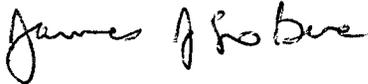


PLACER COUNTY
REDEVELOPMENT AGENCY

MEMORANDUM

TO: Honorable Members of the Redevelopment Agency Board
FROM: Thomas M. Miller, Director
James LoBue, Deputy Director 
DATE: July 13, 2010
SUBJECT: Authorize a Predevelopment Loan with Quartz Ridge Family Apartments, LP in an Amount Not to Exceed \$100,000

ACTION REQUESTED

Adopt a resolution authorizing the Redevelopment Director or his designee to execute a Predevelopment Loan Agreement with Quartz Ridge Family Apartments, LP in an amount not to exceed \$100,000 for the Redevelopment Agency-owned property at 360 Silver Bend Way, in the Bowman area (Site).

BACKGROUND

On November 17, 2009, your Board approved an Exclusive Negotiating Rights Agreement with USA Properties Fund, Inc. for the 6.2 acre Redevelopment Agency-owned site at 360 Silver Bend Way in the Bowman area and in the North Auburn Redevelopment Project Area. USA Properties Fund, Inc. has formed Quartz Ridge Family Apartments, L.P. (Developer), a California limited partnership, to be the Developer for this Project. The Developer has since applied to the County for modification of the entitlement approvals for the Project. The Project is currently named Miner's Ridge Family Apartments but the Developer proposes to change the name to Quartz Ridge Family Apartments (Project) after the permits process has been completed.

Agency Gap Financing & Land Loan

In order to continue the predevelopment activities on the Site and provide documentation for additional financing applications, the developer has requested that the Agency provide a predevelopment loan in the amount of \$100,000. The predevelopment loan would be used to pay for additional environmental testing on the Site and to conduct title research for public utilities and roadway easements along Silver Bend Way. Redevelopment Agency (Agency) staff anticipates presenting a Disposition and Development Agreement (DDA) with the Developer to your Board in the future after the financing strategy for Tax Credit competitiveness has been determined. Based on the current financing proposal, the funding gap identified for this Project is \$2,000,000. Staff proposes to provide \$100,000 of the \$2,000,000 as a predevelopment loan. The \$2,000,000 would be included in the DDA as a residual receipts loan to the Developer. The loans will be secured by deeds of trust and regulatory agreements on the property. If the development of this Site is deemed infeasible after the additional environmental testing and title research has been concluded, the \$100,000 Predevelopment Loan would be forgiven. However, in this event, the Agency would retain the environmental testing documentation and title research, which would increase the value and future marketability of the property.

FISCAL IMPACT

The proposed \$100,000 Predevelopment Loan for the Project is coming from currently available North Auburn Redevelopment Project Area Housing Set-aside funds and Redevelopment Housing Bond proceeds. 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 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, the development project has undergone all environmental review required by the County and in compliance with CEQA. An addendum to the subsequent mitigated negative declaration was prepared for this Project by the County pursuant to CEQA and was certified as document PMUP 20100029 by the Planning Commission on May 13, 2010.

Attachments: Resolution
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:

Authorization for the Redevelopment Director or his designee to execute a Predevelopment Loan Agreement with Quartz Ridge Family Apartments, LP in an amount not to exceed \$100,000 for the Agency owned property at 360 Silver Bend Way, in the Bowman area

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 (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, the Redevelopment Plan);

WHEREAS, pursuant to an Exclusive Negotiating Rights Agreement by and between the Agency and USA Properties Fund, Inc., a California corporation, dated November 17, 2009, and subsequently amended, Agency staff is negotiating the terms and conditions under which Quartz

Ridge Family Apartments, L.P., a California limited partnership formed by USA Properties Fund, Inc. (Developer), would acquire the following real property from the Agency: 360 Silver Bend Way, (the Property) APN: 054-171-031, 054-171-032, 054-171-035, 054-171-036, 054-171-037, and 054-171-038 for development of affordable, multi-family housing;

WHEREAS, the Agency has prepared a Predevelopment Loan Agreement with Developer to further the planning, design, and implementation of the Quartz Ridge Housing Project; and

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).

NOW, THEREFORE, BE IT RESOLVED, that the Agency Board

Authorizes the Redevelopment Director or his designee to execute a Predevelopment Loan Agreement in an amount not to exceed \$100,000 with Quartz Ridge Family Apartments, LP, a California limited partnership.