

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY (CPCFA)
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM
Meeting Date: June 20, 2023**

**Request to Amend Grant Documents Under the California Recycle Underutilized
Sites (CALReUSE) Remediation Program**

Prepared by: *Andrea Gonzalez*

Applicant: MacArthur Transit Community Partners, LLC
Project Name: MacArthur Transit Village
Project Location: Oakland (Alameda County)
Type of Funding: Grant
Amount Disbursed: \$2,981,000
Resolution No. 23-03-004
Prior Actions: Approved 11/19/08
Amended 8/16/16
Amended 12/13/16
Amended 11/17/20

Summary

MacArthur Transit Community Partners, LLC, (“Grantee”) requests an amendment to the Infill Grant Agreement to extend the term until July 31, 2024, to comply with additional soil gas vapor monitoring required by the San Francisco Bay Regional Water Quality Control Board (“Water Board”).

Project Background

On November 19, 2008, the Board approved a grant in the amount of \$2,981,000 for the remediation of a brownfield site and the development of 312 for-sale and rental units of which 94 were to be affordable. The brownfield site previously contained an automotive repair garage, two gas stations, and on-site dry-cleaning operations. The MacArthur Transit Village Project is located in North Oakland and part of a larger 8.2-acre infill development project area planned for redevelopment.

At the August 16, 2016, meeting, the CPCFA Board approved the following modifications to the Infill Grant Agreement: a change to the number of housing units from 312 units (94 affordable) to 377 units (89 affordable), an extension to the term of the Infill Grant Agreement until December 31, 2020, and consent to the transfer of Parcels A and C1 to Hines Interests, LP, and Parcel B to Boston Properties, LP, for the development of market rate housing.

In November of 2020, CPCFA approved an extension to June 30, 2023, to comply with additional soil gas vapor monitoring.

Project Delays Leading to the Extension Request

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The Grantee completed the first phase of housing in March 2016, with the completion of the Mural Apartments, a 90 unit (89 affordable) mixed-use transit-oriented development project located adjacent to the MacArthur BART Station. The remaining market rate housing units were completed in 2019 and are currently in the leasing phase.

Remedial work under the CALReUSE grant has been completed. However, the oversight agency for the project, the Water Board, required the developer of Parcel C1 to monitor soil gas vapors for a specified period before providing a “no further action” letter. The vapor monitoring was originally scheduled to be complete in the second quarter of 2020. The developer of Parcel C1 will request a ‘No further Action’ letter from the Water Board upon completion of the soil vapor monitoring activities. This process can take up to 9 months. The recent winter rains have delayed the final on-site soil vapor testing to June 2023. Final environmental/vapor reporting is expected to be submitted to the City of Oakland by end of June 2023. The final acceptance process with the City of Oakland is expected to take 4-6 months, which is beyond the current grant expiration date of June 30, 2023.

Current Situation

The Grantee anticipates completing the soil gas vapor monitoring in the third quarter of 2023 and is optimistic that the Water Board will issue a “no further action” letter at that time. The Grantee anticipates the infill development to be completed after the soil vapor monitoring activities have been fulfilled and sign off from the Water Board will be obtained by the end of 2023. Therefore, the Grantee requests an extension of the Infill Grant Agreement to July 31, 2024.

Analysis

Extending the term of the Infill Grant Agreement through July 31, 2024, allows the Grantee to comply with additional soil gas vapor monitoring required by the Water Board. Therefore, approval of the requested extension 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.

Board Action

CPCFA staff recommends approval of a resolution extending the current Grant expiration to July 31, 2024. Staff has prepared a resolution that the Board can utilize if they wish and is available to answer Board questions.

**RESOLUTION NO. 23-03-004
A RESOLUTION OF
THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY AMENDING
GRANT DOCUMENTS UNDER THE CALIFORNIA RECYCLE UNDERUTILIZED
SITES REMEDIATION PROGRAM**

June 20, 2023

WHEREAS, the California Pollution Control Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the Authority’s Regulations (Article 9 (commencing with Section 8090) of Title 4 of the California Code of Regulations)”to implement and make specific the statutory provisions of the California Recycle Underutilized Sites (CALReUSE) Remediation Program; and

WHEREAS, Section 53545.14 of the Health and Safety Code authorizes the CALReUSE Remediation Program to administer 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, on November 19, 2008, the Authority approved a grant for MacArthur Transit Community Properties, LLC, (“Grantee”) in the amount of \$2,981,000, as reflected in that resolution; 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 December 1, 2010 (“Agreement”); and

WHEREAS, the remediation has required additional soil gas vapor monitoring by the San Francisco Bay Regional Water Quality Control Board (“Water Board”) until December 2022; and

WHEREAS, the Grantee cannot complete the Brownfield Remediation Final Report as required by Section 5.3 of the Infill Grant Agreement until the monitoring is complete and the Water Board issues a no further action letter; and

WHEREAS, the Authority amended the Infill Grant Agreement on November 17, 2020, to extend the term of the Infill Grant Agreement to June 30, 2023; and

WHEREAS, the Grantee requested an extension to the term of the Infill Grant Agreement from June 30, 2023, to July 31, 2024, due to supply chain delays; and

WHEREAS, the Authority finds that extending the term of the Infill Grant Agreement until July 31, 2024, is in the public interest and advances the purposes of CALReUSE;

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

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Section 1. The term of the Infill Grant Agreement dated December 1, 2010, is extended to July 31, 2024.

Section 2. Except as specifically amended in this and prior Authority resolutions, all provisions and conditions of the Infill Grant Agreement dated December 1, 2010, shall remain unchanged and in full force and effect.