

CAPITAL PROGRAMS AND CLIMATE FINANCING AUTHORITY (CPCFA)
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM

Meeting Date: September 15, 2026

**Request to Extend Infill Grant Agreement under the California Recycle
Underutilized Sites (CALReUSE) Remediation Program**

Prepared by: Jakran Singh

Applicant:	Visitacion Investment, LLC
Project Name:	Visitacion Valley Transit-Oriented Development (VVTOD)
Project Location:	San Francisco County
Type of Funding:	Grant
Amount Awarded:	\$3,459,794
Amount Disbursed:	\$2,559,979
Resolution No.:	26-03-003
Prior Actions:	Approved 11/19/08 Amended 09/16/11 Amended 03/21/17

Summary

Visitacion Investment, LLC (Grantee) requests approval of an amendment to extend the term of the Infill Grant Agreement (Grant Agreement), from December 31, 2026, to December 31, 2032, under the CALReUSE Remediation Program (Program).

Project Background

On November 19, 2008, the CPCFA Board approved a grant in an amount not to exceed \$3,459,794 to the Grantee to finance the remediation of a brownfield located in the Visitacion Valley neighborhood in San Francisco, California, and develop the VVTOD.

The site previously supported two major uses: manufacturing and railyard operations. From 1926 to 1999, part of the property housed the Schlage Lock factory and related hardware-manufacturing buildings. Another portion operated as a railyard until 1960, providing railcar maintenance and storage. These activities left behind contaminants including metals, solvents, and lead arsenic used for weed and vector control.

The project faced major delays after the State dissolved redevelopment agencies in 2012, eliminating expected public financing and requiring a new Development Agreement with the City of San Francisco. Additional City review delays, including an extended review of the Site Improvement Plan, further slowed infrastructure and parcel planning and led to a 2017 request to extend the grant term by 5.6 years.

In 2017, the CPCFA Board approved an extension of the grant until December 31, 2026. The request included an amendment to the Infill Development Project to reduce the number of housing units from 1,250, 313 of which are affordable, to 1,125, 169 of which are affordable.

In September 2018, the City of San Francisco Planning Department approved the revised Phase 1 Application. Grading and the combined sewer construction was then completed, and the team began to prepare for vertical construction. Over the next five years, however, the project faced significant challenges including delays caused by the COVID-19 pandemic, delays with the City processing plans, issues with construction financing, and the legal efforts of an adjacent property owner to prevent or delay the project through acquisition of a narrow strip of land situated between the project and the railroad tracks immediately to the project's east.

VVTOD settled its lawsuit with the adjacent property owner in 2024. Also in 2024, the team submitted a revised phase application to the City of San Francisco and hosted a community meeting to review the Phase I site design. But after reviewing the project with several potential development partners, it became clear that the financing was not available to move forward.

These financial feasibility concerns were further compounded by the need for additional environmental remediation. Historical industrial activities at the Site resulted in impacts to soil and groundwater by chlorinated volatile organic compounds (CVOCs). In 2010 and 2011, groundwater was remediated by in situ bioremediation according to a DTSC-approved remedial action plan. Following remedy implementation, the remedy was certified as complete in 2015 by DTSC. In 2023, groundwater samples showed persistent constituents of concern (COC) concentrations exceeding cleanup levels. After reporting the results to DTSC, the agency requested a workplan for remedy optimization activities, including targeted injections for addressing persistent COC.

VVTOD has been actively working with an environmental consultant to develop the workplan. Pilot tests were completed in 2025 to help identify the most efficient methods for remediation.

Current Status and Request

The Grantee is currently finalizing a workplan and preparing submission to DTSC for their review and approval.

Two major milestones are expected to support the success of this project:

1. Successful completion of the remedy:
 - a. Acquiring approval of the workplan and implementing the remediation activities should take approximately two years to complete.
2. Entitlement of the Brisbane Baylands:
 - a. The VVTOD project is planned to be the northernmost neighborhood of the Baylands, a 700-acre sustainable mixed-use community. Development

Agenda Item 4.A.
Resolution No. 26-03-003

partners have expressed an interest in financing development on both the VVTOD property and the Brisbane property adjacent to the Bayshore Caltrain station.

- b. Entitlement of the Brisbane Baylands is expected by October 2026 and should support the broader project economics.

Extending the term of the Infill Grant Agreement to December 31, 2032, allows the Grantee to reach all of the project milestones, complete the Brownfield Remediation Final Report and Infill Development Report, and give CPCFA staff time to close out the grant, which the Board may determine is in the public interest.

Board Action

Staff recommends approval of Resolution No. 26-03-003 extending the term of the Infill Grant Agreement from December 31, 2026, to December 31, 2032, for the Visitacion Valley Transit-Oriented Development project.

**A RESOLUTION OF THE CAPITAL PROGRAMS AND CLIMATE FINANCING
AUTHORITY APPROVING THE REQUEST TO AMEND THE GRANT DOCUMENTS
UNDER THE CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION
PROGRAM**

September 15, 2026

WHEREAS, the Capital Programs and Climate 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; and

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; and

WHEREAS, the Capital Programs and Climate Financing Authority, a public instrumentality of the State of California, on November 19, 2008 approved a grant for Visitacion Development, LLC (Grantee therein) in the amount of \$3,459,794; and

WHEREAS, Grantee had the authority and responsibility to complete the Brownfield Infill Project and Infill Development Project as described in the Infill Grant Agreement dated October 5, 2010 (Agreement);

WHEREAS, on March 21, 2017 the Authority extended the term of the Infill Grant Agreement to December 31, 2026, redefined the Infill Development Project by reducing the number of housing units from 1,250 to 1,125,169, 313 of which are affordable, and amended the Agreement to name Visitacion Investment, LLC (Grantee) as the successor to Visitacion Development, LLC; and

WHEREAS, the Grantee has requested an extension to the term of the Infill Grant Agreement from December 31, 2026, to December 31, 2032 in order to complete the Project (as defined therein) and give CPCFA staff enough time to complete the grant closeout process.

NOW THEREFORE BE IT RESOLVED by the Capital Programs and Climate Financing Authority, as follows:

Section 1. The Authority finds that extending the term of the Infill Grant Agreement until December 31, 2032, is in the public interest and advances the purposes of CALReUSE Remediation Program.

Section 2. The Infill Grant Agreement dated October 5, 2010, as amended, is hereby extended to December 31, 2032. The Executive Director or her designee is authorized to execute an extension or other documents and to take any other actions consistent with the purpose of this Resolution.

Section 3. Except as specifically authorized by this Resolution, all provisions and conditions of the Infill Grant Agreement dated October 5, 2010, as amended thereafter, shall remain unchanged and in full force and effect.