

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM  
Meeting Date: May 27, 2009  
Request Infill Grant Approval**

Prepared by: *Chris Nelson, NBA CALReUSE Project Team, and Diana Michaelson, CPCFA*

<b>Applicant:</b> Miramar Village Partners, LP	<b>Type of Funding Requested:</b> Grant
<b>Project Name:</b> Miramar Village	<b>Amount Requested:</b> \$2,075,673
<b>Project:</b> Los Angeles	<b>Application No.:</b> 33
<b>Location:</b> (Los Angeles County)	<b>Strategic Partner:</b> NBA

**Summary.** Miramar Village Partners, LP (the “Applicant”) and/or its Affiliates requests approval of a grant in an amount not to exceed \$2,075,673 to finance the remediation of a brownfield to develop a 114-unit family housing apartment complex. The Applicant anticipates the Infill Development Project will create 113 affordable rental housing units (and one manager’s unit) at or less than 60% of the Area Median Income (AMI).

**Applicant.** Miramar Village Partners, LP is a joint venture entity of Assisted Living Foundation of America (a California nonprofit corporation) and AOF/Pacific Affordable Housing (a Texas nonprofit public benefit corporation) as co-managing general partners, Miramar Village Management, LLC (“MVM”) as administrative general partner, and Wachovia Affordable Housing Community Development Corporation as limited partner. MVM is a sole member LLC whose sole member is Affordable Development Company of America, LLC (“ADCA”). Marc Gelman is the managing member of MVM. Mr. Gelman has developed over 1,600 affordable housing units across Southern California, Atlanta, Georgia, and Orlando, Florida. Through Mr. Gelman, ADCA is able to draw on its strong leadership and strategic partnerships to facilitate the development and management of affordable multifamily housing.

The principal stockholders of the Applicant are as follows:

Wachovia Affordable Housing	
Community Development Corporation	99.9900%
Assisted Living Foundation of America	0.0025%
AOF/Pacific Affordable Housing	0.0025%
Miramar Village Management, LLC	0.0050%
<b>Total:</b>	<b><u>100.0000%</u></b>

**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.** The subject property was formerly part of a Los Angeles oil field. Previously the site contained 36 residential units throughout four buildings. The site also contained three structures used as garages for tenants. The contaminants of concern include: hydrocarbons, volatile organic compounds (VOCs), and toxic heavy metals. As a result of the former oil field operations, soil contaminated with petroleum and natural gas produced residual methane contamination. Preparation of the property for re-use includes oil well abandonment

**Agenda Item – 4.B.2.**

(decommissioning) and soil removal, soil cleanup and disposal, and methane mitigation through the installation of an active vapor barrier and collection system installed at the site as part of the construction of the project.

The following table shows the breakdown of required activities, costs, and the amount to be financed using the CALReUSE grant proceeds:

<b>Description of Activity</b>	<b>Amount Financed by Infill Grant</b>
Magnometer testing for oil well location	\$ 7,144
Soil Testing	212,405
Excavate and abandon oil wells	327,800
Disposal of Soil	1,103,515
Installation of Methane Mitigation	<u>424,789</u>
<b>TOTAL ESTIMATED COST:</b>	<b><u>\$2,075,653</u></b>

**Oversight Agencies.** There are four Oversight Agencies involved with the cleanup of the contaminants of concern on this site.

<b>Oversight Agency</b>	<b>Area of Oversight</b>
California Department of Conservation Division of Oil, Gas & Geothermal Resources (DOGGR)	Oil well excavation and abatement
Los Angeles City Fire Department, Harbor Division	Oil well excavation and abatement
Los Angeles County Fire Department	Soil testing and disposal
Los Angeles City Department of Building and Safety	Methane mitigation

**Infill Development Project Description.** Miramar Village will consist of 114 residential units and will serve low-income families. Miramar Village will be comprised of 63 two-bedroom, one-bathroom units and 51 three-bedroom, two-bathroom units. The building itself will have three levels of residences over one level of semi-subterranean parking. The site is located two miles west of the Los Angeles Central Business District and less than two tenths of a mile from public transportation, with convenient access to U.S. Highway 101 and Interstate 110.

**Jobs Information.** The Applicant represents that a total of 285 jobs will be created as a result of this project.

<b>Activity</b>	<b>Start</b>	<b>Complete</b>	<b>Duration</b>	<b>No. of Jobs</b>	<b>Type of Job</b>
Brownfield Infill Project (cleanup)	November 2009	August 2009	7 ½ months	59	Construction
Infill Development Project (construction)	January 2009	December 2009	1 year	225	Construction
Infill Development Project (upon completion)	December 2009	Ongoing	Permanent	1	Management

**Permits.** The Applicant has identified all required permits in the application. The building, grading, demolition, methane, oil well permits and Standard Urban Stormwater Mitigation Plan have been submitted and are under review.

**Anticipated Timeline.**

- Cleanup Began: January 2009.
- Cleanup to be Completed: August 2009.
- Development Began: January 2009.
- Development to be Completed: December 2009.

**Local Government Support.** The project is supported by, and has received funding from, the Los Angeles Housing Department. In addition, Councilmember Garcetti has issued a letter of support for the Miramar Village project, which will be located in his Council District, CD 13.

Letters of support for the project have been received, including

**Local Government Support (Attachment A).**

- Los Angeles City Council (A-1)

**Local Community Support (Attachment B).**

- Para Los Niños (B-1)

**Application Score.** The project earned a score of 90 out of 105 points in the following categories:

(a) **Readiness to Proceed. TOTAL - 40/40.**

- (1) **Applicant has demonstrated that environmental review can be completed and all necessary entitlements can be received from the local jurisdiction within two years of receiving the award - 10/10.** The Applicant submitted a letter from Enhanced Affordable Development Co., LLC (the previous development entity), indicating the project could be through entitlements and approved for building within two years of receipt of the grant award notice.
- (2) **Excluding tax credit equity and tax exempts bonds, 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 \$40,983,823 million are committed or under review.
- (3) **The Infill Development Project has local community and government support - 10/10.** The project has both community and local government support.
- (4) **Cleanup Plan has been approved by Oversight Agency - 5/5.** The Cleanup Plan has been approved by all oversight agencies.
- (5) **Applicant has necessary governmental permits in place including but not limited to grading, encroachment, right of way, demolition, and air quality permits and excluding the building permit - 5/5.** The Applicant has submitted all significant permit applications.

- (b) **Location within an Economically Distressed Community.** TOTAL - 30/30. The project is located within a state designated Enterprise Zone. The Applicant submitted proof of this through the submission of an official letter from HCD.
- (c) **Depth of Affordability.** TOTAL - 5/10. The project includes one manager’s unit, 25 rental units restricted to residents at greater than 50% AMI but less than or equal to 60% AMI; 76 rental units restricted to residents at greater than 40% AMI and less than or equal to 50% AMI; and 12 rental units restricted to residents at less than 40% AMI.
- (d) **Percentage of Affordability.** TOTAL - 15/15. The project includes 114 units, 113 of which are affordable with one manager’s unit.
- (e) **Utilization of Green Building Methods.** TOTAL - 0/5. The Applicant did not submit any evidence or documentation supporting its pursuit of green building methods.
- (f) **Cleanup Plan for the Brownfield Infill Project does not require Ongoing Operation and Maintenance.** TOTAL - 0/5. The project will require an on-going methane mitigation and collection system at the site.

**Tie-Breaker.**

- (a) Total Brownfield Infill Project Cleanup Plan Cost: \$2,075,653.
- (b) Total number of residential housing units produced and/or promoted by Infill Development Project: 114.
- (c) Tie-breaker ratio [\$2,075,653/114]: \$18,202.31/housing unit.

**Financing Details.**

- Amount of Overall Financing to be Leveraged:
  - Total Project Cost = \$40,983,823.
  - Total CALReUSE Infill Grant Funding = \$2,075,673.
  - CALReUSE remediation funding is leveraged 20 to 1.
- Sources of Financing for Brownfield Infill Project: CALReUSE grant.
- Sources of Financing for Infill Development Project: CTCAC funds, Los Angeles Housing Development (LAHD) loan, deferred developer fee (loan for 10 years at 8%) and a Wells Fargo construction loan.

**Staff Recommendation.** Staff recommends approval of the attached Resolution for Miramar Village Partners for a total grant in an amount not to exceed \$2,075,673 (\$150,415 initially with the remainder funded as program funds become available) for the Project.

A RESOLUTION OF  
THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
APPROVING EXECUTION AND DELIVERY OF GRANT FUNDING FOR  
MIRAMAR VILLAGE  
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM

May 27, 2009

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, Miramar Village Partners, LP has submitted an application for the CALReUSE Remediation Program for a grant in the amount of \$2,075,653 for the Miramar Village Project;

WHEREAS, subject to meeting all the conditions set forth in this resolution the Authority reasonably expects that financing in an initial amount of \$150,415 may be funded for the Project;

WHEREAS, the Authority staff recommends the additional \$1,928,258 be made available when additional funds, including ~~but not limited to~~ unused awards and returned awards, ~~or new Program funds~~ become available;

WHEREAS, the Strategic Partner National Brownfields Association (NBA) has reviewed the application and determined to recommend the Miramar Village Project to the Authority for funding consideration;

WHEREAS, the Authority staff has reviewed the Strategic Partner’s recommendation and has determined to recommend the Miramar Village Project for funding;

WHEREAS, approval of a grant for Miramar Village Partners, LP (“Applicant” and “Grantee”) by the Authority is now sought; and

WHEREAS, the State of California has been facing an unprecedented cash flow crisis amidst the current national economic conditions which requires the approval of this grant to be contingent on funds becoming available from the Authority’s Proposition 1C (2006) allocation, as determined by the Department of Finance.

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 Miramar Village Project is eligible for financing and hereby contingently approves the grant described in the staff summary in an amount not to exceed \$2,075,673 (\$150,415 initially with the remainder funded as program funds become available) for the Project described in the Applicant’s CALReUSE Infill Application to the Authority.

Section 2. The Project may receive additional funding up to \$1,928,258 under the direction of the Executive Director if additional funds become available.

Section 3. 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 in an amount not to exceed \$2,075,673 (\$150,415 initially with the remainder funded as program funds become available), 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 4. 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 5. The approval of this grant is contingent on funds becoming available from the Authority’s Proposition 1C (2006) allocation, as determined by the Department of Finance. The Executive Director is authorized to determine whether this condition has been met and proceed with executing the award

Section 6. 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 Grantee approved in Section 1. The Executive Director is further authorized and directed, for and on behalf of the Authority, to execute and deliver to the Grantee 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 7. 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.

**Agenda Item – 4.B.2.**

Section 8. 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:** Miramar Village

**Maximum Amount of Grant:** \$2,075,653

**Strategic Partner:** National Brownfields Association CALReUSE Project Team

**Grantee:** Miramar Village Partners, LP

**Financing Structure:** Grant

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

**Oversight Agencies:** Los Angeles City Fire Department, Harbor Division; California Department of Conservation Division of Oil, Gas, and Geothermal Resources; Los Angeles County Fire Department; Los Angeles City Department of Building and Safety

**Project Location:** 230 and 240 S. Westlake Avenue, Los Angeles, California 90057

**Infill Development Description:** 114 rental units, of which 100% will be Affordable, including 25 units at 50-60% AMI, 76 units at 40-50% AMI, 12 units at less than or equal to 40% AMI, and one manager’s unit.

<b>Project: Description of Activity</b>	<b>Estimated Cost</b>
Magnometer testing for oil well location	\$ 7,144
Soil testing	212,405
Excavate and abandon oil wells	327,800
Disposal of soil	1,103,515
Inspection of methane mitigation	<u>424,789</u>
<b>TOTAL ESTIMATED COST:</b>	<b><u>\$2,075,653</u></b>

*Note: The difference between the amount requested by the Applicant (\$2,075,653) and the amount recommended by staff (\$150,415) is due to the maximum current available funds.*

Attachment A



ERIC GARCETTI  
COUNCILMEMBER  
PRESIDENT, LOS ANGELES CITY COUNCIL

April 22, 2009

Mercedes Marquez  
General Manager, Los Angeles Housing Department  
1220 West 7<sup>th</sup> Street, 8<sup>th</sup> Floor  
Los Angeles, CA 90017

Dear Ms. Marquez:

I am writing in support of the Miramar Village development at 240 S. Westlake Avenue in Council District 13.

There is a tremendous demand for high quality affordable housing in the 13<sup>th</sup> District. There is also a vast shortage of large affordable units capable of accommodating families. The project that we support consists of 63 two bedroom-two bathroom units and 51 three bedroom-two bathroom units. There will be 13 units set aside for families with annual incomes of 30% AMI or lower, 18 units for families with annual incomes of 45% AMI or lower, 56 units for families with annual incomes of 50% AMI or lower and 27 units for families with annual incomes of 60% AMI or lower.

In addition to the affordable covenants, the development team has committed to meet and exceed all of the Title 24 energy conservation requirements, as well as implement a Solar Photovoltaic System. We support these innovative environmental commitments, which will translate into health benefits and utility savings for tenants.

The developer, Affordable Development Company of America, LLC, has acquired the building, relocated all of the existing tenants and provided relocation benefits required by city, state, and federal laws, and will give those tenants who qualify the right to return to the building once it has been constructed. The development team has currently been awarded several sources of funding including low income housing tax credits and funds from the Los Angeles Housing Department's Affordable Housing Trust Fund.

My office will continue to work with the developer on the design of the project. However, at this time, I am in support of the proposed density and use of this development as well as the applications required to implement it.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Garcetti".

ERIC GARCETTI  
President, Los Angeles City Council  
Councilmember, 13<sup>th</sup> District

Attachment B

**PRESIDENT & CHIEF EXECUTIVE OFFICER**  
Gloria Acevedo

**VICE PRESIDENT & CHIEF OPERATING OFFICER**  
Mario E. Greer, M&W, Ph.D.

**VICE PRESIDENT & CHIEF FINANCIAL OFFICER**  
Katheryn Steward

**VICE PRESIDENT, QUALITY ASSURANCE & RESEARCH**  
Stelario Epps, Ph.D.

**VICE PRESIDENT, DEVELOPMENT**  
Julia Gopak

**VICE PRESIDENT, OPERATIONS**  
Bob Karchner

**VICE PRESIDENT, HUMAN RESOURCES**  
Glorinda Lopez

**VICE PRESIDENT, COMMUNICATIONS & EXTERNAL AFFAIRS**  
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Margaret Heritage (ex-officio)  
Elementary School Advisory Board Chair  
University of California, Los Angeles

Autumn Macellaro Krichner  
Wells Fargo

Diane Medina  
ABC7

James J. Morrison  
The Morrison Company

Jark Pan  
Target Corporation

Michale Ruiz  
SaberHacer.com

Jose Sarmola  
Deloitte & Touche

John A. Swaman

Colleen Swarney  
Health USA

Robert Zilinski  
Florden, Lewis & Haden



April 10, 2009

To Whom It May Concern:

We are very pleased with the recent neighborhood and economic revitalization efforts in this area of our community which include the adopted Westlake Community Plan, as well as its designation as a Federal Renewal Community. The Westlake Community Plan is currently in effect and has been very productive. The proposed project, Miramar Village, which lies in close proximity to the Renewal Community, will help bolster the revitalization efforts in the locale and provide affordable housing vital to the community.

Within the last five years, there have been great public, government, non-profit, and for-profit activities springing up in our neighborhoods. There are roughly 30-40 major projects amounting to over \$5.2 billion in addition to the \$100 million worth of affordable housing projects. These new urban investment opportunities can be traced back to a smaller number of concerted efforts such as the L.A. Live Development Project and the revitalization of the area surrounding the Staples Center, Grand Avenue Project, MacArthur Park Metro Station Mixed Use Project, City Hall renovations, as well as the Walt Disney Concert Hall. In addition, low-income housing communities such as the Union Point Apartments and the Villas Del Lago have been recently constructed.

Other examples of public funds utilization and improvements in this immediate neighborhood include Targeted Neighborhood Initiative (TNI) program, a \$3 million fund dedicated to improvement in downtown Echo Park; \$545,000 is being spent on a commercial façade improvement on Sunset Boulevard, \$435,000 for streetscape, landscaping, sanitation bins and community signage, as well as \$125,000 for street lighting. Another \$560,000 in City funds and \$980,000 in Proposition K funds are being used for construction of community recreation center facilities.

The Wilshire/Union Plaza shopping complex was the first commercial development in the Westlake community including national retailers like Home Depot, Food 4 Less, and Starbucks at a development cost in excess of \$100 million that created employment opportunities within the neighborhood.

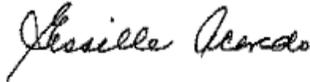


Attachment B

Miramar Village Support Letter, 2

We support the Miramar Village affordable housing development because, despite all of the efforts listed above, the need for safe affordable housing in this part of our neighborhood is nearing a crisis level. Miramar Village Apartments is designed primarily for the benefit of low-income family households. Miramar Village will certainly contribute to the concerted community revitalization efforts and help to provide much needed affordable housing to the area's impecunious residents.

Regards,



Gisselle Acevedo  
President & CEO