

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

**Meeting Date: November 19, 2008**

*Request Infill Loan Approval*

Prepared by: *Chris Nelson, National Brownfield Associations and Ling Tse, CPCFA*

<b>Applicant:</b>	Global Premier Development, Inc.	<b>Type of Funding</b>	Loan
<b>Co-Applicant:</b>	Community Revitalization and Development Corporation	<b>Requested:</b>	\$1,013,400
<b>Developers:</b>	Global Premier Development, Inc. and Community Revitalization and Development Corporation	<b>Amount Requested:</b>	\$797,000
<b>Project Name:</b>	Dorado Court	<b>Amount Recommended:</b>	NBA
<b>Project Location:</b>	Stockton (San Joaquin County)	<b>Strategic Partner:</b>	

**Summary.** Global Premier Development, Inc. and Community Revitalization and Development Corporation (the “Applicant”) requests approval of a loan in an amount not to exceed \$1,013,400 to finance the remediation of a brownfield. Staff is recommending an award of \$797,000. The development is a 47-unit multi-family affordable housing apartment complex, which will include 19 units of 50-60% Area Median Income (AMI), 22 units of 40-50% AMI , five units at less than or equal to 40% AMI, and one manager’s unit.

**Applicant.** Global Premier Development, Inc. and its joint venture partners specialize in the development of Low Income Housing, under Section 42 of the Internal Revenue Code, Tax Exempt Bond financing. The corporation was established on April 1, 2004 and wholly owned by Andrew Hanna. The Community Revitalization and Development Corporation (CRDC) is a non-profit developer and was organized for the sole purpose of providing safe and affordable housing to the residents of the State of California. CRDC has either developed or assisted in the development of 2,717 housing units dedicated to those members of our society in need of affordable housing. The corporation was established on March 1, 1991. John Wilson is the board chair. This project is a joint venture of Global Premier Development, Inc. (50.04%) and CRDC (49.96%).

**Legal Questionnaire.** The Strategic Partner and staff have reviewed the 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 Project Description.** The site was formerly used as a gas station from 1941 to 1963. Soon after, it was demolished, and it has been vacant since that time. The contaminants of concern include: semi-volatile organic compounds (SVOCs), total petroleum hydrocarbons as diesel (TPH-d), total petroleum hydrocarbons as motor oil (TPH-mo) and leaking underground fuel tank regulated metals (LUFT5 metals), which include cadmium, chromium, nickel, lead, and zinc (Cd, Cr, Ni, Pb, Zn). These contaminants are present in the subsurface environment due to the presence of leaking

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underground storage tanks (USTs) and associated dispensers and fueling island piping, etc. Some of the USTs are still present at the site and will be removed as part of this brownfield cleanup effort.

The following table outlines the activities required and the costs requested to fund the infill cleanup loan from the CalReUSE remediation program:

<b>Description of Activity</b>	<b>Cost</b>	<b>Amount Financed by Infill Grant</b>
Project management and consulting	\$ 40,000	\$ 40,000
Remove and dispose of 4 USTs	50,000	50,000
Remove and dispose soil (1,300 tons), water and residual fuel product	75,000	75,000
Install six groundwater monitoring wells on and off site	30,000	30,000
Characterize subsurface on-site	52,000	52,000
Characterize subsurface off-site	30,000	30,000
Characterize compounds of concern infill	40,000	40,000
Characterize SVOCs in ground water	15,000	15,000
Characterize buried objects throughout the site	15,000	15,000
Dual phase extraction, bioremediation, natural attenuation	350,000	350,000
Five years quarterly monitoring	100,000	100,000
Contingency	216,000	0
<b>TOTAL ESTIMATED COST:</b>	<b><u>\$1,013,400*</u></b>	<b><u>\$797,000</u></b>

*\*Difference in Brownfield Infill Costs and the amount to be financed by CALReUSE is due to staff's determination that "contingencies" are not an eligible cost under the Program.*

**Oversight Agency.** San Joaquin County Environmental Health Department

**Infill Development Project Description.** The project will consist of three, three-story buildings of which one will contain the office, recreation center, and a manager's unit. The total number of apartments to be included in the development will be 47 one to three bedroom units; 46 of which will be affordable, including 19 units of 50-60% AMI, 22 units of 40-50% AMI , 5 units at less than or equal to 40% AMI, and one will be a manager's unit. Other project highlights include 68 parking spaces, elevator access, computer center, outdoor picnic and barbeque area, and play areas with play equipment.

**Permits.** The following permits have been approved or submitted for on the Stockton project: CEQA, Conditional Use permit, Grading Permit, Building Permit.

**Anticipated Timeline.**

- Cleanup to Begin: December 2008
- Cleanup to be Completed: December 2014
- Development to Begin: February 2009
- Development to be Completed: August 2010

**Local Government Support.** Many letters of support have been received for the project including:

**Local Community Support.**

- Bernard Missouri Sr., Missouri Development & Realtors Inc. and resident of Stockton
- David Rutledge, CEO and Secretary, CRDC

**Government Officials Support.**

- Sharon Elizondo, Program Manager, Redevelopment Department and Housing Department in the City of Stockton
- Nathaniel Atherstone, Planning Senior Specialist, San Joaquin Regional Transit District

**Application Score.** The project earned a score of **95** out of **120** points in the following categories:

**(a) Readiness to Proceed. TOTAL - 35/40.**

- (1) Applicant has demonstrated that environmental review can be completed and all necessary entitlements can be received from the local jurisdiction within two years if receiving the award - 10/10.** The Applicant included a letter from the developer (Global Premier Development) indicating entitlements and environmental reviews (excluding cleanup) can be completed in 2 years or less. Based on the number of permits outstanding and the record of performance of this applicant on similar projects (building construction can often be completed in 6-8 months), this appears to be sufficient evidence to satisfy the Strategic Partner.
- (2) Funding commitments are in place, or financing applications are under review, for the Infill Development Project - 10/10.** The developer has identified the sources of funds for the project.
- (3) The Infill Development Project has local community and government support - 10/10.** Letters of support were provided from both a local resident and from the City of Stockton, indicating their support of the project. These letters are current.
- (4) Cleanup Plan has been approved by Oversight Agency - 0/5.** The tank removal plan and remediation workplan, submitted by Roken Engineering of Rohnert Park, CA has not been approved by the San Joaquin County Department of Environmental Health.
- (5) Applicant has building permits, and all other governmental permits (i.e. encroachment, ROW, etc.) - 5/5.** The Applicant has made substantial progress

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in obtaining and or identifying needed permits for the project. A detailed list of the approved and submitted permits is listed above.

- (b) **Location within an Economically Distressed Community.** TOTAL - 30/30. The project is within a Redevelopment Project Area as well as an Enterprise Zone. Sufficient documentation was provided by the applicant to satisfy the Strategic Partner for this category.
- (c) **Location within a Priority Development Area of a Local Governmental Entity.** TOTAL - 10/10. The Applicant submitted sufficient evidence to support this category through the following document: *San Joaquin Council of Governments, 2007 Regional Transportation Plan*
- (d) **Depth of Affordability.** TOTAL - 5/10. The project will construct 27 units at greater than 40% AMI but less than or equal to 50% AMI (58% of total units) and 5 units at less than or equal to 40% AMI (11% of total units).
- (e) **Percentage of Affordability.** TOTAL - 15/15. The project will include construction of 47 units, 46 of which will be affordable and one unit will be a manager's apartment.
- (f) **Utilization of Green Building Methods.** TOTAL - 0/5. The Applicant is not pursuing green building methods in the construction of the project.
- (g) **Cleanup Plan for the Brownfield Infill Project does not require Ongoing Operation and Maintenance.** - TOTAL - 0/10. The project Applicant's consultant indicated that the ongoing operation and maintenance of a soil vapor and or groundwater extraction system could be complete within 6 years. However, SCS Engineers, the technical advisor for the NBA Project team disagreed with this assessment based on its past experience with these types of projects. Staff is adopting the Strategic Partner's argument in this instance and is not awarding 10 points.

### Tie-Breaker.

- (a) Total Brownfield Infill Project Cleanup Plan Cost: \$1,013,400
- (b) Total no. residential housing units produced and/or promoted by Infill Development Project: 47
- (c) Tie-breaker ratio  $\$1,013,400/47$ : \$21,562/ housing unit

### Financing Details.

- Strategic Partner: National Brownfield Association
- Expected Interest Rate on Loan: 3.53% or lower, but not less than two percent (2%). Interest fixed at the time of the execution of the Loan Agreement.
- Amount of Overall Financing to be Leveraged: \$12,552,916
- Sources of Financing for Brownfield Infill Project: CALReUSE and construction loan

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- Sources of Financing for Infill Development Project: SunAmerica construction loan, Deferred Developer Fee, Investor's Equity, and Tax Credit Equity.

**Staff Recommendation.** Staff recommends approval of the attached Resolution for Global Premier Development, Inc. and Community Revitalization and Development Corporation for a loan in an amount not to exceed \$797,000.

**A RESOLUTION OF THE CALIFORNIA POLLUTION CONTROL FINANCING  
AUTHORITY APPROVING EXECUTION AND DELIVERY OF LOAN FUNDING  
FOR GLOBAL PREMIER DEVELOPMENT, INC. AND  
COMMUNITY REVITALIZATION AND DEVELOPMENT CORPORATION  
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM**

November 19, 2008

WHEREAS, the California Pollution Control Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the Regulations adopted to implement and make specific the statutory provisions of the California Recycle Underutilized Sites (CALReUSE) Remediation Program;

WHEREAS, the statutory provisions of the CALReUSE Remediation Program authorize grant and loan funding for the purpose of brownfield cleanup that promotes infill residential and mixed-use development, consistent with regional and local land use plans;

WHEREAS, the Authority solicited applications for the CALReUSE Remediation Program and such applications were evaluated and scored pursuant to the Authority’s Regulations;

WHEREAS, Global Premier Development, Inc. and Community Revitalization and Development Corporation have submitted an application for the CALReUSE Remediation Program for a loan in the amount of \$797,000 for the Dorado Court Project (the “Project”);

WHEREAS, the Strategic Partner National Brownfield Association has reviewed the application and determined to recommend the Dorado Court Project to the Authority for funding consideration;

WHEREAS, the Authority staff has reviewed the Strategic Partner’s recommendation and has determined to recommend the Dorado Court Project for funding; and

WHEREAS, approval of a loan for the Global Premier Development, Inc. and Community Revitalization and Development Corporation (“Applicant” and “Borrower”) by the Authority is now sought;

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

Section 1. Pursuant to the Regulations, the Authority hereby finds that the Dorado Court Project is eligible for financing and hereby approves the loan described in the staff summary for the Project described in the Applicant’s CALReUSE Infill Application to the Authority.

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Section 2. The Executive Director is hereby authorized for and on behalf of the Authority to take all steps necessary with respect to the Applicant including notifying the Applicant that its Application has been approved for funding, preparing a commitment letter that contains the terms and conditions of funding for the Borrower, preparing and executing the final form of loan agreement and disbursing funds pursuant to the loan agreement and the Authority's Regulations.

Section 3. The Executive Director is hereby authorized for and on behalf of the Authority to approve any changes in the Project described in Exhibit A of the loan agreement as the Executive Director shall deem appropriate and authorized under the Regulations (provided that the amount of the grant may not be increased above the amount approved by the Authority).

Section 4. The Executive Director is hereby authorized and directed, for and on behalf of the Authority, to draw money from the Proposition 1C (2006) funds allocated to this Program not to exceed those amounts approved by the Authority for the Project approved in Section 1. The Executive Director is further authorized and directed, for and on behalf of the Authority, to execute and deliver for the Project identified in Section 1 any and all documents necessary to complete the transfer of funds. The authority of the Executive Director is limited to payment of claims made by the Borrower in accordance with the Regulations and the loan Agreement.

Section 5. Any notice to the Applicant approved hereunder shall indicate that the Authority shall not be liable to the Applicant in any manner whatsoever should such funding not be completed for any reason whatsoever. Notice to the Applicant shall include a provision making it clear that continued funding under the program is not guaranteed but is entirely dependent upon funds being available to the CALReUSE Program and the Borrower's continued compliance with the loan agreement and the regulations governing the CALReUSE Program.

Section 6. The Executive Director of the Authority is hereby authorized and directed, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to effectuate the purposes of this Resolution and the transactions contemplated hereby, and which have heretofore been approved as to form by the Authority.

**EXHIBIT A**

TERM SHEET

<b>Name of Project:</b>	Dorado Court
<b>Maximum Amount of Loan:</b>	\$797,000
<b>Strategic Partner:</b>	National Brownfield Association CALReUSE Project Team
<b>Borrower:</b>	Global Premier Development, Inc. and Community Revitalization and Development Corporation
<b>Financing Structure:</b>	Fixed Rate Loan
<b>Maximum Loan Term:</b>	Not to exceed 6 years from first draw on funds
<b>Maximum Interest Rate:</b>	3.53% or lower, but not less than two percent (2%). Interest fixed at the time of the execution of the Loan Agreement. Six Month London Interbank Offered Rate (LIBOR)
<b>Oversight Agency:</b>	San Joaquin County Environmental Health Department
<b>Project Location:</b>	2154 S. El Dorado St, Stockton, San Joaquin County, CA 95206
<b>Infill Development Description:</b>	The project will consist of three, three-story buildings of which one will contain the office, recreation center, and a manager's unit. The total number of apartments to be included in the development will be 47 one to three bedroom units; 46 of which will be affordable, including 19 units of 50-60% AMI, 22 units of 40-50% AMI , 5 units at less than or equal to 40% AMI, and one will be a manager's unit.



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<b>Project: Description of Activity</b>	<b>Estimated Cost</b>
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Characterize subsurface on-site	52,000
Characterize subsurface off-site	30,000
Characterize compounds of concern infill	40,000
Characterize SVOCs in ground water	15,000
Characterize buried objects throughout the site	15,000
Dual phase extraction, bioremediation, natural attenuation	350,000
Five years quarterly monitoring	<u>100,000</u>
<b>TOTAL ELIGIBLE BROWNFIELD INFILL COSTS</b>	<b><u>\$797,000</u></b>

Attachment A

MISSOURI DEVELOPMENT & REALTORS INC.  
5259 CLAREMONT AVE. SUITE 220  
STOCKTON CA. 95207

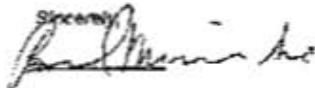
*RE: Dorado Court Apartments*

*To Whom It May Concern:*

*This letter is regarding the approved "Dorado Court Apartments," a 47-unit multi-family affordable housing project located at 2154 South El Dorado Street, Stockton, California.*

*My name is BERNARD MISSOURI SR. and I live at 5259 CLAREMONT AVE. SUITE 220 STOCKTON CA. 95207 and strongly support this wonderful affordable housing development.*

*If you should require further information, please feel free to contact me.*

*Sincerely,*  


Attachment A



COMMUNITY REVITALIZATION & DEVELOPMENT CORPORATION

October 10, 2008

Re: DORADO COURT APARTMENTS

To Whom It May Concern;

*This letter is regarding the approved "Dorado Court Apartments," a 47-unit multi-family affordable housing project located at 2154 S. El Dorado Street, Stockton, California.*

*Stockton is in dire need of additional affordable housing, and this project would not only help to meet the redevelopment and revitalization goals of the City, but will also help to support community members who otherwise would not be able to afford the rent, amenities and quality that Dorado Court Apartments will provide.*

*It is for these reasons that Community Revitalization and Development Corporation would like to show our support for this proposed development that will help to grow the City of Stockton into a thriving area, and provide affordable housing that is desperately needed in the community.*

*If you should require further information, please feel free to contact me.*

*David Rutledge*  
David Rutledge, CEO and Secretary

Attachment A



CITY OF STOCKTON

REDEVELOPMENT DEPARTMENT • HOUSING DEPARTMENT

City Hall • 425 N. El Dorado Street • Stockton, CA 95202-1997 • 209/937-8538 • Fax 209/937-5099  
www.stockton.gov

October 10, 2008

To Whom: It May Concern:

DORADO COURT APARTMENTS

This letter is regarding the approved "Dorado Court Apartments," a 47-unit multi-family affordable housing project located at 2154 S. El Dorado Street, Stockton, California within the South Stockton Redevelopment Area.

Stockton needs additional affordable housing as evidenced in the Housing Element dated September 14, 2004. This project helps to meet the redevelopment and revitalization goals of the City, and it will also help community members who otherwise would not be able to afford the rent, amenities and quality of life that Dorado Court Apartments will offer.

It is for these reasons that the City of Stockton supports the cleanup of the Brownfield at this proposed site.

If you should require further information, please feel free to contact me at (209) 937-9278.

ROBERT BRESSANI, INTERIM DIRECTOR  
HOUSING DEPARTMENT

SHARON ELIZONDO  
PROGRAM MANAGER III

SE:myb

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Attachment A

San Joaquin RTD  
Nathaniel Atherstone  
P.O. Box 201010  
Stockton, CA. 95201

RE: Dorado Court Apartments

To Whom It May Concern;

*This letter is regarding the approved "Dorado Court Apartments," a 47-unit multi-family affordable housing project located at 2154 S. El Dorado Street, Stockton, CA.*

*The San Joaquin Regional Transit District (RTD) appreciates the opportunity to review and comment on the Dorado Court Apartments, and concludes that it, along with the local community, supports this development project.*

*If you should require further information, please feel free to contact me at 209-948-5566, ex. 504.*

Sincerely,

Nathaniel Atherstone  
Planning Senior Specialist