Summary. Thomas Safran and Associates (the “Applicant”) requests approval of a grant in an amount not to exceed $622,750 to finance the remediation of a brownfield to develop Carson City Center Senior Housing. The Applicant anticipates the Infill Development Project will create 85 senior rental units, including 24 units at 50-60% of the area median income (AMI), 43 units at 40-50% AMI, and 18 units at less than or equal to 40%. The project will also include one manager’s unit.

Applicant. Thomas Safran and Associates is a for-profit developer in Los Angeles, established June 29, 1979 and owned 100% by Thomas L. Safran.

Legal Questionnaire. The Strategic Partner and staff have reviewed the applicant’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raises questions concerning the financial viability or legal integrity of this applicant.

Brownfield Project Description. Currently the site contains several neighborhood commercial businesses, including the Econo Lube n’ Tune auto service center at the northwest portion of the property. The sole constituent of concern is gasoline petroleum hydrocarbons.

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TOTAL ESTIMATED COST: $622,750

Oversight Agency. Regional Water Quality Control Board – Los Angeles Region.

Infill Development Project Description. The Carson City Center Senior Housing Infill Development Project is an affordable senior housing community, serving a population that is 100% income and age restricted. The population of the community is restricted to households that earn income in the range of 30% to 60% of 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, including handicapped and visitor parking. The unit mix will be 85 one-bedroom units with one two-bedroom manager’s unit. The building will contain a community room offering educational and activity programs, fitness area, television room, communal kitchen, laundry room and a large and lush central courtyard.

**Permits.** Carson City Center has the following approved permits: Negative declaration under CEQA, site plan, design review, conditional use permit, work plan for additional site assessment, and SCAQMD 1166 VOC soil excavation permit. The applicant has applied for a building permit and grading permit.

**Anticipated Timeline.**
- Cleanup to Begin: January 2009
- Cleanup to be Completed: February 2009
- Development to Begin: March 2009
- Development to be Completed: October 2010

**Local Government Support.** Carson City Center Senior Housing is consistent with the City of Carson General Plan, zoning requirements, and a project area redevelopment plan. The project is entitled and approved by a unanimous vote of the City of Carson Planning Commission and also received financial assistance from the City of Carson City Council. Thomas Safran and Associates has entered into an Owner Participation Agreement with the Redevelopment Agency of the City of Carson through which the Agency is contributing $9,800,000 of funding in the form of a soft second loan to the project. Thomas Safran and Associates has engaged in extensive community outreach to all surrounding businesses and residents.

Letters of support have been received for the project including:

**Local Community Support**
- Miriam Grier, Civic Travel, Inc. (A-1)
- Brad Pearl, NewMark Merrill Companies (A-2)

**Government Officials Support**
- Sheri Repp Loadsman, Planning Manager, City of Carson (A-3)

**Application Score.** The project earned a score of 115 out of 120 points in the following categories:

(a) **Readiness to Proceed. TOTAL - 35/40.**
   (1) Applicant has demonstrated that environmental review can be completed and all necessary entitlements can be received from the local jurisdiction within two years if receiving the award - 10/10. The Project received a CEQA Negative Declaration in February 2008.
(2) Funding commitments are in place, or financing applications are under review, for the Infill Development Project - 10/10. Funding commitments totaling full construction costs of $27.5 Million are all either committed or under review.

(3) The Infill Development Project has local community and government support - 10/10. Local community support includes two local businesses; government support includes City of Carson.

(4) Cleanup Plan has been approved by Oversight Agency - 0/5.

(5) Applicant has building permits, and all other governmental permits (i.e. encroachment, ROW, etc.) in place or under review - 5/5. Carson City Center has the following approved permits: Negative declaration under CEQA, site plan, design review, conditional use permit, work plan for additional site assessment, and SCAQMD 1166 VOC soil excavation permit. The Applicant has applied for a building permit and grading permit.

(b) Location within an Economically Distressed Community. TOTAL - 30/30. Project is within a redevelopment project area.

(c) Location within a Priority Development of a Local Governmental Entity. TOTAL - 10/10. Project is located within a Priority Residential In-fill Area, as defined by Southern California Association of Governments’ Compass Blueprint.

(d) Depth of Affordability. TOTAL - 10/10. 21% of the Project’s 85 units are restricted to residents at or below 40% AMI, well above the Program’s 15% threshold for 10 points.

(e) Percentage of Affordability. TOTAL-15/15- 100% of the Project’s 85 units are Affordable, well above the 50% threshold for full 15 points.

(f) Utilization of Green Building Methods. TOTAL - 5/5. The preliminary GreenPoint Checklist indicates that the Project would score 90.81 points, well above the 60 point threshold for 5 points.

(g) Cleanup Plan for the Brownfield Infill Project does not require Ongoing Operation and Maintenance. TOTAL - 10/10. The Project does not include any long term operation and maintenance activities.

Tie-Breaker.
(a) Total Brownfield Infill Project Cleanup Plan Cost: $622,750
(b) Total no. residential housing units produced and/or promoted by Infill Development Project: 85
(c) Tie-breaker ratio [(a) / (b)]: $7,326 / unit
Financing Details.

- Amount of Overall Financing to be Leveraged:
  - Total Project Cost = $27,504,162
  - Total CALReUSE Infill Grant Funding = $622,750
  - CALReUSE remediation funding is leveraged 44 to 1

- Sources of Financing for Brownfield Infill Project: CALReUSE

- Sources of Financing for Infill Development Project: Washington Mutual construction loan, City of Carson construction loan, Deferred Developer Fee

Staff Recommendation. Staff recommends approval of the attached Resolution for Thomas Safran and Associates for an amount not to exceed $622,750.
A RESOLUTION OF THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY APPROVING EXECUTION AND DELIVERY OF GRANT FUNDING FOR THOMAS SAFRAN AND ASSOCIATES CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM

November 19, 2008

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

WHEREAS, the statutory provisions of the CALReUSE Remediation Program authorize grant and loan funding for the purpose of brownfield cleanup that promotes infill residential and mixed-use development, consistent with regional and local land use plans;

WHEREAS, the Authority solicited applications for the CALReUSE Remediation Program and such applications were evaluated and scored pursuant to the Authority’s Regulations;

WHEREAS, Thomas Safran and Associates has submitted an application for the CALReUSE Remediation Program for a grant in the amount of $622,750 for the Carson City Center Senior Housing Project;

WHEREAS, the Strategic Partner Creative Land Recycling (CCLR) has reviewed the application and determined to recommend the Carson City Center Senior Housing Project to the Authority for funding consideration;

WHEREAS, the Authority staff has reviewed the Strategic Partner’s recommendation and has determined to recommend the Carson City Center Senior Housing Project for funding; and

WHEREAS, approval of a grant for Thomas Safran and Associates (“Applicant” and “Grantee”) by the Authority is now sought;

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

Section 1. Pursuant to the Regulations, the Authority hereby finds that the Carson City Center Senior Project (the “Project”) is eligible for financing and hereby approves the grant described in the staff summary for the Project described in the Applicant’s CALReUSE Infill Application to the Authority.

Section 2. The Executive Director is hereby authorized for and on behalf of the Authority to take all steps necessary with respect to the Applicant including notifying the Applicant that its Application has been approved for funding, preparing a commitment letter that contains the terms and conditions of funding for the Grantee, preparing and executing the final
form of grant agreement and disbursing funds pursuant to the grant agreement and the Authority’s Regulations.

Section 3. The Executive Director is hereby authorized for and on behalf of the Authority to approve any changes in the Project described in Exhibit A of the grant agreement as the Executive Director shall deem appropriate and authorized under the Regulations (provided that the amount of the grant may not be increased above the amount approved by the Authority).

Section 4. The Executive Director is hereby authorized and directed, for and on behalf of the Authority, to draw money from the Proposition 1C (2006) funds allocated to this Program not to exceed those amounts approved by the Authority for the Project approved in Section 1. The Executive Director is further authorized and directed, for and on behalf of the Authority, to execute and deliver for the Project identified in Section 1 any and all documents necessary to complete the transfer of funds. The authority of the Executive Director is limited to payment of claims made by the Grantee in accordance with the Regulations and the grant Agreement.

Section 5. Any notice to the Applicant approved hereunder shall indicate that the Authority shall not be liable to the Applicant in any manner whatsoever should such funding not be completed for any reason whatsoever. Notice to the Applicant shall include a provision making it clear that continued funding under the program is not guaranteed but is entirely dependent upon funds being available to the CALReUSE Program and the Grantee’s continued compliance with the grant agreement and the regulations governing the CALReUSE Program.

Section 6. The Executive Director of the Authority is hereby authorized and directed, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to effectuate the purposes of this Resolution and the transactions contemplated hereby, and which have heretofore been approved as to form by the Authority.
EXHIBIT A

TERM SHEET

Name of Project: Carson City Center Senior Housing

Maximum Amount of Grant: $622,750

Strategic Partner: Center for Creative Land Recycling

Grantee: Thomas Safran and Associates

Financing Structure: Grant

Maximum Grant Term: Not to exceed 6 years from first draw on funds

Oversight Agency: Regional Water Quality Control Board – Los Angeles Region

Project Location: 708, 716, 724 East Carson Street
            Carson, CA 90745

Infill Development Description: 85 senior rental units, including 24 units at 50-60% of the area median income (AMI), 43 units at 40-50% AMI, and 18 units at less than or equal to 40%. The project will also include one manager’s unit.

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TOTAL ELIGIBLE BROWNFIELD INFILL COST: $622,750
February 25, 2008

Mr. Jerome Groomes  
City Manager City of Carson  
701 E. Carson Street  
Carson CA 90745

Re:  
Carson City Center  
Thomas Safran & Associates  

Dear Mr. Groomes:

On behalf of Civic Travel we are writing to support Carson City Center. We have been tenants at the intersection of Carson and Avalon for 20 years.

The project will be a wonderful addition to the community with affordable housing and neighborhood serving retail. Carson City Center will be a great project for the city and will assist in the revitalization of downtown Carson. Additionally, Thomas Safran & Associates will deliver on what is promised.

Sincerely,

Civic Travel, Inc.

Miriam Grier
February 25, 2008

Mr. Jerome Groomes
City Manager
City of Carson
701 E. Carson St
Carson, CA 90745

Re: Carson City Center
Thomas Safran & Associates

Dear Mr. Groomes:

On behalf of New Mark Merrill we are writing to endorse the approval of Carson City Center by Thomas Safran and Associates. This project will be a wonderful addition to the community with affordable housing and neighborhood serving retail. Carson City Center will be a great amenity to the city and assist in the revitalization of the downtown core and the Carson Street Master Plan. The only portion of the project that would concern us is the retail component given the difficult consumer climate we are in. So long as the development did not include a drug store or grocery store, we would remain fully in support of this project.

Please approve this project at the Planning Commission Hearing on February 26, 2008 and Redevelopment Agency Hearing on March 18, 2008.

Sincerely,

Brad Pearl
Vice President
October 15, 2008

CALReUSE Remediation Application
Center for Creative Land Recycling
200 Pine Street, Suite 400
San Francisco, CA 94105

Subject: Carson City Center – City and Community Support

Attention: CALReUSE Remediation Application

The city of Carson is very much in support of the Carson City Center project that is being developed by Thomas Safran and Associates at the southeast corner of Avalon Boulevard and Carson Street. The Carson City Center provides a combination of commercial uses, residential condominiums and senior housing within a very attractive combination of buildings. This mixed use development will certainly be a centerpiece of the Carson community and will help realize the community’s vision to make Carson Street a vibrant and attractive destination to live and shop.

To facilitate our vision, the city of Carson has worked hard to eliminate blight and to remediate and redevelop brownfield sites. For many years, the southeast corner of Carson and Avalon, which will be redeveloped by Carson City Center, has been occupied by an auto repair business. Due to the poor condition of the existing structure and the environmental degradation of the site caused by the impact of hydrocarbon release into the soil and groundwater, we consider this property to be blighted. Remediation of this site is required to achieve the city’s Carson Street Master Plan and redevelopment goals.

The city of Carson supports this project because 1) it is transit oriented development that will be a major catalyst for the implementation of the Carson Street Master Plan; 2) it makes a substantial contribution to our need for affordable housing; and 3) it will convert dated commercial space, specifically an old auto repair and fueling station, into modern, neighborhood oriented commercial space. To substantiate our support, the City has granted all necessary entitlements and committed redevelopment funds to support the inclusion of affordable housing and the development of the Carson City Center.
Through the duration of the entitlement process, the city of Carson engaged in extensive public outreach and held a number of public hearings to solicit and secure community support for this project. We are all very excited about this project moving forward and we look forward to the significant value Carson City Center will add to our community.

Please call with any questions.

Sincerely,

[Signature]

Sheri Repp Loadsman
Planning Manager

cc: Cliff Graves, Economic Development General Manager
    R. Siebert, Thomas Safran and Associates