



Resolution of the Governing Body

RESOLUTION NO. 2023-08-22-1209

A RESOLUTION OF THE GOVERNING BODY OF The City of Stockton
SUPPORTING THE APPLICATION OF Visionary Home Builders of CA, Inc. FOR THE LOCAL
GOVERNMENT MATCHING GRANTS PROGRAM; APPROVING La Passeggiata
BUDGET FOR THE LOCAL GOVERNMENT MATCHING GRANTS PROGRAM

WHEREAS:

- A. On January 15, 2019, Governor Gavin Newsom signed Executive Order No. N-06-19, which allows the production of Affordable housing on state-owned Excess Sites (“**Excess Sites**”). The Executive Order authorizes the Department of General Services (“**DGS**”) and the Department of Housing and Community Development (“**Department**”) to identify and prioritize Excess Sites for sustainable, cost-effective, and innovative multi-family Affordable housing projects.
- B. On 07/29/2020 **DGS and the Department selected** Visionary Home Builders of CA, Inc. to develop Affordable housing at 622 E Lindsay Street, Stockton, CA 95202 (La Passeggiata) (“**selected project**”) pursuant to Executive Order No. N-06-19.
- C. Chapter 111, Statutes of 2021 (Assembly Bill (AB) 140) makes several statutory changes for the purpose of implementing the housing and homelessness provisions of the Budget Act of 2021, which establishes the Excess Sites Local Government Matching Grants (“**LGMG**”) Program (hereafter, “**Program**”) to be administered by the Department.
- D. The Program was allocated up to \$30 million to provide funds for Predevelopment and Development Costs to selected projects that receive a financial contribution from a Local Government, as defined pursuant to Health and Safety Code section 50704.80(b). Funding for the Program is made available pursuant to Health and Safety Code section 50704.81(a)(2).
- E. The Department has issued a Notice of Funding Availability (“**NOFA**”), dated November 15, 2022, for the Program pursuant to Health and Safety Code section 50704.83(f).
- F. The Program requires contribution from The City of Stockton to La Passeggiata for Visionary Home Builders of CA, Inc. (“**Applicant**”) to apply for Program funds pursuant to Health and Safety Code section 50704.82. Towards that end, Applicant is submitting an Application for Program funds (“**Application**”) to the Department for review and consideration.



G. The Program requires a resolution from The City of Stockton pursuant to Health and Safety Code section 50704.82(b)(1)(A) approving the La Passeggiata budget, including all sources, and demonstrating the amount of Local Government Contribution to the Applicant for Predevelopment and Development Costs for La Passeggiata, and the requested amount from the Program.

THEREFORE, IT IS RESOLVED THAT:

1. The The City of Stockton supports Visionary Home Builders of CA, Inc. submitting an Application to the Department to receive Program funds for La Passeggiata to develop Affordable housing on the state-owned Excess Site.
2. The The City of Stockton is authorized to submit the approved La Passeggiata Project Budget ("**Attachment 1**") and Anticipated and Committed Project Sources ("**Attachment 2**") to the Applicant to include in their Application. Attachment 1 and Attachment 2 demonstrate the requested amount from the Program, Local Loan and Fee waivers that will be allocated to the Applicant, and all other sources for Predevelopment and Development Costs associated with the development of Affordable housing on the state-owned Excess Site.

Attachment 1: La Passeggiata Budget

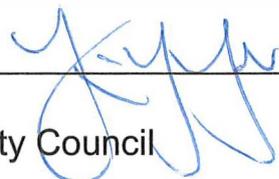
Attachment 2: Anticipated and Committed Project Sources

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Stockton held on _____ by the following vote:

Instruction: Fill in all four vote-count fields below. If none, indicate "0" for that field.

AYES: 7
ABSENT: 0

NOES: 0
ABSTAIN: 0



City Council



STATE OF CALIFORNIA

City Council of Stockton _____

I, Eliza Barza, City Council Clerk of the City _____ of Stockton, State of California, hereby certify the above and foregoing to be a full, true and correct copy of a resolution adopted by said City Council _____ on this 22 day of August, 2023.

Eliza R. Barza

Stockton, City Council Clerk of the City _____ of
State of California
By: [Signature] _____



Note: The attesting officer cannot be the person identified in the Resolution as the authorized signer.



ATTACHMENTS

Attachment 1: Project Budget

Attachment 2: Anticipated and Committed Project Sources



Attachments

Attachment 1: Project Budget (from Program Application)

Development Budget	11/9/2022 v1
	Total Project Costs
LAND COST/ACQUISITION	
Land Cost or Value	
Demolition	
Legal	
Land Lease Rent Prepayment	
Total Land Cost or Value	\$0
Existing Improvements Cost or Value	
Off-Site Improvements	
Total Acquisition Cost	\$0
Total Land Cost / Acquisition Cost	\$0
Predevelopment Interest/Holding Cost	\$25,000
Assumed, Accrued Interest on Existing Debt (Rehab/Acq)	
Excess Purchase Price Over Appraisal	
REHABILITATION	
Site Work	
Structures	
General Requirements	
Contractor Overhead	
Contractor Profit	
Prevailing Wages	
General Liability Insurance	
Other: (Specify)	
Total Rehabilitation Costs	\$0
Total Relocation Expenses	
NEW CONSTRUCTION	
Site Work	
Structures	\$37,200,000
General Requirements	\$1,860,000
Contractor Overhead	\$2,604,000
Contractor Profit	
Prevailing Wages	
General Liability Insurance	\$372,000
Other: (Specify)	

Other: (Specify)	
Other: (Specify)	
Other: (Specify)	
Total New Construction Costs	\$42,036,000
<i>ARCHITECTURAL FEES</i>	
Design	\$872,300
Supervision	\$417,000
Total Architectural Costs	\$1,289,300
Total Survey & Engineering	\$25,000
<i>CONSTRUCTION INTEREST & FEES</i>	
Construction Loan Interest	\$3,195,359
Origination Fee	\$409,071
Credit Enhancement/Application Fee	
Bond Premium	\$372,000
Cost of Issuance	\$219,091
Title & Recording	\$65,000
Taxes	
Insurance	\$241,000
Other: Lender expenses	\$45,000
Other: (Specify)	
Other: (Specify)	
Total Construction Interest & Fees	\$4,546,521
<i>PERMANENT FINANCING</i>	
Loan Origination Fee	
Credit Enhancement/Application Fee	
Title & Recording	\$10,000
Taxes	
Insurance	
Other: (Specify)	
Other: (Specify)	
Total Permanent Financing Costs	\$10,000
Subtotals Forward	\$47,931,821
<i>LEGAL FEES</i>	
Legal Paid by Applicant	\$105,000
Other: Borrower Legal - Transaction	\$80,000
Total Attorney Costs	\$185,000
<i>RESERVES</i>	
Operating Reserve	\$159,503
Replacement Reserve	
Transition Reserve	
Rent Reserve	

Other: Operating Subsidy Reserve	\$814,011
Other: (Specify)	
Other: (Specify)	
Total Reserve Costs	\$973,514
CONTINGENCY COSTS	
Construction Hard Cost Contingency	\$4,240,800
Soft Cost Contingency	\$461,944
Total Contingency Costs	\$4,702,744
OTHER PROJECT COSTS	
TCAC App/Allocation/Monitoring Fees	\$67,995
Environmental Audit	\$50,000
Local Development Impact Fees	\$1,393,019
Permit Processing Fees	\$540,000
Capital Fees	
Marketing	\$100,000
Furnishings	\$50,000
Market Study	\$15,000
Accounting/Reimbursable	\$16,000
Appraisal Costs	\$20,125
Other: Utility Connection Fees	\$650,000
Other: Predev loan interest and fees	\$1,234,431
Other: Syndication consulting	\$75,000
Other: (Specify)	
Other: (Specify)	
Other: (Specify)	
Total Other Costs	\$4,211,570
SUBTOTAL PROJECT COST	\$58,004,649
DEVELOPER COSTS	
Developer Overhead/Profit	\$2,200,000
Consultant/Processing Agent	
Project Administration	
Broker Fees Paid to a Related Party	
Construction Oversight by Developer	
Other: (Specify)	
Total Developer Costs	\$2,200,000
TOTAL PROJECT COST	\$60,204,649

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