

# Prop 1C Grant Monies Available to Help "ReUSE" Brownfields Sites and Foster Affordable Housing

by Chris Nelson, Project Manager, Dan Johnson, Vice President, SCS Engineers

Does your community have contaminated and blighted properties with limited or no redevelopment options due to lack of available remediation funding? Would your redevelopment agency qualify if it could obtain state cleanup funds targeted for residential and mixed-use projects?

Such a program is available! Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006, has been an invaluable tool in assisting redevelopment agencies, cities, and counties plan and implement regional housing programs, offer housing and infill development incentives, and provide funding for infrastructure improvements.

Of the \$2.85 billion in general obligation bonds approved by the voters with passage of Prop 1C, \$850 million is designated for the regional planning, housing, and infill incentives. A provision for brownfields cleanup that promotes infill housing development and other related infill development consistent with regional and local plans, set aside \$60 million for remediation of brownfields for infill redevelopment. This \$60 million is now available as low interest loans or grants to eligible projects and will be distributed through Local and Statewide Strategic Partners.

The funding program, known as CALReUSE (Recycle Underutilized Sites), has been successful in offering forgivable and low interest loans for brownfields site assessments since 2002. The cities of Emeryville, San Diego, Oakland, Bakersfield, and Berkeley have participated as Local Strategic Partners and the Center for Creative Land Recycling (CCLR) has served as the Statewide Strategic Partner under this program. With the allocation of \$60 million of Prop 1C funds for brownfields cleanups, funding gaps may be filled for sites where projects are financially feasible but cannot go forward without seed money for required remediation.

Any nonprofit, for-profit, or government entity is eligible to apply for loans and grants through either Local or Statewide Strategic Partners (LSPs/SSPs), who serve as agents of the California Pollution Control Financing Authority (CPCFA). Critical to the success of the program is qualifying projects that are ready for cleanup action and have funding to develop

the site. Some of the highlights of the program include the following:

#### Loan and Grant Terms:

Financing available from \$50,000 to \$5 million for brownfields cleanup

Grant Eligibility: Minimum of 15% affordable units and compliance with State density requirements

Low Interest Loan Rates: Currently 2% - 3.2% (subject to change)

Six years to cleanup the site and develop the site

#### Project Criteria:

Creates or promotes residential or mixed-use development

Is located in an Infill Area<sup>1</sup>

Is consistent with regional and local land use plans

Obtains Cleanup Plan approval by an Oversight Agency prior to funding

On September 3, 2008, the CPCFA released a Notice of Funding Availability (NOFA) for the \$60 million for the CALReUSE Remediation Program. Redevelopment agencies interested in submitting an application must contact a Strategic Partners, either local or statewide, for guidance through the loan or grant process. Information on how to contact these strategic partners will be listed in the NOFA, or an applicant can check the CPCFA website at [www.treasurer.ca.gov/cpcfafa/calreuse.asp](http://www.treasurer.ca.gov/cpcfafa/calreuse.asp).

<sup>1</sup>Infill Area is defined as a contiguous area that has been previously developed that is located within an established urban and/or rural neighborhoods or communities, where those neighborhoods or communities are already served with streets, water, sewer, and other public services.

September 2008

# Redevelopment

Building Better Communities

## GUIDELINES FOR COMPLETING HCD FORMS

These guidelines were written to help individuals complete the Department of Housing and Community Development's (HCD) Redevelopment Agency Annual Reporting Schedules (Schedules A-E). They include the instructions included on various Schedules and provide additional explanatory information for other Schedules, questions, and common definitions of terms and categories contained on Schedules D's.

Unless otherwise specified, all references to statutes/code sections pertain to the Health and Safety Code. See the full text of the statute for complete details and requirements.

If you have questions or wish to make any suggestions to these guidelines or to HCD Schedules, please contact Housing Policy Division staff at (916) 445-4728. After receiving comments and finalizing these guidelines, HCD anticipates that the instructions currently provided on HCD Schedules will be eliminated to substantially shorten forms for future reporting.

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**JOHN CHIANG**  
California State Controller

May 30, 2008

To the Citizens, Governor, and Members  
of the Legislature of the State of California:

I am pleased to submit the 23rd edition of the *Community Redevelopment Agencies Annual Report* for the fiscal year ended June 30, 2007, which was compiled from standardized reports submitted by community redevelopment agency officials.

Community redevelopment funds are used to assist local governments in eliminating blight through development, reconstruction, and rehabilitation of residential, commercial, industrial, and retail districts. Because these projects are funded by tax dollars, it is vital that state and local legislative bodies, persons responsible for community planning and management, and concerned citizens be informed about the nature and extent of such projects.

Redevelopment agencies are required to pass through a portion of their tax increments to the local taxing agencies within their project areas. Recent audits conducted by the State Controller's Office indicated that some redevelopment agencies did not properly report pass-through payments. The State Controller's Office will provide additional training to redevelopment agencies to ensure they accurately report pass-through payments.

Following are highlights of the financial activities of California redevelopment agencies for the fiscal year ended June 30, 2007.

## GUIDELINES FOR COMPLIANCE AUDITS OF CALIFORNIA REDEVELOPMENT AGENCIES

**Have you started preparing your  
State Controller's Office Financial Reports?**



California Redevelopment Association



In our continued efforts to be "GREEN", this publication is printed on recycled paper using 100% soy inks.