

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**October 16, 2019**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Chee Thao Yang*

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**Applicant:** California Statewide Communities Development Authority

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**Allocation Amount Requested:**  
**Tax-exempt:** \$13,527,000

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**Project Information:**  
**Name:** Liberty Square Apartments  
**Project Address:** 804 North Hunter Street & 226 E. Poplar Street  
**Project City, County, Zip Code:** Stockton, San Joaquin, 95202

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**Project Sponsor Information:**  
**Name:** Vision 17, L.P. (Vision 17 GP, LLC)  
**Principals:** Carol J. Ornelas  
**Property Management Company:** Visionary Property Management Group

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**Project Financing Information:**  
**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Private Placement Purchaser:** Banner Bank  
**Cash Flow Permanent Bond:** Not Applicable  
**Public Sale:** Not Applicable  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Rating:** Not Applicable  
**TEFRA Noticing Date:** March 13, 2019  
**TEFRA Adoption Date:** April 2, 2019

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 43  
**Manager's Units:** 1 Unrestricted  
**Type:** New Construction  
**Population Served:** Family

Liberty Square Apartments is a new construction adaptive reuse project located in Stockton on a 1.81-acre site. The project consists of 42 restricted rental units and 1 unrestricted manager unit. The project will have 5 studio units, 16 one-bedroom units, 9 two-bedroom units and 13 three-bedroom units. The building will be three stories. Common amenities include a Head Start Center, a playground for the Head Start, a separate playground for children under 12, another playground for children ages 13-17, a Teen Center, a community room and laundry facilities on each floor. Each unit will have a full kitchen including a sink with disposal, dishwasher, microwave and range, pantry, and coat closet. There are 82 parking spaces provided. The project will be pursuing GreenPoint Rated Program. The construction is expected to begin in February 2020 and be completed in September 2021.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
74% (31 units) restricted to 50% or less of area median income households.  
26% (11 units) restricted to 60% or less of area median income households.  
**Unit Mix:** Studio, 1, 2 & 3 bedrooms

The proposed project will be receiving service amenity points.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

**Estimated Total Development Cost:** \$ 18,599,798  
**Estimated Hard Costs per Unit:** \$ 224,299 (\$9,644,841 /43 units including mgr. unit)  
**Estimated per Unit Cost:** \$ 432,553 (\$18,599,798 /43 units including mgr. unit)  
**Allocation per Unit:** \$ 314,581 (\$13,527,000 /43 units including mgr. unit)  
**Allocation per Restricted Rental Unit:** \$ 322,071 (\$13,527,000 /42 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 13,527,000	\$ 228,000
LIH Tax Credit Equity	\$ 399,834	\$ 6,517,589
Deferred Developer Fee	\$ 1,429,092	\$ 1,429,092
Deferred Costs	\$ 312,507	\$ 0
AHSC - AHD	\$ 0	\$ 7,493,752
City of Stockton NSP	\$ 2,000,000	\$ 2,000,000
City of Stockton CHDO	\$ 849,000	\$ 849,000
Accrued/Deferred Interest	\$ 82,365	\$ 82,365
Total Sources	\$ 18,599,798	\$ 18,599,798

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 1,180,510
New Construction	\$ 10,658,654
Contractor Overhead & Profit	\$ 857,096
Architectural Fees	\$ 296,351
Survey and Engineering	\$ 81,439
Construction Interest and Fees	\$ 1,112,118
Permanent Financing	\$ 31,710
Legal Fees	\$ 153,108
Reserves	\$ 147,652
Appraisal	\$ 4,649
Hard Cost Contingency	\$ 996,290
Local Development Impact Fees	\$ 290,792
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 607,322
Developer Costs	\$ 2,182,107
Total Uses	\$ 18,599,798

**Analyst Comments:**

None

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**Legal Questionnaire:**

The Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the application. No information was disclosed to question the financial viability or legal integrity of the Applicant.

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**Total Points:**

94.9 out of 140 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$13,527,000 in tax-exempt bond allocation.

**ATTACHMENT A**

**EVALUATION SCORING:**

Point Criteria	Maximum Points Allowed for Non-Mixed Income Projects	Maximum Points Allowed for Mixed Income Projects	Points Scored
Preservation Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	4.9
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	10
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	N/A
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	N/A
Negative Points (No Maximum)	-10	-10	0
<b>Total Points</b>	<b>140</b>	<b>120</b>	<b>94.9</b>