



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 3, 2023

FROM: DEPARTMENT OF HOUSING AND HUMAN WARD: 3
SERVICES

SUBJECT: ADOPTION OF A RESOLUTION SUPPORTING THE CITY'S FUNDING APPLICATION FOR UP TO \$7,000,000 IN STATE OF CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL EQUITABLE COMMUNITY REVITALIZATION GRANT ROUND 2 - FOR A SITE INVESTIGATION GRANT TO DETERMINE REMEDIATION NEEDS AT 6186 MAGNOLIA AVENUE IN PREPARATION OF ITS USE AS THE LOCATION OF A FUTURE AFFORDABLE HOUSING DEVELOPMENT – SUPPLEMENTAL APPROPRIATION

ISSUE:

Adopt a Resolution supporting City’s funding application of up to \$7,000,000 to the State of California Department of Toxic Substances Control - Equitable Community Revitalization Grant Round 2 (ECRG 2) for site investigation funds to determine the remediation needs of the City owned brownfields located at 6186 Magnolia Avenue for its future use as the location of an affordable housing development.

RECOMMENDATIONS:

That the City Council:

1. Adopt the attached Resolution (Exhibit “A) supporting City’s funding application of the State of California Department of Toxic Substances Control - Equitable Community Revitalization Grant Round 2 (ECRG 2) for “Site Specific Investigation” funds to determine the remediation needs of the City owned brownfield at 6186 Magnolia Avenue for its future use as the location of an affordable housing development;
2. With five affirmative votes, and upon grant award, authorize the Chief Financial Officer or designee, to record an increase in revenue and an equal amount in appropriations of expenditures in an amount not to exceed \$7,000,000, or the actual grant award amount, in the Grants & Restricted Programs Fund, 6186 Magnolia Avenue Cleanup Project accounts; and
3. Authorize the City Manager, or designee, to sign any documents that may be required for submittal of funding applications and award acceptance for environmental investigations and remediations of the City owned site at 6186 Magnolia Avenue, including making minor and non-substantive changes.

BACKGROUND:

The City owns an approximately 2.06 acre parcel located at 6186 Magnolia Avenue, located at approximately Elizabeth Street and Magnolia Avenue and adjacent to Riverside Plaza (“Site”). This Site has been deemed a contaminated brownfield site by the State of California Water Resources Control Board. The Site is the remnant of a grade separation project and was the location of a long-demolished dry-cleaning service. The Site is currently controlled by the Department of Public Works but would be transferred to the Housing Authority for development into a housing project.

In 2018 a preliminary Soil and Soil Vapor Investigation reviewed by the Santa Ana Regional Water Quality Control Board found that the contaminate tetrachloroethene (PCE) and other Volatile Organic Compounds (VOC) in all samples tested and resulted in a conditional “no further action determination” with the condition that additional investigation and all necessary mitigation measures must be performed prior to future development of the Property.

Prior to development, all contaminated brownfield sites are required to be cleaned up under risk-based cleanup programs, using methods that focus on the reduction of risk and harm prevention based upon the intended or restricted use of the property. If the future use of the site is unknown it should be remediated to an “unrestricted use” standard that requires that any residual contamination remaining on the property be within acceptable health and safety limits without the need for further engineering or institutional controls.

DISCUSSION:

The California Department of Toxic Substances Control has released an application for the second round of Equitable Community Revitalization Grant funds to resolve environmental uncertainties in the state’s most disadvantaged communities. There is approximately \$85 million available in this second round of funding, with an estimated \$100 million expected for a future third round. City staff is requesting City Council adopt the attached Resolution in support of the application to the Grant program for remediation planning and studies at the Site.

The Site qualifies for this Grant funding because the City would commit to a property reuse that is 100% affordable housing defined by Grant regulations as units that are affordable housing tax credit eligible (i.e., unit affordability generally at-or-below 60% of the area median income). The site sits in a service rich area, and is directly adjacent to Magnolia Avenue, a high quality transit corridor.

The City is proposing to submit a funding application for Site-specific Investigation, an activity with a maximum funding amount of \$7,000,000 for soil and water testing, exploratory surveys, planning and fees in preparation for site remediation. If funding is awarded in the current round, it is the intention of the City to apply for Site-specific Cleanup funds in the next Grant round (Round 3) to complete remediation of the property. Although the authorization is up to the Grant maximum of \$7 million, it is anticipated that the actual funding request may be a lower amount.

This grant application will utilize a professional grant writer from the City’s approved panel at a cost of approximately \$8,000.

STRATEGIC PLAN ALIGNMENT:

The planning and remediation of the contaminated brownfield at 6186 Magnolia Avenue supports **Strategic Priority 2 – Community Well-Being and Goal 2.1** to facilitate the development of a quality and diverse housing supply that is available and affordable to a wide range of income levels.

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The City of Riverside has identified the need for affordable housing as a priority in the City’s Housing Element process. The Housing Element outreach process gathered information from specific focus groups and interviews with various organizations and service providers in the housing and community development field, as well as residents of the city.
2. **Equity** – The Project ensures that all eligible persons receive equitable access to service and are served with dignity, respect, and compassion regardless of the circumstances, ability, or identity.
3. **Fiscal Responsibility** – There is no fiscal impact to the City’s General Fund associated with this project. This project allows the City to utilize a State budget appropriation to perform studies and remediation planning for a contaminated brownfield site owned by the City.
4. **Innovation** – The Project will allow the City to capitalize on new and changing funding sources in partnership with state programs to meet ongoing and changing needs of the community.
5. **Sustainability & Resiliency** – The Project promotes a sustainable community and future economic development and projects to encourage community engagement and resiliency. A full investigation of the contamination of the site is the first step in remediating the site for future affordable housing development.

The Public Works Department Concurs with this report.

FISCAL IMPACT:

The fiscal impact of this report, if the grant is awarded, is up to \$7,000,000. If awarded, an increase in revenue and a corresponding appropriation of expenditures will be recorded in the Grants and Restricted Programs Fund, 6186 Magnolia Avenue Cleanup Project Account to be established at a later date.

Fund	Program	Account	Amount
<i>Revenue</i>			
Grants & Restricted Programs	6186 Magnolia Avenue Cleanup Project	TBD	\$7,000,000
<i>Expenditures</i>			
Grants & Restricted Programs	6186 Magnolia Avenue Cleanup Project	TBD	\$7,000,000

Funding for the grant writer in the amount of \$8,000 is available in the Housing Authority Fund, Community & Economic Development Professional Services account.

Prepared by: Michelle Davis, Acting Housing and Human Services Director
Certified as to
availability of funds: Kristie Thomas, Finance Director / Assistant Chief Financial Officer
Approved by: Mike Futrell, City Manager
Approved as to form: Phaedra Norton, City Attorney

Exhibits: A - Resolution