


PLACER COUNTY
REDEVELOPMENT AGENCY

MEMORANDUM

TO: Honorable Members of the Redevelopment Agency Board
FROM: Thomas M. Miller, Director
James LoBue, Deputy Director 
DATE: July 13, 2010
SUBJECT: Predevelopment Loan Agreement Amendment with Kings Beach Housing Associates, LP, Domus Development, LLC, and Newport Partners, LLC for the Kings Beach Scattered Sites Housing Project and Clarification of Signature Authority for Project Related Loans

ACTION REQUESTED

Adopt a resolution to authorize the Redevelopment Director or his designee to execute an amended and restated predevelopment loan agreement with Kings Beach Housing Associates, LP, Domus Development, LLC and Newport Partners, LLC and to sign agreements and loan documents to implement the Infill Infrastructure Grant for the Kings Beach Scattered Sites Housing Project.

BACKGROUND

On July 23, 2007, your Board approved an Exclusive Negotiating Rights Agreement (ENRA) with Domus Development, LLC (Developer) for the development of new affordable housing and associated improvements at scattered sites in Kings Beach (Project). The Developer has since formed a new limited partnership for this Project called Kings Beach Housing Associates, LP. At the same meeting, your Board approved a predevelopment loan agreement of \$1,136,500 to finance the Developer's cost of design, permits processing, and environmental review for the Project.

On March 16, 2010, your Board authorized a Disposition, Development, and Loan Agreement and the second amendment to the predevelopment loan agreement with the Developer and Newport Partners, LLC. That amendment allowed for \$1,000,000 of additional funding to continue the predevelopment process including relocation of residents in the occupied Project sites. The five Project sites are located on Deer Street, Fox Street, Chipmunk Street, Trout Avenue, and Brook Avenue in Kings Beach.

The Project was awarded Low-Income Housing Tax Credits (Tax Credits) by the California Tax Credit Allocation Committee on June 9, 2010 and total Project funding is now committed. However, the Tax Credits investment funding, as well as other grant and private financing for the Project, will not be available before August 2010. Facing an October 15 Tahoe Regional Planning Agency deadline for completion of all earth-moving work, the Developer and Redevelopment Agency (Agency) both wish to make more Agency funds available at an earlier date in order to complete as much Project work as possible before the seasonal construction shutdown.

An Amended and Restated Predevelopment Loan Agreement is proposed to provide for an earlier expenditure of Agency funds already committed to the Project. The Agency fund expenditures authorized in this loan agreement will be secured by a deed of trust on the property, which will be recorded when the Agency transfers the sites to the Developer. The provision of all of the other Project financing, transfer of the property to the Developer, and recordation of documents is all targeted to occur in August 2010.

In 2008, the Agency and the Developer were awarded \$3,314,400 in State Infill Infrastructure Grant (IIG) Funds for the Project from State Proposition IC. The State requires a disbursement agreement and loan agreement to be signed by the person designated in the original resolution authorizing the grant application. The resolution your Board adopted for IIG designated a position that is currently vacant. The State has requested an updated Board resolution to redesignate the appropriate signature authority.

FISCAL IMPACT

Previous Agency expenditure authorizations for the Project – \$2,136,500 predevelopment loan, \$1,100,000 for construction, and \$4,650,400 for property acquisitions – were funded with North Lake Tahoe Redevelopment Project Area Housing Set-aside and 2006 Housing Tax Allocation Bond proceeds. This action will authorize more of those funds to be spent sooner, before the property is transferred to the Developer. The funds still come from currently available North Lake Tahoe Redevelopment Project Area Housing funds, already authorized by your Board. The Agency contributions of both land and funding are in the form of residual receipts loans with 55 year terms. 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 Lake Tahoe 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.

In addition, environmental review has been conducted separately for each site. All sites have completed environmental review required by the County pursuant to CEQA and by the Tahoe Regional Planning Agency.

Attachments: Resolution
Amended and Restated 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:

Authorizing the Redevelopment Director or his designee to execute an amended and restated predevelopment loan agreement with Kings Beach Housing Associates, LP, Domus Development, LLC, and Newport Partners, LLC and to sign agreements and loan documents to implement the Infill Infrastructure Grant 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.* (CRL);

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

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 and, therefore, no further environmental review is required for these actions;

WHEREAS, with respect to the Kings Beach Scattered Sites Housing Project (Project), the County of Placer certified mitigated negative declarations or environmental review exemptions pursuant to the California Environmental Quality Act for each of the properties included in the Project and the Agency has prepared an environmental assessment pursuant to the National Environmental Policy Act for the Deer Street properties included in the Project and has published a Finding of No Significant Impact;

WHEREAS, the Agency has negotiated an Amended and Restated Predevelopment Loan Agreement with Kings Beach Housing Associates, Domus Development, LLC, and Newport Partners, LLC, in order to provide additional Agency funding to be used for the continuation of predevelopment, relocation, and demolition activities for the Project; and

WHEREAS, on April 14, 2008, the Agency Board adopted Resolution 2008-84 authorizing filing of an Infill Infrastructure Grant (Grant) for Agency owned properties in Kings Beach and the Grant was subsequently awarded to the Agency for the Project.

NOW, THEREFORE, BE IT RESOLVED, that the Agency

- a. Authorizes the Agency Director or his designee to execute an Amended and Restated Amendment to the Predevelopment Loan Agreement with Kings Beach Housing Associates, LP, Domus Development, LLC, and Newport Partners, LLC. for the Project and
- b. Authorizes the Agency Director or his designee to sign agreements and loan documents required by the State for implementation of the Grant.