

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY  
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM  
Meeting Date: November 19, 2008  
Request Infill Grant Approval**

Prepared by: *Center for Creative Land Recycling and Ling Tse, CPCFA*

<b>Applicant:</b> Richmond Community Redevelopment Agency	<b>Type of Funding Requested:</b> Grant
<b>Developer:</b> Eden Housing and Community Housing Development Corporation	<b>Amount Requested:</b> \$2,604,490
<b>Project Name:</b> Miraflores	<b>Strategic Partner:</b> CCLR
<b>Project Location:</b> Richmond (Contra Costa County)	

**Summary.** Richmond Community Redevelopment Agency (“RCRA” or the “Applicant”) requests approval of a grant in the amount not to exceed \$2,604,490 to finance the remediation of a brownfield to develop Miraflores project. The Applicant anticipates the Development Project will create 280 housing units, of which 50% will be affordable, including 41 for-sale units restricted at 50-120% Area Median Income (AMI), 49 rental units of supportive housing for the elderly at 40-50% AMI, and 50 rental units of supportive housing for the elderly at less than or equal to 40% AMI. The project will include one manger’s unit.

**Applicant.** The applicant is a Redevelopment Agency established March 13, 1950 in Richmond. Within the last ten years RCRA has financed and managed the development of over 430 units of affordable housing.

**Legal Questionnaire.** The Strategic Partner has 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 approximately 14-acre site is comprised of three former flower nurseries which had been in operation from the early 1920’s to 2006. The site is currently occupied by remaining greenhouses, residences, well-pump houses, boiler houses, warehouses, and storage sheds. The site is contaminated by hazardous substances and petroleum. Environmental concerns found on the site include the presence of pesticides (in particular, dieldrin and DDT), lead, and petroleum hydrocarbons (in particular, diesel and motor oil) in the soil. In addition 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 (RWQCB), two additional USTs were recently found and will need to be removed.

**Agenda Item – 4.C.12.**

<b>Description of Activity</b>	<b>Cost</b>	<b>Amount Financed by Infill Grant</b>
UST removal, excavation, & off-haul	\$1,772,449	\$1,772,449
Contractor oversight, additional characterization, reporting	409,888	409,888
Groundwater monitoring	149,500	77,767
Environmental insurance –cost cap & PLL	723,752	200,000
California Department of Toxic Substances Control Oversight	132,178	37,727
Technical assistance –environmental legal	<u>200,000</u>	<u>106,659</u>
<b>TOTAL ESTIMATED COST OF:</b>	<b><u>\$3,387,767</u> *</b>	<b><u>\$2,604,490</u></b>

\* *The difference between Brownfield Infill Project Costs and the recommended award amount reflect prior and ineligible costs.*

**Oversight Agency.** California Department of Toxic Substances Control (DTSC).

**Infill Development Project Description.** The Miraflores Housing Development will be a mix of affordable and market-rate housing. This project will create 280 housing units, of which 50% will be affordable, including 41 for-sale units at 50-120% AMI, 49 rental units of supportive housing for the elderly at 40-50% AMI, and 50 rental units of supportive housing for the elderly at less than or equal to 40% AMI. Out of the 280 units, approximately 180-200 units will be single-family residences with a combination of detached houses and townhouses. Other project highlights include a community room with availability to the wider community, park space, and Baxter Creek.

**Permits.** The Redevelopment Agency has applied for a General Plan Amendment and Rezoning approvals. CEQA compliance and NEPA approval are in progress or under review. The applicant intends to apply for design review approval and a demolition permit.

**Anticipated Timeline.**

- Cleanup to Begin: June 2009
- Cleanup to be Completed: July 2011
- Development to Begin: April 2011
- Development to be Completed: July 2012

**Local Government Support.** Several letters of support have been received for the project, including:

**Local Community Support.**

- Miraflores Resident Advisory Council (A-1)

**Government Officials Support.**

- Bill Lindsay, City Manager of Richmond (A-2)

**Application Score.** The project earned a score of **110** out of **120** points in the following categories:

**(a) Readiness to Proceed. TOTAL - 30/40.**

- (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.** City of Richmond anticipates the draft Environmental Impact Report will be completed by the second quarter of 2009.
- (2) Funding commitments are in place, or financing applications are under review, for the Infill Development Project -10/10.** The Applicant has identified the sources of funds for the project.
- (3) The Infill Development Project has local community and government support - 10/10.** The project has the support of the Miraflores Resident Advisory Council (RAC) and the City of Richmond.
- (4) Cleanup Plan has been approved by Oversight Agency - 0/5.** The Remedial Action Plan has been submitted, but not yet approved.
- (5) Applicant has building permits, and all other governmental permits (i.e. encroachment, ROW, etc.) in place or under review - 0/5.**

**(b) Location within an Economically Distressed Community. TOTAL - 30/30.** Project is within a state designated Enterprise Zone.

**(c) Location within a Priority Development of a Local Governmental Entity. TOTAL - 10/10.** A letter from the City of Richmond designates this Project a “Priority Development Area.”

**(d) Depth of Affordability. TOTAL - 10/10.** 18% of the Project’s 280 units are restricted to residents at or below 40% AMI, above the Program’s 15% threshold.

**(e) Percentage of Affordability. TOTAL - 15/15.** 50% of the Project’s 280 units are Affordable, meeting the Program’s 50% threshold.

**(f) Utilization of Green Building Methods. TOTAL - 5/5.** The Project is part of the LEED for Neighborhood Development Pilot Project.

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

**Tie-Breaker.**

(a) Total Brownfield Infill Project Cleanup Plan Cost: \$3,387,767

(b) Total no. residential housing units produced and/or promoted by Infill Development Project: 280

(c) Tie-breaker ratio [(a) / (b)]: \$12,099/unit

**Financing Details.**

- Strategic Partner: Center for Creative Land Recycling
- Amount of Overall Financing to be Leveraged: \$71,966,718
- Sources of Financing for Brownfield Infill Project: CALReUSE, RCRA, and Environmental Protection Agency Cleanup Grants.
- Sources of Financing for Infill Development Project: City of Richmond, Wells Fargo Bank construction loan, Tax Credit Equity, Oakland Funding Group construction loan, and deferred Developer Fee and Home Sales Closing Costs.

**Staff Recommendation.** Staff recommends approval of the attached Resolution for Richmond Community Redevelopment Agency for a grant in an amount not to exceed \$2,604,490.

**A RESOLUTION OF THE CALIFORNIA POLLUTION CONTROL FINANCING  
AUTHORITY APPROVING EXECUTION AND DELIVERY OF GRANT FUNDING FOR  
RICHMOND COMMUNITY REDEVELOPMENT AGENCY  
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, Richmond Community Redevelopment Agency has submitted an application for the CALReUSE Remediation Program for a grant in the amount of \$2,604,490 for the Miraflores Project;

WHEREAS, the Strategic Partner Center for Creative Land Recycling has reviewed the application and determined to recommend the Miraflores Project to the Authority for funding consideration;

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

WHEREAS, approval of a grant for the Richmond Community Redevelopment Agency (“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 Miraflores 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:** Miraflores

**Maximum Amount of Grant:** \$2,604,490

**Strategic Partner:** Center for Creative Land Recycling

**Grantee:** Richmond Community Redevelopment Agency

**Financing Structure:** Grant

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

**Oversight Agency:** California Department of Toxic Substances Control

**Project Location:** 128 S. 45th Street 4733 Wall Avenue  
 99 S. 47th Street 4737 Wall Avenue  
 4606 Florida Ave 4809 Wall Avenue  
 223 S. 47th Street 4855 Wall Avenue  
 130 S. 47th Street  
 Richmond, Contra Costa County, CA 94804

**Infill Development Description:** 280 units of affordable and market-rate housing will be constructed, of which 50% will be affordable, including 41 for-sale units at 50-120% AMI, 49 rental units of supportive housing for the elderly at 40-50% AMI, and 50 rental units of supportive housing for the elderly at less than or equal to 40% AMI. Out of the 280 units, approximately 180-200 units will be single-family residences with a combination of detached houses and townhouses.

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<b>TOTAL ELIGIBLE BROWNFIELD INFILL COSTS:</b>	<b><u>\$2,604,490</u></b>

Attachment A

September 30, 2008

Mr. Steve Duran  
Executive Director  
Richmond Community Redevelopment Agency  
1401 Marina Way South  
Richmond, CA 94804

The Miraflores Resident Advisory Council (RAC) is very much in support of the proposed Miraflores Housing Development proposed for the former Japanese Nursery sites located at South 47<sup>th</sup> Street and Wall Avenue in the City of Richmond. The RAC is comprised of representatives from three neighborhood councils (Park Plaza, Pullman & Laurel Park) in and around the project location. RAC members meet quarterly with the development team to review and discuss the project status, and assists with the planning for moving the development forward.

The RAC would like to express their strong support of the Richmond Community Redevelopment Agency's funding application submission to the CALReUSE Remediation Program.

Sincerely,

Miraflores Resident Advisory Committee

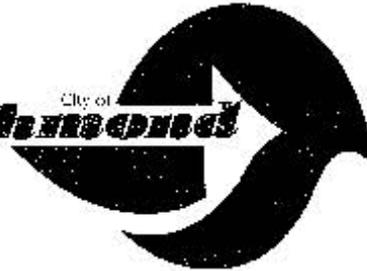
*Parca Sh. Park Plaza*  
*Annie Johnson - park plaza*  
*Neloch Hestya Park Plaza*  
*Madeline [Signature] PPACC*  
*Naomi Williams Pullman N.C.*  
*[Signature] Laurel Park N.C.*  
*Myrtle Breyton Ellington, President Laurel Park N.C.*

Attachment A

 Recycled Paper

CITY MANAGER'S OFFICE

City of **Richmond**



September 30, 2008

Steve Duran  
Executive Director  
Richmond Community Redevelopment Agency  
1401 Marina Way South  
Richmond, CA 94804

**Re: Financing Commitment – Miraflores Housing Development**

Dear Mr. Duran:

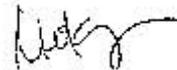
The City of Richmond is pleased to support the Miraflores Housing Development Project (Development) located at 47<sup>th</sup> Street and Wal' Avenue in Richmond's Park Plaza Neighborhood. The Development will consist of a combination of approximately 240 rental and for sale housing units which will be affordable to very low, low income, moderate and market-rate households.

The City Council and Redevelopment Agency Board have demonstrated their strong support through their authorization and expending of nearly \$8 million for acquisition and property management costs since 2006. The Agency has also entered into Exclusive Right to Negotiate (ERN) agreements with Eden Housing, Inc. (Eden) and the Community Housing Development Corporation of North Richmond (CHDC) to develop the rental housing and with Kingston, IJC for development of the for-sale housing.

Additionally, the City has allocated Four Hundred Thousand dollars (\$400,000) in HOME funds, Four Hundred and Forty Nine Thousand dollars (\$449,000) in Community Development Block Grant (CDBG) funds and Ninety One Thousand dollars (\$91,000) in City In-Lieu funds to CHDC and Eden for site characterization and other predevelopment activities.

The Miraflores Housing Development will help the City of Richmond meet the critical need of providing affordable housing and reducing blighted conditions within our Redevelopment Areas. We look forward to the successful completion of this project.

Sincerely,



Bill Lindsay  
City Manager

1401 MARINA WAY SOUTH, P.O. BOX 4548, RICHMOND, CA 94804

Telephone: (510) 620-6512  
Fax: (510) 620-6542