

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY CALIFORNIA
RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM**

Meeting Date: January 23, 2018

Request to Approve Amendment to Infill Grant Award

Prepared by: *Alison French-Tubo*

Applicant:	Calvine and Elk Grove-Florin, LLC	Grant Amount:	\$4,018,066
Project Name:	Curtis Park Court in Crocker Village	Amount Disbursed:	\$4,018,066
Project Location:	Sacramento (Sacramento County)	Resolution No.	18-03-001
		Prior Board Actions:	Approved 11/19/08 Amended 5/27/09 Amended 4/19/16

Summary. Calvine and Elk Grove-Florin, LLC (“Grantee”) requests an amendment to the Infill Grant Agreement (“Grant Agreement”) to extend the term of the Grant Agreement until March 1, 2021.

Background. On November 19, 2008, the Authority approved a grant in the amount of \$4,018,066 to Petrovich Development Company, LLC to fund remediation of the former Western Pacific Railroad railyard in the Curtis Park neighborhood of Sacramento. On May 27, 2009, the Authority approved a resolution amending the legal entity receiving the grant from Petrovich Development Company, LLC to Calvine and Elk Grove-Florin, LLC. The Infill Grant Agreement was executed on July 6, 2009.

Contaminants at the site requiring remediation included metals, petroleum, PCBs, PAHs and VOCs. In the early 1900’s, Western Pacific Railroad developed a railroad maintenance yard at the site to maintain and rebuild steam locomotives and boilers, refurbish rail cars and assemble trains. Activities conducted at the site included sand-blasting, painting, machining, welding, dismantling and reassembly of locomotives and rail cards, and switching operations. Diesel engine repair and maintenance activities began in the mid 1950’s. Union Pacific Railroad Company acquired the site in 1982 and discontinued maintenance activities in 1983. Remaining buildings and structures in the railroad maintenance yard were demolished in 1985-1986.

The Infill Development Project, Curtis Park Court, is part of the 70 acre Crocker Village master development. The Infill Development Project was planned as an 80-unit affordable rental senior apartments, of which 59 units would be affordable. The Grantee requested to increase the housing units, and also requested additional time due to funding delays. An amendment was approved in March 2016, to extend the grant term until March 1, 2018 and to amend the Infill Development Project to a total of 91 units (90 affordable).

The Grantee has proceeded with soil and groundwater remediation. Soil remediation has been

completed allowing construction of the Infill Development Project to proceed, while groundwater remediation continues. Curtis Park Court received Certificate of Occupancy on July 11, 2016 and the 91 units were fully occupied during a staff site visit in August 2017. All grant funding has been disbursed to the Grantee.

Current Request. Calvine and Elk Grove-Florin, LLC requests an extension of the term of the Infill Grant Agreement from March 1, 2018 to March 1, 2021, to complete groundwater remediation activities required by Department of Toxic Substances Control (“DTSC”).

California Code of Regulations, title 4, section 8102.8(b) allows the Authority to grant extensions to an Infill Loan or Infill Grant upon a finding that it is in the public interest and furthers the purposes of the program.

At the time of the March 2016 amendment, the Grantee anticipated the remediation would be completed prior to the expiration of the Infill Grant Agreement on March 1, 2018. However, the site conditions have resulted in DTSC requiring groundwater monitoring to continue before removal of the groundwater extraction system can be considered. DTSC issued a letter on October 2, 2017 stating that monitoring shall take place for at least two years.

The Grantee has demonstrated that continued groundwater remediation activities are required by DTSC beyond the current grant term. The time between October 2019 and March 2021 will allow for DTSC’s evaluation and decision making, and for the Grantee’s preparation of the Brownfield Infill Project Report. Therefore, the requested extension date of March 1, 2021 is appropriate as it is in the public interest and furthers the purposes of the program under section 8102.8(b) of the Authority’s regulations.

Staff Recommendation. Staff recommends that the Authority approve Resolution No. 18-03-001 to extend the term of the Infill Grant Agreement from March 1, 2018 to March 1, 2021.

Resolution No. 18-03-001

**A RESOLUTION OF THE CALIFORNIA POLLUTION CONTROL FINANCING
AUTHORITY APPROVING THE REQUEST TO AMEND THE INFILL GRANT
DOCUMENTS UNDER THE CALIFORNIA RECYCLE UNDERUTILIZED SITES
REMEDIATION PROGRAM**

January 23, 2018

WHEREAS, the California Pollution Control Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the Regulations (California Code of Regulations, title 4, division 11, article 9) adopted to implement and make specific the statutory provisions of the California Recycle Underutilized Sites (CALReUSE) Remediation Program (the “Program”); and

WHEREAS, the statutory provisions of the 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; and

WHEREAS, the Authority on November 19, 2008 approved a grant for Petrovich Development Company, LLC in the amount of \$4,018,006; and

WHEREAS, the Authority on May 27, 2009 approved the transfer of the grant to Calvine and Elk Grove-Florin, LLC (the “Grantee”); and

WHEREAS, the Grantee has the authority and responsibility to complete the Brownfield Infill Project and Infill Development Project as described in the Infill Grant Agreement dated July 6, 2009 (the “Grant Agreement”); and

WHEREAS, the Grantee has requested an extension of the term of the Grant Agreement from March 1, 2018 to March 1, 2021 to continue groundwater remediation in accordance with the Department of Toxic Substances Control’s requirements; and

WHEREAS, the Authority finds that extending the term of the Grant Agreement is in the public interest and furthers the purposes of the Program under section 8102.8(b) of the Regulations;

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

Section 1. The term of the Grant Agreement is extended to March 1, 2021.

Section 2. Except as specifically amended in Exhibit A hereof, all provisions and conditions of Exhibit A of the Grant Agreement dated July 6, 2009 shall remain unchanged and in full force and effect.

EXHIBIT A

TERM SHEET

Name of Project: Curtis Park Court in Crocker Village (previously Curtis Park Village)

Maximum Amount of Grant: \$4,018,066

Grantee: Calvine and Elk Grove-Florin, LLC

Financing Structure: Grant

Maximum Grant Term: March 1, 2021

Oversight Agency: CA Department of Toxic Substances Control

Project Location: Curtis Park Court in Crocker Village
NW Corner of Sutterville Road near 24th St.
Sacramento, California 95818
Parcel No. 013-0010-027

Infill Development Description: The Project will consist of 91 rental senior housing units: 11 units at less than or equal to 30% Area Median Income (“AMI”); 19 units at less than or equal to 40% AMI; 37 units at less than or equal to 50% AMI; 23 units at less than or equal to 60% AMI; and one manager’s unit.

Description of Activity	Cost
Soil remediation	\$1,206,933.59
Soil excavation, compacting, stockpiling, dust control, demo, concrete disposal	1,257,164.35
Sampling and analysis	22,967.70
Waste loading, transport and disposal	1,048,295.55
Winterization, drainage and storm water	181,470.10
Groundwater, wells and monitoring	63,787.24
Site restoration and closure	170,010.97
Regulatory, management, community and oversight	<u>67,436.50</u>
TOTAL ELIGIBLE BROWNFIELD INFILL COSTS:	<u>\$4,018,066.00</u>