

EMERYVILLE BROWNFIELDS AND AFFORDABLE HOUSING PROGRAMS

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Statewide Potential to Increase Affordable Housing Through Brownfields Redevelopment

- Estimated 90,000 contaminated and vacant or underutilized sites statewide.
- Representing potential sites for thousands of housing units.
- Often located in previously urbanized areas that are supported by existing infrastructure.
- Viable alternative to conversion of undeveloped or agricultural property.
- May be located near transit reducing auto dependency.

Emeryville Brownfields Program

- One Stop Shop Website Information Clearinghouse (parcel based system containing site location, size, ownership, contamination status, zoning and density allowed, for all parcels within the City. See: www.ci.emeryville.ca.us).
- Assistance with State Regulatory Agencies (City will assign project manager to assist project through the investigation and preparation of clean-up documents to reduce regulatory uncertainty and risk).
- Low Interest Loan Program for Investigations and Clean -up.
- Redevelopment Agency Property Acquisition & Clean-up Program (Agency acquires high priority sites, by eminent domain if necessary, cleans site, seeks recovery of clean-up. costs, resells certified sites to private developers with specific development/land use objectives).

Emeryville Affordable Housing Program

- State Approved Housing Element (identification of housing opportunity sites, strategies for fulfilling Fair Share regional allocation goals).
- Mixed-use zoning that allows densities up to 108 units/acre (55 units/acre typical)
- Inclusionary Zoning Requirement for 20% Affordable Units (moderate income base requirement, density bonus allowed to offset costs).
- Active Redevelopment Program and Use of 20% Housing Set Aside Funds (often in mixed-use projects due to previously developed, urban and commercial character of available land).
- Redevelopment Loans and Grants to Assist with Costs of Income Restricted Units.

Project Example of Brownfields and Housing Programs Working in Tandem - Bay Street

- South Bay Front Area near Interstate 80/Powell Street exit.

- Developed by specialty retail developer: Madison Marquette.
- 22 acre site assembled by Redevelopment Agency from 5 separate parcels/ownerships.
- 400,000 square feet regional retail center in an open air Main Street design including retailers GAP, Ann Taylor, Pottery Barn, AMC theaters, Barnes and Noble, Talbots.
- Includes 340 units of residential above the retail and the parking structures serving the retail.
- 20% of the residential units set aside for affordable housing.
- Future phase three to include 250 room hotel.
- Previous uses on site included steel drum recycling operation and pigment plant. (substantial contamination from prior uses included release of 47 different toxic chemicals into the soil).
- Private developers concerned about undertaking redevelopment of site due to contamination clean up cost, potential liability, long development time frame.
- Redevelopment Agency undertook clean up of site using Polanco powers, allowing control of time schedule, building on past strong relationships with State regulators, Agency took risk of cost and time overruns.
- Agency spent \$11 million on clean-up over three year period, expects to recover 90% of cost.
- Agency delivered to developer assembled and cleaned site, construction underway (retail to be completed October 2002, residential Fall 2003, hotel in 2004).
- Agency sold \$25 million property for \$5 million down payment, \$20 million note payable on increased payment schedule over 25 years.
- Agency provided additional \$3 million low interest loan for residential affordable units, may seek bond financing allocation.
- Agreement with developer includes cost sharing arrangements if additional contamination is found during construction. Agency also acquired environmental insurance policy to cover surprise costs.
- Total development of approximately 1 million square feet on 22 acres = 1.0 Floor Area Ratio.
- Site served by regional bus system and local city shuttle bus system linking site to BART and Capitol Corridors train systems.

Role of Local Governments in Land Recycling

- Create regulatory certainty for local entitlement process and state regulated clean up process (view developers as partners in clean up and affordable housing efforts).
- Designate in-fill contaminated sites as housing opportunity sites, investigate extent of contamination, inventory sites for developers.
- Provide financial assistance for site characterization and clean-up.
- Provide density bonuses for affordable housing projects, sites that are contaminated and cleaned.
- Consider Inclusionary Housing Ordinances and financial incentives to overcome cost constraints (fee reductions, loans, off-site improvements).

State Role For Creating Incentives for Affordable Housing and Brownfields Land Recycling

- Foster regulatory certainty in CAL EPA for sites that are contemplated for affordable housing re-use (decrease review times, give high priority to housing sites, assign project managers to navigate regulatory channels).
- Increase funding to local government for site characterization and toxic clean-up activities.
- Encourage cities to include contaminated sites as potential housing sites with density and other incentives to overcome clean up costs.
- Adopt legislation exempting affordable housing projects from Prevailing Wage requirements to lower production costs.
- Increase State bond and tax credit caps to increase funding for affordable housing, and give priority to contaminated sites to encourage land recycling efforts.