CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY CALREUSE PROP 1C REMEDIATION PROGRAM Meeting Date: November 19, 2008 Request for Approval of Recommended Projects for Funding

Executive Summary

Prepared by: Deana Carrillo, Program Manger

Summary. Proposition 1C, the Housing and Emergency Shelter Trust Fund Act 0f 2006 included \$850 million for urban infill development, including parks, water, sewer, transportation, and environmental cleanup. \$60 million of these funds were allocated to CPCFA for brownfields cleanup that results in housing. Staff is recommending approval of 32 Brownfield Infill Projects ("Projects") as described in Agenda Items 4.C.1—4.C.32 for a total amount of \$53,854734,235.

CPCFA received applications totaling \$81,859,506. Staff is recommending that the maximum award to any project be limited to \$5 million. Staff is further recommending that for the three projects requesting funding over \$5 million that the Board pre-approve funding for these projects contingent on additional program funds being available and re-confirmation of the approval at a future Board meeting.

Background. Proposition 1C, the Housing and Emergency Shelter Trust Fund Act 0f 2006 included \$850 million for urban infill development, including parks, water, sewer, transportation, and environmental cleanup. In 2007, CPCFA was allocated \$60 million of these funds for the cleanup of brownfields to facilitate the creation of housing. CPCFA established regulations and a process for distributing the funds, including working through "Strategic Partners."

On October 20, 2008, the Authority received 32 recommended Projects from its Strategic Partners totaling nearly \$82 million in funding requests. Representations concerning these Projects indicate that CALReUSE funding would assist in creating over 7,800 housing units directly and almost 24,000 housing units indirectly.¹ Preliminary data shows that the Program's investment of \$53,854734,235 will leverage over \$4.2 billion in private investment and other financing.

The Projects will result in a variety of developments across the state, ranging from mixed-use projects, transit-oriented developments, market rate for-sale and rental units, to affordable for-sale, senior, and family rental units.²

Of the 32 projects, 28 (88%) are eligible for grants³ and 4 (13%) are eligible for loans; the lowest request is for 94,000 and three applicants are requesting amounts over the Program maximum of 55 million (ranging from 12.4 to 15 million).

¹ A number of the Projects are part of larger development projects (e.g., phase one of a four phase development).

² "Affordable" means: 1) rental units restricted to incomes equal or lesser than 60% of the Average Median Income (AMI) for 55 years, or 2) ownership units restricted to incomes equal or lesser than 120% AMI for 30 years (Health and Safety Code Section 53545.13(c)(2)(C).

The Projects are located in 13 cities across the state, ranging from the largest metropolitan areas – Los Angeles, Oakland, San Diego, San Francisco, and Sacramento – to cities such as Stockton, Yuba City, Truckee and Santa Cruz (See Figure 1).

Application Availability & Review Process. The Authority broadly advertised the availability of applications on September 3, 2008 (the notice was posted online and sent directly to interested parties). Strategic Partners worked with applicants in understanding the program's eligibility and regulatory requirements, conducted both financial and technical underwriting, and recommended projects that met the Program's readiness and other eligibility criteria.

The Program's Strategic Partners submitted recommended projects to the Authority on October 20, 2008. Staff conducted a secondary review to ensure the applications met Program standards and assessed the eligibility of costs and points assigned to each Project. Staff and Strategic Partners worked together to address any outstanding questions or issues.

Projects 6 5 4 3	Projects 19% 15.6% 12.5%
5 4	15.6%
4	
•	12.5%
3	
	9.4%
3	9.4%
2	6.3%
2	6.3%
2	6.3%
1	3.1%
1	3.1%
1	3.1%
1	3.1%
1	3.1%
	2 2 1 1 1

<u>Snapshot of Recommended Projects</u>. An overview of recommended Projects and funding amounts can be found in Attachment A, as well as the staff summary for each Project (Agenda Items 4.C.1—4.C.32). Below are broad highlights of the various types of Projects under consideration.

<u>Housing for Special Needs Populations</u>. Several Projects address the housing needs of the State's special needs populations, ranging from housing for the developmentally disabled, transitional supportive housing for homeless populations, and housing for emancipated foster youth. These housing developments are coupled with supportive services to assist the residents and are interlinked with additional community services.

<u>*Green Development*</u>. Several Projects recommended for financing exemplify "green" building methods. A number of Projects are a smaller portion of larger development areas or phased projects. These Projects promote sustainable mixed-use and transit-oriented development, and will create such benefits as: transportation options for the development area, housing/job

³To be eligible for a grant a project must meet two threshold criteria: 1) the state's density requirements per Health and Safety Code Section 53545.139(c)(3) and 2) at least 15% of the Infill Development must be Affordable housing.

balance, parks and open space, and the inclusion of retail services for currently underserved neighborhoods. Numerous projects will receive LEED Certification⁴ and a GreenPoint Rating.⁵ A few of these Projects earned 150% of the Program's minimum threshold value for competitive points under the GreenPoint Rating system and one Project is the first-ever project earning LEED Platinum—the 64th and Christie site in <u>EmeryvilleOakland</u> (Agenda Item 4.C.10).

<u>Leveraging Public Investments</u>. Numerous Projects clearly illustrate public investment working together and will utilize other government funds from the California Tax Credit Allocation Committee, California Department of Housing and Community Development (HCD), local redevelopment agencies and federal programs.

Several Projects have also previously been recipients of funds from the California Pollution Control Financing Authority. Specifically, the Truckee Railyard (Agenda Item 4.C.17) was a recipient of a \$350,000 planning grant in 2002 under the Authority's Sustainable Communities Grant and Loan Program (SCGL) Program. In addition, the COMM22 (Agenda Item 4.C.4), Linden Lofts (Agenda Item 4.C.20), and MacArthur Transit Village (Agenda Item 4.C.24) projects were recipients of loans under the CALReUSE Site Assessment Program.

<u>Rehabilitation of Historical Buildings</u>. A few recommended Projects will not only embark on the cleanup of the traditional brownfield, or "dirty dirt", but will also utilize the funds to rehabilitate and bring to life historical buildings in the community—readapting them to productive use. These funds will assist with the cleanup of lead and asbestos in the buildings, a costly process that has traditionally lacked a governmental assistance funding source.

Larger Development Areas (Multiple Phased Projects). As noted above, a number of Projects requesting funds will be incorporated into larger redevelopment areas. These larger developments will have a substantial impact on their neighborhoods and communities, revitalizing long-standing areas of blight. In most cases, while the CALReUSE Remediation funds may appear to be a small contribution to a larger herculean effort, the contribution will assist in making a vast impact in these largely underserved neighborhoods. These Projects not only bring housing into neighborhoods, but parks, open space, retail and even light industrial—from artist studios to much needed grocery stores and child care centers.

<u>Criteria Utilized for Selecting Recommended Projects</u>. The guidelines and framework for project eligibility and project selection are provided in the Program's Regulations.⁶ Beyond the regulatory guidelines, while implementing this new Program several issues arose throughout the process that influenced the staff's recommendations of Projects.

<u>Availability of Funds.</u> Staff is recommending that of the initial allocation of \$60 million from Proposition 1C, the Authority only award \$55 million to specific Projects. The

⁴The LEED green building rating system -- developed and administered by the U.S. Green Building Council, a Washington D.C.-based, nonprofit coalition of building industry leaders -- is designed to promote design and construction practices that increase profitability while reducing the negative environmental impacts of buildings and improving occupant health and well-being.

⁵The GreenPoint Rating System is a third party rating system for homes based on a set of green building measures pulled from the Green Building Guidelines and used to evaluate a home's environmental performance.

⁶Title 4, Division 11, Article 9, Section 8090 and 8102 through 8102.14

remaining funds will be utilized to cover the Authority's administrative costs as well as HCD's administration costs associated with the general obligation bonds.

<u>Geographical Targets.</u> Section 8102.14 of the Program's Regulations establishes geographical *targets* (See Figure 2). These targets were established to broadly reflect the geographical setasides of the Tax Credit Allocation Committee (TCAC) to create consistency for a similar client base.

The Authority has received a number of comments regarding this current breakdown; specifically, that the broad categories do not reflect the diversity within them. Figure 3 is an illustration of how the current recommended Projects stack up against the geographical targets. Although these recommended Projects do not meet the geographical targets established in the Regulations, the Projects are clearly spread across the state (see Figure 1). Authority staff intends to solicit additional funds for the Program (described below) and will continue to endeavor to expand the Program's reach to a variety of geographical areas.

Figure 2:	Current Geographical Targets (Section 8102.14 of Regulations)
10%	Area A. Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus and Tulare Counties
59%	Area B. Los Angeles, Imperial, Orange, Riverside, San Bernardino and San Diego Counties
31%	Area C. All Other Counties

Figure 3: Recommended Projects by Geographical Area								
Geographical Area	Target %	% by the Number of Projects	% by the Award Amount					
Area A	10%	3.1%	1.5%					
Area B	59%	25%	27.2%					
Area C	31%	71.9%	71.3%					

<u>Competitive Points/Scoring Criteria</u>. The Regulations establish scoring criteria and values (Attachment B) in an effort to quantify the public benefit of projects.⁷ Criteria range from project readiness and location within an economically distressed area to depth of affordability and local government support. The recommended projects have all earned between 70 to 120 points out of a maximum of 120 points.

The Authority staff has received a number of pertinent comments on the methodology of the current scoring criteria. The issues raised by stakeholders and users of the Program will be addressed and clarified as staff continues the permanent rulemaking process.

In assessing these initial Projects, staff recognized that one of the most substantive issues is that the scoring criteria do not adequately award the development of

⁷Section 8102.13

affordable for-sale units. Inadvertently, the scoring criteria for *depth of affordability*⁸ targets rental units, which has resulted in several meritorious Projects earning relatively low scores.

<u>Maximum Award Amount of \$5 Million</u>. The Regulations establish a maximum award amount of \$5 million for each Project, and enable the Board to waive this maximum upon a finding that it is in the public interest and advances the purposes of the program.⁹

Three projects are requesting amounts over the \$5 million cap: Hunters Point in San Francisco for \$12.4 million (Agenda Item 4.C.26); The Boulevard at Southbay in Carson for \$15 million (Agenda Item 4.C.19); and the *Sacramento Railyard* for \$14.75 million (Agenda Item 4.C.14). There is no question that these are worthy Projects; however, the Program is currently oversubscribed with finite resources of \$55 million.

Staff is recommending that the Authority cap awards at \$5 million to enable the Program to finance a greater number of Projects. Staff is also recommending that the Board pre-approve the amounts requested above the \$5 million cap, contingent upon (1) CPCFA's receipt of additional funding for the Program and (2) reconfirmation by the Board that the projects remain deserving of funding. These projects would be eligible for subsequent or additional awards if and when sufficient additional funds are made available to the Program. Further, staff is recommending that the Authority not require "new" applications for these projects (projects requesting additional funds after previously receiving a financial award) unless an applicant chooses to amend an application or a portion of the application.

<u>Priority of Projects.</u> The Regulations include prioritization of funding for projects, creating a two tier system. Tier one includes sites that are <u>not</u> on the National Priorities List (NPL Sites) <u>and</u> NPL Sites for which there is no viable Responsible Party. Tier two includes NPL Sites for which a viable responsible party is identified. ¹⁰

One recommended Project has an identified viable Responsible Party. *Hunters Point* (Agenda Item 4.C.26) in San Francisco has been negotiating with the U.S. Navy on specific cleanup costs as part of the land transfer; however, the Applicant is requesting financing for costs that the U.S. Navy is not obligated to obate or remediate. CPCFA legal counsel has advised staff that the Project is eligible for the Program's Tier 1 status

⁸ Section 8102.13(d)

⁹ Section 8102.4(a)

¹⁰ Section 8102.4(e)

given the U.S Department of Defense (DoD) policies on asbestos, lead paint and radon at base realignment and closure (BRAC) properties.

<u>Oversubscribed Program and Need for Additional Funding</u>. To restate, the Authority received 32 recommended Projects requesting a total of nearly \$82 million. Beyond these recommended projects, Authority staff anticipates receiving from its Strategic Partners additional applications for consideration at the December Authority Meeting by the November 14, 2008. In addition to those projects identified for consideration at the December meeting, the Program's Strategic Partners are aware of several additional projects that are in the process of meeting the Program's readiness and technical criteria. The Program is oversubscribed. To address this issue Authority staff will endeavor to obtain additional Prop 1C funds for this Program.

Next Steps for Program Implementation.

<u>Award Remaining Funds at Subsequent Board Meetings.</u> If the Authority chooses to adopt staff's recommendation, then approximately \$1.1527 million¹¹ will remain to be awarded to additional Projects, or to Projects requesting subsequent funding, in the following months. Projects will be considered on a monthly basis as long as funds are available. This methodology may assist the Authority to more closely meet the current geographical targets.

Evaluate Scoring Criteria and Geographical Targets in Permanent Rulemaking Process. The public comment period for the Permanent Rulemaking Process is scheduled to close on November 12, 2008, with a public hearing to be held in Sacramento. Staff will consider all comments received and will address the issues raised as necessary. Staff anticipates presenting the modified regulations to the Board for approval this winter.

Request Additional Prop 1C Funding for the Program. Of the total \$2.85 billion approved by voters in Proposition 1C, \$850 million was set aside for the Regional Planning, Housing, and Infill Incentives Account (Infill Incentives Account) for (1) infill incentive grants and (2) for brownfield cleanup that promotes infill housing and other related infill development consistent with regional and local land use plans.¹² In the 2007-2008 State Budget the Legislature allocated \$300 million of the \$850 million to the Infill Incentives Account, of which \$240 million was allocated for an Infill Development program administered by HCD and \$60 million to CALReUSE to administer grants and loans ...for the purpose of brownfield cleanup that promotes infill residential and mixed-use development, consistent with regional and local land use plans.¹³ Subsequent to the Budget Act of 07-08, Assembly Bill 1252 (Caballero) augmented HCD's Infill Development program with an additional \$100 million to address the oversubscription the department faced in administering its program. The most recent Budget Act (AB

¹¹ <u>\$1,145,765</u>This number is an estimate, and assumes that the *Curtis Park Village* Project (Agenda Item 4.C.21) is

⁻ fully funded and meets the Program's requirements prior to the November 19th Board meeting.

¹² Health and Safety Code 53545(b)(2).

¹³ Senate Bill 97 (2007), Health and Safety Code Section 53545.01(a) and (b).

1781)¹⁴ for the 08-09 fiscal year allocated an additional \$200 million to the HCD program, leaving \$250 million of the Infill Incentive Account remaining to be allocated.

<u>Recommendation</u>. Staff recommends that the Authority (1) approve the recommended funding amounts for the Projects as described in Agenda Items 4.C.1—4.C.32, and (2) pre-approve additional funding for the three projects requesting over \$5 million (Agenda Items 4.C.14, 4.C.19 and 4.C.26); conditioned on the availability of subsequent funding being made to the Program and reconfirmation by the Board.

¹⁴ Budget line Item 2240-101-6069. The funds are for projects and project areas within the HCD Infill Development Program.

Attachment A

Preliminary Recommendations for Financing (as of 11.<u>18</u>07.08) **CALReUSE Remediation Program** November 19, 2008

Agenda Item	Strategic Partner	Primary Applicant	Grant or Loan	Amount Requested	Recommended Amount to be Funded	Project Name	City	County	Area ¹	# of Housing Units
4.C.1	CCLR ²	First Community Housing	Grant	\$957,730	\$957,730	Bay Avenue Senior Apartments	Capitola	Santa Cruz	С	109
4.C.2	CCLR	Studio 15 Housing Partners, LP	Grant	\$244,560	\$244,560	Studio 15	San Diego	San Diego	В	275
4.C.3	CCLR	First Community Housing	Grant	\$175,376	\$175,376	Fourth Street Apartments	San Jose	Santa Clara	С	100
4.C.4	CCLR	Comm 22, LLC	Grant	\$1,500,000	\$1,500,000	Commercial and 22nd Street Mixed-Use Development (COMM22)	San Diego	San Diego	В	252
4.C.5	CCLR	Thomas Safran and Associates	Grant	\$622,750	\$622,750	Carson City Center Senior Housing	Carson	Los Angeles	В	85
4.C.6	CCLR	Cedar Gateway, LP	Grant	\$94,330	\$94,330	Cedar Gateway	San Diego	San Diego	В	65
4.C.7	CCLR	Capitol Station 65, LLC	Grant	\$550,000	\$550,000	Township 9	Sacramento	Sacramento	С	90
4.C.8	CCLR	LTSC Community Development Corporation (CDC)	Grant	\$957,750	\$957,750	PWC Family Housing	Los Angeles	Los Angeles	В	45
4.C.9	CCLR	MSPDI Tuck, LLC, a subsidiary of Michael Simmons Property Development, Inc.	Grant	\$625,000	\$625,000	1345 Turk Street Affordable Condominiums	San Francisco	San Francisco	С	32
4.C.10	CCLR	TMG Partners	Grant	\$5,000,000	\$5,000,000	64th and Christie	Emeryville	Alameda	С	217
4.C.11	OAK ³	5110 Telegraph, LLC	Loan	\$174,225	\$151,500	Civiq	Oakland	Alameda	С	67

Area B: Los Angeles, Imperial, Orange, Riverside, San Bernardino and San Diego Counties. Area C: All Other Counties.
² Center for Creative Land Recycling
³ City of Oakland

¹ The geographical targets established by the Regulations section 8102.15. Area A: Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus and Tulare Counties.

Attachment A

Preliminary Recommendations for Financing (as of 11.<u>18</u>07.08) **CALReUSE Remediation Program** November 19, 2008

Agenda Item	Strategic Partner	Primary Applicant	Grant or Loan	Amount Requested	Recommended Amount to be Funded	Project Name	City	County	Area	# of Housing Units
		Richmond								
		Community								
4.C.12	CCLR	Redevelopment Agency	Grant	\$2,604,490	\$2,604,490	Miraflores	Richmond	Contra Costa	С	280
4.0.12	COLIN	Аденсу	Grant	ψ2,004,490	\$2,004,490	Windholes	Richmonia	COSIA	U	200
							San	San		
4.C.13	CCLR	Octavia Court, Inc.	Grant	\$315,000	\$315,000	Octavia Court	Francisco	Francisco	С	15
		S. Thomas Enterprises of								
4.C.14	CCLR	Sacramento, LLC	Grant	\$14,750,716	\$5,000,000 ⁴	Sacramento Railvards	Sacramento	Sacramento	С	197
		,		· · · · · · · · · · · · · · · · · · ·	* - , ,	Visitacion Valley				
		Visitacion				Transit-Oriented Development	San	San		
4.C.15	CCLR	Development, LLC	Grant	\$3,528,957	\$3,459,794	(VVTOD)	Francisco	Francisco	С	1,250
		•								
4.C.16	OAK	1614 Campbell, LLC	Loan	\$338,970	\$338,970	Lampworks Lofts	Oakland	Alameda	С	92
		Truckee		· · · · · · ·	·····					
1017		Development		* . = = = =	* 4 = 0 = = 0 4				~	100
4.C.17	CCLR	Associates, LLC Sacramento	Grant	\$1,585,724	\$1,585,724	Truckee Railyard	Truckee	Nevada	С	483
		Housing and								
		Redevelopment								
4.C.18	CCLR	Agency	Grant	\$218,150	\$218,150	La Valentina	Sacramento	Sacramento	С	70
		Carson				The Boulevards at				
4.C.19	CCLR	Marketplace, LLC	Grant	\$15,000,000	\$5,000,000 ⁵	South Bay	Carson	Los Angeles	В	400
		BRIDGE Housing								
4.C.20	CCLR	Ventures, Inc.	Grant	\$275,000	\$275,000	Linden Lofts	Oakland	Alameda	С	50
		Petrovich			\$2,0004,040,000					
4.C.21	CCLR	Development Company, LLC	Grant	\$4,098,066	\$ 3,898<u>4,018</u>,066	Curtis Park Village	Sacramento	Sacramento	С	80
7.0.21	OOLIN	Martin Building	Stant	ψ-1,030,000			Sacramento	Sacramento	0	00
4.C.22	CCLR	Company	Grant	\$2,148,471	\$2,148,471	2235 Third Street	Francisco	Francisco	С	179
		BRIDGE Economic								
4.0.00		Development	Creat	¢000.440	\$000.440	St. Joseph's Senior	Ostdand	Alemente	0	00
4.C.23	CCLR	Corporation	Grant	\$999,110	\$999,110	Apartments	Oakland	Alameda	С	83

 ⁴ Additional funding recommended contingent on the Authority receiving additional Program funds.
⁵ Additional funding recommended contingent on the Authority receiving additional Program funds.
⁶ Recommended award amount is conditional.

Attachment A

Preliminary Recommendations for Financing (as of 11.<u>18</u>07.08) CALREUSE Remediation Program November 19, 2008

Agenda Item	Strategic Partner	Primary Applicant	Grant or Loan	Amount Requested	Recommended Amount to be Funded	Project Name	City	County	Area	# of Housing Units
4.C.24	CCLR	MacArthur Transit Community Partners, LLC	Grant	\$2,981,000	\$2,981,000	MacArthur Transit Village	Oakland	Alameda	С	312
4.C.25	CCLR	Community Housing Development Corporation of North Richmond (CHDC)	Grant	\$284,589	\$284,589	Lillie Mae Jones Plaza	Richmond	Contra Costa	С	26
4.C.26	CCLR	San Francisco Redevelopment Agency	Grant	\$12,444,063	\$5,000,000 ⁷	Hunters Point Shipyard Phase II Hazardous Materials Abatement Project	San Francisco	San Francisco	С	2,625
4.C.27	NBA	National Affordable Communities, Inc.	Grant	\$1,303,125	\$1,028,500	Oakland Red Star Apartments	Oakland	Alameda	С	118
4.C.28	NBA	UH <u>C LA 29</u> A Los Angeles, LP	Grant	\$1,183,475	\$1,183,475	The Crossings at 29th	Los Angeles	Los Angeles	В	34
4.C.29	NBA	Global Premier Development, Inc.	Grant	\$5,000,000	\$5,000,000	Lorena Apartments	Los Angeles	Los Angeles	В	112
4.C.30	NBA	National Affordable Communities, Inc.	Loan	\$229,680	\$191,400	Plumas Family Apartments	Yuba City	Sutter	с	39
4.C.31	NBA	Global Premier Development, Inc	Loan	\$1,013,400	\$797,000	Dorado Court	Stockton	San Joaquin	А	47
4.C.32	NBA	Global Premier Development, Inc	Grant	\$655,800	\$546,500	3rd Street Residential Development	San Jose	Santa Clara	с	37
				Total Amount Requested \$81,859,506	Total Amount Recommended for Funding \$53,854734,235					Number of Housing Units 7,866

⁷ Additional funding recommended contingent on the Authority receiving additional Program funds.

Attachment B

§ 8102.13 Regulatory Scoring Criteria

All Infill Applications will be scored based upon the following criteria:

- (a) Readiness to Proceed: maximum of 40 points.
 - The Applicant has demonstrated that environmental review can be completed and all necessary entitlements can be received from the local jurisdictions within two years of receiving the award: 10 points.
 - (2) Funding commitments are in place, or financing application are under review, for the Infill Development Project: 10 points.
 - (3) The Infill Development Project has local community and government support: 10 points.
 - (4) Cleanup Plan has been approved by Oversight Agency: 5 points
 - (5) Applicant has building permits, and all other governmental permits (encroachment, right of way, demolition, air quality permits, etc.) in place or under review: 5 points
- (b) Location within an Economically Distressed Community: 30 points
- (c) Location within a priority development area of a local government entity or regional council of governments: 10 points
- (d) Depth of Affordability: maximum of 10 Points
 - (1) 50% of Area Median Income: 5 points
 - (2) 40% of Area Median Income: 10 points
- (e) Percentage of Affordability: maximum of 15 points
 - (1) less that 30% but greater than 15 % of the total number of units: 5
 - (2) more than 30% but less than 50% of the total number of units: 10 points
 - (3) more than 50% of the total number of units: 15 points
- (f) Utilization of Green Building Methods: 5 points(1) LEED Certified: 5 Points

- (2) Exceeding Title 24 Standards by 30 percent: 5 points
- (3) A minimum of 60 GreenPoint Rating points: 5 points
- (g) The Cleanup Plan for the Brownfield Infill Project does not require Ongoing Operation and Maintenance: 10 points
- (h) In tie-breaker situations, projects will be prioritized based on their effective use of Infill Grant or Infill Loan dollars, measured by a ratio of the anticipated cost of the Remediation Plan or Cleanup Plan per residential housing unit created.

§ 8102.14. Geographic Distribution Targets.

The Brownfield remediation program has the following targets for geographical distribution of funds:

(a) Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus and Tulare Counties – ten percent (10%);

(b) Los Angeles, Imperial, Orange, Riverside, San Bernardino and San Diego Counties – fifty-nine percent (59%);

(c) All other counties – thirty-one percent (31%).

