

PLACER COUNTY
CEO/REDEVELOPMENT AGENCY

MEMORANDUM

TO: Honorable Members of the Board of Supervisors
FROM: Thomas M. Miller, County Executive Officer
James LoBue, Deputy Director Redevelopment *James J. LoBue*
DATE: February 22, 2011
SUBJECT: Findings and a Report and Reuse Appraisal Pursuant to California Health and Safety Code Section 33433, Approving the Redevelopment Agency Disposition to Quartz Ridge Family Apartments, L.P., of Property Located at 360 Silver Bend Way, Auburn, Assessor Parcel Numbers 054-171-031, 054-171-032, 054-171-035, 054-171-036, 054-171-037, and 054-171-038 for the Quartz Ridge Family Apartments Project (also known as Miner's Ridge Family Apartments)

ACTION REQUESTED

Conduct a public hearing and adopt a resolution approving findings and a Report and Reuse Appraisal pursuant to California Health and Safety Code Section 33433 and authorizing the Redevelopment Agency (Agency) disposition to Quartz Ridge Family Apartments, L.P. of Property Located at 360 Silver Bend Way, Auburn, Assessor Parcel Numbers 054-171-031, 054-171-032, 054-171-035, 054-171-036, 054-171-037, and 054-171-038 for the Quartz Ridge Family Apartments Project (also known as Miner's Ridge Family Apartments).

BACKGROUND

Section 33433(a) of the California Health and Safety Code requires that before any property the Agency acquired with tax increment moneys is sold or leased to a private party for development pursuant to the redevelopment plan, the sale or lease shall first be approved by the legislative body by resolution after public hearing. California Community Redevelopment Law also requires that the legislative body approve certain findings, specifically that the property disposition and implementation of the Disposition, Development and Loan Agreement (DDA) will: (1) assist in the elimination of blight in the North Auburn Redevelopment Project Area, (2) be consistent with redevelopment plan goals for the re-planning, redesign, and development of underutilized or poorly developed areas and (3) provide for the expansion and improvement of housing for low and moderate income persons. The value of the property is evaluated pursuant to a Report and Reuse Appraisal prepared in accordance with California Health and Safety Code Section 33433. The DDA and the proposed project will meet the North Auburn Redevelopment Plan and North Auburn Redevelopment Five Year Implementation Plan goals of the removal of blight, improvement of public facilities, and expansion and improvement of housing for low- and moderate-income persons.

The attached 33433 Report and Reuse Appraisal were prepared by redevelopment finance consultant Keyser Marston Associates on behalf of the Agency. The report confirms the Project Financing Plan in the DDA, which concludes that the project is financially infeasible unless the property is conveyed to the developer at no cost or as part of a residual receipts loan.

FISCAL IMPACT

No expenditure authorization is associated with this action. There is no impact on the County's General Fund.

ENVIRONMENTAL STATUS

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, an addendum to the previously adopted mitigated negative declaration was prepared for the development proposal by the County pursuant to CEQA and was certified as document PMUP 20100029 on May 13, 2010. Specific findings and mitigation measures shall be implemented with the project as described in the Notice of Determination filed with the State.

Attachments: Resolution
33433 Report and Reuse Appraisal

33433 Report and Reuse Appraisal
on file for Review only at the
Clerk of the Board

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

In the matter of:

Approving a Report and Reuse Appraisal required by California Health and Safety Code Section 33433, approving the sale of real property to Quartz Ridge Family Apartments, L.P., and adopting findings in connection with such sale, for the Quartz Ridge Family Apartments Project (also known as Miner's Ridge Family Apartments)

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

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, Redevelopment Plan);

WHEREAS, pursuant to an Exclusive Negotiating Rights Agreement by and between the Agency and USA Properties Fund, Inc., a California corporation, dated as of November 17, 2009, and subsequently amended, the Agency has negotiated the terms and conditions under which Quartz Ridge Family Apartments, L.P., (Developer) would acquire the following real property from the Agency: 360 Silver Bend Way, Auburn, Assessor Parcel Numbers 054-171-031, 054-171-032, 054-171-035, 054-171-036, 054-171-037, and 054-171-038 (Property) for development of a 64-unit multi-family housing development in which the Agency will restrict no more than 31 residential units affordable to low- and very low-income households, together with one (1) manager's unit, common laundry facilities, recreational space, 123 parking spaces, and approximately 2,600 square feet of community/common area space (Housing Project);

WHEREAS, the Housing Project, the Property, and the terms and conditions for development and financing of the Project are more particularly described in a proposed Disposition, Development, and Loan Agreement (DDA), copies of which have been provided to the Agency Board and the Board of Supervisors;

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);

WHEREAS, with respect to the Housing Project, the County of Placer has adopted an addendum to the previously adopted mitigated negative declaration in compliance with CEQA;

WHEREAS, HSC Section 33433 provides that prior to a redevelopment agency's sale of property acquired with tax increment funds (i) the agency must prepare and make available to the public a report (Reuse Report) describing the terms of the sale and development of the property, (ii) the legislative body must hold a public hearing following notice, and (iii) the legislative body must approve the conveyance by a resolution adopting specified findings;

WHEREAS, the Agency has caused a Reuse Report to be prepared, and the Agency and the Board of Supervisors have caused notice to be published and have conducted public hearings in accordance with all legal requirements;

WHEREAS, the sale price for the Property will be the fair reuse value;

WHEREAS, the proposed Agency financing for the Project includes (i) seller financing in the form of residual receipts, deferred payment loan of one million, two hundred fifteen thousand dollars (\$1,215,000) which is the May 21, 2010, appraised value of the Property (Land Loan), and (ii) a pre-development/construction/permanent loan in the maximum amount of two million dollars (\$2,000,000) (Development Loan); and

WHEREAS, the Developer and Agency have negotiated an Affordable Housing Regulatory Agreement (Regulatory Agreement) which restricts residential rents in the Project at affordable levels for a period of 55 years.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Placer County hereby:

1. Finds that the sale and development of the Property in accordance with the DDA will assist in the elimination of blight in the Project Area, will facilitate the development of housing for low- and very low-income households, will further the goals of the Redevelopment Plan, and will be consistent with the implementation plan adopted in connection therewith.
2. Finds that the consideration to be paid for the purchase of the Property is not less than the fair reuse value of the Property at the use and with the covenants and conditions imposed by the DDA and the Regulatory Agreement.
3. Approves the Reuse Report.
4. Approves the sale of the Property to the Developer pursuant to the terms and conditions set forth in the DDA.
5. Authorizes the County Executive Officer or designee to execute and deliver such other instruments and to take such other actions as necessary to carry out the intent of this Resolution.

