

**California Pollution Control
Financing Authority**

**CALREUSE
PROGRAM**

CALIFORNIA RECYCLE UNDERUTILIZED SITES

**2008 ANNUAL REPORT TO THE
CALIFORNIA STATE LEGISLATURE**

March 2009

About the California Pollution Control Financing Authority:

The California Pollution Control Financing Authority (CPCFA) provides California businesses with a reasonable method of financing pollution control facilities and fosters compliance with government imposed environmental standards and requirements. Over the last thirty years CPCFA has evolved to meet California's needs as follows:

- In the solid waste industry through its Pollution Control Tax-Exempt Bond Program.
- For small businesses through the California Capital Access Program.
- With the reuse and redevelopment of brownfields through the California Recycle Underutilized Sites Program.
- With financial assistance to cities and counties in their community planning and development efforts through the Sustainable Communities Grant and Loan Program.

CPCFA consists of:

Bill Lockyer, Chair
State Treasurer

John Chiang
State Controller

Michael C. Genest, Director
Department of Finance

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CALReUSE

2008 Annual Report

This report of activities for the California Recycle Underutilized Sites Program is submitted pursuant to Health and Safety Code Sections 44525.7 and 53545.14(b) for the calendar year ending December 31, 2008.

EXECUTIVE SUMMARY

The California Recycle Underutilized Sites (CALReUSE) Program addresses the funding and information gap in the development of property with real or perceived contamination – brownfields – and assists in transforming these underutilized properties into productive use, turning uncertainty into opportunity for revitalizing California’s blighted areas. CALReUSE consists of two programs: the Assessment Program, which provides forgivable loans to finance professional site assessments; and the newly launched Remediation Program, which provides grants and loans for brownfield cleanup activities that result in mixed use and residential development.

When CALReUSE was first developed in 2001 the California Pollution Control Financing Authority (“Authority”) determined to roll out the program in two phases: phase one would include the financing of brownfield assessment, characterization, and development of remedial action plans – the Assessment Program; and phase two would include the financing of brownfield remediation and development. The Authority provided funding for the Assessment Program. The Housing and Emergency Shelter Act of 2006 (Proposition 1C)¹ included funds for CALReUSE to use for a loan and grant program to finance brownfield cleanup (the Remediation Program).

This report illustrates the activities of the CALReUSE Assessment Program, and describes development, launch and the initial financings under the CALReUSE Remediation Program for 2008.

¹ Of the total \$2.85 billion in general obligation bonds approved under Proposition 1C, \$850 million is slated for the *Regional Planning, Housing and Infill Incentives Account*, which includes a provision for *brownfield cleanup that promotes infill housing development and other related infill development consistent with regional and local plans*. \$60 million of the funds were allocated to CALReUSE in the 2007-08 Budget.

CALREUSE ASSESSMENT PROGRAM 2008 SUMMARY

The CALReUSE Assessment Program utilizes Strategic Partners² to provide forgivable loans up to \$500,000 to finance the costs of site assessments, technical assistance, and other specified activities, to assist in the reuse and redevelopment of brownfields. The number of sites actually developed is a measure of the program's success. Additionally, program performance is measured by the amount of the Authority dollars leveraged to total costs of the projects assisted. A more detailed description of the Assessment Program can be found in Attachment I to this report.

The CALReUSE Assessment Program places priority on projects in areas with a demonstrated need for redevelopment that would most likely not move forward in the development process without CALReUSE assistance. Projects may be located in distressed neighborhoods within urban and rural communities. The program reduces risk by allowing loans to be forgiven if, acting in good faith, the borrower finds the site to be too contaminated to proceed with the planned development.

Key program accomplishments for the CALReUSE Assessment Program in 2008 include:

❖ Approval of eight new loans totaling \$1,126, 237.

1. **Resources for Community Development**

received a \$100,000 loan to conduct a Phase II site assessment with the anticipation of redeveloping a former tank cleaning site into a 49-unit affordable housing development in Martinez.

2. **Environmental Investments, LLC** received

a \$174,237 loan for the preparation and implementation of a site assessment work plan and a site characterization report on a former oil facility and metals fabrication plant to be redeveloped into retail and commercial space in Bell Gardens.

3. **Revita WDI, LLC** received a \$127,000 loan to conduct site assessment and remediation

LOAN CRITERIA

CALReUSE loans made by a Strategic Partner must meet the following minimum loan terms:

- *Minimum interest rate based on 6-month LIBOR (but not less than 2%)*
- *Maximum loan amount of \$300,000 per site, and \$500,000 for sites that will result in housing.*
- *Maximum loan term of 36 months.*
- *Funding for allowable uses, including site assessment costs, technical assistance, and other specified costs to assist in the regulatory process and remediation planning.*

² **Strategic Partner.** A public or private entity selected by the Authority to provide technical assistance, funding and administrative services to Borrowers pursuant to a contract with the Authority.

planning with the goal of redeveloping a former landfill and oil barrel reservoir in Santa Fe Springs into commercial and office space.

4. **Ekloff, Inc.** received a \$300,000 loan to conduct soil and groundwater assessment and preparatory pilot studies at the site of an operating industrial building in Santa Cruz which requires groundwater remediation prior to expansion.
 5. **New Railroad Square LLC** received a \$122,000 loan to conduct Phase II site assessment with the anticipation of redeveloping a former railroad station into a mixed-use development in Santa Rosa.
 6. **Golden Pacific Partners** received a \$100,000 loan to assess a group of municipal surface parking lots with the goal of developing medium density housing with parking garages in Huntington Park.
 7. **Esposito Plating** received a \$75,000 loan for assessment and site characterization of a half-acre site formerly used for plating with the goal of constructing a 4-story, 12-unit condominium project in Oakland.
 8. **Shea Mercado LLC** received a \$90,000 loan for assessment of a site that was formerly used as automobile repair and dismantling facilities, junk yards and welding facilities. The proposed development will include 80 affordable multi-family units and 85,000 square feet of retail and commercial space in the Barrio Logan neighborhood of San Diego.
- ❖ The repayment of a CALReUSE loan as the site progressed to the remediation phase; and the anticipated forgiveness of four loans due to the inability of the projects to move forward.
 - ❖ The enactment in early 2008 of new regulations. The most substantive programmatic changes included:
 1. Increasing the maximum loan amount from \$125,000 per site to \$300,000 per site in general and \$500,000 for sites that will be cleaned up for housing developments.
 2. Modifying the interest rate from being based on the State's Pooled Money Investment (adjusted annually) to following the six-month London Interbank Offered Rate (LIBOR), but not less than 2%, to more adequately adjust to market conditions.
 3. Removing the exclusion or ineligibility of specific types of contaminated sites in order to increase the program's effectiveness in brownfield revitalization.

- ❖ The Assessment Program’s original anticipated set-aside of \$10 million of seed funding was decreased to \$5 million. This decrease in funding was necessary to address the Authority’s overall budget issues, and to assist in the Authority’s long term solvency. The Authority may be able to increase the program’s funding if additional funds become available in the future.

Assessment Program Performance. As of December 31, 2008, of the \$5 million in program funds, \$1,768,760 (35.4%) is currently encumbered in 14 existing loans and \$667,990 (13.4%) has been forgiven or is anticipated to be forgiven. To date, \$3,584,248 has been distributed through 33 loans, of which \$1,147,498 has been paid back in full with interest and is being revolved and reused. A summary of program loans through 2008 by Strategic Partner can be found in Attachment II of this report while a narrative description of each project funded may be found in Attachment III.

Assessment Program Strategic Partners. CALReUSE is structured such that selected governmental or private entities (Strategic Partners) work with the Authority to select projects, distribute loan funds, and administer the program. In 2008, the program continued to be administered through six Strategic Partners – five local government Strategic Partners and one statewide Strategic Partner – with the following allocations:

Center for Creative Land Recycling	\$2,000,000
City of Oakland	1,000,000
San Diego Redevelopment Agency	1,000,000
Emeryville Redevelopment Agency	150,000
City of Bakersfield ³	500,000
City of Berkeley	<u>400,000</u>
Total:	<u>\$5,050,000</u>

Each partner has strong qualifications, as evidenced by experienced staffs with long histories of working with local private developers, development agencies, and local governments on various brownfield and other development projects. Strategic Partners are selected in a competitive process which is further described in Attachment I.

³The City of Bakersfield has not been able to administer or market the Program as a Strategic Partner due to an unanticipated decrease in staff and resources. In 2008, the City notified the Authority that it would not be extending its Strategic Partner contract.

CALREUSE REMEDIATION PROGRAM 2008 SUMMARY

The CALReUSE Remediation Program is a grant and loan program initially funded with \$60 million from Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006, further defined by the Legislature in the 2007-08 Budget Act and trailer bill⁴. Administered by the Authority in consultation with the Department of Housing and Community Development (HCD), the Remediation Program finances brownfield cleanup that promotes infill residential and mixed-use development, consistent with regional and local land use plans. A more detailed description of the Remediation Program and its development can be found in Attachment I of this Report.

Key program accomplishments for the Remediation Program in 2008 include:

- ❖ **Navigated Rulemaking Process.** The Authority conducted an extensive stakeholder process in developing the program, working with HCD and other state agencies, brownfield development practitioners, affordable and for-profit housing developers, brownfield transaction experts, regulators, and other stakeholders. Emergency regulations to enact the CALReUSE Remediation Program were adopted in February 2008. Permanent regulations were submitted to the Office of Administrative Law in December 2008.
- ❖ **Strategic Partners Selected.** The Authority initiated a competitive bid process to identify Strategic Partners with the unique skills of brownfield revitalization as well as housing and infill development experience and knowledge. Strategic Partners assist the Authority in administering the Remediation Program under guidelines established in procedures and regulations. Two Statewide Strategic Partners were selected to assist in administering the Program: the Center for Creative Land Recycling and the National Brownfields Association CALReUSE Project Team. Two Local Strategic Partners were also selected: the City of Oakland and Targhee Consulting Team (serving Los Angeles County). The Local Strategic Partners serve potential applicants within their jurisdictions, while the Statewide Strategic Partners provide services across the State.
- ❖ **Program Launch.** On September 3, 2008, the Authority noticed all interested parties that applications were available through Strategic Partners and that initial applications

⁴Senate Bills 77 and 86 of 2007 allocated \$60 million to CALReUSE to administer a *grants or loans... for the purpose of Brownfield Cleanup that promotes infill residential and mixed use development, consistent with regional and local land use plans.*

would be considered by the Authority on a rolling or continuous basis as long as funds are available, beginning at the November 19, 2008 Authority Board meeting.⁵

- ❖ **Awarded 32 Projects Totaling Nearly \$54 Million.** The Authority received 32 applications that had been vetted and recommended by its Strategic Partners, with a total funding request of nearly \$82 million. With oversubscription for the funds, the Authority capped the funding award at \$5 million per project to ensure that more projects would receive the necessary funds to kick-start their cleanup projects. A listing of projects funded can be found in Attachment IV, and a more detailed narrative description of each project can be found in Attachment V or by reviewing the Authority's staff reports.⁶
- ❖ **Project Funding Frozen Due to State Fiscal Crisis.** Similar to numerous other state programs funded by general obligation bonds, the CALReUSE Remediation Program has been affected by the state's fiscal crisis and the Pooled Money Investment Board's suspension of activity for general obligation bond funded programs on December 17, 2008.

OVERVIEW OF PROJECTS AWARDED FUNDING UNDER THE CALREUSE REMEDIATION PROGRAM

As noted above, the Authority received 32 eligible applications requesting funding of nearly \$82 million. The Authority determined that of the \$60 million allocated to the program, \$55 million would initially be made available to projects.⁷ With oversubscription for the funds, the Authority capped the funding award at \$5 million per project to ensure that more projects would receive the necessary funds to kick-start their cleanup activities. Projects were assessed and awarded according to the Remediation Program's regulations, including factors such as project eligibility, the creation of housing units, project readiness, public benefits, and geographical targets. In November 2008, the Authority funded 32 projects with an overall award amount of \$53,854,235.⁸

⁵ The Program Regulations (CCR Title 4, Division 11, Article 9, Sections 8090, 8102 through 8102.15.

⁶ A listing of projects funding by Proposition 1C can be found at the Authority's website, <http://www.treasurer.ca.gov/cpcf/calreuse.asp>, and a staff analysis of each project can be found in the staff reports provided to the public and CPCFA Board (November 19, 2008, agenda items 4.C through 4.C.32) http://www.treasurer.ca.gov/cpcf/agendas_previous.asp.

⁷ The remaining funds will be utilized to cover the Authority's administrative costs as well as HCD's administration costs associated with the general obligation bonds.

⁸ \$1,145,765 remains to be awarded to additional projects.

The projects will result in mixed-use projects, transit-oriented developments, market rate for-sale and rental units, to affordable for-sale, senior, and family rental units.⁹ The projects are located in 13 cities across the state, ranging from the largest metropolitan areas – Los Angeles, Oakland, San Diego, San Francisco, and Sacramento – to cities such as Stockton, Yuba City, Truckee and Santa Cruz.

PROGRAM HIGHLIGHTS

- Awards from \$50,000 to \$5 million for brownfield cleanup
- Grants and Loans
- 6 Years to Clean up Site and Finish Construction of Housing
- Geographical Targets
- Priority Sites
- Scoring Criteria
- Project must promote residential or mixed-use development

Preliminary data shows that the program’s initial investment of nearly \$54 million will help leverage over \$7.6 billion in private investment and over \$2.4 billion in public investment.¹⁰ Across the state, the Remediation Program will assist in the creation of approximately 80,000 cleanup and construction jobs and 35,000 permanent jobs directly and at least 3,000 additional jobs indirectly. Project readiness is a minimum threshold under the Remediation Program, and 88% of the projects funded are scheduled to begin cleanup and construction – job creation – in 2009, and the remaining projects in early 2010. Given California’s high unemployment rate, projects such as these are a good investment for the state and provide a great public benefit. The Remediation Program’s economic impact is projected to be well over \$33 billion.

⁹ “Affordable” means: 1) rental units restricted to incomes equal or lesser than 60% of the Average Median Income (AMI) for 55 years, or 2) ownership units restricted to incomes equal or lesser than 120% AMI for 30 years (Health and Safety Code Section 53545.13(c)(2)(C)).

¹⁰ Public sources of funding range from local city and redevelopment funds to other state programs, tax credit and federal programs.

Project Highlights

COMM 22 Project

This San Diego project will receive funding in the form of a \$1,500,000 CALReUSE grant. The award will help finance a mixed-use, transit-oriented development which combines affordable family and senior rental housing with child care facilities, office space, live-work lofts, for-sale row homes, and community-serving commercial and retail space. The project is located in the Logan Heights area of San Diego, which has not seen community development for more than 30 years. It will create 252 units, including 7 for-sale units at 50% to 120% of the area median income (AMI), 40 rental units at 50% to 60% AMI, 88 rental units at

40% to 50% AMI, and 69 units at less than or equal to 40% AMI.

Based on a variety of historic uses, several environmental conditions have been identified on the site that will require mitigation and remediation efforts. Preliminary soil and groundwater investigations have identified petroleum hydrocarbon impacted soils and groundwater beneath a former underground storage tank area. Additionally, a layer of fill was encountered throughout the site in areas immediately beneath existing surface grade pavement.



Project Site before



Project Site after (artist rendering)

Project Highlights contd.

Hunters Point Shipyard

While this San Francisco project will receive a CALReUSE grant of \$5,000,000, the Authority pre-approved a total of \$12,444,063 with the additional \$7 million contingent on the Program receiving additional funding. This award will help finance the remediation of Hunters Point Shipyard and Candlestick Point into a mixed-use development area. The project will create 2,625 residential units, nearly a quarter of which will be affordable. Additionally, 80 supportive housing rental units for the elderly will be created. The affordable units will consist of 202 for-sale units at 50% to 120% AMI, 267 rental units at 40% to 50% AMI, and 67 units at less than or equal to 40% AMI. Moreover, there will be supportive rental housing for the

elderly that includes 20 units at 50% to 60% AMI, 30 units at 40% to 50% AMI, and 30 units at less than or equal to 40% AMI. The Shipyard presents an opportunity to return to the City and the Bayview Hunters Point Community a waterfront site that has stood dilapidated, underutilized, and disconnected since the Naval base closure in 1974.

The northeast quadrant of the current Shipyard housed a dry dock facility from the 1880s until 1939 when the Navy took ownership of the area. In 1974 the Navy leased the Shipyard to large scrap steel companies to dismantle commercial vessels and sell the steel for scrap. Contaminants of concern for which CALReUSE funds will be used are asbestos and lead-based paint.



Project Site before



Project Site after (artist rendering)

Project Highlights contd.

MacArthur Transit Village, Oakland

MacArthur Transit Community Partners, LLC was awarded a \$2,981,000 CALReUSE grant for a development that will create 312 for-sale and rental units. Four of the 222 for-sale units will be affordable at 50% to 120% AMI. All 90 rental units will be affordable: 21 units at 40% to 50% AMI, and 69 units at less than or equal to 40% AMI. The Project is part of a larger 8-acre development project. At build-out, the larger project will include 624 residential units, 42,500 square feet of neighborhood-serving retail space, a 5,000

square-foot child care facility, and a 400-space parking garage for BART patrons. The development includes the construction of two new streets to support and improve bike, shuttle, and car circulation for the BART station.

Currently a below grade surface parking lot for BART patrons using the MacArthur BART Station, the site was the former location of an automotive repair garage, and an on-site dry-cleaning operation. Two gas stations were formerly located on adjacent properties. Contaminants of concern are volatile organic compounds, as well as petroleum hydrocarbons and related compounds.



Project Site before



Project Site after (artist rendering)

Project Highlights contd.

Sacramento Railyards

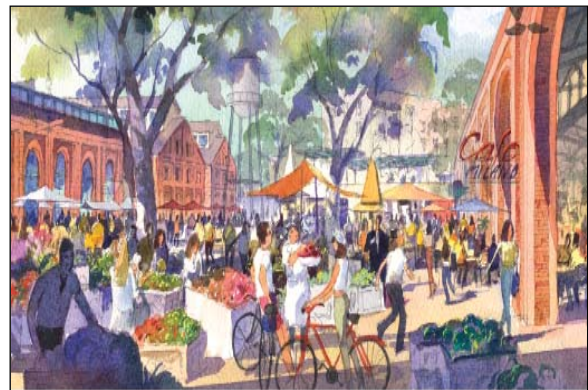
Located in Sacramento, the Project will receive a \$5,000,000 CALReUSE grant. The Project was pre-approved for an additional \$9,750,716 contingent on the CALReUSE Program receiving additional funds. This mixed-use development project will create 197 units of rental housing for families and seniors consisting of 57 rental units restricted to households at 50% to 60% AMI, 98 rental units at 40% to 50% AMI, 40 units at less than or equal to 40% AMI, and two non-restricted units. The development will provide seniors with an affordable place to live amidst the vibrant downtown setting, and housing for families that will be employed in the many retail, entertainment, dining, and commercial businesses in the Sacramento Railyards area. The Infill Development Project is part of a

larger redevelopment of the Sacramento Railyards area that will include 12,000 housing units, of which 1,800 will be affordable. The Railyards will deliver tremendous economic and social benefit to the region, creating approximately 19,000 permanent jobs and 2,800 annual construction jobs with an anticipated ongoing economic impact of \$2.7 billion per year.

The site housed Southern Pacific Railroad's principal locomotive and maintenance rebuilding facility since 1863. Operations at the site included assembly and building of locomotives and railroad cars, and repairing or refurbishing of the cars and locomotives. The site also produced rails, steam and ferry parts, and cable cars. Lead, asbestos and heavy metals are the primary constituents of concern.



Project Site before



Project Site after (artist rendering)

Project Highlights contd.

The Boulevards at South Bay

A mixed-use development in Carson will receive a \$5,000,000 CALReUSE grant. A 400-unit apartment complex will be constructed on 7 acres with 15 percent of the units being designated as affordable at 40% to 50% AMI. The project is part of a larger overall development which will include a central entertainment complex, public art, up to 400 for-rent residential units, 1,150 for-sale residential units, 300 hotel rooms, and total retail space of approximately 1.25

million square feet. Projected to create 2,500 permanent jobs and upwards of \$1 billion in real estate assets, the development will promote the economic well-being of this redevelopment area.

The site formerly supported a Class II landfill. Hazardous substances associated with the landfill have been detected on the property in subsurface soil and groundwater. The contaminants of concern include volatile organic compounds, heavy metals, methane, and petroleum hydrocarbons.



Project Site before



Project Site after (artist rendering)

Project Highlights contd.

Truckee Railyard Project

Located in the town of Truckee, this project will receive a CALReUSE grant of \$1,585,724. The development consists of three distinct districts providing a total of 483 residential units, of which 30 percent will be affordable. These will consist of 60 for-sale units restricted at 50% to 120% AMI, 12 for-sale units at 40% to 50% AMI, and 73 rental units at less than or equal to 40% AMI. Of these three districts, the *Downtown Core Extension* will provide as many as 220 residential units, 15 live/work units, and 50 work/live units. The *Industrial Heritage District* will provide up to 200 residential units, including live/work units,

and the *Trout Creek District* will provide up to 60 residential units and 25 live/work units. The project will provide public amenities including 20,000 square feet of grocery, 65,000 square feet of retail, a 1,000-seat theater, a 60-room hotel, and a 25,000 square-foot civic building, along with numerous parks and open space accessible to pedestrians, bicyclists, and vehicles.

The site supported railroad operations through the mid-1950s, with most of the site leased to sawmill operators. Contaminants of concern include tarry petroleum hydrocarbons and associated polynuclear aromatic hydrocarbons, PCBs, and lead.



Project Site before



Project Site after (artist rendering)

Suspension of Funding Due to California's Budget Crisis

Similar to numerous other state programs, the CALReUSE Remediation Program has been affected by the state's fiscal crisis and the effects of the December 17, 2008 actions by the Pooled Money Investment Board. The Department of Finance has instructed all state agencies to delay any activities and expenditures funded through the Pooled Money Investment Account (PMIA) until 1) a budget solution is enacted and 2) the State can re-enter the bond market.

The Authority undertook the following actions until further notice:

- Noticed all awardees that Authority's ability to provide funds under the CALReUSE Remediation Program is suspended for an unknown period of time.
- Suspended the execution of loan and grant agreements for approved projects under the program.
- Suspended the existing contracts with the Strategic Partners under the program.
- Suspended the consideration and approval of any new applications under the program.

The Authority is working with awardees and applicants to answer questions as the state navigates this un-chartered territory. The overall affect of the PMIA freeze on awarded projects is currently unknown as project proponents continue to identify short term solutions as they await funding from the Program. Projects will continue to be monitored over the duration of the suspension.

Next Steps for 2009

Upon notice from the Department of Finance, the Authority will move forward with the execution of grant and loan agreements, and will award the remaining \$1,145,765 of the initial \$60 million allocation.

Due to the oversubscription of 2008 funds, the Authority is pursuing additional Prop 1C funds to meet the ongoing demand from “shovel-ready” projects. Because one of the major components of the Program’s threshold eligibility and scoring criteria is project readiness, projects that met all other criteria but were not yet ready to deploy were held back for the next round of approval, contingent upon CALReUSE getting additional allocation from the Legislature.

The Authority has received a pipeline of an additional 23 requests for funding totaling approximately \$98 million for projects that will be ready for funding and on-the-ground cleanup activities.

ATTACHMENT I

CALIFORNIA RECYCLE UNDERUTILIZED SITES PROGRAM

CALReUSE Program Background

California Pollution Control Financing Authority

SUMMARY

The CALReUSE Program is designed to encourage and assist in the revitalization and development of brownfield sites. The program achieves this goal through providing pre-development dollars to address a gap in the funding of brownfields. The most risk for any development project is at the pre-development phase. For brownfield-based projects (as opposed to “greenfield” projects on previously undeveloped land), many developers are hesitant to invest funds because the ultimate costs of remediation—and thus development—are unknown, unclear, or cost-prohibitive. CALReUSE closes this funding and information gap by providing loans to finance professional site assessments – the *Assessment Program* – and grants or loans to finance cleanups – the *Remediation Program*. The Programs assist in bringing these underutilized properties into productive reuse. CALReUSE helps accomplish a range of important public policy goals – from the protection of public health and safety to fostering redevelopment and the revitalization of urban blight.

In 2000, the California Pollution Control Financing Authority (CPCFA) was authorized to provide loans (directly, or indirectly through intermediaries) to assist in financing, among other things, the costs of performing or obtaining brownfield site assessments, remedial action plans and reports, technical assistance, cleanup, remediation, or development of brownfield sites, or any other similar or related costs, subject to all applicable federal, state, and local laws, procedures, and regulations (S.B.1986, Stats. 2000, Ch. 915). Pursuant to this legislation, the California Recycle Underutilized Sites (CALReUSE) Program was created.

When CALReUSE was first developed in 2001, the Authority determined to roll out the program in two phases: phase one would include the financing of brownfield assessment, characterization, and development of remedial action plans – *the Assessment Program*; and phase two would include the financing of brownfield remediation and development – what would later become the *Remediation Program*. The Housing and Emergency Shelter Act of 2006 (Proposition 1C) was the impetus to develop the *Remediation Program* and expand CALReUSE beyond site assessment financing to include a loan and grant program to finance brownfield cleanup.¹

Together, the Assessment and Remediation Programs work to spur the development of

¹ Approved by voters in 2006, The Housing and Emergency Shelter Trust Fund Act slated \$850 million for infill infrastructure investments. It includes a provision for brownfield cleanup that promotes infill housing development and other related infill development consistent with regional and local plans. In 2007, the Legislature allocated \$60 million of Proposition 1C monies to CALReUSE, in consultation with the Department of Housing and Community Development (HCD), to provide grants and loans for the purpose of brownfield cleanup that promotes infill residential and mixed-used development, consistent with regional and local land use plans (Senate Bill 86, 2007).

ATTACHMENT I

brownfields. The *Assessment Program* provides forgivable loans to applicants to assess the extent of contamination on a site and quantify the cost of site cleanup on the proposed development. The *Remediation Program* provides grants and loans to applicants to clean up sites in order to advance residential and mixed-use development in California's infill areas. CALReUSE targets properties in urban and rural communities' infill areas with a demonstrated need for redevelopment. The Assessment Program focuses on properties that, absent CALReUSE assistance at the pre-development phase, would most likely not move forward in the development process.

CPCFA utilizes a collaborative approach of engaging *Strategic Partners* to assist in administering CALReUSE.² Strategic Partners can be governmental agencies or public or private entities that have a demonstrated understanding of community economic development, real estate development project economics, environmental assessment and remediation processes, among other attributes.

Brownfield revitalization is a complicated endeavor that requires expertise from various fields, including but not limited to:

- An understanding of the economic and real estate development processes specifically as applied to brownfield revitalization and development;
- An understanding of environmental assessment and remediation requirements, and brownfield regulatory and reporting requirements;
- Experience in evaluating the economic viability of proposed brownfield revitalization projects and development projects; and
- The ability to provide technical assistance to a development entity.

The CALReUSE Program's model of utilizing Strategic Partners has provided applicants, borrowers, and awardees with a wealth of knowledge and experience during the often turbulent endeavor of developing a brownfield site. Strategic Partners are selected under a competitive process and are under contract with the Authority. Strategic Partners operate under the regulations and procedures developed by the Authority and report regularly on their activity to ensure transparency, accountability, and appropriate use of state funds.

Local Strategic Partners, typically local governments or redevelopment agencies, bring an understanding and knowledge of local government priorities, as well as community and stakeholder knowledge. The program is also administered through Statewide Strategic Partners, which assist in making the program available in all other areas across the state.

² By statute, CPCFA is authorized to work in conjunction with public and private sector entities including, but not limited to, cities, counties, school districts, redevelopment agencies, financial institutions, and for-profit and non-profit development entities.

ATTACHMENT I

HOW THE CALREUSE ASSESSMENT AND REMEDIATION PROGRAMS DIFFER

There are many similarities between the CALReUSE Assessment and Remediation Programs, from their utilization of Strategic Partners to their prioritization of funds to project readiness and communities of need. The programs have distinct differences as well, predominantly in their funding source and how the programs are administered.

The *Assessment Program* is funded from the CPCFA administrative fund, which has accrued over the years through fees generated by the large borrowers under the Authority's bond program.³ Under the *Assessment Program*, Strategic Partners are given flexibility to design responsible programs that provide accountability while facilitating the redevelopment of brownfields sites. Strategic Partners have a defined strategy to facilitate the redevelopment of brownfields, a quality team with expertise to execute the strategy, and a program that meets CPCFA criteria. Strategic Partners select projects, distribute grant and loan funds, and administer the program.

The *Remediation Program* is funded by general obligation bonds which are issued by the Public Finance Division of the State Treasurer's Office and are governed by federal tax code. Under the Remediation Program, all decision making authority is retained at the Authority. When the State issues General Obligation bonds it becomes responsible for not only administering the funds in a manner that preserves the tax-exempt status of the bonds, but also in a manner that is consistent with the voter approved bond act. The State does not delegate these critical functions to non-State entities; however, the role of Strategic Partners remains crucial under the *Remediation Program*. The unique combination of experience, skills and ability gives both the users of the program and the Authority a strong foundation for a success. Strategic Partners under contract make recommendations to the Authority and assist in administering the program. The Authority's Board considers projects and approves awards.

ASSESSMENT PROGRAM

PROGRAM GOAL

The Assessment Program's goal is to spur the development of brownfields. The program achieves this goal through providing pre-development dollars to address a gap in the funding of brownfields. The most risk for any development project is at the pre-development phase. For brownfield-based projects (as opposed to "greenfield" projects on previously undeveloped land), many developers are hesitant to invest funds because the ultimate costs of remediation—and thus development—are unknown or unclear.

CALReUSE closes this funding and information gap by providing pre-development dollars to finance professional site assessments. This brings certainty to the economic and development equation by quantifying environmental risks, providing information necessary for a remediation plan, assisting with development efforts, and applying cost and timeframe information to the problem. Parties to a brownfield project can then make informed decisions

³ For more information about CPCFA's bond program visit www.treasurer.ca.gov/cpcf.

ATTACHMENT I

and measure exposure to liability. This significantly enhances the probability that a site can move forward in the development process.

BACKGROUND

One of the greatest barriers to successful redevelopment of brownfields projects is the uncertainty in the development process. This uncertainty centers around two concepts: project viability (time and money) and environmental liability. CALReUSE utilizes limited public resources to effect a change in the process so that project economics can be determined, liability can be quantified, and redevelopment of sites with real or perceived contamination can move forward.

However, capital markets have not been willing to fund site assessments or other up-front costs associated with the regulatory and remediation processes because these costs are considered to be predevelopment costs. Debt sources, including banks and other lenders, place themselves in the most secure position and require equity to be in place prior to (or concurrent with) funding. Equity sources, including investors and financial partners, require a development entity to have an understanding of the economics of the project and to have determined economic feasibility prior to their participation. Similarly, development entities are often not willing to fund predevelopment costs if they do not have a grasp of project economics. As a result, many potentially usable sites sit idle.

Where a project involves a brownfields site, a professional site assessment is necessary to gain an acceptable understanding of economic feasibility. By financing the costs of site assessments, CALReUSE assists in filling a critical funding gap in the early stages of project development. Where the economics are determined to be acceptable, development entities are more likely to spend money to commission the reports necessary to fine tune the economic equation, attract capital, and move through the regulatory process.

In addition to the reluctance of capital markets to fund site assessment costs, many development entities do not have the resources or expertise in-house to deal with additional issues, such as the regulatory and remediation processes, that surround brownfields sites. Therefore, CALReUSE includes a technical assistance component designed to help development entities overcome uncertainties related to such issues. For example, CALReUSE may provide technical assistance to educate development entities on the remediation process or provide funds for development entities to hire the expertise to assist them through the regulatory process.

A professional site assessment, as well as an analysis of regulatory issues and other possible hurdles, can bring certainty to the economic equation by quantifying environmental risk, providing information for a remediation plan, and applying cost and timeframe information to the problem. Parties to the project can then make informed decisions and measure exposure to liability. This enhances the probability that a site can move forward in the development process.

At its inception, CPCFA initially set-aside \$10 million of seed money to launch the

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Assessment program on a pilot basis; however, in 2008 funding for the CALReUSE Assessment Program was reduced to \$5 million. The funding reduction was necessary to assist the Authority in addressing CPCFA's overall budget issues. Due to uncertain outcomes associated with site assessments and the difficulty in redeveloping contaminated sites, repayment of CALReUSE loans may not be possible in many circumstances.

The number of sites moved forward in the development process is a measure of program success. Additionally, program performance is measured by the amount of CPCFA dollars leveraged to total costs of the projects assisted.

PROGRAM ADMINISTRATION AND METHOD DISTRIBUTION

As noted above, the CALReUSE *Assessment Program* is operated through Strategic Partners. Within program guidelines established by CPCFA, Strategic Partners make applications available, select projects, distribute loan funds, and administer the program. CPCFA has established successful relationships where its partners are given the responsibility and flexibility to administer a successful program with the appropriate accountability.

LOAN CRITERIA

Loans extended by a Strategic Partner include the following minimum loan terms (loan terms are subject to change as CPCFA develops and evaluates CALReUSE).

- Minimum interest rate based on 6-month LIBOR (but not less than 2%).
- Maximum loan amount of \$300,000 per site in general, and \$500,000 for sites that will result in housing.
- Maximum loan term of 36 months.
- Funding for allowable uses, including site assessment costs, technical assistance, and other specified costs to provide an understanding of the extent of contamination, and to assist in the regulatory process and remediation planning.
- A minimum loan match of 25% is required for each loan. The cost of match is shared by the Borrower and the Strategic Partner.⁴
- Project criteria as set forth in the next section.

PROJECT CRITERIA

Strategic Partners are required to place priority on projects located in distressed neighborhoods within existing urban and rural communities, and projects located in urban infill areas with a demonstrated need for redevelopment.

In addition, a goal of the program is to assist projects that meet the following criteria:

⁴ The "match" requirement in the Program is a design structure to ensure that Program borrowers have "skin in the game." The Program is designed so that borrower's draw down on their match contribution first, and then draw upon the loan funds provided by the Authority. The match requirement assists the authority that borrowers are acting in good faith, and are not "taking advantage" of the loan forgiveness feature of the program.

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Site Environmental Characteristics

- Sites that have potential for economically beneficial reuse but are not being redeveloped due to lack of information centered on real or perceived contamination, uncertainty about clean-up costs and timeframes, and the regulatory process.
- Projects that will result in the cleanup of environmental contamination, thereby protecting the public health and safety of California's citizens.

Leverage

- Projects that maximize program dollars to project financing facilitated.
- Projects that maximize matching funds to increase leverage of CPCFA/Strategic Partner funds and promote an alignment of interest with CPCFA/Strategic Partner.

Project Feasibility

- Projects most likely to move forward in the development process (e.g., attract capital or potential buyers) if the site is proven economically feasible.
- Projects supported by a quality development entity with a proven track record.
- Projects that absent CALReUSE resources would most likely not move forward.

REMEDIATION PROGRAM

PROGRAM GOAL

The CALReUSE Remediation Program's goal is to spur the cleanup and redevelopment of brownfields for residential and mixed-use development within California's infill areas. Both the priority and competitive criteria favor projects with the most public benefits, and the deepest depth and duration of affordability.

The Remediation Program provides grants as well as very low interest loans. This two-tiered structure enables the program to absorb much of the inherent risk that impedes the redevelopment of brownfields. The number of redeveloped sites, housing units, and affordable housing units are measures of the Remediation Program's success.

BACKGROUND AND PROGRAM DEVELOPMENT

The CALReUSE Remediation Program is a grant and loan program funded by the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C). Of the total \$2.85 billion in general obligation bonds approved under Proposition 1C, \$850 million was slated for the *Regional Planning, Housing and Infill Incentives Account*, which includes a provision for *brownfield cleanup that promotes infill housing development and other related infill development consistent with regional and local plans*. In 2007, \$60 million of these monies was allocated to CALReUSE, in consultation with the Department of Housing and Community Development (HCD), for the purpose of *brownfield cleanup that promotes infill residential and mixed-used development, consistent with regional and local land use plans* (SB 86, 2007).

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CPCFA conducted a nine-month public participation process across the state that included consultation with HCD and other state agencies, brownfield development practitioners, housing developers, affordable housing advocates, local redevelopment agencies, environmental justice and social justice advocates, environmental attorneys, financiers, and other stakeholders. Through this process, CPCFA staff gained a strong understanding of the program's mandate, California's housing need, and program structuring concerns. The CALReUSE Remediation Program appropriately balances programmatic, legal, and public policy considerations. The collaborative process resulted in the development of an innovative brownfield cleanup program that offers grants and loans up to \$5 million⁵ for brownfield cleanup that will produce residential and mixed-use development in California's infill areas to create housing opportunities for working families. CPCFA undertook an emergency regulation process that was completed in February 2008, while simultaneously navigating the permanent rulemaking process. The permanent rulemaking process was completed in February 2009.

In spring 2008, staff developed the competitive criteria for selecting Strategic Partners for the program and navigated through the State contracting process. Upon evaluation of the proposals that responded to the Authority's competitive bidding process, the Authority selected two Local Strategic Partners – the City of Oakland and the Targhee Consulting Team – and two Statewide Strategic Partners – the Center for Creative Land Recycling (CCLR) and the National Brownfields Association (NBA) CALReUSE Project Team.⁶

Strategic Partners provide a vital service under the Remediation Program as they have a unique blend of experience and knowledge of both the intricacies of the brownfield cleanup and real estate development processes. Within program guidelines established by CPCFA, a Strategic Partner makes applications available and accepts applications for projects; evaluates and recommends Brownfield Infill Projects to CPCFA for financing; provides technical assistance to applicants, borrowers and grantees; facilitates the execution of Infill Grant Agreements and Infill Loan Agreements; reviews fund disbursement requests for eligible costs and consistency with the Cleanup Plan for the Brownfield Infill Project, and when appropriate recommends payment of fund disbursement requests; assists in administering and marketing the Program across the State; and provides reports to the Authority pursuant to the Regulations.

As noted above, while Strategic Partners play a vital role under the Remediation Program, all decision making authority – from the approval of projects to disbursement requests – is retained by the Authority. The Program structure enables the state to retain control and authority over general bond expenditures, and assist in the assurance of transparency and accountability.

In August 2008, the CPCFA Board determined it would make funding available on a continuous basis. The Authority's objective was to adopt a financing method that balances multiple policy goals, which included: fair and equitable distribution of program funds; financing projects with the most public benefits; and financing projects in a timely manner.

⁵ Maximum award may be waived by the Board upon a finding that it is in the public interest and advances the purposes of the program (Sec. 8102.4(a) of the Regulations).

⁶ A brief summary of the Remediation Program Strategic Partners and the projects they have recommended to the Authority can be found in Attachment II.

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This method has been highly effective for the applicant/user, targets projects that clearly meet readiness criteria, and enables the Authority to timely finance projects. Moreover, this method creates consistency between the Assessment and Remediation Programs by the fact that both programs will finance projects when they meet the appropriate readiness criteria.

On September 3, 2008, the Authority noticed all interested parties that applications were available through Strategic Partners and, consistent with Program Regulations, recommended applications would be considered by the Authority on a rolling basis beginning on November 19, 2008. Strategic Partners worked with applicants in understanding the program's eligibility and regulatory requirements, conducted both financial and technical underwriting, and recommended projects that met the Program's eligibility criteria.

Strategic Partners worked diligently with applicants and recommended 32 applications requesting nearly \$82 million in funding in the first month applications were considered by Authority. Authority staff reviewed the applications to ensure they met specific Program requirements, including project readiness, geographical targets, and scoring criteria, in accordance with the Regulations. The CPCFA Board approved funding awards of \$53,854,235 in November 2008. To date, approximately \$1.15 million remains for awards to future projects.⁷

⁷ Of the \$60 million allocated to CALReUSE, staff estimates that 5% (\$3 million) of the funds will be used by CPCFA to administer the funds over the life of the bonds coupled with the additional 2% (\$1.2 million) that has been earmarked for HCD to cover the additional administrative costs it will incur for the Program. Staff estimates that \$55 million of this initial \$60 million will be available to finance individual projects.

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PROGRAM ADMINISTRATION AND METHOD OF DISTRIBUTION

As noted above, Strategic Partners assist the Authority in administering the CALReUSE Remediation Program. Strategic Partners work with applicants in understanding the program's eligibility and regulatory requirements, conduct both financial and technical underwriting, and recommend projects that meet the Program's eligibility criteria.

Applications are made available through Strategic Partners. Strategic Partners have up to 45 days to review a completed application and make a recommendation to the Authority. Recommended applications must be submitted at least 30 calendar days prior to the regularly scheduled monthly Authority meeting for consideration. Upon receipt of a recommended application, Authority staff review the applications to ensure program requirements are met, including project readiness, geographical targets, and scoring criteria, in accordance with the Regulations.⁸ An application will be considered by the Authority's Board based upon the Program's regulations, including the following criteria:

- Availability of funds.
- Priority to sites that are not listed on the National Priority List⁹ with a viable responsible party.
- Public Benefits of the projects, including the benefits quantified in the scoring criteria.
- Geographical Targets.

If a project is awarded funding, a Strategic Partner will continue to work with the applicant in executing loan or grant documents, reviewing requests for disbursements, and providing regular project reports to the Authority and technical assistance to awardees.

GRANT AND LOAN TERMS

- Financing available from \$50,000 to \$5 million for brownfield cleanup (maximum and minimum award amount may be waived by the CPCFA Authority upon a finding that it is in the public interest and advances the purposes of the program).
- Grant and Loans available.
- Grant Eligibility:
 - At least 15% of the Development Project must create affordable housing.¹⁰
 - Project must meet the State's density requirements.
- Loans:
 - Interest Rate of Six-Month LIBOR fixed for the term of the loan (no less than 2%).
- Six years to cleanup the site and complete the development project.
- Eligible costs include:
 - Cleanup, mitigation, remediation, mid-project assessment and characterization, and other costs, including development costs as required by the Oversight Agency;

⁸ California Code of Regulations, Title 4, Division 11, Article 9, Sections 8090, 8102 through 8102.15.

⁹ 42 U.S.C Section 9605(a)(8)(B)

¹⁰ *Affordable* is defined as units restricted to 60% of the Area Median Income restricted for 55 years for rental units or ownership units restricted to 120% or less of AMI for 30 years.

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- The Costs of the Oversight Agency and other Governmental oversight incurred by the Borrower and/or Grantee that is associated with the Remedial Actions related to the Brownfield Infill Project;
- No more than twenty percent (20%) of the requested Infill Loan or Infill Grant amount may be spent on environmental insurance premiums;
- Planning, construction, equipment and installation that may require operation and maintenance, beyond the term of the Infill Loan or Infill Grant.

PROJECT CRITERIA

The Proposed Project

- Must create or promote residential or mixed-use development.
- Be located in an Infill Area.
- Be consistent with regional and local land use plans.
- Have a Cleanup Plan approved by an Oversight Agency prior to funding.

PROJECT PRIORITY

- Priority is given to sites that are not listed on the National Priority List and have viable responsible parties.
- Established scoring criteria award points for the following:
 - Readiness to Proceed.
 - Local government and community support.
 - Location within an economically distressed area.
 - Percentage of affordable housing.
 - Depth of affordable housing.
 - Utilization of green building methods.
 - Leveraging of the award (number of housing units created per award).
- Geographical targets

AMOUNT OF FUNDS AVAILABLE

Of the \$60 million allocated to CALReUSE in 2007, no more than 5% (\$3 million) of the funds will be used by CPCFA to administer the funds over the life of the bonds and an additional 2% (\$1.2 million) has been retained by HCD to cover the additional administrative costs it will incur for the Program. Staff conservatively estimates that \$55 million of the initial \$60 million will be available to finance individual projects at this time. As noted in the annual report, \$53,854,235 were awarded in November 2008, which leaves \$1,145,765 to be awarded to future projects.

The Authority reviews funding requests at its regularly scheduled monthly board meetings. Financing is available on a rolling or monthly basis as long as funds are available.

ATTACHMENT II
CALReUSE Assessment Program
Program Loan Activity by Strategic Partner through December 31, 2008

Strategic Partner	Borrowers	Original Loan Amount	Loan Issuance Date	Loan Expiration Date	Total Amount Borrowed to date	Outstanding Principal Balance	Loan Status/Comments
	Alabama Street Housing Association	\$125,000.00	3/1/2004	3/1/2007	\$14,150.84	\$0.00	Loan paid in full
CERF/CCLR (2003-2006)	Castlewell Properties, Inc.	\$5,740.00	10/3/2005	10/3/2008	\$5,740.00	\$0.00	Loan forgiven
	First Community Housing, Inc.	\$125,000.00	11/8/2004	11/8/2007	\$57,773.91	\$0.00	Loan paid in full
	Mid-Peninsula Housing Coalition	\$34,000.00	3/8/2004	3/8/2006	\$13,603.48	\$0.00	Loan forgiven
CCLR (2007 to present)	South County Housing	\$125,000.00	4/12/2004	4/12/2006	\$54,889.60	\$0.00	Loan paid in full
	Thomas & Barbara Brenkwitz	\$82,705.00	2/10/2004	8/1/2006	\$81,885.16	\$0.00	Loan paid in full
	Urban Pacific Builders, LLC	\$125,000.00	3/1/2004	3/1/2007	\$44,684.20	\$0.00	Loan paid in full Loan forgiveness pending
	World of Good Taste, Inc.	\$85,000.00	9/29/2003	10/1/2008	\$76,403.57	\$76,403.57	Loan forgiven
	General Environmental Management, Inc.	\$106,250.00	5/5/2006	5/5/2009	\$87,407.34	\$0.00	Loan paid in full
	Dewey-Koar, LLC	\$125,000.00	5/18/2006	5/18/2009	\$125,000.00	\$0.00	Loan paid in full
	Transition Properties, LP	\$98,723.00	4/5/2006	4/5/2009	\$97,684.53	\$97,684.53	
	COMM22 LLC	\$125,000.00	6/16/2006	6/16/2009	\$98,643.00	\$98,643.00	Loan forgiveness pending
	Mercy Housing California	\$62,000.00	3/5/2007	3/5/2010	\$35,020.50	\$35,020.50	
	Bridge Housing Ventures, Inc.	\$125,000.00	6/18/2007	1/30/2010	\$125,000.00	\$125,000.00	
	Sky Terrace Investors LLC	\$125,000.00	10/31/2007	10/31/2010	\$113,058.79	\$0.00	Loan paid in full
	Burbank Housing Development Corp.	\$81,800.00	10/31/2007	10/31/2010	\$22,641.00	\$22,641.00	
	Resources for Community Dev.	\$100,000.00	3/21/2008	4/15/2011	\$52,863.00	\$52,863.00	
	Environmental Investments, LLC	\$174,237.00	6/13/2008	6/15/2011	\$0.00	\$0.00	
	Revita WDI, LLC	\$127,000.00	8/20/2008	8/20/2011	\$55,699.70	\$55,699.70	
	Ekloff, Inc.	\$300,000.00	8/28/2008	8/28/2011	\$154,651.04	\$154,651.04	
	New Railroad Square LLC	\$122,000.00	10/22/2008	10/22/2011	\$26,526.14	\$26,526.14	
	Golden Pacific Partners	\$100,000.00	10/24/2008	10/24/2011	\$25,089.29	\$25,089.29	
Strategic Partner Total	22 Loans	\$2,479,455.00			\$1,368,415.09	\$770,221.77	

CALReUSE Assessment Program
Program Loan Activity by Strategic Partner through December 31, 2008

City of Emeryville							
	Bayrock Residential, LLC	\$125,000.00	2/19/2005	7/1/2007	\$93,750.00	\$0.00	Loan paid in full
	Oliver & Company	\$42,000.00	7/3/2003	2/1/2005	\$31,253.58	\$0.00	Loan paid in full
	Resources for Community Development	\$22,793.00	7/30/2003	7/30/2006	\$17,094.74	\$0.00	Loan paid in full
	Emery Station Triangle II, LLC	\$125,000.00	12/26/2007	1/1/2011	\$97,422.65	\$97,422.65	
Strategic Partner Total	4 Loans	\$314,793.00			\$239,520.97	\$97,422.65	
City of Oakland							
	San Pablo Auto Body	\$125,000.00	7/26/2004	10/31/2008	\$124,303.07	\$124,303.07	Loan forgiveness pending
	Thomas McCoy & Morris Wright	\$125,000.00	5/19/2003	12/15/2009	\$121,250.89	\$121,250.89	Loan forgiveness pending
	Tomorrow Development Co., Inc.	\$125,000.00	12/23/2004	3/18/2008	\$60,949.00	\$60,949.00	Loan forgiveness pending
	City of Oakland Redevelopment Agency	\$125,000.00	6/5/2002	9/30/2006	\$85,927.61	\$85,927.61	Loan paid in full
	Debra Esposito Petro/Estate of John Espo.	\$75,000.00	7/15/2008	7/15/2011	\$20,688.00	\$20,688.00	
Strategic Partner Total	5 loans	\$575,000.00			\$413,118.57	\$413,118.57	
San Diego Redevelopment Agency							
	SHEA Mercado, LLC	\$90,000.00	12/11/2008	12/11/2011	\$0.00	\$0.00	
Strategic Partner Total	1 loan	\$90,000.00			\$0.00	\$0.00	
City of Bakersfield							
	No loans						
City of Berkeley							
	Rawson Blum & Leon, Inc.	\$125,000.00	6/1/2007	6/1/2010	\$106,250.00	\$0.00	Loan forgiven
Strategic Partner Total	1 loan	\$125,000.00			\$106,250.00	\$0.00	

Program Total: 33 Loans

\$3,584,248.00

CALReUSE Assessment Program Loan Activity

The Center for Creative Land Recycling (CCLR) has been a statewide Strategic Partner since 2003. CCLR is a non-profit organization with the mission to encourage and facilitate land recycling in ways that revitalize urban areas, discourage urban sprawl, and conserve greenspace. CCLR and the California Environmental Redevelopment Fund (CERF) jointly served as the Statewide Strategic Partner from 2003 through 2006. CCLR has continued to administer the CALReUSE Program and the work that was previously done jointly with CERF. To date, CCLR has administered 22 loans under the Assessment Program. Further information concerning CCLR's brownfield programs may be found on the CCLR website at http://www.cclr.org/about_cclr.htm. To date, CCLR has committed funding the projects described below.

- **World of Good Taste: Funded 4th Quarter 2003 (Forgiveness Request Anticipated).** The borrower requested and received an extension on an \$85,000 CALReUSE loan to conduct an assessment of soil beneath a building on a Sacramento site. The loan was extended to October 1, 2008, and the borrower continued to work on with the California Department of Toxic Substances Control (DTSC) and the local community to move this project forward. The goal was to utilize the building as a bakery, café and central distribution facility. The current loan balance owed is \$76,404. However, the borrower has requested forgiveness of the loan due to the inability of the project to move forward.
- **Urban Pacific Builders: Funded 4th Quarter 2003 (Repaid 3rd Quarter July 2006).** A \$46,750 CALReUSE loan funded both Phase I¹ and II investigations for a Signal Hill site where auto sales and repair facilities were previously located. The proposed redevelopment of the site involves construction of 15 units of high-density attached, for-sale housing. The Final Report was received by CERF/CCLR per CPCFA regulations. Borrower repaid loan in full in July 2006.
- **Mid-Peninsula Housing Advocates: Funded 1st Quarter 2004 (Forgiven 1st Quarter 2006).** A \$34,000 CALReUSE loan was used to complete and review a Phase II environmental assessment at a location in South San Francisco where a furniture factory was formerly located. The proposed redevelopment of the site was affordable housing and community space. The borrower was unable to secure a purchase and sale agreement for the site and thus requested forgiveness of this loan in December 2005. Forgiveness was granted in the first quarter of 2006.

¹ **Phase I and II Investigations.** A Phase I site assessment typically consists of a noninvasive investigation of the property which includes interviews and public records searches. Phase II site assessments may include activities such as soil sampling and/or installing various ongoing monitoring equipment at the site.

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- **South County Housing: Funded 1st Quarter 2004 (Repaid 3rd Quarter 2005).** A \$125,000 CALReUSE loan was used for a Phase II environmental assessment and eligible legal fees at a former cannery/industrial site in Gilroy. The proposed redevelopment of the site is for a mixed-use project that incorporates residential and light retail. South County Housing successfully investigated the site, secured acquisition and construction funds and repaid the loan in August 2005.
- **Alabama Street Housing Assoc./Citizens Housing Coalition: Funded 1st Quarter 2005 (Repaid 1st Quarter 2007).** A \$125,000 CALReUSE loan was used for remediation planning at a San Francisco site slated for a mixed-use project. The project includes the development of affordable family rentals, affordable senior rentals, for-sale family units, and light industrial/retail. Construction Permits were issued by the City and County of San Francisco on October 12, 2006 and the loan was repaid in March 2007.
- **First Community Housing: Funded 2nd Quarter 2005 (Repaid 1st Quarter 2006).** A \$125,000 CALReUSE loan is being used to assess a former retail/industrial site located in San Jose. The project includes the redevelopment of affordable multi-family housing (35 units) and 2,000 square feet of light retail. The Borrower repaid the loan in full in January 2006. The Borrower subsequently received remediation funding from the State Water Resources Control Board.
- **Castlewell Properties, Inc.: Funded 4th Quarter 2005 (Forgiven 4th Quarter 2005).** A \$5,740 CALReUSE loan was used for assessment of a Los Angeles site formerly used for a dry cleaning facility (1930 – 1970's) with suspected Tetrachloroethene (PCE) contamination. The proposed new use of the site was the development of seven for-sale townhouse units. The borrower requested and received forgiveness of this loan in December 2005 as the contamination was too extensive to make this project feasible.
- **General Environmental Management, Inc.: Funded 2nd Quarter 2006 (Forgiven 1st Quarter 2007).** A \$106,250 CALReUSE loan was approved to assess the site of a former oil refinery. The proposed use of the site was to develop new housing. Site-specific risk assessment revealed high levels of benzene in the soil and groundwater both on site as well as migrating off site. The Borrower requested loan forgiveness due to the level and extent of contamination. Loan forgiveness was requested in December 2006 and granted in the first quarter of 2007.
- **Dewey-KOAR: Funded 2nd Quarter 2006 (Repaid 4th Quarter 2007).** A \$125,000 CALReUSE loan was approved to develop a former landfill in Sylmar into single family homes. The Phase II Environmental Assessment work was completed, which involved the installation of a down-gradient groundwater monitoring well on neighboring property and a re-surveying of the property for landfill gas emissions. Gas emissions were found to be below actionable levels, and after the report was submitted to the LA County Environmental Health Department – Solid Waste Management Division, the department issued a No Further Action letter. The borrower has purchased the property and the loan was paid in full in November 2007.

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- **Transition Properties: Funded 2nd Quarter 2006 (Due April 2009).** A \$98,723 CALReUSE loan was approved to develop a former auto dismantling facility into a light-industrial park in Colton. The first round of testing and proposal for cleanup resulted in a Preliminary Environmental Assessment (PEA) Addendum and Work Plan being submitted to the Department of Toxic Substances Control (DTSC). This plan was subsequently approved, and a second phase of on-site testing yielded no new findings. All architectural and engineering entitlements have been received. In 2008 the Borrower worked with the DTSC to determine the appropriate remediation method and is currently preparing an addendum to the mitigation plan indicating the health risk and exposure to the public after the site is developed with an industrial building.
- **COMM 22, LLC: Funded 2nd Quarter 2006 (Due June 2009).** A \$125,000 CALReUSE loan was approved to conduct a Phase II assessment on a former San Diego City School District maintenance yard to convert the property into a multi-generational affordable housing and service-minded retail area. COMM22 is a Limited Liability Corporation formed by three 501(c)3 nonprofit organizations (BRIDGE Housing, Bronze Triangle CDC and MAAC Project). COMM22 is working with the water board and school district toward completing the site assessment regarding environmental well monitoring assessments. COM22 has also continued its community outreach efforts, including the development of a website that is now live (www.comm22.com). The Borrower is moving forward with the site and was awarded a CALReUSE Remediation Grant in November 2008.
- **Mercy Housing California: Funded 1st Quarter 2007 (Forgiveness Request Anticipated).** A \$62,000 loan was issued to conduct a Phase II Site Assessment on a property that had been formerly used as a lumber yard, hand car wash, and auto repair facility in Los Angeles. The borrower intended to redevelop the site into affordable housing, and the Phase II assisted in the negotiations of a discounted purchase price on the property. Negotiations with the property owner continued through 2008 while the property remained on the market. However, the property owner canceled negotiations with Mercy Housing in 2008, preventing the project from going forward. The Authority anticipates the Borrower will request loan forgiveness in the first quarter of 2009.
- **Bridge Housing Ventures, Inc.: Funded 2nd Quarter 2007 (Due January 2010).** The affordable housing developer obtained a \$125,000 loan to assist in converting a former junkyard and brewery into workforce rate live/work lofts in Oakland. The first round of pilot testing found that the contamination in the groundwater was more significant than anticipated. The Borrower has been working with the Regional Water Quality Control Board (RWQCB) and has submitted a remedial action plan to clean up the site. Soil vapor extraction remediation is currently taking place.
- **Sky Terrace Investors, LLC: Funded 4th Quarter 2007 (Repaid 2nd Quarter 2008).** A \$125,000 loan was used to initiate a Phase II environmental assessment on a former landfill and mobile home park. The loan was fully repaid in May 2008. The Borrower hopes to redevelop the site for housing and industrial usage in Sylmar.

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- **Burbank Housing Development Corporation: Funded 4th Quarter 2007 (Due October 2010).** An \$81,800 loan is being used to conduct site assessment on a former auto body shop in Guerneville. As of December 2007, the Borrower had begun to conduct shallow soil sampling on the site. At the request of the County, supplemental studies in the areas of wastewater, storm drain capacity, and hazardous soils on a portion of the property were completed in the fourth quarter of 2008. The supplemental soils investigation resulted in a slightly larger area of the property being identified for excavation and removal to mitigate identified conditions. The site is anticipated to be redeveloped as affordable housing which will include reserved units for special needs households.
- **Resources for Community Development: Funded 1st Quarter 2008 (Due April 2011).** A \$170,000 loan is being used to perform a Phase II site assessment on a former tank cleaning site in Martinez. Testing of shallow soil and groundwater was performed in April 2008. After several meetings and conversations with the lead Oversight Agency, DTSC, a supplemental Phase II was conducted in September to further characterize the site. The Borrower anticipates final environmental regulatory clearance in February 2009.
- **Environmental Investments, LLC: Funded 2nd Quarter 2008 (Due June 2011).** A \$174,237 loan is being used for site assessment of a former oil facility and metals fabrication plant to be redeveloped into retail and commercial space. The Phase I assessment and the work plan have been completed. Once the work plan has been approved by the RWQCB, the Borrower intends to conduct Phase II assessment including soil and groundwater testing and well installation.
- **Revita WDI, LLC: Funded 3rd Quarter 2008 (Due August 2011).** A \$127,000 loan is being used for site assessment at a former landfill and oil barrel reservoir. The site is located in Santa Fe Springs and is anticipated to be redeveloped into commercial and office use.
- **Ekloff, Inc.: Funded 3rd Quarter 2008 (Due August 2011).** A \$300,000 loan is being used for site assessment at a currently operating industrial building in Santa Cruz that is in need of groundwater remediation prior to expansion. The Borrower is currently conducting pilot testing on groundwater remediation techniques for contaminants, well testing, and other activities.
- **New Railroad Square LLC: Funded 4th Quarter 2008 (Due October 2011).** A \$122,000 loan was issued to assist in converting a former railroad station into a mixed-use development in Santa Rosa. Groundwater and soil characterization is nearing completion, but is costing more than was originally anticipated. The Borrower anticipates requesting loan augmentation and applying for funding under the Remediation Program.
- **Golden Pacific Partners: Funded 4th Quarter 2008 (Due October 2011).** A loan in the amount of \$100,000 will assist in redeveloping municipal surface parking lots into medium density housing with parking garages in Huntington Park. The Borrower has completed the supplemental engineering analysis in preparation for the environmental assessment and Phase I Review.

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City of Oakland. The City of Oakland's Brownfields Program has been in existence for over 10 years. Oakland has implemented a comprehensive brownfields strategy utilizing its staffing in three departments: the Fire Department, the Public Works Agency, the Environmental Services Division, and the Economic Development Division Brownfields Action Team (BAT). BAT offers significant in-house expertise that provides information technology, risk-based corrective action, legal strategies, site assessment and remediation, site assembly, permit tracking, and various financing mechanisms to successfully reutilize industrial sites. In addition to its Brownfields Cleanup Revolving Loan Fund, the City has access to various financial resources including U.S. Economic Development Administration grants, U.S. Environmental Protection Agency funds, and Redevelopment Agency funds. It also provides business loans and assistance through the Oakland Business Development Corporation. Further information concerning Oakland's brownfields programs may be found on the City's website at www.business2oakland.com/main/brownfieldsprograms.htm. To date, the City has committed funding for the projects described below.

- **City of Oakland Redevelopment Agency: Funded 2nd Quarter 2003 (Repaid 3rd Quarter 2006).** A \$125,000 CALReUSE loan funded the initial environmental study to jumpstart a transit-oriented development village at the MacArthur BART station in Oakland. The Redevelopment Agency of the City of Oakland, San Francisco Bay Area Rapid Transit, and a consortium of builders, including McGrath Partners, Bridge/BUILD Housing, and Shea Homes are working jointly to create a mixed-use development at the BART station. The project is being designed as a true intermodal facility that will provide 540 new housing units, 30,000 square feet of retail space, improved access for bikes and shuttle buses, as well as continued vehicle access to the station. This project is expected to intensify the use of BART's currently underutilized property in the station area by redeveloping the property and the surrounding parcels into a vibrant transit village. The Loan was repaid August 2006 and the project received an awards from the Remediation program in November 2008.
- **McCoy-Wright Partners: Funded 1st Quarter 2004 (Due December 2009).** A \$125,000 CALReUSE loan is funding an environmental study to determine the extent of lead, nickel, chromium, toluene and other contamination around the 785 Seventh Street site. The site is located midway between the West Oakland BART Station, Jack London District, and Downtown, with immediate access to the I-880 freeway. The original proposed redevelopment of the site was for either mixed-use development or affordable housing, but was changed to 10,000 square feet of commercial condominiums (406 units). The loan has been fully utilized and the Borrower has been approved by the City for an EPA-BCRLF Loan of \$150,000 to begin a specific portion of the cleanup action required. Assessment is continuing beyond what was originally anticipated, and the loan is being augmented and will be due December 15, 2009.
- **San Pablo Auto & Body: Funded 1st Quarter 2004 (Forgiveness Requested 3rd Quarter 2008).** A \$125,000 CALReUSE loan was issued for the characterization of a site on San Pablo Avenue in the City of Oakland, six blocks from a new Uptown development. San Pablo Auto & Body was working with the Alameda County Environmental Health Agency and in communication with the California Environmental Reuse Fund (CERF) regarding the

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financing of the site's eventual clean-up. The site was proposed to be redeveloped into a car wash. The owner received entitlements for the car wash from the City of Oakland in 2001, and its construction would have expanded the business of the owner, whose automotive body shop adjoins the property. In 2007 the DTSC became the lead Oversight Agency on the sight, due to the discovery of a large level of contamination that had not been exposed in the previous assessment process. It was subsequently determined that the prohibitive cost of remediation would render the Project unworkable, and the Borrower has requested loan forgiveness due to the inability of the project to move forward.

- **Tomorrow Development: Funded 1st Quarter 2005 (Forgiveness Requested 3rd Quarter 2008).** A \$125,000 CALReUSE loan is being used for the characterization of a site at 2547 E. 27th Street, a former gas station, located within a residential neighborhood. The former gas station site had underground storage tanks (UST) that were removed in 1994. Tomorrow Development's environmental consultant installed monitoring wells, including one installed in the public right of way. Well surveys were performed and an underground tank was discovered. Initial assessment activities were completed in January 2007, and sampling continued through 2008, concurrent with the removal of the additional tank. The oversight agency – Alameda County Environmental Health – requested additional monitoring tests and reports in December of 2007. Due to additional unanticipated costs associated with the discovery of another UST, development of the site is infeasible and the Borrower has requested loan forgiveness.
- **Esposito Plating: Funded 3rd Quarter 2008 (Due July 2011).** A \$75,000 loan was issued to cover expenses incurred in the preparation of a Remedial Investigation Plan and a Voluntary Cleanup Agreement with DTSC. The Project is located in an Infill Area where plating activities were formerly performed. The site is under purchase contract and has entitlements for a 4-story, 12-unit condominium project pending cleanup.

City of Emeryville. The City of Emeryville, through its redevelopment agency and other city branches, has successfully developed several large brownfield properties. It also administers several loan and grant programs to facilitate brownfield site assessment and redevelopment. One of these programs, the Capital Incentives for Emeryville's Redevelopment and Remediation (CIERRA) program, provides matching site assessment grants (up to \$25,000) and no- or low-interest remediation loans. Emeryville has further partnerships that facilitate the CALReUSE Program, such as memoranda of understanding with the State's Department of Toxic Substance Control (DTSC) and the Regional Water Quality Control Board, where Emeryville serves as the environmental regulator for simple clean-up sites. Further information concerning Emeryville's brownfields programs may be found on the City's website at www.ci.emeryville.ca.us/econdev/brownfields.html. To date, Emeryville has committed CALReUSE funding for the projects described below.

- **Oliver & Company: Funded 2nd Quarter 2003 (Repaid 1st Quarter 2004).** A \$42,000 CALReUSE loan funded an environmental study to delineate the extent of chromium and other contamination around a site located in a mixed-use district in a redevelopment project area. The proposed redevelopment of the site involved the rehabilitation and seismic retrofit of a building on the site. The loan was repaid by the borrower in February 2004.

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- **Resources for Community Development: Funded 4th Quarter 2003 (Repaid 3rd Quarter 2006).** A \$22,793 CALReUSE loan funded a site assessment to determine any residual contamination from previous laundry operations in a light industrial, mixed-use district located within a redevelopment project area. The proposed redevelopment of the site involves the rehabilitation and new construction of up to 70 units of affordable housing. The loan was paid in full in July 2006.
- **Bayrock Residential: Funded 1st Quarter 2005 (Repaid 3rd Quarter 2007).** A \$93,750 CALReUSE loan funded site characterization for property that is comprised of commercial, industrial, and single and multi-family parcels owned by Oaks Club Room. A number of the parcels are vacant. Previous environmental assessments conducted by various parties have shown that the site has been affected by off-site and on-site contamination sources, including a former gasoline station. The original proposed redevelopment of the site included 5,000 square feet of retail space and 68 condominiums. The Alameda County Department of Environmental Health requested additional off-site sampling to delineate contamination caused by others. The County approved the remediation work plan pending completion of off-site sampling. The developer redesigned the project, including the rehabilitation and relocation of five existing structures. In December 2006 the Planning Commission approved the plans for the renovation of five houses on the Oak Walk site at 41st/40th/San Pablo Avenue. The Oak Walk project began construction in October 2007 and will ultimately result in a mixed-use residential/commercial condominium development, including 54 units, four of which will be set aside as below market rate units. The CALReUSE loan was fully repaid in July 2007.
- **Emery Station Triangle LLC: Funded 4th Quarter 2007 (Due January 2011).** A \$125,000 loan was issued to conduct a Phase II Site Assessment with the goal of revitalizing the site into a 60,000 square-foot Research & Development/Office building. The Borrower has been working closely with the Emeryville Redevelopment Agency. Building plans are currently before the Planning Commission.

City of Berkeley. The City of Berkeley encourages mixed-use (housing over retail) development on its commercial corridors where a number of former gas station or auto repair sites have been successfully redeveloped. Former heavy industrial sites in West Berkeley are now being considered for light industry, research and development, and retail. The corridors and industrial zone comprise an Environmental Management Area where any development application is screened by the Planning Department's Toxics Management Division (TMD) for potential health and environmental concerns that may be encountered during construction. Through agreements with the regional Water Quality Control Board and other agencies, the TMD serves as the Local Implementing Agency for most development-related environmental regulations. Participation as a Strategic Partner in the CALReUSE program will enable Berkeley to make loans to developers to characterize pollution on sites and to thereby share the risk inherent in the development process. The City of Berkeley Office of Economic Development administers the loan program with technical assistance from the TMD. To date, the City has committed CALReUSE funding for the project described below.

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- **Rawson Blum & Leon, Inc: Funded 2nd Quarter 2007 (Forgiven 2nd Quarter 2008).** A \$125,000 loan was issued to conduct site assessment activities on a 4.78 acre site that was used for ink manufacturing from the early 1930s until 2004. The site is contaminated with petroleum hydrocarbons and other chemicals, and contains a groundwater plume that has also been impacted by an offsite source. The site had been targeted for redevelopment into an auto dealership by the Borrower. After significant time and expense, the Borrower concluded that the Project, after cleanup, would not provide an economically viable redevelopment opportunity and requested forgiveness of the loan. The loan was forgiven in June 2008.

City of San Diego. The City of San Diego through its Redevelopment Agency (RDA) and the Centre City Development Corporation (CCDC), an operating arm of the RDA, has more than ten years experience with the redevelopment of at least 80 Brownfield projects, utilizing a variety of environmental professionals, land use planners, and special environmental counsel. The RDA allocates funds in each fiscal year budget for project area administration (17 project areas) and project development. These funds are used for environmental investigations and sometimes full remediation efforts for projects. More information can be found at the following websites: CCDC: www.ccdc.com/index.cfm/fuseaction/projects.loans/#calreuse and City of San Diego: www.sandiego.gov/redevelopment-agency/links.shtml. To date, the City has committed CALReUSE funding for the project described below.

- **SHEA Mercado: Funded 4th Quarter 2008 (Due January 2012).** A \$90,000 loan will be used for site assessment to investigate issues associated with soil and groundwater contamination within the San Diego site. Previous reviews have indicated the presence of toxic metals, petroleum hydrocarbons and volatile organic compounds in portions of the site as well as below groundwater levels. The Borrower is proposing to develop about 80 affordable multi-family units and approximately 85,000 square feet of retail and commercial space within the Barrio Logan Redevelopment Project Area. The Borrower intends to meet or exceed the U.S. Green Building Council's standards for LEED Certification for this mixed-use project.

City of Bakersfield. The City of Bakersfield and the Bakersfield Redevelopment Agency have developed partnerships with the State of California Water Resource Control Board by participating in its Contamination Orphan Site Cleanup Program, and with the U.S. Environmental Protection Agency by taking part in its Revolving Loan Fund for Brownfields. Leveraging these financial resources, the City of Bakersfield and the Bakersfield Redevelopment Agency have been successful in facilitating brownfield site assessment and assisting with remediation processes of former oil refinery property wastes, steel foundry wastes, and asbestos removal. The City of Bakersfield, Fire Prevention Services Division, is the California Certified Unified Program Agency for the City and has expertise in the areas of hazardous materials, hazardous waste, underground storage tanks, etc., providing information and assistance to individuals and small business in site assessment and remediation of brownfields.

The City of Bakersfield faced a number of internal challenges to staffing and launching the CALReUSE Program due to budget constraints. In 2008 the City notified the Authority of its inability to administer the Program. The Authority's contract with the City will expire during the first quarter of 2009.

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**CALReUSE Remediation Program
Projects Approved for Financing by California Pollution Control Financing Authority (CPCFA)
on November 19, 2008**

Agenda Item	Strategic Partner	Primary Applicant	Grant or Loan	Amount Requested	Recommended Amount to be Funded	Project Name	City	County	Area¹	# of Housing Units	Projected Development Completion Date²
4.C.1	CCLR ³	First Community Housing	Grant	\$957,730	\$957,730	Bay Avenue Senior Apartments	Capitola	Santa Cruz	C	109	2010 Q3 ⁴
4.C.2	CCLR	Studio 15 Housing Partners, LP	Grant	\$244,560	\$244,560	Studio 15	San Diego	San Diego	B	275	2009 Q1
4.C.3	CCLR	First Community Housing	Grant	\$175,376	\$175,376	Fourth Street Apartments	San Jose	Santa Clara	C	100	2010 4Q
4.C.4	CCLR	Comm 22, LLC	Grant	\$1,500,000	\$1,500,000	Commercial and 22nd Street Mixed-Use Development (COMM22)	San Diego	San Diego	B	252	2013 Q2
4.C.5	CCLR	Thomas Safran and Associates	Grant	\$622,750	\$622,750	Carson City Center Senior Housing	Carson	Los Angeles	B	85	2010 Q3
4.C.6	CCLR	Cedar Gateway, LP	Grant	\$94,330	\$94,330	Cedar Gateway	San Diego	San Diego	B	65	2010 Q3
4.C.7	CCLR	Capitol Station 65, LLC	Grant	\$550,000	\$550,000	Township 9	Sacramento	Sacramento	C	90	2011 Q3
4.C.8	CCLR	LTSC Community Development Corporation (CDC)	Grant	\$957,750	\$957,750	PWC Family Housing	Los Angeles	Los Angeles	B	45	2011 Q4
4.C.9	CCLR	MSPDI Tuck, LLC, a subsidiary of Michael Simmons Property Development, Inc.	Grant	\$625,000	\$625,000	1345 Turk Street Affordable Condominiums	San Francisco	San Francisco	C	32	2010 Q4
4.C.10	CCLR	TMG Partners	Grant	\$5,000,000	\$5,000,000	64th and Christie	Emeryville	Alameda	C	217	2010 Q4
4.C.11	OAK ⁵	5110 Telegraph, LLC	Loan	\$174,225	\$151,500	Civiq	Oakland	Alameda	C	67	2010 Q2

¹ The geographical targets established by the Regulations section 8102.15. Area A: Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus and Tulare Counties.

Area B: Los Angeles, Imperial, Orange, Riverside, San Bernardino and San Diego Counties. Area C: All Other Counties.

² Anticipated development project completion date at time of application.

³ Center for Creative Land Recycling

⁴ Q = annual quarter anticipated for completion of development. Q1 = Jan, Feb, Mar; Q2 = Apr, May, Jun; Q3 = Jul, Aug, Sep; Q4 = Oct, Nov, Dec.

⁵ City of Oakland

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**CALReUSE Remediation Program
Projects Approved for Financing by California Pollution Control Financing Authority (CPCFA)
on November 19, 2008**

Agenda Item	Strategic Partner	Primary Applicant	Grant or Loan	Amount Requested	Recommended Amount to be Funded	Project Name	City	County	Area	# of Hous-ing Units	Projected Development Completion Date
4.C.12	CCLR	Richmond Community Redevelopment Agency	Grant	\$2,604,490	\$2,604,490	Miraflores	Richmond	Contra Costa	C	280	2012 Q1
4.C.13	CCLR	Octavia Court, Inc.	Grant	\$315,000	\$315,000	Octavia Court	San Francisco	San Francisco	C	15	2009 Q4
4.C.14	CCLR	S. Thomas Enterprises of Sacramento, LLC	Grant	\$14,750,716	\$5,000,000 ⁶	Sacramento Railyards	Sacramento	Sacramento	C	197	2014 Q4
4.C.15	CCLR	Visitacion Development, LLC	Grant	\$3,528,957	\$3,459,794	Visitacion Valley Transit-Oriented Development (VVTOD)	San Francisco	San Francisco	C	1,250	2013 Q1
4.C.16	OAK	1614 Campbell, LLC	Loan	\$338,970	\$338,970	Lampworks Lofts	Oakland	Alameda	C	92	2010 Q3
4.C.17	CCLR	Truckee Development Associates, LLC	Grant	\$1,585,724	\$1,585,724	Truckee Railyard	Truckee	Nevada	C	483	2013 Q3
4.C.18	CCLR	Sacramento Housing and Redevelopment Agency	Grant	\$218,150	\$218,150	La Valentina	Sacramento	Sacramento	C	70	2010 Q3
4.C.19	CCLR	Carson Marketplace, LLC	Grant	\$15,000,000	\$5,000,000 ⁷	The Boulevards at South Bay	Carson	Los Angeles	B	400	2011 Q3
4.C.20	CCLR	BRIDGE Housing Ventures, Inc.	Grant	\$275,000	\$275,000	Linden Lofts	Oakland	Alameda	C	50	2011 Q4
4.C.21	CCLR	Petrovich Development Company, LLC	Grant	\$4,098,066	\$4,018,066	Curtis Park Village	Sacramento	Sacramento	C	80	2011 Q1
4.C.22	CCLR	Martin Building Company	Grant	\$2,148,471	\$2,148,471	2235 Third Street	San Francisco	San Francisco	C	179	2011 Q1
4.C.23	CCLR	BRIDGE Economic Development Corporation	Grant	\$999,110	\$999,110	St. Joseph's Senior Apartments	Oakland	Alameda	C	83	2010 Q4

⁶ Additional funding recommended contingent on the Authority receiving additional Program funds.

⁷ Additional funding recommended contingent on the Authority receiving additional Program funds.

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**CALReUSE Remediation Program
Projects Approved for Financing by California Pollution Control Financing Authority (CPCFA)
on November 19, 2008**

Agenda Item	Strategic Partner	Primary Applicant	Grant or Loan	Amount Requested	Recommended Amount to be Funded	Project Name	City	County	Area	# of Housing Units	Projected Development Completion Date
4.C.24	CCLR	MacArthur Transit Community Partners, LLC	Grant	\$2,981,000	\$2,981,000	MacArthur Transit Village	Oakland	Alameda	C	312	2015 Q3
4.C.25	CCLR	Community Housing Development Corporation of North Richmond (CHDC)	Grant	\$284,589	\$284,589	Lillie Mae Jones Plaza	Richmond	Contra Costa	C	26	2010 Q3
4.C.26	CCLR	San Francisco Redevelopment Agency	Grant	\$12,444,063	\$5,000,000 ⁸	Hunters Point Shipyard Phase II Hazardous Materials Abatement Project	San Francisco	San Francisco	C	2,625	2013 Q3
4.C.27	NBA ⁹	National Affordable Communities, Inc.	Grant	\$1,303,125	\$1,028,500	Oakland Red Star Apartments	Oakland	Alameda	C	118	2010 Q4
4.C.28	NBA	UHC LA 29, LP	Grant	\$1,183,475	\$1,183,475	The Crossings at 29th	Los Angeles	Los Angeles	B	34	2011 Q1
4.C.29	NBA	Global Premier Development, Inc.	Grant	\$5,000,000	\$5,000,000	Lorena Apartments	Los Angeles	Los Angeles	B	112	2010 3Q
4.C.30	NBA	National Affordable Communities, Inc.	Loan	\$229,680	\$191,400	Plumas Family Apartments	Yuba City	Sutter	C	39	2010 3Q
4.C.31	NBA	Global Premier Development, Inc	Loan	\$1,013,400	\$797,000	Dorado Court	Stockton	San Joaquin	A	47	2010 3Q
4.C.32	NBA	Global Premier Development, Inc	Grant	\$655,800	\$546,500	3rd Street Residential Development	San Jose	Santa Clara	C	37	2010 3Q
				Total Amount Requested	Total Amount Recommended for Funding					No. of Housing Units	
				\$81,859,506	\$53,854,235					7,866	

⁸ Additional funding recommended contingent on the Authority receiving additional Program funds.

⁹ National Brownfield Association

CALReUSE Remediation Program 2008 Funding Awards

CPCFA uses Strategic Partners to assist in administering the Program according to its authorizing statute and regulations. In accordance with the Program's Regulations, applications are made available and reviewed by the Program's Strategic Partners and recommended to the Authority for additional review and consideration. The Authority considers applications at its regularly scheduled Board meetings on a monthly basis, as long as funds are available.

The Remediation Program has two statewide Strategic partners, The Center for Creative Land Recycling and the National Brownfield Association CALReUSE Project Team. The City of Oakland and the Targhee Consulting Team (serving the Los Angeles area) serve as Local Strategic Partners. Following is a brief description of each of the Remediation Program's Strategic Partners and the projects for which the CPCFA Board authorized funding awards in 2008.

The Center for Creative Land Recycling (CCLR)

The Center for Creative Land Recycling (CCLR) has been a Statewide Strategic Partner under the Assessment Program since 2003. In 2008, CCLR (see-clear) was selected as a Statewide Strategic partner under the Remediation Program. CCLR is a non-profit organization with the mission to encourage and facilitate land recycling in ways that revitalize urban areas, discourage urban sprawl, and conserve green space. Further information concerning CCLR's brownfield programs may be found on the following website:

http://www.cclr.org/about_cclr.htm.

- **1345 Turk Street Affordable Condominiums, San Francisco.** MSPDI Tuck, LLC was awarded a CALReUSE grant of \$625,000 to develop 32 units of for-sale affordable housing. The Project consists of condominiums for low- to moderate-income first-time homebuyers. Sponsored by the San Francisco Redevelopment Agency as part of the Mayor's plan to provide homeownership opportunities to encourage families to stay in the City, the Project is income restricted to families and individuals earning 70% to 100% Average Median Income (AMI). Between 1886 and 2004, the site was used for transportation-related services, first by the Market Street Railroad Company and later by the San Francisco Municipal Railway. The environmental concerns that exist today are a potential underground storage tank and residual petroleum hydrocarbons and metals.
- **2235 Third Street, San Francisco.** The Martin Building Company was awarded a \$2,148,471 CALReUSE grant for this mixed-use development. The Project will create 36 affordable (40% to 50% AMI) and 143 market-rate rental units as part of a 50,000-square-foot project that will revitalize vacant land and two existing historic buildings, create 17,000 square feet of retail space, maintain 1,000 square feet of open space, and provide 157 below-ground parking spaces. The property was previously occupied by a scrap iron and metal yard. The main contaminant of concern is lead in the soil.

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- **64th and Christie, Emeryville.** TMG Partners was awarded a \$5,000,000 CALReUSE grant to create 217 units of rental housing, including 34 affordable units at 50% AMI. The Project is part of the larger, overall Marketplace Redevelopment Plan which recently received LEED¹ Platinum certification under the Neighborhood Development program. This larger phased, mixed-use development will ultimately include nine buildings over 15 acres accommodating 674 multi-family residential units, 180,000 square feet of retail, 120,000 square feet of office, plus parking garages to serve these and other existing uses. Different historical uses have left contaminants including total petroleum hydrocarbons (TPH), toluene, ethylbenzene, benzene, and xylene (BTEX). These contaminants have been variously detected in surface soil, groundwater, and soil gas.
- **Bay Avenue Senior Apartments, Capitola.** First Community Housing was awarded a \$957,730 CALReUSE grant to combine renovation of existing units with new construction resulting in a six-building campus serving 109 senior households (restricted to persons at least 55 years of age). One hundred of the units will be affordable, including 61 rental units at 50% to 60% AMI and 39 units of supportive housing for special needs populations at less than or equal to 40% AMI. Two units will be designated for households at 60% AMI, six units for those at 60% to 90% AMI, and one unit will be provided for the manager. Most of the residents will be single-person households. Prior to the 1970s, the site was cultivated for agricultural use. Current constituents of concern include elevated levels of both Chordane and dieldrin. In addition, asbestos and lead-based paint are present in existing buildings on the property.
- **Carson City Center Senior Housing, Carson.** Thomas Safran and Associates was awarded a CALReUSE grant of \$622,750 to develop Carson City Center Senior Housing. The population of the community is restricted to households that earn income in the range of 30% to 60% AMI and are at least 55 years of age. The Project will consist of one building with three stories of affordable senior apartments over one level of commercial retail and two levels of subterranean parking consisting of 62 spaces. The Project will create a total of 85 rental units consisting of 24 units at 50% to 60% AMI, 43 units at 40% to 50% AMI, and 18 units at less than or equal to 40% AMI, plus one non-restricted manager's unit. Currently the site contains several neighborhood commercial businesses, including an auto service center at the northwest portion of the property. The sole constituent of concern is gasoline petroleum hydrocarbons (TPHg).
- **Cedar Gateway, San Diego.** Cedar Gateway, LP was awarded a CALReUSE grant of \$94,330 to develop the Cedar Gateway Project. The Project will complement and foster the revitalization of downtown San Diego, while addressing a critical need for affordable housing in the community. The Project contains a total of 65 apartment units. Of this total, 23 one-bedroom units will be restricted to transitional housing for homeless populations at less than or equal to 25% AMI. Five of the units will be designated for households at less than or equal to 40% AMI, and 35 units will be offered to low income households at 40% to 50% AMI. The Project will include two non-restricted manager's units, a courtyard plaza,

¹ Leadership in Energy and Environmental Design

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eco-roof, learning center, and community room. Portions of the site were previously used as a service station and automobile repair facility. The identified contaminant of concern at the site is lead.

- **COMM 22, San Diego.** Comm 22, LLC was awarded funding in the form of a \$1,500,000 CALReUSE grant to finance a mixed-use, transit-oriented development which combines affordable family and senior rental housing with child care facilities, office space, live/work lofts, for-sale row homes, and community-serving commercial and retail space. The Project is located in the Logan Heights area of San Diego, which has not seen community development for more than 30 years. It will create 252 units, including 7 for-sale units at 50% to 120% AMI, 40 rental units at 50% to 60% AMI, 88 rental units at 40% to 50% AMI, and 69 units at less than or equal to 40% AMI. Based on a variety of historic uses, several environmental conditions have been identified on the site that will require mitigation and remediation efforts. Preliminary soil and groundwater investigations have identified petroleum hydrocarbon impacted soils and groundwater beneath a former underground storage tank area. Additionally, a layer of fill was encountered throughout the site in areas immediately beneath existing surface grade pavement.
- **Curtis Park Village, Sacramento.** Petrovich Development Company, LLC was awarded a \$2,018,066 CALReUSE grant for a project that will create 59 affordable and 21 market-rate senior rental units as part of a larger, 70-acre Curtis Park Village mixed-use development master plan. Of these 80 senior rental units, 27 will be restricted to households at 50% to 60% AMI, 27 units to households at 40% to 50% AMI, and 12 units to households at less than or equal to 40% AMI. The larger development will include roughly 475 residential units, over six acres of park and open space, multiple transit connections, and three commercial/retail areas incorporating such amenities as dinner theater, restaurants, bowling alley, and supermarket. Formerly a rail yard, contaminants of concern include metals, petroleum, polychlorinated biphenyls (PCBs), polycyclic aromatic hydrocarbons (PAHs), and volatile organic compounds (VOCs).
- **Fourth Street Apartments, San Jose.** First Community Housing was awarded a CALReUSE grant of \$175,376. Located on a three-quarter-acre site, the Project will provide 100 energy-efficient apartments for low income households, with 24 units for households at 50% to 60% AMI, 40 units for households at 40% to 50% AMI, and 35 supportive housing units for special needs populations at less than or equal to 40% AMI. Supportive services will be provided by Housing Choices Coalition. The site currently includes one vacant light industrial structure, utility transmission lines, and a 120-year old brick sewer running along the eastern border of the property. From the 1930s to the 1970s the site was used for agricultural purposes. In the 1970s the light industrial building housed various businesses including printing, missile research, electronic and fiber optic cable manufacturing, and metallic coating manufacturing. The contaminants of concern are asbestos, lead paint, and mercury lights and ballasts.
- **Hunters Point Shipyard, San Francisco.** While the San Francisco Redevelopment Agency was awarded a CALReUSE grant of \$5,000,000, the Authority pre-approved a total of \$12,444,063 with the additional \$7 million contingent on the Program receiving additional

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funding. This award will help finance the remediation of a brownfield to develop Hunters Point Shipyard and Candlestick Point into a mixed-use development area. The Project will create 2,625 residential units, nearly a quarter of which will be affordable. Additionally, 80 supportive housing rental units for the elderly will be created. The affordable units will consist of 202 for-sale units at 50% to 120% AMI, 267 rental units at 40% to 50% AMI, and 67 units at less than or equal to 40% AMI. Moreover, the development will include supportive rental housing for the elderly comprised of 20 units at 50% to 60% AMI, 30 units at 40% to 50% AMI, and 30 units at less than or equal to 40% AMI. The Shipyard presents an opportunity to return to the City and the Bayview Hunters Point Community a waterfront site that has stood dilapidated, underutilized, and disconnected since the Naval base closure in 1974. The northeast quadrant of the current Shipyard housed a dry dock facility from the 1880s until 1939 when the Navy took ownership of the area. In 1974 the Navy leased the Shipyard to large scrap steel companies to dismantle commercial vessels and sell the steel for scrap. Contaminants of concern for which CALReUSE funds will be used are asbestos and lead-based paint.

- **La Valentina, Sacramento.** The Sacramento Housing and Redevelopment Agency was awarded a \$218,150 CALReUSE grant. The mixed-use, transit-oriented development will consist of a combination of rental and for-sale housing, live/work units, flex commercial space, and a café. The Project will create 63 units of affordable, for-sale, supportive housing for homeless populations. Environmental investigations reveal heavy metals in the soil, including arsenic, lead, and mercury.
- **Lillie Mae Jones Plaza, Richmond.** The Community Housing Development Corporation of North Richmond was awarded a CALReUSE grant of \$284,589 to construct the Lillie Mae Jones Plaza, a 26-unit development which will create 25 units of affordable housing. The development will consist of 11 rental units at less than or equal to 40% AMI, 9 rental units of supportive housing for homeless populations at less than or equal to 40% AMI, and 5 units of supportive housing for special needs populations at less than or equal to 40% AMI. An array of supportive services will be available to residents to support a variety of needs including mental health and substance abuse, vocational training, and life skills training. Additionally, a community health facility is being built adjacent to the residential portion which will provide a range of health services to residents and the community. The two contaminated parcels previously involved commercial uses. The primary constituent of concern is high concentrations of lead in the shallow soil.
- **Linden Lofts, Oakland.** BRIDGE Housing Ventures, Inc. was awarded a \$275,000 CALReUSE grant to finance the remediation of a brownfield where 50 work/live townhouse-style condominium units will be constructed. Phase I will consist of 25 affordable for-sale units at 50% to 120% AMI, and Phase II will consist of 25 market rate for-sale units. The Project will provide ownership opportunities to a range of household types and incomes. Located directly across the street from BRIDGE's Linden Court apartments (completed in 2003), the Project will continue the revitalization of the neighborhood by transforming a currently unused vacant lot into a vital mix of homes and workplaces. The site has supported a variety of uses over the years. Most recently the site was used for a maintenance and storage yard and an automobile junkyard and repair facility.

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Soil and groundwater sampling at the site indicated the presence of petroleum hydrocarbon constituents including heavy metals at certain boring locations. Soil vapor analysis detected benzene and hydrocarbons.

- **MacArthur Transit Village, Oakland.** MacArthur Transit Community Partners, LLC was awarded a \$2,981,000 CALReUSE grant for a development that will create 312 for-sale and rental units. Four of the 222 for-sale units will be affordable at 50% to 120% AMI. All 90 rental units will be affordable: 21 units at 40% to 50% AMI, and 69 units at less than or equal to 40% AMI. The Project is part of a larger 8-acre development project. At build-out, the larger project will include 624 residential units, 42,500 square feet of neighborhood-serving retail space, a 5,000-square-foot child care facility, and a 400-space parking garage for BART patrons. The development includes the construction of two new streets to support and improve bike, shuttle, and car circulation for the BART station. Currently a below grade, surface parking lot for BART patrons using the MacArthur BART Station, the site was the former location of an automotive repair garage, and an on-site dry-cleaning operation. Two gas stations were formerly located on adjacent properties. Contaminants of concern are volatile organic compounds, as well as petroleum hydrocarbons and related compounds.
- **Miraflores, Richmond.** The Richmond Community Redevelopment Agency was awarded a \$2,604,490 CALReUSE grant. The Miraflores Housing Development will create 280 affordable and market-rate housing units. Half will be affordable, including 41 for-sale units at 50% to 120% AMI and 99 supportive housing units for the elderly. Of those, 49 units will be designated for senior households at 40% to 50% AMI, and 50 will be for seniors at less than or equal to 40% AMI. The Project will also include one manager's unit. Environmental concerns found on the site include the presence of pesticides, lead, and petroleum hydrocarbons in the soil. Petroleum hydrocarbons are present in the groundwater. Although seven underground storage tanks (USTs) were removed under the regulatory oversight of the Regional Water Quality Control Board, two additional USTs were recently found and will need to be removed.
- **Octavia Court, San Francisco.** Octavia Court, Inc. was awarded a CALReUSE grant of \$315,000 to develop Octavia Court, a 5-story, 15-unit apartment building for people with developmental disabilities. The Project will serve low income (less than or equal to 40% AMI), developmentally disabled heads of household – some of whom are at risk of homelessness – capable of living independently with appropriate supportive services. The east-bound on-ramp for the Central Freeway, constructed in the 1950s, was formerly located on the site. While currently vacant, drilling and testing at the site has revealed excess amounts of metals including lead in the upper portions of the soil.
- **Pilipino Worker's Center, Los Angeles.** The LTSC Community Development Corporation was awarded a \$957,750 CALReUSE grant. The LTSC Community Development Corporation and Pilipino Workers Center will jointly develop a mixed-use residential project providing 47 units of permanent affordable housing for the under-served, low-income community in the Historic Filipinotown neighborhood of Los Angeles. The five-story building will consist of three residential floors above one level of parking and a

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ground commercial floor. All of the units, with the exception of the manager's unit, will be designated for low- and very low-income households. Thirty-one rental units will be restricted to households at 40% to 50% AMI, and four units at less than or equal to 40% AMI. Nine units will be designated for emancipated foster youth that are homeless or at risk of homelessness and have incomes equal to or less than 40% AMI. Services to the residents will include assistance in accessing affordable healthcare; case management services regarding immigration, employment or healthcare related issues or needs; and job skills workshops such as financial, literary, computer skills trainings, and resume building. The site is part of the old oil fields in the City of Los Angeles and contains up to seven improperly abandoned oil wells that were operated from the 1930s through the 1960s. Due to surface spills from former oil well operations, the site is contaminated with petroleum hydrocarbons.

- **Sacramento Railyards, Sacramento.** S. Thomas Enterprises of Sacramento, LLC was awarded a \$5,000,000 CALReUSE grant and was also pre-approved for an additional \$9,750,716 contingent on the CALReUSE Program receiving additional funds. This mixed-use development project will create 197 units of rental housing for families and seniors consisting of 57 rental units restricted to households at 50% to 60% AMI, 98 rental units at 40% to 50% AMI, 40 units at less than or equal to 40% AMI, and two non-restricted units. The development will provide seniors with an affordable place to live amidst the vibrant downtown setting and housing for families that will be employed in the many retail, entertainment, dining, and commercial businesses in the Sacramento Railyards area. The Project is part of a larger redevelopment of the Sacramento Railyards area that will include 12,000 housing units, of which 1,800 will be affordable. The Railyards will deliver tremendous economic and social benefit to the region, creating approximately 19,000 permanent jobs and 2,800 annual construction jobs with an ongoing economic impact of \$2.7 billion per year. The site housed Southern Pacific Railroad's principal locomotive and maintenance rebuilding facility since 1863. Operations at the site included assembly and building of locomotives and railroad cars, and repairing or refurbishing of the cars and locomotives. The site also produced rails, steam and ferry parts, and cable cars. Lead, asbestos and heavy metals are the primary constituents of concern.
- **St. Joseph's Senior Apartments, Oakland.** The BRIDGE Economic Development Corporation was awarded a CALReUSE grant of \$999,110 to create 83 affordable rental units by rehabilitating a local historic landmark. Seven of those units will be designated for households with incomes at 40% to 50% AMI and 76 rental units for households at less than or equal to 40% AMI. Thirty units will be set aside for seniors with long-term chronic health conditions eligible to receive services under the Multipurpose Senior Services Program. Approximately 3,400 square feet of commercial space on the ground floor will be leased as office space. The development will leverage St. Joseph's as an underutilized asset in the Coliseum Redevelopment Area to create affordable infill housing, while also preserving and preventing the loss of a significant historic landmark. The original St. Joseph's site was constructed as a convalescent home for the elderly and was most recently operated as commercial office space. Contaminants of concern are asbestos and lead-based paint.

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- **Studio 15 Housing, San Diego.** Studio 15 Housing Partners, LP was awarded a \$244,560 CALReUSE grant to create 275 units of rental housing targeted primarily to service workers with incomes between 40% and 60% of San Diego's AMI. Twenty-seven units will be restricted to households with income levels at 40% AMI, 146 units to households at 50% AMI, and 100 units to households at 60% AMI. The Project will include two non-revenue generating manager's units. Chemical releases may have occurred during the two-decade period that the site was occupied by chemical companies in the mid-twentieth century. Releases of hazardous substances, including petroleum hydrocarbons, were identified as contaminants impacting the property. Soil and groundwater testing identified concentrations of chloroform, tetrachloroethylene, trichloroethylene, lead, and copper.
- **The Boulevards at South Bay, Carson.** Carson Marketplace, LLC was awarded a \$5,000,000 CALReUSE grant to construct a 400-unit apartment complex on seven acres. Fifteen percent of the units will be designated as affordable at 40% to 50% AMI. The Project is part of a larger overall development which will include a central entertainment complex, public art, up to 400 for-rent residential units, 1,150 for-sale residential units, 300 hotel rooms, and total retail space of approximately 1.25 million square feet. Projected to create 2,500 permanent jobs and upwards of \$1 billion in real estate assets, the development will promote the economic well-being of this redevelopment area. The site formerly supported a Class II landfill. Hazardous substances associated with the landfill have been detected in subsurface soil and groundwater on the property. The contaminants of concern include volatile organic compounds, heavy metals, methane, and petroleum hydrocarbons.
- **Township 9, Sacramento.** Capitol Station 65, LLC was awarded a \$550,000 CALReUSE grant to create 89 income-restricted housing units as part of a larger a 65-acre, urban scale, mixed-use, transit-oriented, master-planned neighborhood. The community will consist of 2,350 dwelling units, office and retail space, and more than 20 acres of open space north of Downtown Sacramento. Within the larger community, the Project will create 71 units at 50% to 60% AMI, 14 units at 40% to 50% AMI, 4 units at less than or equal to 40% AMI, and one manager's unit. Development of housing at Township 9 will help to create a more balanced mix of jobs and housing and will create many opportunities for the use of alternative modes of transportation to the automobile. In the 1990s, underground storage tanks were removed from the property. Contaminants of concern are gasoline and benzene.
- **Truckee Railyard, Truckee.** Truckee Development Associates, LLC was awarded a CALReUSE grant of \$1,585,724. The development consists of three distinct districts providing a total of 483 residential units, of which 30 percent will be affordable. These will consist of 60 for-sale units restricted at 50% to 120% AMI, 12 for-sale units at 40% to 50% AMI, and 73 rental units at less than or equal to 40% AMI. Of these three districts, the *Downtown Core Extension* will provide as many as 220 residential units, 15 live/work units, and 50 work/live units. The *Industrial Heritage District* will provide up to 200 residential units, including live/work units, and the *Trout Creek District* will provide up to 60 residential units and 25 live/work units. The Project will provide public amenities including 20,000 square feet of grocery, 65,000 square feet of retail, a 1,000-seat theater, a 60-room hotel, and a 25,000 square-foot civic building, along with numerous parks and open space accessible to pedestrians, bicyclists, and vehicles. The site supported railroad operations

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through the mid-1950s, with most of the site leased to sawmill operators. Contaminants of concern include tarry² petroleum hydrocarbons and associated polynuclear aromatic hydrocarbons, PCBs, and lead.

- **Visitacion Valley Transit Oriented Development, San Francisco.** Visitacion Development, LLC was awarded a \$3,459,794 CALReUSE grant. The Project will include 1,250 units of condominium housing in 13 buildings. Of these, 25 percent will be restricted to those earning 50% to 120% AMI. To meet the needs of the local community, 105,000 square feet of grocery store and retail space will also be developed on the first floors of the residential buildings. The property is the former site of both hardware manufacturing, including plating and machining operations, and rail yard operations. Contaminants of concern include trichloroethylene, dichloroethylene, perloroethylene, vinyl chloride, lead, and arsenic.

National Brownfield Association CALReUSE Project Team

In July 2008, the CPCFA entered into an agreement with the National Brownfield Association (NBA) CALReUSE Project Team to serve as a Statewide Strategic Partner for the CALReUSE Program. The National Brownfield Association is a nonprofit association for government, businesses, and individuals dedicated to promoting sustainable development and encouraging green building on brownfield sites. The NBA has compiled a strong team of members who are experts in their field to assist in administering the CALReUSE Remediation Program. The NBA CALReUSE Project Team provides the full range of technical assistance and remediation financing expertise needed to provide statewide services under the CALReUSE Program and to stimulate the revitalization of struggling communities in California. Further information concerning NBA's brownfield programs may be found on the following website:

<http://www.brownfieldassociation.org/>

- **3rd Street Residential Development, San Jose.** Global Premier Development, Inc. was awarded a CALReUSE grant of \$664,800 to develop a 37-unit affordable family housing apartment community. The Project will consist of one three-story building, including a recreational center designed to support families by offering educational programs. The apartments will be income-restricted with 10 units offered to households between 50% and 60% AMI, 18 units to households between 40% and 50% AMU, and 8 units to households at or below 40% AMI, plus one non-restricted manager's unit. Various historical uses have left contaminants including metals (lead, hexavalent chromium, and vanadium), chlorinated solvents, total petroleum hydrocarbons, and asbestos.
- **Red Star Apartments, Oakland.** National Affordable Communities, Inc. was awarded a \$1,028,500 CALReUSE grant. This affordable 118-unit senior apartment community will be funded through The Oakland Project. It will consist of one four-story building over an on-grade parking garage on less than one acre of land and will include a recreation center. The Project will include 34 units at 50% to 60% AMI, 60 units at 40% to 50% AMI, and 24 units at less than or equal to 40% AMI. The subject property was formerly the home of a

² Tar-like

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yeast manufacturing company. The contaminants of concern include elevated levels of lead and possibly mercury in fill soil across the site as well as low levels of petroleum hydrocarbons in the diesel and oil ranges. In addition, the shallow groundwater appears to be impacted by dissolved phase hydrocarbons in the diesel and oil range.

- **Dorado Court, Stockton.** Global Premier Development, Inc. was awarded CALReUSE financing in the form of a \$797,000 loan. The 47-unit multi-family affordable housing apartment complex will consist of 19 units for households at 50% to 60% AMI, 22 units at 40% to 50% AMI, 5 units at less than or equal to 40% AMI, and one non-restricted manager's unit. The site was formerly used as a gas station from 1941 to 1963. Soon after, it was demolished, and it has been vacant since that time. The contaminants of concern include semi-volatile organic compounds, total petroleum hydrocarbons as diesel, total petroleum hydrocarbons as motor oil, and leaking underground fuel tank regulated metals, which include cadmium, chromium, nickel, lead, and zinc. These contaminants are present in the subsurface environment due to the presence of leaking underground storage tanks and associated dispensers and fueling island piping, etc. Some of the USTs are still present at the site and will be removed as part of this brownfield cleanup effort.
- **Lorena Apartments, Los Angeles.** Global Premier Development, Inc. was awarded CALReUSE financing in the form of a \$5,000,000 grant. The 112-unit multi-family affordable housing apartment complex will include 56 units at 40% to 50% AMI, 31 units at 50% to 60% AMI, 24 units at less than or equal to 40% AMI, and one manager's unit. The Lorena Apartments will be housed in two separate buildings over one to two levels of below-grade parking, and will include a recreation center. The property was formerly used as a residence, a medical office/clinic and a church. The contaminants of concern include total petroleum hydrocarbons, organochlorine pesticides, lead, and other metals.
- **Plumas Family Apartments, Yuba City.** National Affordable Communities, Inc. was awarded a CALReUSE loan of \$191,400 to develop a 39-unit affordable family apartment community. Plumas Family Apartments will consist of three 2-story, walk-up structures on two acres. The Project will include 11 units at 50% to 60% AMI, 19 units at 40% to 50% AMI, and 8 units at less than or equal to 40% AMI. The property was previously used as an orchard and for farm equipment storage. The contaminants of concern include pesticides, arsenic, volatile organic compounds, semi-volatile organic compounds, and total petroleum hydrocarbons.
- **The Crossings at 29th, Los Angeles.** UHC LA 29, LP was awarded a \$1,183,475 CALReUSE grant. The Project is a 34-unit affordable housing development consisting of affordable town homes, flats, and garden apartments. The development is the first phase of a five-phase project that will potentially result in the redevelopment of the entire city block. The Project will serve individuals with incomes ranging between 30% and 60% AMI, creating 34 rental housing units. These will include 21 units for households with incomes at less than or equal to 50% AMI, and 4 units at less than or equal to 40% AMI. The site is currently occupied by single family residences, non-conforming use car repair and battery recycling facilities, a garment manufacturing warehouse, and a Mexican restaurant. Contaminants of concern are volatile organic compounds.

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City of Oakland Redevelopment Agency

An existing Strategic Partner in the Site Assessment Program, the City of Oakland's Brownfields Program has been in existence for over ten years. Oakland has implemented a comprehensive brownfields strategy utilizing its Brownfields Team in an effort to redevelop over 1,000 sites with confirmed or potential hazardous material present. The Team offers significant in-house expertise that provides information technology, risk-based corrective action, legal strategies, site assessment and remediation, site assembly, permit tracking, and various financing mechanisms to successfully reutilize contaminated sites. In addition to its Brownfields Cleanup Revolving Loan Fund, the City has access to various financial resources including U.S. Economic Development Administration grants, U.S. Environmental Protection Agency funds, and Redevelopment Agency funds. It also provides new business loans and assistance through the Oakland Business Development Corporation. Further information concerning Oakland's brownfields programs may be found at www.business2oakland.com/main/brownfieldsprograms.htm.

- **CIVIQ, Oakland.** 5110 Telegraph, LLC was awarded a \$151,500 CALReUSE loan to finance a mixed-use development that will consist of 67 units of rental housing (priced below existing housing costs in the immediate vicinity) and 2,990 square feet of commercial space. The CIVIQ Project is in the heart of a revitalized commercial district, increasingly being known as a hub of new restaurants and unique retail stores, with a neighborhood feel. The Project will result in 100 jobs during development and construction, and the commercial space will complement the very popular local retail stores along Telegraph Avenue. The site was used for nursery greenhouses and plant storage for nearly 70 years. The contaminants of concern include organic pesticides and arsenic.
- **Lampworks Lofts, Oakland.** 1614 Campbell, LLC was awarded a CALReUSE loan of \$338,970 to rehabilitate a former commercial building in one of Oakland's oldest inhabited neighborhoods. The Project will rehabilitate the historical 121,000-square-foot commercial building from industrial use to 92 live/work and residential for-lease units. The current projections for rents will be at or below the median rental rates within the City of Oakland. The area suffers from a lack of retail and service amenities, and lacks a single grocery store, bank, hardware store, and many other services. The infusion of new market rate units is necessary as a complement to the many units of subsidized, low-income units in the area, in order to provide a consumer market to attract retailers to the area to serve the entire population. Contaminants of concern originate from a former underground storage tank, as well as above ground asbestos and lead in the structure which must be removed prior to rehabilitation as a residential use.

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Targhee Consulting Team

CSC Targhee Inc., dba Targhee is the lead of the Targhee Consulting Team and for the past 21 years has specialized in providing professional environmental services ranging from regulatory compliance audits, to conducting environmental impact assessment studies and overseeing site remediation to both private-sector and public-sector clients. Targhee has assembled a consulting team with key subcontractors that bring a diverse expertise in real estate, marketing, legal counsel and economic development. Established in 1987, Targhee provides a wide range of technical and consulting services related to environmental chemistry and regulatory compliance. Targhee specializes in addressing issues focusing on the sources, reactions, transport, effects, and fates of chemical species in water, soil, air and living environments, and assessing the positive and negative impacts of human activities thereon. Further information concerning Targhee's brownfields programs may be found at <http://www.targheeinc.com/realestate.htm>.

Targhee did not bring any projects forward in 2008.