

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY (CPCFA)
CALIFORNIA RECYCLE UNDERUTILIZED SITES (CALReUSE) REMEDIATION
PROGRAM**

Meeting Date: March 19, 2024

**Request to Amend Infill Grant Documents Under the CALReUSE
Remediation Program**

Prepared by: *Ryan Dannewitz*

Applicant: Truckee Development Associates, LLC
Project Name: Truckee Railyard
Project Location: Truckee (Nevada County)
Type of Funding: Grant
Amount Disbursed: \$1,585,724 approved, \$1,585,724 disbursed
Resolution No. 24-03-001
Prior Actions: Approved 11/19/08
Amended 02/20/18

Summary.

Truckee Development Associates, LLC (the “Grantee”) requests approval of an amendment to extend the term of the Infill Grant Agreement (“Grant Agreement”) to March 31, 2030, under the CALReUSE Remediation Program (“Program”).

Project Background.

On November 19, 2008, the Authority approved a grant in the amount of \$1,585,724 for the remediation of a brownfield site that previously supported railroad operations through the mid-1950s, and later as a sawmill until 1989. Numerous operational facilities were located on the site including a locomotive turntable, engine house, oil storage areas and conveyance piping, boiler house, repair shop, mills, log ponds/decks, and kilns. The contaminants of concern on the site included tarry petroleum hydrocarbons and associated polynuclear aromatic hydrocarbons, PCBs, and lead in the soil.

Cleanup of the brownfield was to result in an Infill Development Project that consisted of 483 units (145 affordable) of for-sale and rental units. However, prior to execution of the Infill Grant Agreement, the Grantee requested an amendment to reduce the number of housing units to its current form of 250 units, 38 of which are affordable. This was a necessary accommodation due to the changes in both the credit and housing market at the time, as well as the Grantees unsuccessful bid for a Department of Housing and Community Development Infill Infrastructure Grant. On September 22, 2010, CPCFA’s Executive Director and the Grantee executed the amendment request.

Agenda Item 4.B.
Resolution No. 24-03-001

The remediation of the brownfield site was completed in 2014 which included the removal of approximately 5,000 tons of heavy fuel impacted materials. The Grantee has received all the funds allocated to the project and exhausted all funding on the award.

In February of 2018, the Grantee requested, and the board approved, an extension of the term of the Infill Grant Agreement from March 7, 2018, until March 31, 2024, and an amendment to the project to change the number of housing units from 250 units (38 affordable) to 190 units (71 affordable).

Current Status and Request

The Grantee cites the COVID pandemic and an approximately 50% increase in construction costs as the reason for several of the projects, expected to be completed by March 2024, not moving forward.

Per the terms of the agreement, all remediation and infrastructure improvements for Phases 1 and 2 have been completed. The Artist Lofts project, which provided for 77 residential units (76 of which are affordable), was completed in October 2019. The Railyard TC-IH Districts Development is an active development application into the Town of Truckee for the development of an additional 257 residential units.

A second development site located on Parcels 5 & 6 of the Railyard consists of 2.15 acres has a capacity for development of another 150 residential units. Parcels 5 & 6 project has been submitted as preliminary application to the Town of Truckee. The developer is working on a formal application which is expected in July 2024.

Estimated Timeline for the Residential Unit Construction:

- December 2017 Obtain 4% Tax Credits for the Truckee Artist Lofts
- June 2018 Construction begins on the Truckee Artist Lofts
- August 2019 Construction complete on the Truckee Artist Lofts
- October 2019 Certificate of Occupancy is issued for the Truckee Artist Lofts (77 units)
- July 2024 Development application submittal for Parcels 5 & 6 (~150 units)
- October 2024 Town approval of Railyard TC-IH Districts Development (257 units)
- May 2025 Construction begins on Railyard TC-IH Districts Development
- September 2025 Town approval of Parcels 5 & 6
- May 2026 Construction begins on Parcels 5 & 6
- May 2028 Certificate of Occupancy for Railyard TC-IH Districts
- October 2028 Development Certificate of Occupancy for Parcels 5 & 6

**Agenda Item 4.B.
Resolution No. 24-03-001**

Staff Analysis

Extending the term of the Infill Grant Agreement through March 31, 2030, allows the Grantee to complete the Infill Development Project, obtain all Certificates of Occupancy, and complete the Infill Development Report as required by the Program. Therefore, approval of the requested extension is appropriate as it is in the public interest and furthers the purposes of the program under section 8102.8(b) of the Authority's regulations.

Staff Recommendation.

CPCFA staff recommends approval of Resolution No. 24-03-001 extending the current Grant Agreement expiration to March 31, 2030. Staff has prepared a resolution that the Board can utilize if they wish and available to answer Board questions.

**RESOLUTION NO. 24-03-001
A RESOLUTION OF
THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY AMENDING
GRANT DOCUMENTS UNDER THE CALIFORNIA RECYCLE UNDERUTILIZED
SITES REMEDIATION PROGRAM**

March 19, 2024

WHEREAS, the California Pollution Control Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the Authority’s Regulations (Article 9 (commencing with Section 8090) of Title 4 of the California Code of Regulations)” to implement and make specific the statutory provisions of the California Recycle Underutilized Sites (“CALReUSE”) Remediation Program; and

WHEREAS, Section 53545.14 of the Health and Safety Code authorizes the CALReUSE Remediation Program to administer grant and loan funding for the purpose of brownfield cleanup that promotes infill residential and mixed-use development, consistent with regional and local land use plans; and

WHEREAS, on November 19, 2008, the Authority approved a grant for Truckee Development Associates, LLC (the “Grantee”) in the amount of \$1,585,724, as reflected in Resolution 4.C.17; and

WHEREAS, the Grantee has the authority and responsibility to complete the Brownfield Infill Project and Infill Development Project as described in the Infill Grant Agreement dated January 31, 2011 (the “Grant Agreement”); and

WHEREAS, under the authority delegated to the executive director, the Authority amended the Infill Grant Agreement on February 20, 2018, to extend the term of the Infill Grant Agreement to March 31, 2024, and amended the number of housing units in the infill development project description from 250 (38 affordable) to 190 (71 affordable); and; and

WHEREAS, the Grantee requested an extension to the term of the Infill Grant Agreement from March 31, 2024, to March 31, 2030, due to construction delays; and

WHEREAS, the Authority finds that further extending the term of the Infill Grant Agreement until March 31, 2030, is in the public interest and advances the purposes of CALReUSE Remediation Program; and

WHEREAS, approval for amending the infill Grant Agreement dated November 19, 2008, is sought;

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. The foregoing recitals are hereby adopted as set forth above.

Agenda Item 4.B.
Resolution No. 24-03-001

Section 2. The term of the Infill Grant Agreement, as previously amended, is hereby further extended to March 31, 2030. All other terms, conditions and covenants of the Infill Grant Agreement, as previously amended, shall remain unchanged and in full force and effect.