

**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 (CCLR) and Dona Yee, CPCFA*

Applicant:	LTSC Community Development Corporation	Type of Funding Requested:	Grant
Co-Applicant:	Pilipino Worker’s Center	Amount Requested:	\$957,750
Project Name:	PWC Family Housing	Strategic Partner:	CCLR
Project Location:	Los Angeles (Los Angeles County)		

Summary. LTSC Community Development Corporation (the “Applicant”) requests approval of a grant in the amount not to exceed \$957,750 to finance the remediation of a brownfield to develop PWC Family Housing. The Applicant anticipates the Infill Development Project will create 45 units of affordable rental housing, including 31 rental units restricted at 40-50% Area Median Income (AMI), and four units at less than or equal to 40% AMI, and nine additional units of supportive housing for emancipated foster youth at less than or equal to 40% AMI. The project will include one manager’s unit.

Applicant. LTSC is a non profit developer in Los Angeles established June 11, 1993. The secondary applicant, Pilipino Worker’s Center is a non-profit organization in Los Angeles established May 14, 1997.

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 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. In 1965, a two-story commercial building was erected on the site, which still is currently in use today. A market/restaurant operates on the first floor, while a nonprofit office, the Pilipino Workers Center, is located on the second floor. Due to surface spills from former oil well operations, the site is contaminated with petroleum hydrocarbons.

Description of Activity	Amount Financed by Infill Grant
Identify oil well underneath building and test soils for contamination	\$ 11,000
Locate, excavate all wells	55,000
Properly plug/re-abandon wells	137,500
Excavate, oversee, sample, transport and dispose of contaminated material	<u>754,250</u>
TOTAL ESTIMATED COST:	<u>\$957,750</u> *

Oversight Agency. County of Los Angeles Fire Department (Health Hazardous Materials Division).

Infill Development Project Description. LTSC Community Development Corporation (LTSC CDC) and Pilipino Workers Center (PWC) propose to 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 ground commercial floor. The three residential floors will contain a mix of single, 1-, 2-, and 3-bedroom units. All of the units, with the exception of the manager’s unit, will be designated for very low- and low-income households earning between 30-50%. Nine units, including single and one-bedroom units, will be designated for emancipated foster youth that are homeless or at risk of homelessness.

The ground floor will contain a library, a community kitchenette, a small convenience store, a multi-purpose community room, and new offices for PWC to provide social service to residents on site and the broader community. PWC’s 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 literacy, computer skills trainings, and resume building.

Permits. LTSC has its density bonus application approved and intends to apply for a demolition permit, permit to re-abandon wells, and a building permit.

Anticipated Timeline.

- Cleanup to Begin: January 2010
- Cleanup to be Completed: March 2010
- Development to Begin: Spring 2010
- Development to be Completed: Summer 2011

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

Local Community Support.

- Salvador Lledo, AFW President, Association of Filipino workers (A-1)

Government Officials Support.

- Eric Garcetti, President, Los Angeles City Council, Councilmember, 13th District (A-2)

Application Score. The project earned a score of **95** out of **120** points in the following categories:

(a) Readiness to Proceed. TOTAL - 20/40.

- (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 Mitigated Negative Declaration on April 16, 2007.

- (2) **Funding commitments are in place, or financing applications are under review, for the Infill Development Project - 0/10.**
- (3) **The Infill Development Project has local community and government support - 10/10.** The project has received a letter of support from the Association of Filipino Workers and from its district councilmember, Eric Garcetti of the City of Los Angeles' District 13.
- (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 - 0/5.**
- (b) **Location within an Economically Distressed Community. TOTAL - 30/30.** The Project is located within the state designated Enterprise Zone.
- (c) **Location within a Priority Development of a Local Governmental Entity. TOTAL - 10/10.** The Project is located within a SCAG-designated Priority Residential Infill Area.
- (d) **Depth of Affordability. TOTAL - 10/10.** 29% of the Project's 45 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.** It is an 100% Affordable Project, well above the 50% threshold for full 15 points.
- (f) **Utilization of Green Building Methods. TOTAL - 0/5.**
- (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: \$1,157,750 (additional costs beyond CALReUSE)
- (b) Total number of residential housing units produced and/or promoted by Infill Development Project: 45 units.
- (c) Tie-breaker ratio [(a) / (b)]: \$25,727/ housing unit

Financing Details.

- Amount of Overall Financing to be Leveraged:
 - Total Project Cost = \$18,554,551
 - Total CALReUSE Infill Grant Funding = \$957,750
 - CALReUSE remediation funding is leveraged **19 to 1**
- Sources of Financing for Brownfield Infill Project: CALReUSE, US EPA Cleanup Grant
- Sources of Financing for Infill Development Project: Los Angeles Housing Department residual receipts loan, Citibank conventional permanent loan, Environmental Protection Agency grant, 9% Tax credits, California HCD's Multifamily Housing Program residual

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receipts loan, City of Industry funds residual receipts loan, Affordable Housing Program subsidy, deferred developer fee.

Staff Recommendation. Staff recommends approval of the attached Resolution for LTSC Community Development Corporation for an amount not to exceed \$957,750.

A RESOLUTION OF THE CALIFORNIA POLLUTION CONTROL FINANCING
AUTHORITY APPROVING EXECUTION AND DELIVERY OF GRANT FUNDING FOR
LTSC COMMUNITY DEVELOPMENT CORPORATION AND
PILIPINO WORKER’S CENTER
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, Center for Creative Land Recycling has submitted an application for the CALReUSE Remediation Program for a grant in the amount of \$957,750 for the PWC Family Housing Project;

WHEREAS, the Strategic Partner Center for Creative Land Recycling has reviewed the application and determined to recommend PWC Family 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 PWC Family Housing Project for funding; and

WHEREAS, approval of a grant for the LTSC Community Development Corporation and Pilipino worker’s Center (“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 PWC Family Housing 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: PWC Family Housing

Maximum Amount of Grant: \$957,750

Strategic Partner: Center for Creative Land Recycling

Grantee: LTSC Community Development Corporation and Pilipino Worker’s Center

Financing Structure: Grant

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

Oversight Agency: County of Los Angeles Fire Department (Health Hazardous Materials Division)

Project Location: PWC Family Housing
153 N. Glendale Boulevard
Los Angeles, California 90026

Infill Development Description: LTSC Community Development Corporation (LTSC CDC) and Pilipino Workers Center (PWC) propose to jointly develop a mixed-use residential project providing 47 units of permanent affordable housing for the under-served, low-income community earning between 30-50% AMI. Nine of the units units, including single and one-bedroom units, will be designated for emancipated foster youth that are homeless or at risk of homelessness.

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TOTAL ELIGIBLE BROWNFIELD INFILL COSTS:	<u>\$957,750</u>

Attachment A

Association of



Filipino Workers

September 22, 2008

Stephanie Shakofsky
Executive Director
Center for Creative Land Recycling
200 Pine Street, Suite 400
San Francisco, CA 94104

Re: LTSC CDC's CalReUse Grant Request
Subject Site at 153 Glendale Blvd., Los Angeles, CA 90026

Dear Ms. Shakofsky,

I am writing in strong support of the Little Tokyo Service Center, a Community Development Corporation's (LTSC CDC) and the Filipino Workers Center's (PWC) grant request to the CalReUse Program. The cleanup grant will assist to remediate the brownfield site at 153 Glendale Boulevard, Los Angeles. LTSC CDC, in collaboration with the Filipino Workers Center (PWC), will redevelop the site into affordable multifamily residential units with ground floor nonprofit office space.

The Association of Filipino Workers (AFW) is a membership-based entity comprised of low-income Filipino workers living and/or working in the local community. AFW was formed from PWC, a longstanding community-based nonprofit organization in the City of Los Angeles' Historic Filipinotown. Together PWC and AFW address the needs of low-income Filipino workers and their families on issues of employment, housing, healthcare and immigration. PWC has collaborated with LTSC CDC for the past 5 years on issues concerning housing and community development in the City of Los Angeles' Asian American ethnic enclaves, and know them as a reputable and experienced nonprofit housing developer.

The proposed housing development at the brownfield site will offer 48 households in the community with quality and affordable housing as well as nonprofit office space for PWC's employment, housing, healthcare, and immigration services on the ground floor. Members of AFW have voiced our concerns of the growing need for decent and affordable housing in Historic Filipinotown. Community members have expressed concerns about housing rent increases beyond their economic means and dilapidated and overcrowded housing conditions.

I, therefore, strongly support LTSC CDC's and PWC's CalReUse grant request to assist in the cleanup and redevelopment of the brownfield site to provide a much-needed project for the City of Los Angeles' Historic Filipinotown community.

Thank you for your attention to this matter. Marami poag salamat.

Sincerely,

A handwritten signature in black ink, appearing to read "Salvador Lledo", written over a horizontal line.

Salvador Lledo
AFW President

(213) 260-4363 FAX (213) 260-4337 153 Glendale Blvd., 2nd Fl., Los Angeles, CA 90026

Attachment A



ERIC GARCETTI
COUNCILMEMBER
PRESIDENT, LOS ANGELES CITY COUNCIL

September 17, 2008

Stephanie Shakofsky
Executive Director
Center for Creative Land Recycling
200 Pine Street, Suite 400
San Francisco, CA 94104

Re: CalReUse Program Grant Request for
PWC Family Housing

Dear Ms. Shakofsky,

I am writing to express my strong support for LTSC Community Development Corporation's (LTSC CDC) grant request to the CalReUse Program to remediate their brownfield site located at 153 Glendale Boulevard, Los Angeles, CA 90026. The approximate half-acre site is located in the City of Los Angeles' Historic Filipinotown corridor. LTSC CDC is partnering with the Pilipino Worker's Center (PWC), a local nonprofit organization, to redevelop the site and provide 48 low-income families and individuals with service-enriched affordable apartments.

I have been working with PWC for over 4 years, collaborating on projects such as the designation of Historic Filipinotown and townhall meetings to engage the community about the issue of low-wage Pilipino workers. PWC has made significant impacts in the Pilipino community and low-income neighborhood of Historic Filipinotown through their social services, programs, and advocacy. LTSC CDC is a nonprofit real estate developer that has developed over 600 units of affordable housing and over 130,000 square feet of commercial space. With both organizations having a proven track record in community, I am confident that this partnership will guarantee the success of the cleanup and redevelopment of the site.

I, therefore, strongly recommend your agency provide LTSC CDC with a grant to redevelop the brownfield site into a viable community benefit. Should you have any questions, please contact Ryan Carpio in my office at 323-957-4500.

Thank you,

Sincerely,

ERIC GARCETTI
President, Los Angeles City Council
Councilmember, 13th District

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