

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY (CPCFA)
CALIFORNIA RECYCLE UNDERUTILIZED SITES (CALReUSE) REMEDIATION
PROGRAM**

Meeting Date: December 12, 2023

**Request to Amend Infill Grant Documents Under the CALReUSE
Remediation Program**

Prepared by: *Andrea Gonzalez*

Applicant: City of Richmond as Successor Agency to the Richmond
Community Redevelopment Agency
Project Name: Miraflores
Project Location: Richmond (Contra Costa County)
Type of Funding: Grant
Amount Disbursed: \$2,604,490 approved, \$2,604,490 disbursed
Resolution No. 23-03-006
Prior Actions: Approved 11/19/08
Amended 08/16/16
Amended 01/17/17
Amended 10/17/18
Amended 05/18/21

Summary

City of Richmond as Successor Agency to the Richmond Community Redevelopment Agency (“Grantee”), requests approval of an amendment to extend the term of the Infill Grant Agreement (“Grant Agreement”) to December 31, 2024, under the CALReUSE Remediation Program (“Program”).

Project Background

The Authority approved a CALReUSE Grant in the amount of \$2,604,490 for the Richmond Community Redevelopment Agency (“Original Grantee”) on November 19, 2008, to fund the remediation of a brownfield site to develop the Miraflores Project (“Project”). On October 18, 2010, CPCFA executed the Infill Grant Agreement and a Regulatory Agreement with the Original Grantee for the development of the Project.

The approximately 14-acre brownfield site was comprised of three former flower nurseries that were in operation from the early 1920s to 2006. The site was contaminated by hazardous substances in the soil and groundwater. The Grantee successfully completed all remediation tasks, and the Department of Toxic Substances Control certified the site on June 29, 2015.

Agenda Item 4.B.2
Resolution No. 23-03-006

The original approved Project was a combination of two distinct development projects: an 80-unit senior affordable rental housing project and a 200-unit mixed-income for-sale housing project consisting of 170 market rate and 30 affordable housing units.

In January 2012, the Infill Grant Agreement and the Regulatory Agreement were amended by the CPCFA Executive Director to name the Grantee as the successor agency to the Original Grantee. These amendments were necessary to account for the Grantee taking over the enforceable obligations of the Original Grantee due to the dissolution of the California redevelopment agencies pursuant to Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code.

In August 2016, the CPCFA Board approved the Grantee's request for an extension of the term of the Infill Grant Agreement to July 31, 2021, and an amendment to the Infill Grant Agreement extending the date to record an existing executed Regulatory Agreement on the Project to December 31, 2016. Additionally, the mixed-income for-sale housing project was reduced from 200 to 190 housing units. On February 6, 2017, CPCFA executed both the Regulatory Agreement dated October 18, 2010, and the First Amendment to the Regulatory Agreement, effective December 21, 2016.

In January 2017, the CPCFA Board approved the Grantee's request to transfer a portion of the property to Miraflores Senior LP for the development of the 80-unit senior affordable rental housing project. On February 16, 2017, CPCFA executed the Second Amendment to the Regulatory Agreement, effective February 8, 2017. The Second Amendment removed the 80-unit senior rental housing project from the Regulatory Agreement, as the Grantee submitted and CPCFA accepted an Independent Regulatory Agreement between the Grantee, Miraflores Senior LP and the California Department of Housing and Community Development restricting the affordability of the 80-unit senior affordable rental housing portion of the Project. The senior affordable housing project was completed and fully occupied in August 2018.

In October 2018, the CPCFA Board approved the Grantee's request to transfer the remaining parcels to Miraflores Community Devco, LLC, ("Miraflores Devco") for the development of the remaining 190 housing units, of which 30 units will be affordable. On October 25, 2018, CPCFA executed the Third Amendment to the Regulatory Agreement to add Miraflores Devco as a party to the Regulatory Agreement and to consent to the transfer of the parcels.

In May 2021, the CPCFA Board approved the Grantee's request to extend the term of the Infill Grant Agreement to allow Miraflores Devco to complete the remaining 190 for-sale housing units. The Grantee stated that the site work had been delayed to additional soil requirements from the East Bay Municipal Utility District, and Covid-related safety delays to construction work.

Current Request

Development of the for-sale housing project has been delayed due to the reasons described above. In addition, Miraflores Devco is in default under the Disposition and Development Agreement (“DDA”) governing development of the for-sale housing project, dated July 19, 2016, and executed by and between Miraflores Devco and the Grantee. Furthermore, two private lenders recently filed foreclosure notices due to developer defaults under their loan documents, and the developer has filed for bankruptcy. The Grantee has issued a notice of default under the DDA, is in communication with the private lenders regarding the pending foreclosures and is monitoring the bankruptcy action.

To provide additional time to understand the effects of the foreclosure and bankruptcy actions affecting the for-sale housing project portion of the property, the Grantee is requesting an extension of the term of the Grant Agreement to December 31, 2024. The extension will enable them to navigate the pending foreclosure and bankruptcy proceedings and understand if any modifications to the project will be needed to complete the requirements for close-out of the grant.

Staff Recommendation. Staff finds the requested extension to be in the public interest and recommends Authority approval of Resolution No. 23-03-006 to amend the term of the Infill Grant Agreement originally approved by the CPCFA Board on November 19, 2008, from December 31, 2023, to December 31, 2024.

**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**

December 12, 2023

WHEREAS, the California Pollution Control Financing Authority (the “Authority” or “CPCFA”), 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 Richmond Community Redevelopment Agency in the amount of \$2,604,490, as reflected in Resolution 4.C.12; and

WHEREAS, the City of Richmond as the successor agency to the statutorily dissolved Richmond Community Redevelopment Agency has the authority and responsibility to complete the Brownfield Infill Project and Infill Development Project as described in the Infill Grant Agreement dated October 18, 2010; and

WHEREAS, on August 16, 2016, the Authority approved an extension to the term of the Infill Grant from April 4, 2017, to July 31, 2021; and

WHEREAS, on May 18, 2021, the Authority approved an extension to the term of the Infill Grant from July 31, 2021, to December 31, 2023; and

WHEREAS, the Authority finds that extending the term of the Infill Grant from December 31, 2023, to December 31, 2024, advances the purposes of the CALReUSE Remediation Program; and

WHEREAS, approval for amending the Infill Grant Agreement dated October 18, 2010, is sought;

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

Section 1. The term of the Infill Grant Agreement dated October 18, 2010, is hereby extended until December 31, 2024.

Section 2. Except as specifically amended in this and prior Authority resolutions, all provisions and conditions of the Infill Grant Agreement dated October 18, 2010, shall remain and in full force and effect.