

Item No. 24

“To Be Delivered” Material

For

City of Sacramento

City Council

Financing Authority

Housing Authority

Redevelopment Agency

Agenda Packet

Submitted: May 18, 2009

For the Meeting of: May 19, 2009

The attached materials were not available at the time the Agenda Packet was prepared.

Title: American Reinvestment and Recovery Act of 2009 EPA Brownfield Funding for the Curtis Park Village 1C TOD Housing and Infill Grant Application

Contact Information:



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REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Consent
May 19, 2009

Honorable Mayor and
Members of the City Council

Title: American Reinvestment and Recovery Act of 2009 EPA Brownfield Funding
for the Curtis Park Village Prop. 1C TOD Housing and Infill Grant
Application

Location/Council District: Citywide

Recommendation: Adopt a Resolution approving a preliminary \$1,817,000 Brownfield Revolving Loan Fund (BRLF) loan to Calvine Elk Grove-Florin, LLC for the Curtis Park Village Project contingent upon the City receiving such amount from future awards of U.S. Environmental Protection Agency (EPA) American Reinvestment and Recovery Act of 2009 Funding for the BRLF program.

Contact: Diana Sasser, Project Manager, 808-5519; Jim Rinehart, Economic Development Manager, 808-5054

Presenters: Not Applicable

Department: Economic Development

Division: Citywide

Organization No: 18001031

Description/Analysis

Issue: The Curtis Park Village (CPV) project is a unique mixed-use, transit-oriented development project located adjacent to two light rail stations in Sacramento. The 72-acre site is located on an old railyard and as a result requires a major clean-up effort to develop this brownfield site. Calvine and Elk Grove-Florin, Limited Liability Company (LLC), the owner of the CPV project, was awarded a \$4 million Cal-Reuse Grant from the Center for Creative Land Recycling (CCLR). This funding is currently on hold due to the lack of State bond funding availability.

Therefore, Calvine and Elk Grove-Florin, LLC has submitted an application for \$2,267,000 from the City of Sacramento's (City) Brownfield Revolving Loan Fund (BRLF) as a bridge loan to allow the cleanup work to proceed. The BRLF will be paid back once the Cal-Reuse grant is received. The City has already awarded

the CPV project a loan in the amount of \$450,000 from its current allocation of BRLF funds, but this amount is insufficient to complete the cleanup.

The City has applied for \$2.98 million in Brownfield funds from the EPA American Reinvestment and Recovery Act (ARRA) of 2009 stimulus funding. However EPA does not anticipate awarding these funds until the end of May 2009, at the earliest.

Calvine and Elk Grove-Florin, LLC has submitted a request to the City BRLF for \$1,817,000 to complete its cleanup of the CPV site and the BRLF Loan Committee has approved this request, conditioned upon approval of the City's application for additional funds from the ARRA.

Calvine and Elk Grove-Florin, LLC has also applied for grants from the Proposition 1C TOD Housing Program and the Prop. 1C Infill Infrastructure Grant Program for an amount totaling approximately \$13 million from the State of California Housing and Community Development Department (HCD). The Prop. 1C Programs provide additional points to applicants who have a match of at least 10% of their request from ARRA funds. HCD requires that each project must have a firm commitment of the ARRA funds by May 22, 2009. This Council action will provide Calvine and Elk Grove-Florin, LLC with the necessary commitment conditioned upon receipt of the ARRA funds.

Policy Considerations: The action recommended in this report is consistent with previously approved policies to assist commercial projects and promote infill development.

Environmental Considerations:

California Environmental Quality Act (CEQA): Calvine and Elk-Grove, Florin, LLC has completed an environmental review in compliance with CEQA for the Curtis Park Village project.

Sustainability Considerations: The recommended action and project are consistent with the Sustainability Master Plan (SMP).

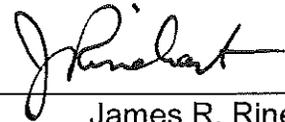
Commission/Committee Action: Not applicable.

Rationale for Recommendation: The City's BRLF Loan Committee has recommended awarding up to an additional \$1,817,000 loan to Calvine and Elk Grove-Florin, LLC conditioned upon the City receiving additional BRLF funds from the ARRA and subject to EPA site eligibility requirements. These funds will assist the CPV project with continuing to move forward the cleanup of their project as the BRLF funds will act as a bridge loan until the owner receives the Cal-Reuse Grant from CCLR.

Financial Considerations: Calvine and Elk Grove-Florin, LLC has applied for a \$2,267,000 BRLF loan, of which the BRLF Loan Committee has already awarded \$450,000 from current available funds. The City has applied for an additional \$2.98 million in BRLF funds from EPA/ARRA funding. If the City receives this funding, up to \$1,817,000 would be loaned to Calvine Elk Grove-Florin, LLC for the Curtis Park Village project. This loan would be a 5-year loan term at 2% interest, with interest only payments during the five year term, with a balloon payment of the principle at the end of 5-years, to be repaid with the Cal-Reuse Grant.

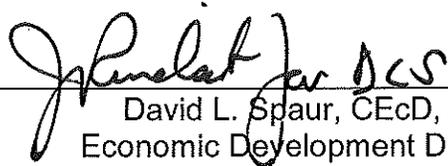
Emerging Small Business Development (ESBD): Not applicable.

Respectfully Submitted by: _____



James R. Rinehart
Citywide Development Manager

Approved by: _____



David L. Spaur, CECD, EDFP
Economic Development Director

Recommendation Approved:



Ray Kerridge
City Manager

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RESOLUTION NO.

Adopted by the Sacramento City Council

**Approving American Reinvestment and Recovery Act of 2009 EPA Brownfield
Funding for the Curtis Park Village 1C TOD Housing and Infill Grant Application**

BACKGROUND

- A. A "brownfield" is generally defined as a site which is unused or under-utilized due to the (actual or perceived) presence of hazardous substances. Brownfields redevelopment is a fiscally-sound way to bring investment back to Sacramento's neglected neighborhoods and business corridors, cleanup the environment, reuse infrastructure, eliminate blight, and relieve pressure on the urban fringe. The City Council previously authorized establishment of a Brownfield Cleanup Revolving Loan Fund (BRLF) to promote the cleanup of brownfield sites within the City for future development of such sites;
- B. The City has previously accepted grant funding from the U.S. Environmental Protection Agency (EPA) to fund the City's BRLF program;
- C. On July, 15, 2008, the City Council approved the acceptance of grant funding from EPA awarded for the BRLF. The City Manager was previously authorized by resolution 2008-475 to establish the grant fund and project accounts to receive and administer the funds;
- D. The City has applied additional grant funding from EPA Brownfield American Reinvestment and Recovery Act (ARRA) of 2009 Funding for the City's BRLF program;
- E. Calvine Elk Grove-Florin, LLC has submitted a loan application for a \$2,267,000 from the BRLF for its Curtis Park Village project located at APNs: 013-0010-008, -009, and 023 through 028; and
- F. The City's BRLF Loan Committee has already awarded a \$450,000 loan to Calvine Elk Grove-Florin, LLC and recommends the approval of an additional \$1,817,000 loan conditioned upon receiving additional ARRA funding.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

- Section 1. The City Council hereby authorizes a loan of up to \$1,817,000 in BRLF be made to Calvine Elk Grove-Florin, LLC for the Curtis Park Village project conditioned upon the City receiving such amount from future EPA American Reinvestment and Recovery Act of 2009 funding of stimulus funds for the BRLF program and EPA approving site eligibility.