

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM**

Meeting Date: May 26, 2010

***Request to Approve Amendments to Infill Grant Award Modifying Infill Development Project
and Transferring Award to Lillie Mae Jones Plaza, L.P.***

Prepared by: *Diana Michaelson*

Applicant:	Lillie Mae Jones Plaza, L.P.	Type of Funding:	N/A
Project Name:	Lille Mae Jones Plaza	Strategic Partner:	CCLR
Project	Richmond	Amount Requested:	N/A
Location:	(Contra Costa County)	Prior Actions:	Application No. 25 Approved 11/19/08

Summary. Community Housing Development Corporation of North Richmond (“CHDC”), the original applicant and awardee, and Lillie Mae Jones Plaza, L.P. (the “New Applicant”), request approval to re-direct or transfer an Infill Grant award of \$284,589 from CHDC to Lillie Mae Jones Plaza, L.P. for the Lillie Mae Jones Plaza project (the “Project”). The New Applicant also requests approval of an amendment to the affordability mix of the Infill Development Project.

Background. On November 19, 2008, the Board approved a grant in the amount of \$284,589 to CHDC to fund the Project. The Authority received a request from CHDC and the New Applicant to redirect the \$284,589 grant award to Lillie Mae Jones Plaza, L.P., the ownership entity created for this project. The modification is requested to address the Project’s ownership structure and utilization of tax credit allocation.

The general partners in Lillie Mae Jones Plaza, L.P. are CHDC Lillie Mae Jones, LLC and EBALDC Lillie Mae Jones, LLC. The limited partners are East Bay Asian Local Development Corporation (“EBALDC”), a California nonprofit public benefit corporation, and CHDC, a California nonprofit public benefit corporation. Organization charts of the original applicant and the New Applicant are attached (Attachment A).

The principal stockholders of Lillie Mae Jones Plaza, L.P. are as follows:

CHDC Lillie Mae Jones, LLC (Managing General Partner)	0.005%
EBALDC Lille Mae Jones, LLC (General Partner)	0.005%
EBALDC (Limited Partner)	39.995%
CHDC (Limited Partner)	<u>59.995%</u>
Total:	<u>100.000%</u>

As part of the necessary due diligence, Authority staff requested and received from Lillie Mae Jones Plaza, L.P. 1) an amended application that includes information specific to the New Applicant, and 2) a new legal questionnaire.

Applicant. Lillie Mae Jones Plaza, L.P. is a California limited partnership established June 12, 2009 in Richmond, California. It is the owner of the property.

Legal Questionnaire. Staff has reviewed the New Applicant’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raises questions concerning the financial viability or legal integrity of this applicant.

Brownfield Infill Project Description. The prior use of the two contaminated parcels involved commercial uses. Historic businesses located on the sites included a bakery, grocery store, hardware store, a harness business, carpentry shop, saloon, pool hall, and plumbing business. The sites have remained vacant and undeveloped since the 1950s. The primary constituent of concern is high concentrations of lead in the shallow soil.

Infill Development Project Description. Lillie Mae Jones Plaza is a 26-unit new construction rental housing development containing 1-, 2-, 3-, and 4-bedroom units serving low and very low income households between 30% and 45% of the area median income (AMI). Thirteen of these units will be supportive housing for populations that are homeless or at risk of homelessness, of which five will target supportive housing for HIV/AIDS special needs populations.

The following table compares the amended Infill Development description of the Project to the original approved description.

Original Infill Development Project Description			Amended Infill Development Project Description	
No. of Bedrooms	Income Limit	Total Units	Total Units	
1	20% AMI	7	7	
2	20% AMI	2	2	
2	30% AMI	3	2	
3	30% AMI	2	2	
1	40% AMI	2	2	
2	40% AMI	4	4	
3	40% AMI	1	1	
4	40% AMI	1	1	
2	45% AMI	3	4	
2	Manager Unit	<u>1</u>	<u>1</u>	
	Total Units	<u>26</u>	<u>26</u>	

The modest increase in the AMI level¹ of the Infill Development Project is requested to ensure the requisite cash flow to ensure the long-term viability of the Project.

In addition, the original Infill Development description specified that 12 units would be designated as supportive housing. This was increased to 13 units of supportive housing as described above in order to meet the Tax Credit Assistance Program funding requirement that 50% of the units be designated as supportive housing units. These modifications do not affect the original points awarded for Depth and Percentage of Affordability.

¹ Decreasing by one the number of 2-bedroom units restricted to 30% of AMI and increasing by one the number of 2-bedroom units restricted to 45% of AMI results in a small increase to the overall AMI level.

Staff Recommendation. Staff recommends approval of the attached Resolution transferring the previous Infill Grant award for the Project from Community Housing Development Corporation of North Richmond to Lillie Mae Jones Plaza, L.P., and amending the Term Sheet to reflect the modifications to the Infill Development Project.

**A RESOLUTION OF
THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM
APPROVING AMENDMENTS TO THE INFILL GRANT AWARD
TO MODIFY INFILL DEVELOPMENT PROJECT AND TO TRANSFER GRANT
AWARD FROM COMMUNITY HOUSING DEVELOPMENT CORPORATION OF
NORTH RICHMOND TO LILLIE MAE JONES PLAZA, L.P.**

May 26, 2010

WHEREAS, the California Pollution Control Financing Authority (the “Authority”), a public instrumentality of the State of California, on November 19, 2008 approved a grant in the amount of \$284,589 for the Lillie Mae Jones Plaza project (the “Project”), as reflected in that resolution (the “Resolution”); and

WHEREAS, the grant was awarded to Community Housing Development Corporation of North Richmond; and

WHEREAS, Community Housing Development Corporation of North Richmond requests the award be transferred to Lillie Mae Jones Plaza, L.P., the ownership equity partner of Community Housing Development Corporation of North Richmond; and

WHEREAS, Lillie Mae Jones Plaza, L.P. has the authority and responsibility to complete the Brownfield Infill Project and Infill Development Project as described in the Infill Application and amended Infill Application; and

WHEREAS, approval for amending the Resolution is sought;

NOW THEREFORE BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. The Resolution is amended to transfer the award of the CALReUSE grant to Lillie Mae Jones Plaza, L.P. for the Project, and all occurrences of “Community Housing Development Corporation of North Richmond” are replaced with “Lillie Mae Jones Plaza, L.P.”

Section 2. The Resolution is amended to reflect the amended Infill Development Project as described in Exhibit A, Term Sheet, of this resolution.

Section 3. Except as specifically amended in Sections 1 and 2 hereof, all provisions and conditions of the Resolution shall remain unchanged and in full force and effect. This resolution shall take effect immediately upon its passage.

Exhibit A
TERM SHEET

Name of Project: Lillie Mae Jones Plaza

Maximum Amount of Grant: \$284,589

Strategic Partner: Center for Creative Land Recycling

Grantee: Lillie Mae Jones Plaza, L.P.

Financing Structure: Grant

Maximum Grant Term: Not to exceed 6 years from first draw on funds

Oversight Agency: Department of Toxic Substances Control (DTSC)

Brownfield Infill Project Location: 2nd Street and MacDonald Avenue
 Richmond, California 94801
 Further described as Parcel Numbers 538-181-0036 and 538-181-005.

Infill Development Project Description: The Project will consist of 26 units of affordable housing restricted at less than or equal to 30-45% of the area median income (AMI) as illustrated below.

Income Limit	Units
20% AMI	9
30% AMI	4
40% AMI	8
45% AMI	4
Manager's Unit	1
Total Units	26

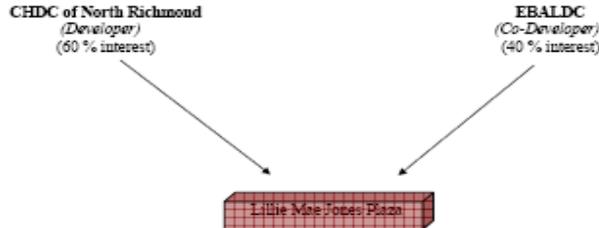
Thirteen of these units will be supportive housing for populations that are homeless or at risk of homelessness, of which five will target supportive housing for HIV/AIDS special needs populations.

ATTACHMENT A

Organization Structure of Original Awardee
Community Housing Development Corporation of North Richmond

Project Name: Lillie Mae Jones Plaza

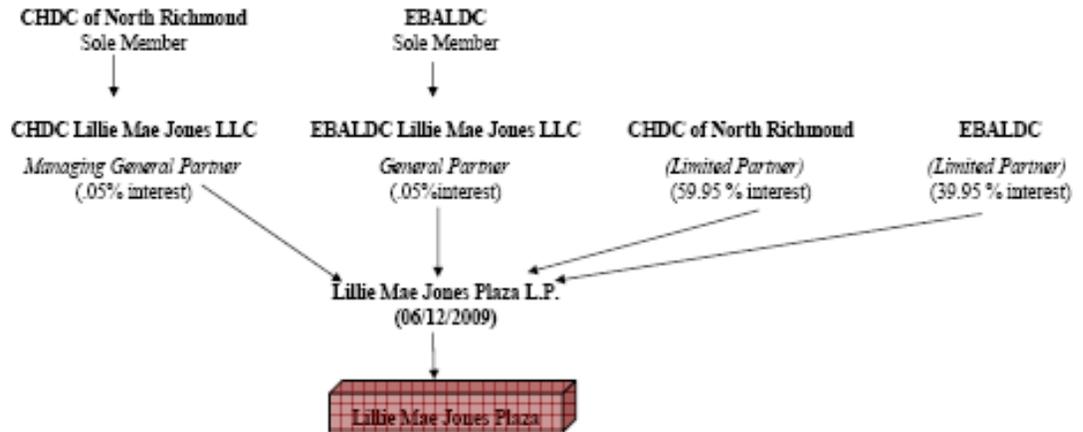
Ownership Structure



Organization Structure of New Applicant
Lillie Mae Jones Plaza, L.P.

Project Name: Lillie Mae Jones Plaza

Ownership Structure



Lenders (in order of subordination)

- TCAP ARRA
- HCD-MHP
- City of Richmond
- State MHSA
- County MHSA
- County HOPWA
- AHP