



**MEMORANDUM
FACILITIES MANAGEMENT
REAL ESTATE SERVICES DIVISION**
County of Placer

TO: Honorable Board of Supervisors DATE: May 11, 2021
FROM: Steve Newsom, Director of Facilities Management
By: Karyn F. Boulais, Senior Project Manager
SUBJECT: Real Estate Services / Third Amendment to Exclusive Right to Negotiate a
Developer Agreement / The Related Companies of California, LLC / Potential
Dollar Creek Crossing Housing Project, Tahoe City, California

ACTION REQUESTED

Approve the Third Amendment to the Exclusive Right to Negotiate a Developer Agreement (Amendment) with The Related Companies of California, LLC, a California limited liability company for the potential Dollar Creek Crossing Housing Project at 3205 and 3225 North Lake Blvd., Tahoe City and authorize the Director of Facilities Management, or designee, to execute the Amendment and to take all necessary actions to implement the terms of the Agreement as amended.

BACKGROUND

In October 2019, the County purchased approximately 11.4 acres of vacant land located at 3205 and 3225 North Lake Boulevard, Tahoe City, CA, identified as APN 093-160-079-000, 080-000, and 081-000 (see Property Map). The County purchased the vacant land for a potential development of achievable, affordable, and for-sale housing in Tahoe. In support of the proposed project, the County sought a development partnership with a company experienced in delivering these housing products at the Property. On September 4, 2018, Procurement Services Division released a Request for Proposals for the Placer County North Lake Tahoe Region Local Housing Mixed-Use Project (RFP No. 100044). The Related Companies of California, LLC, a California limited liability company (“Developer”) submitted a proposal demonstrating their plan to develop high quality, multi-family residences providing a range of affordable and achievable housing at the Property and was ultimately chosen as the most qualified and experienced development partner.

On January 29, 2019, your Board approved and authorized the County Executive Officer, or designee, to enter into an Exclusive Right to Negotiate a Developer Agreement (“2019 Agreement”) with Developer. Identified in the Performance Benchmarks of the 2019 Agreement, was Developer’s requirement to conduct community outreach meetings for purposes of disseminating information, development concepts, and potential site drawings to the community. In response to community feedback, the County has taken on a lead role in the planning process and commenced additional project site studies to better define the project scope through financial feasibility studies, site, and transportation analysis, fire risk studies, and civil surveys of topography, boundaries, and site features. During this time, the County requested that Developer temporarily suspend their pursuit of the Performance Benchmarks imposed by the 2019 Agreement but continue to serve as a development partner by attending

meetings, assisting in evaluating studies, and providing the County with valuable feedback related to development costs, funding requirements and funding sources.

On March 30, 2021, your Board received an update on progress of the potential Dollar Creek Crossing Housing Project and provided direction on proposed next steps which included initiation of an Environmental Impact Report (EIR) process utilizing State of California Housing and Community Development Permanent Local Housing Allocation grant funds. Staff also reported on key next steps including development of proformas and preparation of site concepts based on feasibility of the identified residential and commercial land-use types.

To address the change in the Developer's role and timeframes since inception of the Agreement, staff and Developer have negotiated an amendment to the 2019 Agreement presented for your Board's consideration. While the County has taken a lead planning role, the Developer's involvement during this stage is important given their potential future role in the development of a variety of affordable and achievable housing on the Property. The Amendment provides time to allow this engagement during the County led EIR process. Key terms of the Amendment include:

- A term extension of eighteen (18) months with the right to extend, by mutual agreement, for two six (6) month terms.
- With County as lead, Developer will assist the County in identification and implementation of project approvals and entitlements.
- Developer will collaborate with the County in the review and analysis of study results of the pending environmental review, to commence Spring/Summer 2021.
- Either party may sever and terminate the proposed "for sale" component of the proposed development portion from the 2019 Agreement to be negotiated separately or to allow County negotiations with other proposed developers. Developer shall collaborate with potential developers in establishing infrastructure and other development processes.
- All terms not in conflict with the Amendment will remain in full force and effect in the 2019 Agreement.

ENVIRONMENTAL IMPACT

Board action authorizing the Amendment is not a project as defined in California Public Resources Code Section 21065 and/or California Environmental Quality Act (CEQA) Guidelines Section 15378(a) therefore is not subject to CEQA because it can be seen with certainty that there is no possibility that this action does not constitute approval of a project.

Authorization to execute the Amendment does not grant any land use entitlements and does not approve any use or development of the Project Site. In order to develop the potential project, an owner or lessee must apply for and be granted all applicable discretionary land use approvals from the County, which would be subject to environmental review in accordance with CEQA.

Honorable Board of Supervisors

May 11, 2021

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FISCAL IMPACT

Funding for staff time to negotiate and implement the Amendment is available in the Real Estate Services Division FY 2020-21 Adopted Budget.

ATTACHMENTS

Attachment A – Property Map

On file with Clerk of the Board: Third Amendment to Exclusive Right to Negotiate a Developer Agreement

Exclusive Right to Negotiate a Developer Agreement

1st Amendment to Exclusive Right to Negotiate a Developer Agreement

2nd Amendment to Exclusive Right to Negotiate a Developer Agreement

3rd Amendment to Exclusive Right to Negotiate a Developer Agreement

Attachment A – Property Map

