over to the following fiscal year for anticipated future costs. If expenditures during the fiscal year fall short of projections, the carryover reserve will be proportionately larger.

Recognizing the current economic and fiscal conditions in Placer County, the estimated tax increment revenue in the budget is five percent lower than the current fiscal year. It is also understood that the State has been debating proposals for further revenue takings or even the elimination of all redevelopment agencies. However, the State has not taken any action on redevelopment at this time and the Proposed Budget reflects an assumption of no State takings, such as the Supplemental Educational Revenue Augmentation Fund (SERAF) for the coming fiscal year. In FY 2009-2010 the Agency lost \$3,193,331 in SERAF payments and in FY 2010-11 it lost an additional \$656,822.

The Proposed Budget follows a fiscally conservative approach but proposes to continue all currently active projects and programs in the three Redevelopment Project Areas, as well as Countywide housing programs. The attached Summary Work Program describes the individual projects and programs proposed for the North Lake Tahoe, North Auburn, and Sunset Industrial Project Areas. The attached FY 2010-11 Goals and Achievements describes Agency accomplishments for the current year's Work Program.

Highlights of next fiscal year's proposed activities are as follows:

North Auburn Project Area

- Construction of approximately one mile of streetscape improvements along the east side of Highway 49 between New Airport Road and Education Street – sidewalks, infrastructure improvements, landscaping, historical interpretive panels

- Design of streetscape improvements on Bowman Road and Lincoln Way to improve pedestrian, bicycle, and transit access, circulation and safety, add landscaping and other beautification features, and support the local business district and Bowman Elementary School
- Preparation of final building plans for construction of the 64-unit Quartz Ridge Family Apartments in Bowman; the developer has applied for Low Income Housing Federal Tax Credits and, if these are not received in the current funding round, the Agency plans to apply for a HOME grant or other supplemental funding to allow the project to move forward
- Continuation of the Commercial Loan Program to assist local businesses within the Project Area to improve facades and grounds and expand and enhance their operations

Sunset Industrial Project Area

- Planning for future infrastructure improvement projects, which include multiple projects on the Sunset Industrial Area Transportation Capital Improvements Program and may also include flood control, sewer system upgrades, and other public utilities improvements
- Implementation of the Commercial Loan Program to assist local businesses within the Project Area
- Funding and support for various affordable housing programs managed by the Agency for Western Placer County, including the First Time Homebuyer Loan Program, Housing Rehabilitation Assistance Loan Program, and Neighborhood Stabilization Program to acquire bank-owned homes, rehabilitate them, and resell them at affordable rates to low- and moderate-income homebuyers

North Lake Tahoe Project Area

- Continued site cleanup and remediation of the Kings Beach Eastern Gateway and Swiss Mart properties with a plan to solicit competitive proposals for development of both properties once the cleanup is finished
- Design of a small, mixed-use project on the Agency-owned Everett property in Kings Beach, with solicitation of proposals for private parties to develop the project
- Continued support for the Commercial Core Improvement Project, including design and construction of additional public parking lots, traffic calming improvements to neighborhood streets, and water quality improvement projects
- Continued construction of the Kings Beach Scattered Sites Housing Project
- Continued support for planned redevelopment projects, such as the Community Enhancement Program projects in Kings Beach and other commercial and mixed-use development proposals throughout the Project Area
- Construction of the Tahoe Vista Recreation Area expanded parking lot and associated improvements
- Continued implementation of the Commercial Loan Program to assist local businesses in the Project Area

The Proposed Budget identifies funding, staffing, and administrative support to carry out the described activities.

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 15178(b)(5).

FISCAL IMPACT

The Agency's Proposed Budget for FY 2011-12 includes \$29,212,535 from a combination of tax increment, bond proceeds, outside grants and loans, interest earnings, and private contributions. The Agency is financially self-sufficient and there is no fiscal impact to the County General Fund.

Attachment: Resolution
FY 2011-2012 Proposed Budget Summary Table
FY 2011-2012 Summary Work Program
FY 2010-2011 Summary of Goals and Achievements

cc: Karin Schwab, Agency Counsel

FY 2011-2012 Proposed Budget Summary Table
FY 2011-2012 Summary Work Program
FY 2010-2011 Summary of Goals and Achievements

Documents 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:

**Approving the Redevelopment Agency's proposed FY 2011-12
Budget in the amount of \$29,212,535**

Reso. 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, pursuant to Health & Safety Code Section 33606, a proposed budget for FY 2011-12 is submitted to the Redevelopment Agency (Agency) by the Redevelopment Director and is attached as "Proposed Budget Summary";

WHEREAS, Agency staff reviewed the Proposed Budget and recommends its adoption;

WHEREAS, the Agency will incur indebtedness in the form of its obligation to deposit twenty percent of tax increment revenue received during the fiscal year into the low- and moderate-income housing fund in the amount of \$1,830,371;

WHEREAS, the public improvements set forth in the Agency FY 2011-12 Budget are of benefit to the respective redevelopment Project Areas in and near where such improvements will be constructed;

WHEREAS, such improvements will help to alleviate blighting conditions in the applicable Project Areas;

WHEREAS, the payment of the costs of such improvements is consistent with the Agency's adopted Implementation Plans;

WHEREAS, no other reasonable means of financing such improvements are available; and

WHEREAS, pursuant to Health and Safety Code section 33334.2 (g) the use of moneys from the Housing Set-Aside Fund to fund housing projects outside any redevelopment Project Area will be of benefit to the each redevelopment Project Area within the County.

WHEREAS, to the benefit of the Agency, Placer County staff provide valuable program management, planning, and financial management for the Agency in the sum of \$1,847,964; and

WHEREAS, the proposed budget includes the information required by the California Health and Safety Code Section 33606.

NOW, THEREFORE, BE IT RESOLVED:

The Proposed Budget for the Agency for FY 2011-12, as submitted by the Redevelopment Director in the amount of \$29,212,535 is hereby approved.

The Proposed Budget for the Agency for FY 2011-12, contains all of the requirements of the State of California Health and Safety Code Section 33606, including all activities to be financed by the Low- and Moderate-Income Housing Fund established pursuant to Section 33334.3: (a) the proposed expenditures of the agency; (b) the proposed indebtedness to be incurred by the agency; (c) the anticipated revenues of the agency; (d) the work program for the coming year, including goals; and (e) an examination of the previous year's achievements and a comparison of the achievements with the goals of the previous year's work program.

The Agency finds that the planning and administrative costs in the amount of \$446,485 charged to the Low- and Moderate-Income Housing Fund(s) are necessary for the production, improvement or preservation of low- and moderate-income housing, as required by subdivision (d) of section 33334.3 of the State of California Health and Safety Code.

**PLACER COUNTY REDEVELOPMENT AGENCY
FY 2011/12**

PROPOSED BUDGET SUMMARY

| Revenues | N. Tahoe 504-100 | N. Auburn 504-200 | Sunset 504-300 | General 504-400 | CW Hsg Bond 504-500 | Total Housing | N. Tahoe 505-100 | N. Auburn 505-200 | Sunset 505-300 | NT Bond 505-600 | NA Bond 505-700 | Total Capital Projects | FY'11/12 Proposed Budget |
|---|-----------------------------|------------------------------|---------------------------|----------------------------|--------------------------------|--------------------------|-----------------------------|------------------------------|---------------------------|----------------------------|----------------------------|-----------------------------------|-------------------------------------|
| Available Fund Balance (Unreserved/Undesignated) | 617,992 | 13,140 | 283,028 | - | 1,911,041 | 2,825,201 | 144,990 | 198,756 | - | 6,566,225 | 864,903 | 7,774,874 | 10,600,075 |
| Cancel Reserves | 706,746 | 376,119 | - | - | - | 1,082,865 | 1,083,309 | - | 359,973 | 4,042,859 | 108,448 | 5,594,589 | 6,677,454 |
| Tax Increment | 1,224,544 | 286,485 | 319,342 | - | - | 1,830,371 | 3,221,576 | 762,983 | 888,525 | - | - | 4,873,084 | 6,703,455 |
| Long-Term Debt Proceeds | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Revenues | 4,025,671 | - | - | 380,470 | 7,212 | 4,413,353 | 500,000 | - | - | 318,198 | - | 818,198 | 5,231,551 |
| Total FY11/12 Revenue | 5,250,215 | 286,485 | 319,342 | 380,470 | 7,212 | 6,243,724 | 3,721,576 | 762,983 | 888,525 | 318,198 | - | 5,691,282 | 11,935,006 |
| FY11/12 Available Revenues | 6,574,953 | 675,744 | 602,370 | 380,470 | 1,918,253 | 10,151,790 | 4,949,875 | 961,739 | 1,248,498 | 10,927,282 | 973,351 | 19,060,745 | 29,212,535 |
| Expenditures | N. Tahoe 504-100 | N. Auburn 504-200 | Sunset 504-300 | General 504-400 | CW Hsg Bond 504-500 | Total Housing | N. Tahoe 505-100 | N. Auburn 505-200 | Sunset 505-300 | NT Bond 505-600 | NA Bond 505-700 | Total Capital Projects | FY'11/12 Proposed Budget |
| Salaries & Employee Benefits | 318,108 | 51,333 | 85,733 | 365,137 | 85,745 | 906,056 | 472,471 | 167,957 | 149,498 | 95,883 | 56,099 | 941,908 | 1,847,964 |
| Services & Supplies | 223,000 | 21,415 | 71,342 | 15,333 | 12,508 | 343,598 | 1,270,880 | 259,069 | 111,832 | 5,540,885 | 917,252 | 8,099,918 | 8,443,516 |
| Other Charges | 5,161,469 | 176,718 | 445,295 | - | 1,820,000 | 7,603,482 | 2,443,847 | 534,713 | - | 2,120,000 | - | 5,098,560 | 12,702,042 |
| Land | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal FY11/12 Expenditures | 5,702,577 | 249,466 | 602,370 | 380,470 | 1,918,253 | 8,853,136 | 4,187,198 | 961,739 | 261,330 | 7,756,768 | 973,351 | 14,140,386 | 22,993,522 |
| **FY11/12 Designated Reserves | 872,376 | 426,278 | - | - | - | 1,298,654 | 762,677 | - | 987,168 | 3,170,514 | - | 4,920,359 | 6,219,013 |
| Grand Total Budget | 6,574,953 | 675,744 | 602,370 | 380,470 | 1,918,253 | 10,151,790 | 4,949,875 | 961,739 | 1,248,498 | 10,927,282 | 973,351 | 19,060,745 | 29,212,535 |

FY 2011-2012 REDEVELOPMENT AGENCY PROPOSED BUDGET

SUMMARY WORK PROGRAM

The Redevelopment Agency operates under the goals, guidelines and regulations established in California Community Redevelopment Law and the adopted Redevelopment Plans and Five Year Implementation Plans for the Agency's three Redevelopment Project Areas – North Auburn, Sunset Industrial and North Lake Tahoe. The Agency's overall goals, described in its plans, include:

- Eliminate blighting conditions
- Rehabilitate, redesign and/or redevelop deteriorated and underutilized areas
- Improve infrastructure and public facilities
- Improve environmental hazards and deficiencies
- Revitalize commercial areas
- Promote private investment and improvement of deteriorated private properties
- Provide employment opportunities
- Improve the supply, quality and availability of affordable housing

In order to achieve these goals, the Agency proposes to carry out the following projects, programs and activities during the 2011-2012 fiscal year:

NORTH AUBURN PROJECT AREA

COMMERCIAL, MIXED USE AND PUBLIC FACILITIES IMPROVEMENT PROGRAM

1. North Auburn Commercial Improvements – In FY 2011-2012 \$250,281 is budgeted for programs to support the recruitment and retention of businesses, planning and coordination of formal and informal business associations, new commercial, industrial, office and mixed use development and rehabilitation of existing private properties. Specific planned activities include:
 - A. Commercial Façade and Rehabilitation Loan Programs
 - B. Continued coordination and support of the Highway 49, Bowman and Auburn Airport Industrial Area business associations for the planning, implementation and construction impact mitigation of future redevelopment, rehabilitation and infrastructure and public facilities improvement projects
 - C. Continued outreach and assistance for individual business and commercial property owners to address infrastructure deficiencies, permit processing challenges, and property and business improvement planning and development needs.

2. Highway 49 Streetscape Improvements – For the coming year the Agency is budgeting \$973,351 to construct the next phase of improvements in the North Auburn Highway 49 Commercial Corridor Streetscape Improvements Master Plan. These improvements will include new sidewalks, pedestrian bridge, landscaping, irrigation systems, interpretive cultural and historic display boards and associated infrastructure improvements on the east side of Highway 49 between Education Street and New Airport Road. The Agency will also continue to coordinate efforts with the County’s Public Works Department for the planning and design of a future Phase II project on the west side of Highway 49.
3. Auburn Airport Industrial Park Gateway Signage – The Agency is coordinating efforts with the Auburn Airport Business Park Association to plan for the Agency’s installation of an entry monument sign at Locksley Lane and Highway 49 and \$24,601 is budgeted for this project.
4. Bowman Streetscape Improvements – The Agency is budgeting \$174,155 to continue planning and design efforts for the installation of streetscape improvements on Bowman Road and Lincoln Way. The work will focus on sidewalks, landscaping, infrastructure deficiencies and circulation and safety issues of local businesses and Bowman Elementary School.

AFFORDABLE HOUSING PROGRAM

5. Quartz Ridge Family Housing Project – The Agency continues to support this Bowman area housing project, formerly named Miners Ridge Housing Project, through the Agency’s approved Disposition, Development and Loan Agreement with the development team led by USA Properties Fund. For the coming year the Agency is budgeting \$1,918,253 to support activities to apply for additional outside funding and, if successful, construction activities for the 64 unit rental housing project.
6. Housing Assistance Programs – The Agency is budgeting \$111,625 in North Auburn Housing Setaside funds to supplement grant funds and grants program income to support multiple efforts to increase and improve the supply of affordable housing in the Western Placer County area. These efforts include the ongoing First Time Homebuyer Assistance Loan Program, Housing Rehabilitation Assistance Loan Program, Neighborhood Stabilization Program, and support for the planning of future housing projects. The ongoing housing programs are primarily funded by grant and other outside sources, but the Agency provides critical support and matching funds to keep the programs operating effectively.

PLANNING, ADMINISTRATION AND DEBT SERVICE PAYMENT

7. Planning, Administration and Debt Service – The Agency is budgeting \$648,364 of North Auburn Agency funds for the planning and administration of North Auburn commercial and public facilities projects and programs and Western County housing projects and programs as well as debt service costs for the loans and bonds supporting the commercial and housing programs. In addition, the Agency is reserving \$426,278 of Housing Setaside funds to repay a CalHFA loan due during FY 2012-2013.
8. Operation and Maintenance of Acquired Property – The Agency is budgeting \$2,179 for maintenance of Agency-owned property in Bowman.

SUNSET INDUSTRIAL PROJECT AREA

COMMERCIAL, INDUSTRIAL AND PUBLIC FACILITIES IMPROVEMENT PROGRAM

9. Sunset Transportation Improvements – The Agency has previously committed to providing a combined \$7,000,000 in funding, over time, for transportation projects benefiting the Sunset Industrial Area. This commitment has resulted in a reduction in impact fees for new development in the area and the savings are intended to provide an incentive for new private commercial and industrial development. In previous fiscal years the Agency funded a combined \$3,500,000 for the SR 65/Sunset Boulevard Interchange Project and a railroad overcrossing project. For the coming fiscal year \$1,990 is budgeted and an additional \$987,168 is proposed to be carried over to the following fiscal year as an additional reserve for future transportation projects. No additional Agency funds are needed for transportation projects at this time.
10. Commercial/Industrial Improvements Support – The Agency continues to support the Sunset Industrial Area Business Association as well as individual property owners and businesses in their efforts to promote business expansion and retention. The Agency continues to make available Façade Improvement and Commercial Rehabilitation Loans for private owners wishing to improve their properties. No funds are budgeted for this purpose. However, the Sunset Industrial Area fund reserves described above are available for this use if the opportunity presents itself.

AFFORDABLE HOUSING PROGRAM

11. Housing Assistance Programs – The Agency is budgeting \$397,040 in Sunset Industrial Housing Setaside funds to supplement North Auburn Project Area funds, grant funds and grants program income to support multiple efforts to increase and improve the supply of affordable housing in the Western Placer County area. These

efforts include the ongoing First Time Homebuyer Assistance Loan Program, Housing Rehabilitation Assistance Loan Program, Neighborhood Stabilization Program, and support for the planning of future housing projects. The ongoing housing programs are primarily funded by grant and other outside sources, but the Agency provides critical support and matching funds to keep the programs operating effectively.

PLANNING, ADMINISTRATION AND DEBT SERVICE PAYMENT

12. Planning, Administration and Debt Service – In the coming fiscal year \$464,670 is budgeted for project planning activities, staffing, overall administration, overhead and operations expenses as well as debt service costs, all in support of the projects and programs for the Sunset Industrial Project Area.

NORTH LAKE TAHOE PROJECT AREA

COMMERCIAL, MIXED USE AND PUBLIC FACILITIES DEVELOPMENT PROGRAM

13. Lake Forest Water Improvements – In FY 2010-2011 the Agency Board authorized a Funding Agreement with the Tahoe City Public Utility District to fund a project to replace water mains and install fire hydrants and associated infrastructure improvements in the main commercial district of the Lake Forest Community. This budget includes \$408,974 to cover those costs as well as staff processing costs.
14. Tahoe Vista Recreation Area Improvements – In FY 2010-2011 the Agency Board authorized a Funding Agreement with the North Tahoe Public Utility District to fund a project to install a parking lot and associated streetscape improvements for the Tahoe Vista Recreation Area. This budget includes \$507,189 to cover those costs as well as staff processing costs.
15. Tahoe City Fire Station – The Agency anticipates entering into a Funding Agreement with the North Tahoe Fire Prevention District to assist with the construction costs of a new fire station being built by the District in Tahoe City. This budget includes \$520,000 to cover those costs.
16. Tahoe City Wye Improvements – The Agency is budgeting \$200,000 for improvements to the Wye area located at the intersection of Highways 89 and 28 in Tahoe City.
17. North Lake Tahoe Commercial Improvements – In FY 2011-2012 \$154,060 is budgeted for programs to support the recruitment and retention of businesses,

planning and coordination with business associations, new commercial, industrial, office and mixed use development and rehabilitation of existing private properties. Specific planned activities include:

- A. Commercial Façade and Rehabilitation Loan Programs
 - B. Continued coordination and support of the North Tahoe Business Association, Tahoe City Business Association and North Lake Tahoe Chamber of Commerce for the planning, implementation and construction impact mitigation of future redevelopment, rehabilitation and infrastructure and public facilities improvement projects
 - C. Continued outreach and assistance for individual business and commercial property owners to address infrastructure deficiencies, permit processing challenges, and property and business improvement planning and development needs.
18. Swiss Mart Project – The Agency continues to work with the Lahontan Regional Water Quality Control Board (Lahontan) to complete the site remediation on the Swiss Mart property in Kings Beach and has budgeted \$66,770 for those continuing efforts in FY 2011-2012. In addition the budget provides for an additional reserve of \$93,540 to carry over into the following fiscal year for the anticipated costs to complete the cleanup effort and make the site ready for new redevelopment.
19. Kings Beach Eastern Gateway – The Agency also continues to work with Lahontan to complete site remediation for the Eastern Gateway site in Kings Beach and has budgeted \$391,689 to remove contaminated soil, complete remediation activities and make the site ready for redevelopment. Once the remediation is complete, the Agency plans to market the site for redevelopment proposals and the budget also provides for a reserve of \$248,225 to carry over into the following fiscal year for the anticipated additional costs of the future redevelopment project.
20. Everett Parking Lot – The Agency is budgeting \$1,200,000 to design and construct a public parking lot and associated infrastructure improvements on a portion of the Agency-owned Everett Property in Kings Beach.
21. Ferrari Family Resort – The Agency is budgeting \$20,000 to cover further planning and design costs for the Ferrari Family Resort Community Enhancement Program project in Kings Beach.
22. BB LLC Kings Beach Town Center Project – The Agency is budgeting \$129,504 in FY 2011-2012 to pay for design and environmental review costs for the Kings Beach Town Center Project. These costs are tied to a previously approved Predevelopment Loan Agreement between the Agency and developer BB LLC. In addition, the budget provides for a reserve of \$169,308 to carry over into the following fiscal year

for anticipated costs to complete design and begin construction on the mixed use development project.

23. Commercial Corridor Improvement Project – The Agency has committed to contribute a total of \$11,000,000 for the CCIP and has already spent a portion of those funds on associated parking lots, land purchases and environmental studies. For FY 2011-2012 the budget includes \$3,379,895 additional funding to be made available for the County Public Works Department on design, construction and project management costs. In addition, the budget provides for an additional \$1,109,509 of Agency reserve funds to be carried over to Fiscal Year 2012-2013 for future project costs.
24. Community Enhancement Program Infrastructure – The budget provides for \$2,279,411 of Agency bond proceeds to carry over to future fiscal years for anticipated infrastructure improvement costs associated with multiple CEP projects in Kings Beach.
25. Deer-Rainbow Parking Lot – The budget includes \$722,512 for design and construction costs of the Deer-Rainbow public parking lot project in Kings Beach. The Agency previously approved a service agreement with County Public Works for the Agency funding to assist the Public Works project.
26. Everett Commercial Project – The Agency is budgeting \$318,198 in FY 2011-2012 and \$33,198 in reserves for FY 2012-2013 for design and site preparation costs of the Agency-owned Everett site in Kings Beach. The front portion of this site is planned for a mixed use private development.

AFFORDABLE HOUSING PROGRAM

27. Housing Assistance Programs – The Agency is budgeting \$955,799 for the First Time Homebuyer Assistance Loan Program, Housing Rehabilitation Assistance Loan Program and support for the Neighborhood Stabilization Program and planning activities for potential future affordable housing projects. The loan programs are primarily funded by outside grants and program income.
28. Kings Beach Scattered Sites Housing Project – For FY 2011-2012 the Agency has budgeted \$4,210,187 for construction and construction management activities of the housing development at five separate sites in Kings Beach. The funding comes primarily from outside grants. The budget also includes a reserve of \$165,630 to carry over into the following year for construction management and project closeout costs.

PLANNING, ADMINISTRATION AND DEBT SERVICE

29. Planning, Administration and Debt Service – The Agency has budgeted \$3,473,186 for the overall administration of the North Lake Tahoe program, including staffing, overhead, office space, accounting support, legal support, future planning activities, various consultant services and debt service for multiple bonds and loans. The budget also includes a reserve of \$706,746 to carry over into the following fiscal year to pay off a California Housing Finance Agency loan that is due in FY 2012-2013.

30. Operation and Maintenance of Acquired Properties – The Agency owns and rents several properties in the Project Area, including public parking lots and future development sites. To continue to secure and maintain these properties \$170,382 is included in the budget.

COMMUNITY GRANTS AND PROGRAM INCOME

31. Agency Management of County Grants and Program Income – The Agency manages multiple grants, loans and program income sources on behalf of the County (e.g. HOME, CalHome, IIG, NSP, CalHFA); \$380,470 is included in the budget to cover Agency costs of managing these programs.

FY 2010-2011 GOALS AND ACHIEVEMENTS

In Fiscal Year 2010-2011 the Redevelopment Agency actively pursued the accomplishment of the following stated goals:

- Eliminate blighting conditions
- Rehabilitate, redesign and/or redevelop deteriorated and underutilized areas
- Improve infrastructure and public facilities
- Improve environmental hazards and deficiencies
- Revitalize commercial areas
- Promote private investment and improvement of deteriorated private properties
- Provide employment opportunities
- Improve the supply, quality and availability of affordable housing

The Agency pursued these goals during the fiscal year by carrying out a series of projects and programs in all three Project Areas. Highlights of the project and program accomplishments were as follows:

Administrative/Fiscal

- Prepared and received Board approval for the FY 2010-2011 Proposed Agency Budget
- Prepared and received Board approval for the FY2010-2011 Final Agency Budget
- Received a clean audit report for the period July 1, 2009 to June 30, 2010
- Submitted mandated California monitoring reports, including SERAF reports and taxing agency pass-through reports, in conformance with State requirements
- Prepared and submitted an Annual Report in conformance with California Community Redevelopment Law regulations
- Prepared reports in compliance with significant bond/loan covenants
- Continued fiscal oversight responsibilities for the County's Community Development Block Grant (CDBG), HOME, CalHome, California Housing Finance Agency, Neighborhood Stabilization Program and CalHome funds as well as associated Program Income funds
- Prepared and submitted applications to the State for CDBG General Allocation, CDBG Planning and Technical Assistance (PTA) and HOME Program funding; was successful in receiving allocations of \$800,000 for an affordable housing rehabilitation loan program, water system improvements and school computer lab facilities and equipment for the Sheridan community and \$800,000 in HOME funds for First Time Homebuyer Loan and Housing Rehabilitation Assistance Loan programs; a \$35,000 PTA grant application for analysis of mobilehome parks in the North Lake Tahoe area is currently being evaluated by the State Department of Housing and Community Development (HCD)

- Continued to work cooperatively with HCD to complete funding agreement requirements of a \$2,046,429 grant for the Neighborhood Stabilization Program, a CDBG grant of \$400,000 for the Kings Beach Affordable Housing Rehabilitation Loan Program, an \$800,000 HOME grant and \$600,000 CalHome grant for the First Time Homebuyer Loan Program, and a \$2,100,000 HOME grant and \$3,314,400 Infill Infrastructure Grant for the Kings Beach Scattered Sites Housing Project
- Managed loans for Agency projects and programs funded by the California Infrastructure and Economic Development Bank, California Housing Finance Agency and Wells Fargo Bank
- Administered, in coordination with the Placer County Loan Committee and in conformance with existing agreements and loan guidelines, the portfolio of existing loans for commercial improvements, commercial façade improvements, Housing Rehabilitation Assistance, First Time Homebuyer Assistance, mortgages for redevelopment project properties and redevelopment project pre-development and development activities; of particular note in this area, the Agency entered into a \$7,918,300 loan agreement with Kings Beach Housing Associates for Agency funding of the Kings Beach Scattered Sites Housing Project and the Agency spent approximately \$4,250,000 to acquire mortgage loans worth approximately \$6,887,000 for the Kings Beach Town Center project properties
- In coordination with County Procurement, County Counsel, Risk Management, Auditor and other departments, established and managed vendor contracts, service agreements with various County departments and funding agreements with various outside agencies

Community Outreach and Support

- Continued to meet with Municipal Advisory Committees, business associations, community site design review committees and other local community groups in the three Project Areas to present information and discuss Redevelopment projects and programs
- Prepared a Five Year Redevelopment Implementation Plan for the North Lake Tahoe Redevelopment Project Area, distributed the draft plan to multiple community representatives and organizations and presented it twice to the North Tahoe Regional Advisory Council prior to it being approved at a public hearing by the Agency Board
- Continued to update and refine the Agency web page at: <http://www.placer.ca.gov/Departments/CEO/Redevelopment.aspx> to provide project and program information, maps, technical studies, Board agendas and reports and official documents for the general public
- Continued to provide core financial support for the operation of the North Tahoe Business Association and Tahoe City Downtown Association
- Established a satellite office and instituted a rotating staff office schedule in the North Lake Tahoe Project Area
- Sponsored a session of the Tahoe Truckee Leadership Council

- Continued to meet individually with property owners, business owners and local residents potentially affected by or interested in current and potential future redevelopment projects, programs and real estate transactions

Commercial, Mixed Use and Public Facilities Development

- Conducted initial development feasibility analysis for the Agency-owned Everett property in Kings Beach; issued an RFP for proposals to develop the front portion of the site as a mixed use or commercial project, but when no proposals were received, hired a consultant team to prepare design plans and process entitlement permits for a mixed use project prior to reissuing the RFP
- Engaged an engineering consultant to design a public parking lot and associated improvements for the back portion of the Everett property
- Continued to coordinate site remediation activities and groundwater monitoring with the Lahontan Regional Water Quality Control Board for the Kings Beach Swiss Mart and Ronning properties; prepared a remediation plan and received Lahontan approval for the Ronning property; prepared and advertised a bid package for further contaminated soil removal and remediation on the Ronning property
- Completed tenant relocation assistance, buildings demolition, fencing and site preparation for the Kings Beach Eastern Gateway property; conducted development feasibility analysis and held community workshops to discuss potential redevelopment alternatives; issued an RFP for development proposals but received no proposals responsive to the RFP; reissuance of the RFP is contingent on clearing the State threat to eliminate all Redevelopment
- Continued to support efforts to further proposed redevelopment projects designated by the Tahoe Regional Planning Agency (TRPA) as Community Enhancement Program (CEP) pilot projects; four of the original five CEP projects remain active; one project received all approvals and full financing and began construction in 2010; the other three projects received a two year extension of their CEP designation by TRPA
- One of the CEP projects, BB LLC's Kings Beach Town Center project made further progress on design and began work on an EIR/EIS; the Agency acquired bank mortgages on the property to prevent a calling of the loans and potential foreclosure and to allow processing of the proposed redevelopment project to continue
- Planning and design work continued on the Tahoe City Wye Improvements project; the Agency continued a \$200,000 funding commitment for the project
- Construction began on the Tahoe City Transit Center project; the Agency's \$450,000 funding contribution to the project was used to complete design; construction is scheduled to be completed in the Fall of 2011
- Agency Board approved a \$400,000 funding agreement with the Tahoe City Public Utility District (PUD) for the installation of new water mains, fire hydrants and associated improvements in the commercial district of Lake Forest; construction is scheduled to begin in the Summer of 2011

- Agency Board approved a services agreement with the County Public Works Department (DPW) whereby the Agency is funding the design, construction and DPW's management of a project to install a new public parking lot, drainage improvements and associated improvements on Rainbow Street in Kings Beach; design is underway
- Continued support for and coordination with the Kings Beach Commercial Core Improvement Project; the Agency Board approved an agreement with County DPW to memorialize the Agency's \$11,000,000 total funding commitment to the project; design work is underway for road, streetscape, drainage, utility relocations, parking lot and water quality improvements on Highway 28 and several other local streets in Kings Beach
- Continued coordination and support for TRPA and the County Planning Department to advance the Tahoe Regional Plan update, Tahoe area community plan updates and a potential new Chapter 15 TRPA Redevelopment Plan; preliminary Chapter 15 Redevelopment Plans were prepared, but TRPA decided to wait to consider them after the Regional Plan update
- Completed a preliminary analysis of potential railroad overcrossings in the Sunset Industrial Project Area; Agency provided \$1,000,000 for the study and subsequent related design and installation work
- Construction of the State Route 65/Sunset Boulevard Interchange project was completed in the Sunset Industrial Project Area, with an Agency funding contribution of \$2,500,000
- Completed an economic impact study for a proposed big box development in the North Auburn Project Area
- Worked with the an association of businesses at the Auburn Airport Industrial Park to plan the Agency installation of a gateway monument sign at the entrance to the park
- Continued the Commercial Loan Program and completed Agency loan assisted improvement projects at Miller Heating in the North Auburn Project Area and at the Old Brockway Golf Course and Mourelatos Lakeshore Resort in the North Lake Tahoe Project Area
- Completed construction of road, streetscape and infrastructure improvements on State Highway 49, Bell Road and Quartz Drive at the Rock Creek Plaza Shopping Center; the project was primarily funded with a CDBG Economic Development grant, supplemented by Agency bond proceeds funds
- Completed design and processed Caltrans encroachment permit and landscape maintenance agreement for the State Highway 49 Phase I Streetscape Improvements Project, on the east side of SR 49 between New Airport Road and Education Drive; construction of the approximately \$1,000,000 project is planned for Summer 2011; the Agency also coordinated with County Public Works to apply for and obtain Federal CMAC funding of approximately \$1,500,000 to fund the planned Phase II streetscape improvements project

Affordable Housing

- Assisted and advanced the Kings Beach Scattered Sites Housing Development by completing the relocation assistance program for on site tenants, assisting the development project closing by providing the remainder of the Agency's \$7,918,300 total direct funding for the project, processing all necessary documents to make available an additional \$5,314,400 from HOME and Infill Infrastructure Grant funds, and overseeing construction activities and draw requests; construction is underway on all five sites and is substantially completed for two sites; the final project will create 77 affordable new residential units
- Assisted and advanced the Quartz Ridge Family Housing project by approving a Disposition, Development and Loan Agreement and a Predevelopment Loan Agreement with the developer, Quartz Ridge Family Apartments, LP, to make available a total of \$2,000,000 of Agency funding and the Agency-owned site for the proposed 64 unit housing development; assisted the developer in submission of a tax credits funding application; the project also received final entitlements approvals and environmental clearance
- The Agency, acting on behalf of the County, expended almost the entire \$2,046,429 Neighborhood Stabilization Program grant to acquire eight bank-owned homes, complete substantial rehabilitation on the homes and market them for sale to low and moderate income buyers; proceeds from the resales have provided additional funds, which have been used to acquire and begin rehabilitation on two additional bank-owned homes; the acquired homes have been in Lincoln, Rocklin, North Auburn, Foresthill, Sheridan and Kings Beach
- Supported Seniors First with \$45,000 in funding to provide handyman home repairs to approximately 200 low income senior and disabled households
- Assisted two low income first time homebuyer households to acquire homes with second mortgage loans totaling \$185,000
- Assisted one low income household in Kings Beach with a \$32,000 housing rehabilitation assistance loan to conduct needed home repairs
- Assisted Habitat for Humanity's completion of the construction of a second new home near Rocklin, which was sold to an eligible low income resident
- Assisted the County's processing of an agreement to amend a County Agreement with the owners of the Sawmill Heights affordable housing complex in Squaw Valley; the amendment waived a debt service requirement on the \$350,000 County Housing Trust Fund loan to the project, but in return increased the owner's commitment to extend the affordable rent restriction on twelve of the units from 20 to 55 years