

PLACER COUNTY

REDEVELOPMENT AGENCY

MEMORANDUM

TO: Honorable Members of the Redevelopment Agency Board
FROM: Richard Colwell, Chief Assistant CEO-Redevelopment Director *Richard Colwell*
Rae James, Deputy Director
DATE: July 23, 2007
SUBJECT: Adopt a Resolution Authorizing an Exclusive Negotiating Rights Agreement and a Related Pre-Development Loan Agreement in an Amount Not to Exceed \$1,136,500 with Domus Development, LLC for Scattered Sites Housing in Kings Beach and Authorize the Chief Assistant CEO-Redevelopment Director or Designee to Execute all Pertinent Documents Subject to Agency Counsel Review.

ACTION REQUESTED

Adopt a resolution authorizing an Exclusive Negotiating Rights Agreement and a related Pre-Development Loan Agreement in an amount not to exceed \$1,136,500 with Domus Development, LLC (Domus) for scattered sites housing in Kings Beach and authorize the Chief Assistant CEO-Redevelopment Director or designee to execute all pertinent documents subject to Agency Counsel review.

BACKGROUND

On February 22, 2005, the Board of Supervisors entered into a Memorandum of Agreement with TRPA which specified the coordination of activities leading to the development of a demonstration affordable housing project, the amendment of the TRPA Code of Ordinances and the development of a new Regional Plan. Since that time, the Redevelopment Agency (Agency) has worked with TRPA to evaluate obstacles and develop criteria that will facilitate the development of affordable housing in the North Tahoe region.

In March 2007 the Agency was approached by Domus with an affordable housing development proposal for consideration under the TRPA Lake Tahoe Community Enhancement Program. Domus president, Meea Kang, has seventeen years of professional experience in the field of affordable housing development. Domus has been successful in developing, financing, and completing several complicated multi-family and senior housing projects in Sacramento, Southern California, and the Bay Area. Domus has demonstrated the capacity to create affordable housing by utilizing multiple layers of financing with public and private funds and working with local jurisdictions, non profits, and communities to accomplish development projects in difficult to develop areas. Additionally, Domus has shown the ability to design housing within the context of a community's character. The Domus development team includes engineers from Design Workshop, architects from Fischer-Friedman and Tahoe planning consultant, Simon Planning. Collaboration with the Workforce Housing Association of Truckee-Tahoe (WHATT) is anticipated.

An Exclusive Negotiating Rights Agreement and associated loan agreement is proposed with Domus in order to establish a formal relationship, provide an opportunity to negotiate a comprehensive development agreement and to provide pre-development funds needed to pursue due diligence on the various sites. The proposal is for a joint effort between the Agency and Domus for the development of new and replacement affordable housing units in Kings Beach. The proposed units would be scattered on eight to ten separate parcels throughout the community. Relocation and replacement requirements will be addressed in the development agreement. The proposal also includes a potential infill site that could accommodate small scale retail integrated with residences and be a model for transit oriented development. This type of residential infill development is consistent with the direction expressed by the community through the Placer County Place Based Planning Working Group, the Pathway 2007 process, the Agency's Five Year Implementation Plan, and the County's Affordable Housing Strategy.

Highlights of the terms to be negotiated in the Exclusive Negotiating Rights Agreement are as follows:

Agreement Terms

- Developer to construct affordable housing units on scattered sites in the Kings Beach community
- Agency to provide a pre-development loan in the amount of \$1,136,500 for such costs as surveys, environmental studies, appraisals, architectural, design and title reports.
- Developer to secure Agency's pre-development loan with real property owned by developer.
- Developer to enter into a partnership agreement with a non-profit such as Workforce Housing Association of Truckee Tahoe.
- Agency to consider conveyance of Agency owned parcels to Domus for the construction of workforce housing.

Your approval of this item will authorize the Chief Assistant CEO-Redevelopment Director or designee to execute the Exclusive Negotiating Rights Agreement and a Pre-Development Loan Agreement with related documents.

Agency staff will return to your Board with a development agreement when financial and planning analysis is completed, now anticipated in Fall/Winter 2007.

FISCAL IMPACT

The Agency will use North Lake Tahoe Tax Increment Funds earmarked in its FY 2007/2008 Budget approved by your Board on June 26, 2007. There is no impact on the County General Fund.

ENVIRONMENTAL STATUS

The proposed action would allow for further feasibility studies to define the project and commence environmental review, and does not commit the Agency to a definite course of action. Therefore, the action is exempt from environmental review under California Environmental

Quality Act per Guidelines Section 15262. National Environmental Policy Act does not apply as federal funds are not anticipated.

RECOMMENDATION

Adopt a Resolution to:

1. Authorize the Chief Assistant CEO-Redevelopment Director or designee to execute an Exclusive Negotiating Rights Agreement with Domus Development, LLC subject to Agency Counsel review.
2. Authorize the Chief Assistant CEO-Redevelopment Director or designee to execute a Pre-Development Loan Agreement in an amount to exceed \$1,136,500 with Domus Development, LLC and related documents subject to Agency Counsel review.

Attachments: Resolution

Site Map

Exclusive Negotiating Rights Agreement - Available for review at Clerk of the Board

Pre-Development Loan Agreement - Available for review at Clerk of the Board

cc: Karin Schwab, Agency Counsel

**Before the Redevelopment Agency
of Placer County Board of Directors
County of Placer, State of California**

In the matter of:

Adopt a resolution authorizing an Exclusive Negotiating Rights Agreement and a related Pre-Development Loan Agreement in an amount not to exceed \$1,136,500 with Domus Development, LLC for scattered sites housing in Kings Beach and authorize the Chief Assistant CEO-Redevelopment Director or designee to execute all related documents subject to Agency Counsel review.

Resol. No:.....

Ord. No:.....

First Reading:

The following Resolution was duly passed by the Redevelopment Agency of Placer County Board at a regular meeting held July 23, 2007,

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 Redevelopment Agency of Placer County (Agency) has adopted the Redevelopment Plan (Redevelopment Plan) for the North Lake Tahoe Redevelopment Project Area (Project Area) and the Implementation Plan for the North Lake Tahoe Redevelopment Project Area (collectively the Project Area and Plans); and

WHEREAS, the Agency and Domus Development, LLC (Developer) desire to enter into an Exclusive Negotiating Rights Agreement to assess the feasibility of potential affordable housing sites which are owned or controlled by the Developer and located within the Project Area; and

WHEREAS, the Agency desires to assist with the pre-development costs associated with the development of potential affordable housing developments and housing revitalization on these sites; and

WHEREAS, the Agency will provide a pre-development loan not to exceed \$1,136,500 for pre-development costs associated with the development of properties; and

WHEREAS, this administrative action will enable Developer and the Agency to continue negotiating to determine the feasibility of providing affordable housing in the North Lake Tahoe Redevelopment Area. As such, it does not commit the Agency to a definite course of action and is exempt from environmental review per California Environmental Quality Act Guidelines Section 15262. The proposed action is not a federal undertaking under National Environmental Policy Act guidelines.

NOW, THEREFORE, BE IT RESOLVED, by the Redevelopment Agency of the County of Placer that,

1. The Agency Board authorizes the Chief Assistant CEO-Redevelopment Director or designee to execute the Exclusive Negotiating Rights Agreement with Domus Development, LLC subject to the review of Agency Counsel.
2. The Agency Board authorizes the Chief Assistant CEO-Redevelopment Director or designee to execute a Pre-Development Loan Agreement in an amount not to exceed \$1,136,500 and related documents, and amend the budget as may be necessary to effectuate and implement this resolution subject to the review of Agency Counsel.



**Domus Development, LLC
Kings Beach Scattered Housing Sites**