



County of Santa Cruz ⁰¹⁴³

REDEVELOPMENT AGENCY

701 OCEAN STREET, ROOM 510, SANTA CRUZ, CA 95060-4000

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TOM BURNS, AGENCY ADMINISTRATOR

October 15, 1999

Agenda: October 26, 1999

Board of Directors
County of Santa Cruz Redevelopment Agency
701 Ocean Street
Santa Cruz, CA 95060

Pre-development Funding for Housing Authority Project

Dear Members of the Board:

Since adoption of the 1980 General Plan the County has designated a site on McGregor Drive, in the **Seacliff** area, for affordable housing. With this understanding, in the early 1990's the Housing Authority, with the benefit of a loan from the State Department of Housing and Community Development, purchased the property. Because of limited staff resources, the Housing Authority has been unable to actively engage the community in a design process for the site. Since your Board recently initiated a community design process for this general area and residents and business owners have expressed an interest in reviewing possible projects on this property as part of that process, it would appear that this is the ideal time to engage the community in a design dialogue. The purpose of this letter is to recommend funding for the Housing Authority to initiate the conceptual design process for this important site.

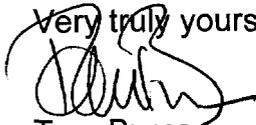
The Housing Authority has developed an overview of the tasks required to involve the community in a design and project feasibility analysis (Attachment 1). That plan also includes a rough time line for completing the tasks, which generally parallels the community process already underway for the **Seacliff** Community Plan. It is estimated that the work to complete those tasks will cost \$99,500. Staff has reviewed values for this property and has determined that adequate equity exists to lien the property for the value of the pre-development loan. The key business points of a pre-development loan would therefore be the following:

- The Redevelopment Agency, through its Low and Moderate Income Housing Fund, would provide a loan to the Housing Authority of up to \$99,500 to be drawn down for pre-development purposes as outlined in the scope of work;

- The Agency's loan would become a second lien against the property, and would be due in full on or before November 1, 2005;
- The Agency's loan would be at a zero percent interest rate; and
- The Housing Authority would be required to provide regular reports to the Agency and would agree to work with Agency throughout the feasibility and design process.

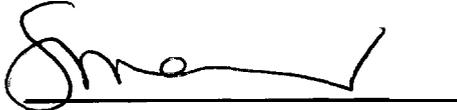
Given the timing of the **Seacliff** Community Plan and the importance of coordinating the design of this project with that process, it is RECOMMENDED that your Board, as the Board of Directors for the Redevelopment Agency, authorize the RDA Administrator to negotiate and sign a loan agreement with the Housing Authority consistent with the terms outlined in this letter.

Very truly yours,



Tom Burns
Redevelopment Agency Administrator

RECOMMENDED:



Susan A. Mauriello
Redevelopment Agency Director

Attachment

cc. RDA
Housing Authority
Planning Department

0145

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
McGREGOR PARCEL COST NARRATIVE
(PRIOR TO CONSTRUCTION BIDDING)

October 5, 1999, prepared by A. France

Work initiated this quarter:

Select Project Manager	
Revise pro-formas including sources and uses	
Preliminary funding source contact	
Preparation for neighborhood meeting	
Cost this quarter	\$1,500

2nd Quarter October 1, 1999, to December 31, 1999

Neighborhood meeting	
Start preliminary drawings	
Develop lender application package	
Continue contact with funding sources	
Perform geotechnical investigation	
Cumulative Cost to Complete	\$32,000

3rd Quarter January 1, 2000, to March 31, 2000

Finalize project concept	
Submit for planning discussion	
Develop initial cost estimates	
Continue neighborhood interaction	
Submit applications for funding	
Complete schematic development drawings	
Cumulative Cost to Complete	\$59,000

4th Quarter April 1, 2000, to June 30, 2000

Continue funding application process	
Assess project viability	
Determine whether or not to proceed with project at this time	
Complete design development drawings	
Submit to planning for approval	
Complete real estate transaction	
Cumulative Cost to Complete	\$99,500