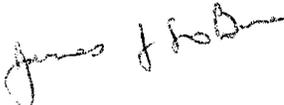


**PLACER COUNTY**  
**REDEVELOPMENT AGENCY**

**MEMORANDUM**

**TO:** Honorable Members of the Board of Supervisors  
**FROM:** Thomas M. Miller, County Executive Officer  
James LoBue, Deputy Director Redevelopment   
**DATE:** March 16, 2010  
**SUBJECT:** Conduct a Public Hearing, Approve Findings and a Report and Re-use Appraisal Pursuant to California Health and Safety Code Section 33433, Approve the Redevelopment Agency Disposition to Kings Beach Housing Associates, LP of Property Located at 325, 348, and 385 Deer Street, 200 Chipmunk Street, 265 Fox Street, Assessor Parcel Numbers 090-122-035, 090-122-036, and 090-122-037 on Trout Avenue, and Brook Avenue Lots 17/18 in Kings Beach for the Kings Beach Scattered Sites Housing Project.

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**ACTION REQUESTED**

Conduct a public hearing, approve findings and a Report and Re-use Appraisal pursuant to California Health and Safety Code Section 33433, approve the Redevelopment Agency disposition to Kings Beach Housing Associates, LP of property located at 325, 348, and 385 Deer Street, 200 Chipmunk Street, 265 Fox Street, Assessor parcel numbers 090-122-035, 090-122-036, and 090-122-037 on Trout Avenue, and Brook Avenue Lots 17/18 in Kings Beach, for the Kings Beach Scattered Sites Housing Project.

**BACKGROUND**

On July 23, 2007, the Placer County Redevelopment Agency (Agency) Board approved an Exclusive Negotiating Rights Agreement (ENRA) with Domus Development, LLC for the development of new affordable housing and associated improvements at scattered sites in Kings Beach (Scattered Sites Housing Project). Domus Development, LLC has since formed a new limited partnership for this project called Kings Beach Housing Associates, LP (Developer).

The Agency has acquired several properties for the Scattered Sites Housing Project located at 325, 348, and 385 Deer Street, 200 Chipmunk Street, 265 Fox Street, Assessor parcel numbers 090-122-035, 090-122-036, and 090-122-037 on Trout Avenue, and Brook Avenue lots 17/18 (Property) all located in Kings Beach. In a separate item on this agenda, the Agency is seeking authority from its Board to enter into a Disposition, Development, and Loan Agreement (DDA) with Developer for the development of affordable housing on the Property. The DDA details the terms of the Agency's disposition of the land and development project interests to Developer as well as Developer's obligations to finance, build, and manage the project.

Section 33433(a) of the California Health and Safety Code indicates 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 DDA will assist in the elimination of blight in the North Lake Tahoe Redevelopment Project Area and will be consistent with redevelopment plan goals and that the value of the property is evaluated pursuant to a Report and Re-use Appraisal prepared in accordance with California Health and Safety Code Section 33433. The DDA and proposed project will meet the North Lake Tahoe Redevelopment Plan and North Lake Tahoe 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 was prepared by redevelopment finance consultant Keyser Marsten 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 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. The specific details of those reviews are as follows:

#### **325, 348, 385 DEER STREET**

A mitigated negative declaration was prepared for this development proposal by the County pursuant to CEQA and was certified as document PMPA T20080189. Specific findings and mitigation measures shall be implemented with the project as described in the Notice of Determination filed with the State. In addition, an environmental assessment required by the National Environmental Policy Act was prepared by the Agency for the Federal HOME funding and a notice of Finding of No Significant Impact was published on March 1, 2010.

#### **265 FOX STREET**

A mitigated negative declaration was prepared for this development proposal by the County pursuant to CEQA and was certified by the County as document PMPA T20080190. Specific findings and mitigation measures shall be implemented with the project as described in the Notice of Determination filed with the State.

200 CHIPMUNK STREET

A mitigated negative declaration was prepared for this development proposal by the County pursuant to CEQA and was certified by the County as document PMPA 20080191. Specific findings and mitigation measures shall be implemented with the project as described in the Notice of Determination filed with the State.

BROOK AVENUE LOTS 17/18

An exemption finding was prepared for this development proposal by the County pursuant to CEQA and was certified by the County as document 20090224.

TROUT AVENUE PARCELS

A mitigated negative declaration was prepared for this development proposal by the County pursuant to CEQA and was certified by the County as document PMPB T20080192. Specific findings and mitigation measures shall be implemented with the project as described in the Notice of Determination which was filed with the State.

Attachment: Resolution  
33433 Report and Re-use Appraisal

cc: Karin Schwab, Deputy County Counsel

CONTRACT/AGREEMENT  
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 Reuse Report required by California Health and Safety Code Section 33433, approving the sale of real property to Kings Beach Housing Associates, L.P., adopting findings in connection with such sale, for the Kings Beach Scattered Sites Housing Project

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

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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 Kings Beach 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 Domus Development, Inc., a California corporation (Domus), dated as of July 23, 2007, and subsequently amended, the Agency has negotiated the terms and conditions under which Kings Beach Housing Associates, L.P., a California limited partnership affiliated with Domus (Developer) would acquire the following real property from the Agency: 200 Chipmunk Street (formerly 8817 North Lake Boulevard) (APN 090-222-050) (Chipmunk Street Parcel); 385 Deer Street (APN 090-064-012), 325 Deer Street (APN 090-064-013), and 348 Deer Street (APN 090-067-017) (collectively, Deer Street Parcels); 265 Fox Street (APN 090-126-026) (Fox Street Parcel); Brook Avenue Lots 17/18 (APN 090-182-024) (Brook Avenue Parcel); and the following parcels located on Trout Avenue in Kings Beach: 090-122-035, 090-122-036, and 090-122-037 (all of the foregoing, collectively Property) for development of a 77-unit multi-family housing development in which 59 residential units will be affordable to low- and very low-income households, together with two (2) manager's units, common laundry facilities, recreational space, 113 parking spaces and approximately 3,000 square feet of commercial/common area space (Project);

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

WHEREAS, 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, CRL 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 Agency has approved the Reuse Report, has approved the sale of the Property pursuant to the DDA, and has adopted the findings required by Section 33433 of the Health and Safety Code;

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 a no-interest, deferred loan in the amount of the purchase price (Land Loan), and (ii) a construction/permanent loan in the maximum amount of three million two hundred sixty-seven thousand four hundred dollars (\$3,267,400) (Development Loan);

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.