

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
CALReUSE PROGRAM
Meeting Date: April 19, 2016**

Resolution of the California Pollution Control Financing Authority Amending the Board Resolution for the Curtis Park Village Project Under the California Recycle Underutilized Sites Remediation Program

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Summary: Staff requests Board approval of a resolution amending the November 19, 2008, Board resolution for the Curtis Park Village Project (“Project”) under the California Recycle Underutilized Sites (“CALReUSE”) Remediation Program. Currently, Sections 1-6 of the resolution identify the “Chair or his designee” as the authorized person to take steps necessary with respect to the Applicant, to approve any changes in the Project, to draw money from the Proposition 1C funds allocated to the Program, and to do any and all things and to execute and deliver any and all documents in order to effectuate the purposes of the Resolution and related transactions. Staff requests amending the resolution to identify the California Pollution Control Financing Authority (“CPCFA” or “Authority”) Executive Director as the authorized person in Sections 1-6 of the resolution.

Background: On November 19, 2008, the CPCFA Board passed a resolution granting Petrovich Development Company, LLC (“Grantee”) \$4,098,066 to finance the remediation of a brownfield to develop 80 affordable housing units for seniors. The Project is located between the Land Park and Curtis Park neighborhoods of Sacramento, California. In the early 1900’s, Western Pacific Railroad developed a railroad maintenance yard to maintain and rebuild steam locomotives and boilers, refurbish rail cars and assemble trains. Union Pacific Railroad Company acquired the site in 1982 and discontinued the railroad maintenance operations in 1983. Remaining buildings and structures in the maintenance yard were demolished in 1985 and 1986.

The Executive Director of the CPCFA in 2008, Michael Paparian, also lived in the Curtis Park neighborhood of Sacramento. This created a conflict of interest. Therefore, for this Project, the Executive Director was recused from making decisions or taking actions that the Executive Director is typically authorized to perform for all other CALReUSE projects to effectuate the purposes of the grants. As a result, Sections 1-6 of the resolution identify the Chair of the Board or his designee – instead of the Executive Director – as the person authorized to take steps necessary with respect to the Applicant, to approve any changes in the Project, to draw money from the Proposition 1C funds allocated to the Program, and to do any and all things and to execute and deliver any and all documents in order to effectuate the purposes of the Resolution and related transactions.

In 2009, the Authority was informed that Calvine & Elk Grove-Florin, LLC, and not Petrovich Development Company, LLC, was the actual legal entity that is both the owner of the property and responsible for and authorized to clean up and develop the property.

The entities' names had inadvertently been utilized interchangeably throughout the application process. The Grantee submitted an amended application and legal questionnaire, and on May 27, 2009 the Board approved a resolution transferring the award from the Petrovich Development Company, LLC to Calvine & Elk Grove-Florin, LLC.

In 2013, former Treasurer Bill Lockyer appointed Reneè Webster-Hawkins to replace Mr. Paparian as Executive Director of the CPCFA. Ms. Webster-Hawkins does not have the conflict of interest that Mr. Paparian possessed, but the language in the November 19, 2008 Board resolution for the Project was not amended.

In 2016, the Grantee requested an amendment to the Infill Grant Agreement ("Agreement") to increase the number of housing units from 80 to 91 affordable units. The Grantee also requested to extend the term of the Agreement for two years from the expiration of March 2, 2016, to complete construction of the units and groundwater remediation at the site. The amendment was approved by the Chair of the Board's designee, Deputy Treasurer Alan Gordon.

Project Update:

Brownfield Infill Project

As stated previously, the Project is located between the Land Park and Curtis Park neighborhoods of Sacramento, California on a former railroad maintenance site. The CALReUSE grant of \$4,018,066 financed remediation at the site of both the soil and the groundwater. The Grantee has completed the soil remediation and on June 30, 2015, the Department of Toxic Substances Control ("DTSC") issued a letter stating that the final remediation actions for soil at the site have been properly implemented. That letter allowed the Grantee to move forward with construction of the housing units. The groundwater remediation is ongoing, but the Grantee anticipates completing and certifying the groundwater remediation with DTSC in 2016.

Infill Development Project

The Project consists of 91 senior rental units with the following affordability levels:

Income Limit	Units
≤ 30% AMI	11
≤ 40% AMI	19
≤ 50% AMI	37
≤ 60% AMI	23
Manager's Unit	1
Total	91

Once constructed, these units will be immediately adjacent to a bus stop, shopping and restaurants, William Land Park (William Land Park is a regional park with a zoo,

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amusement park, and nine-hole golf course), Curtis Park, Sacramento City College, and two light rail stations. The Infill Development Project is part of a larger 70 acre Curtis Park Village master plan that will include roughly 475 residential units, over six acres of open park and space, multiple transit connections, and three commercial/retail areas. Occupation of the affordable housing units is expected to occur in 2017.

Disbursements

The Grantee has requested \$4,016,979.47 in disbursements and has a remaining grant balance of \$1,086.53. The term of the grant expires on March 1, 2018.

Recommendation: Staff recommends adoption of a resolution amending the November 19, 2008, Board resolution for the Curtis Park Village Project (“Project”) to identify the CPCFA Executive Director as the authorized person to execute and deliver documents to effectuate the purposes of the grant, in Sections 1-6 of the resolution.

**RESOLUTION OF THE CALIFORNIA POLLUTION CONTROL FINANCING
AUTHORITY AMENDING THE BOARD RESOLUTION FOR THE CURTIS
PARK VILLAGE PROJECT UNDER THE CALIFORNIA RECYCLE
UNDERUTILIZED SITE REMEDIATION PROGRAM**

April 19, 2016

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; 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 Authority approved a grant in the amount of \$4,098,066 for Calvine & Elk Grove-Florin, LLC (“Grantee”) on November 19, 2008, for the remediation of a brownfield site in Sacramento, California; and

WHEREAS, the Authority identified the “Chair or his designee” as the authorized person to take steps necessary with respect to the Applicant, to approve any changes in the Project, to draw money from the Proposition 1C funds allocated to the Program, and to do any and all things and to execute and deliver any and all documents in order to effectuate the purposes of the resolution and related transactions in Sections 1-6 of the resolution; and

WHEREAS, an amendment to the resolution by the Authority is now sought;

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

Section 1. The November 19, 2008, Calvine & Elk Grove-Florin, LLC Resolution is amended so that all occurrences of “Chair or his designee” are replaced with “Executive Director”.