

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM**

Meeting Date: February 20, 2018

Request to Approve Amendment to Infill Grant Award

Prepared by: *Ethan Wieser*

Applicant:	Truckee Development Associates, LLC	Grant Amount:	\$1,585,724
Project Name:	Truckee Railyard	Amount Disbursed:	\$1,585,724
Project Location:	Truckee (Nevada County)	Resolution No.	18-03-002
		Prior Board Actions:	Approved 11/19/08

Summary. Truckee Development Associates, LLC (the “Grantee”) requests approval of an amendment to extend the term of the Infill Grant Agreement until March 31, 2024 under the CALReUSE Remediation Program (“Program”), and to change the number of affordable and market rate housing units from 250 units (38 affordable) to 190 units (71 affordable).

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.

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 of the funds allocated to the project and there is no funding left on the award.

Current Request. The Grantee has requested 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).

Agenda Item 4.B.

California Code of Regulations, title 4, section 8102.8(b) allows the Authority to grant extensions to an Infill Loan or Infill Grant upon a finding that it is in the public interest and furthers the purposes of the program.

These changes are necessary as the project was delayed for multiple reasons including;

- The project was a complex multi-phased multi-use project that required significant environmental cleanup.
- Following the unanimous approval of the project master plan and Environmental Impact Report, a group of individuals filed a California Environmental Quality Act lawsuit. Although the town of Truckee and Grantee were victorious on all counts, it took two years to resolve the lawsuit.
- Although the project was originally fully financed, the dissolution of the Redevelopment Agencies forced the Grantee to begin anew.
- The entire larger project required significant infrastructure improvements, including new roadways and relocation of the Union Pacific Railroad facilities.
- The project was also greatly affected by the economic downturn in 2009.

The Grantee is set to begin construction on Phase 1 of the Infill Development Project, the Truckee Artist Lofts, in the summer of 2018. Financing for Phase 1 has been obtained through local, state, and private sources, and will consist of 90 rental units (71 affordable), which is nearly double the number of affordable units currently required by the Infill Grant Agreement. Phase 2 will be split into two 50 unit for-sale market rate housing projects. Phase 2-Project 1 will begin construction in May 2020 to be completed by November 2021. Phase 2-Project 2 will begin construction in May 2022 to be completed by November 2023. Although financing for Phase 2 is not yet in place, the Grantee is confident they will have funding in place to begin construction at the timelines referenced above.

The Grantee’s requested project changes would also result in a change to the mix of for-sale and rental as illustrated in the side by side comparison below.

Current Infill Development Project Description			
Number of Units	Type		Max. Depth of Affordability
125	Rental		Unrestricted
38	For-sale		≤ 120 % AMI
87	For-sale		Unrestricted
250	Total Units		

Requested Amended Infill Development Project Description			
Number of Units	Type		Max. Depth of Affordability
71	Rental		≤ 60 % AMI
14	Rental		≤ 120 % AMI
100	For-sale		Unrestricted
190	Total Units		

Extending the term of the Infill Grant Agreement through March 2024 allows the Grantee to complete the Infill Development Project, obtain certificate of occupancy, and complete the Infill Development Report providing needed affordable housing. Therefore, approval of the requested amendments 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.

Infill Development Project Location



CALReUSE Infill Development Project
- 190 Units (71 affordable)

Staff Recommendation. Staff recommends approval of the attached Resolution No. 18-03-002 to amend the number of housing units from 250 (38 affordable) to 190 (71 affordable), and to extend the term of the Infill Grant Agreement until March 31, 2024.

Resolution No. 18-03-002

**A RESOLUTION OF THE CALIFORNIA POLLUTION CONTROL FINANCING
AUTHORITY APPROVING THE REQUEST TO AMEND THE INFILL GRANT
DOCUMENTS UNDER THE CALIFORNIA RECYCLE UNDERUTILIZED SITES
REMEDIATION PROGRAM**

February 20, 2018

WHEREAS, the California Pollution Control Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the Regulations (California Code of Regulations, title 4, division 11, article 9) adopted to implement and make specific the statutory provisions of the California Recycle Underutilized Sites (CALReUSE) Remediation Program (the “Program”); and

WHEREAS, the statutory provisions of the Program authorize 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, the Authority on November 19, 2008 approved a grant for Truckee Development Associates, LLC (the “Grantee”) in the amount of \$1,585,724; and

WHEREAS, 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, the Grantee has requested an extension to the term of the Agreement from March 7, 2018 to March 31, 2024 due to entitlement and financing delays; and

WHEREAS, the Grantee has requested to amend the number of housing units in the Infill Development Project from 250 (38 affordable) to 190 (71 affordable); and

WHEREAS, the Authority finds that extending the term of the Grant Agreement and amending the number of housing units are in the public interest and further the purposes of the Program under section 8102.8(b) of the Regulations;

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

Section 1. The term of the Infill Grant Agreement is extended to March 31, 2024.

Section 2. The total number of housing units in the Infill Development Project Description shall be amended from 250 (38 affordable) to 190 (71 affordable).

Section 3. Except as specifically amended in Exhibit A hereof, all provisions and conditions of Exhibit A of the Infill Grant Agreement dated January 31, 2011 shall remain unchanged and in full force and effect.

EXHIBIT A

TERM SHEET

Name of Project: Truckee Rail Yard

Maximum Amount of Grant: \$1,585,724

Grantee: Truckee Development Associates, LLC

Financing Structure: Grant

Maximum Grant Term: March 31, 2024

Oversight Agency: Regional Water Quality Control Board,
Lahontan Region

Project Location: Former Union Pacific Railroad Rail Yard,
Parcel Numbers 19-420-15, 68, 69, 70, 71,
72; Zip Code 96160

Infill Development Description: The Project will consist of 71 rental housing
units at less than or equal to 60% of Area
median income (AMI), 14 unrestricted
rental housing units, and 100 unrestricted
for-sale housing units.

Description of Activity	Cost
Soil sampling to confirm excavation extents	\$ 50,441.23
Well destruction activities	25,737.75
Soil remediation and confirmation sampling	1,408,950.25
Remediation completion report, request for site closure	96,427.17
Regulatory agency fees	<u>4,167.60</u>
TOTAL ELIGIBLE BROWNFIELD INFILL COSTS:	<u>\$1,585,724.00</u>