AGENDA

ISLAND CITY DEVELOPMENT
Regular Meeting
November 28, 2016, 1:00 PM
Independence Plaza, 703 Atlantic Avenue, Alameda
Ruth Rambeau Memorial Community Room

- 1. CALL TO ORDER & ROLL CALL
- 2. CONSENT CALENDAR (Action)
 - a. Approval of Minutes October 17, 2016 Special Meeting
- 3. UNFINISHED BUSINESS
- 4. NEW BUSINESS
 - a. Approve Resolution Authorizing the Board President or Designee to Enter into the Ground Lease and the Limited Partnership Agreement, and to Execute the Loan Documents and Project Agreements, Guaranties, Security Assignments, Deeds of Trust, and Ancillary Documents Required for the Development of Del Monte Apartments on Behalf of the Limited Partnership (Action)
 - b. Rosefield Project Update: Authorize the Board President to Negotiate Terms and Execute a Final Contract Agreement for Architectural and Engineering Design Services for the Rosefield Project in an Amount Not to Exceed \$1,200,000 (Action)
 - c. Approve and Adopt Budget for Fiscal Year 2017 (Action)
- 5. PUBLIC COMMENT (non-agenda items)
- 6. WRITTEN COMMUNICATIONS
- 7. ORAL COMMUNICATIONS BOARD MEMBERS AND STAFF
- 8. ADJOURNMENT

NOTES:

Sign language interpreters will be available on request. Please contact Housing Authority

Please contact the Executive Assistant at 747-4325 or 522-8467 (TDD number) at least 72 hours before the meeting to request an interpreter. Accessible seating for persons with disabilities (including those using wheelchairs) is available. Audio tapes of the meeting are available upon request. MINUTES OF THE MEETING ARE AVAILABLE IN ENLARGED PRINT. Please contact Housing Authority Executive Assistant at 747-4325 or 522-8467 (TDD number) at least 72 hours before the meeting to request agenda materials in an alternative format, or any other reasonable accommodations that may be necessary to participate in and enjoy the benefits of the meeting.

KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City of Alameda exist to conduct the citizen of Alameda's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

FOR MORE INFORMATION ON YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE OR TO REPORT A VIOLATION OF THE ORDINANCE, CONTACT THE OPEN GOVERNMENT COMMISSION: the address is 2263 Santa Clara Avenue, Room 380, Alameda, CA, 94501; phone number is 510-747-4800; fax number is 510-865-4048, e-mail address is lweisige@alamedaca.gov; and contact is Lara Weisiger, City Clerk.

In order to assist the Housing Authority's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

IF YOU WISH TO ADDRESS THE BOARD:

- Anyone wishing to address the Board on agenda items or business introduced by Board members may speak for a maximum of three (3) minutes per agenda item when the subject is before the Board. Please file a speaker's slip with the Board President. Upon recognition by the President, approach the rostrum and state your name.
- Lengthy testimony should be submitted in writing and only a summary of pertinent points presented verbally.
- Applause and demonstrations are prohibited during Board meetings.

MINUTES

Draft until approvedISLAND CITY DEVELOPMENT

Special Meeting
October 17, 2016, 11:00 AM
Housing Authority of the City of Alameda
701 Atlantic Avenue, Downstairs Conference Room

1. CALL TO ORDER & ROLL CALL

President Cooper called the meeting to order at 11:02 a.m., with the following Board Members present: Vice President McCahan and Secretary/Treasurer Basta. Members absent: none. Staff in Attendance: Victoria Johnson and Rosemary Valeska.

2. CONSENT CALENDAR (Action)

a. Approval of Minutes - June 13, 2016 Regular Meeting

The minutes were approved by unanimous consent (with typo corrections as noted).

3. UNFINISHED BUSINESS

4. NEW BUSINESS

a. Adopt Resolution Authorizing Savings Accounts at the Local Agency Investment Fund (LAIF) (Action)

Motion and second (McCahan and Basta) to adopt resolution. Motion passed by unanimous roll call vote.

 Adopt Resolution Amending the ICD Articles of Incorporation to Include a Dissolution Clause required by the State Board of Equalization (Action)

Motion and second (McCahan and Basta) to adopt resolution. Motion passed by unanimous roll call vote.

c. 2437 Eagle Avenue Project Update; Authorize the Formation of a Limited Partnership and Approve Island City Development to form a new LLC to Act as the General Partner; Authorize Staff to Open and Administer New Bank Accounts for the Partnership; Authorize the Board President or Designee to Negotiate and Execute All Documents Related to Selection of the Tax Credit Investor and Construction and Permanent Lender and Any Other Documents Required for Project Development; and Authorize the Board President or Designee to Negotiate and Execute a Contract Agreement for Project Construction with a Pre-qualified Contracting Firm (Action)

Motion and second (Basta and McCahan) to approve. Motion passed by unanimous voice vote.

d. Del Monte Project Update; Accept an additional \$300,000 Pre-Development Loan from the Housing Authority (Action)

Motion and second (McCahan and Basta) to approve. Motion passed by unanimous voice vote.

- 5. PUBLIC COMMENT (non-agenda items) None
- WRITTEN COMMUNICATIONS None
- 7. ORAL COMMUNICATIONS BOARD MEMBERS AND STAFF
 - a. Ms. Johnson announced that President Cooper had issued an official letter to Vice President McCahan and Secretary Basta extending their terms for an additional two years.
 - b. Ms. Johnson announced that the next meeting would be scheduled on either November 28 or 29.
- 8. ADJOURNMENT

The meeting was unanimously adjourned at 11:15 a.m.

Respectfully submitted,

DRAFT UNTIL APPROVED

Janet Basta Secretary

ISLAND CITY DEVELOPMENT

ITEM 4-A

To:

Board of Directors

Island City Development

From:

Victoria Johnson

Director of Housing and Community Development

Date:

November 28, 2016

Re:

Approve Resolution Authorizing the Executive Director or Designee to Enter into the Ground Lease and the Limited Partnership Agreement, and to Execute the Loan Documents and Project Agreements, Guaranties, Security Assignments, Deeds of Trust and Ancillary Documents Required for the Development of Del Monte

Apartments on Behalf of the Limited Partnership

BACKGROUND

Del Monte Apartments (Project) is a 31-unit senior rental project located at 1301 Buena Vista Avenue and adjacent to the Del Monte warehouse redevelopment project. There are 30 one-bedroom units and one two-bedroom manager's unit. The Project will be developed by the Housing Authority and its non-profit affiliate, Island City Development. The funding sources for the Project include low-income housing tax credit equity, a permanent mortgage loan, City HOME funds, gap funding from Tim Lewis Communities, and 25 project-based Section 8 vouchers. The gap funding from Tim Lewis Communities will be contributed in the form of a loan from the Housing Authority.

The tax credit investor and limited partner will be the National Equity Fund; the construction lender will be BBVA and CCRC will be the permanent lender for the 15 year mortgage term. Del Monte Senior LLC has been formed to serve as the general partner of the tax credit partnership, Sherman and Buena Vista, LP. This LP will serve as the owner of the improvements for the duration of the 15-year tax credit period.

Staff is actively working with outside counsel to finalize all closing documents and the construction loan closing date is scheduled for the week of December 5, 2016. Construction of the affordable project will take approximately 14 months.

DISCUSSION

Ownership Structure: At the time of the construction loan closing, Sherman and Buena Vista L.P. will enter into a 99-year ground lease with the Housing Authority. This limited partnership will be the ownership entity of the Project (improvements) and Del Monte Senior LLC will be the general partner of the partnership. NEF Assignment Corporation

will be the limited partner (investor). NEF is a short term partner and will be replaced by an upper tier investor after closing.

The Housing Authority will acquire the land at closing and will continue to own the land. Beginning in the 13th year after the project is completed and occupied, the Housing Authority (or Island City Development) will have a right of first refusal and an option to purchase the LP interest; the acquisition price will be the greater of the appraised value or the outstanding debt and taxes (if any).

The Housing Authority has received approval from HUD to award 25 project-based vouchers to the Project and to enter into a 15-year Agreement for Housing Assistance Payments (AHAP) with the Partnership. The voucher units will serve households at 30%, 45%, and 50% of area median income. Tenants for these units will be referred from a waiting list maintained by the Housing Authority. Five units will be available to eligible seniors that have applied to a site-specific wait list and one unit is reserved for a property manager.

Financial Structure (Permanent):

The detailed development budget that has been approved by the lenders, investor, and the City is included as Exhibit A. The Housing Authority loan will be secured by a lien on the property, and is in second place after the private CCRC loan. The City HOME loan will be in third position. The Housing Authority and City loans are repayable from net cash flow (residual receipts) as calculated by the financial audit. There will be three separate affordability restrictions placed on the property (City, Housing Authority, and State) ensuring long term affordability for no less than 59 years.

Closing Documents

The closing Resolution (Exhibit B) and all legal documents associated with the transaction have been prepared by outside counsel. The Housing Authority is represented by Carle, Mackie Powers & Ross for the transaction.

The key closing documents that must be executed by the Housing Authority are listed below and draft copies of the documents are provided in a binder available for Board and public review.

- Ground Lease
- 2. Amended and Restated Partnership Agreement
- 3. Right of First Refusal and Purchase Option Agreement
- 4. Loan Agreement and Promissory Note
- 5. Development Fee Agreement
- 6. Subordination Agreements (subordination to senior lender)
- 7. Construction Deed of Trust
- 8. Completion and Payment Guaranties

- 9. Assignment of Accounts and Contracts
- 10. Affordable Housing Agreement
- 11. Consent to Assignment of AHAP Contract as Security for Financing
- 12. Contract For The Use of HOME Funds, Promissory Note

FINANCIAL IMPACT

Legal and other eligible costs incurred during the pre-development period will be reimbursed when the construction loan closes. To date, pre-development expenses total to approximately \$900,000. These funds will be redeposited into the Island City Development account.

As project developer and in exchange for the services provided, Island City Development will earn a development fee in the amount of \$800,000.

Tim Lewis Communities will contribute gap financing in the amount of \$3.6 million prior to close. The Housing Authority will loan these funds to the Project at a 3%-4% rate of interest (to be negotiated) and will be repaid from available cash flow in proportion to the other soft loan (the HOME loan) made to the Project. The loan is due in full in 57 years.

Both the Housing Authority and Island City Development will be required to provide financial and performance guarantees. The financial guarantees will be reflected in the Housing Authority's financial statements as "contingent liabilities." The construction guarantee will be released at construction completion and conversion to permanent financing. The permanent loan is a 15-year non-recourse loan secured by a first mortgage on the property. The tax credit guarantees will extend for the duration of the 15-year tax credit period.

RECOMMENDATION

Approve Resolution authorizing the Board President or designee to enter into the Ground Lease, the Limited Partnership Agreement, and to execute the loan documents and project agreements, guaranties, security assignments, deeds of trust and ancillary documents required for the development of Del Monte Apartments on behalf of the limited partnership.

Respectfully submitted,

Victoria Johnson

Victoria Johnson

Director of Housing and Community Development

Exhibit A – Financial Projections Exhibit B – Closing Resolution

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18	BM	BN	BO	ВР	BQ		BR	BS
3 SOURCES AND USES OF FUNDS								
4 5 SOURCES OF FUNDS		AMOU	AMOUNT TERMS					
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7 First Mortgage - supported by tenant rents and Section 8 8 Alameda Housing Authority Ioan of funds from developer's IZ contribution		3,600,0	2,601,800 CCRC, 15 year amort/term, 10-yr T + 3% 3,600,000 3% simple, 55 year term, residual receipts	-yr T + 3% Lal receipts				5.00%
O C C C C C C C C C C C C C C C C C C C		80,4	80,447 accrued interest during construction 195,740,3% simple 55 years residual receipts	ction				1 79%
1		4	4,374 accrued interest during construction	ction				
12 Construction Loan		10,355,2	10,355,260 BBVA Compass, 23 months, LIBOR + 1.8% 0 payable in less than 12 years	BOR + 1.8%				3.50%
		-	100					
15 Limited Partner @ 99.99%		9,267,084	9,267,084 NEF 6,104,806	1.12	1.120 FED cents/dollar 1.120 PV cent/dollar			
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20 USES OF FUNDS		TOTAL COST	DEPRECIABLE	9% CREDIT			AMORTIZED	DEPRECIABLE
21 Land acquisition - lease from Alameda Housing Authority - value \$3,410,000		0 00 10	0 8					0 00 10
22 Legal and closing costs 23 Offsite or site work not in basis - need to confirm w/ GC	-	250,000	800					250,000
		593,715			10			
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25 Contractor general requirements/ overhead/profit		1,409,200	137.352	137.352	-			
-		160,835				160,835		
29 Personal Property in Construction Contract		62.80	62.800	62,800				
	2000%	900,00	u			835		
32 Impact Fees (not of waived fees)	200	360,788						
		125,000						
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37 Environmental reports		7007				901.00		
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40 Perm loan fee CCRC 1%		26.0					26,018	
41 Interest on soft loans during construction		30,000	30,000	30,000				
43 Construction Loan Interest during construction - 16 months		289,9				4,593		
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45 Course of Construction Insurance 47 Title - Construction Loan Closing		20,000	-	-				
48 Appraisal		10,000						
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51 Legal Fees - Crastruction Loan Closing		30,000	30,000	30,000			0000	
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54 Title - Permanent loan closing		10,000	00 00				10,000	15 000
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58 Project Audit		20,000	00				20,000	
59 Operating Reserves - 6 mo operations 60 Development Fae - ranged in TCAC and		244,897	000 008	800 008		12,672		244,897
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Columnication Columnicatii Columnication Columnication Columnication Columnication	1BR 30% ami 1BR 45% ami 1BR 50% ami 1BR 60% ami Manager - 2 bedrooi Gross Residential in	2.50% 2.55% 2.50% 2.50%	99 / 91 / 6		426 700 792 975	34,506 56,700 49,896 43,875 0	46,871 77,018 67,775 59,597 0 251,260		49,243 80,917 71,207 62,614 0	50,475 82,939 72,987 64,179 0 270,580	51,736 85,013 74,811 65,784 0	53,030 87,138 76,682 67,428 0 284,278	54,356 89,317 78,599 69,114 0 291,385	55.714 91,550 80,564 70,842 0 298,670	57,107 93,838 82,578 72,613 0	58,535 96,184 84,642 74,428 0 313,790	59,998 98,589 86,758 76,289 0	61,498 101,054 88,927 78,196 0 329,675	63,036 103,580 91,150 80,151 0 337,917	64,612 106,169 93,429 82,155 0 346,365	66,227 108,824 95,765 84,209 0 355,024
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Comparison Com	18 Section 8 Income 18 18 30% ann 20 18 45% ann 21 18 85% ann 22 18 85% ann	1.00% 1.00%	997	at 100% FMR 2017 1,793 1,793 1,793	rent diff 1,245 971 879	100,845 78,651 55,377	135,468 105,655 74,390		138,191 107,778 75,885	139,573 108,856 76,644	140,969 109,945 77,410	142,379 111,044 78,184	143,802 112,154 78,966	145,241 113,276 79,756	146,693 1114,409 80,553	148,160 115,553 81,359	149,641 116,708 82,173	151,138 117,875 82,994	152,649 119,054 83,824	154,176 120,245 84,662	155,717 121,447 85,509
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177.24 27.25 27.						338,112	542,035		560,326	569,748	579,359	589,164	599,168	609,375	619,789	630,415	641,258	652,323	663,615	675,139	686,900
Particle						170,747 100 167,265 41,150 2,583 123,532	233,344 100 308,591 246,898 15,500 46,192 1.19		249,907 100 310,319 246,898 15,500 47,920 1.19	258,626 100 311,022 246,898 15,500 48,623 1.20	267,650 100 311,609 246,898 15,500 49,211 1,20	276,989 100 312,075 246,898 15,500 49,676 1.20	286,656 100 312,412 246,898 15,500 50,013	296,661 100 312,613 246,898 15,500 50,215	307,016 100 312,672 246,898 15,500 50,274 1.20	317,734 100 312,581 246,898 15,500 50,182	328,826 100 312,331 246,898 15,500 49,933 1.20	340,307 100 311,915 246,898 15,500 49,517	352,190 100 311,325 246,898 15,500 48,926	364,489 100 310,550 246,898 15,500 48,152	377,218 100 309,582 205,749 15,500 88,334
State Stat		3.50%	0			3,750	5,000		5,356	5,544	5,738	5,938	6,146	6,361	6,584	6,814	7,053	7,300	7,555	7.820	8,093
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State Stat		3.50%			Annual Base year 20,460 45,383	15,345 34,037	20,997		22,493	23,280 51,638	53,445	24,938	25,811	26,714 59,256	27,649	28,617 63,476	29,618	30,655	31,728	32.839	33,988
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TOTAL OPPRATING EXPENSES TOTAL OPPRATING EXP		3.50%			7,000 18,000	13,500 13,500	7,184		7,695	7,965	8,244 21,198 800	8,532 21,940 800	8,831 22,707 800	9,140 23,502 800	9,460 24,325 800	9,791 25,176 800	26,057 800	10,488 26,969	10,855 27,913	11,235 28,890 800	11,628
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1,0% 1,0%						2,583	2,583	18,109	33,790	49,628 15,500	65,624	59,687	75,784	92.042	108,462 15,500	125,047 15,500	99,698	116,195	132,857	149,686	166,683
Operating reserve balance Operating reserve			1.0%		٥	2,583	26 18,109	33,790	338	496 65,624	437 59,687	597 75,784	758 92,042	920 108,462	1.085	41,682 834 99,698	997 116,195	1,162	1,329	1,497	55,561 1,111 127,733
1,0% 2,449 2,473 2,48 2,523 2,548 2,574 2,600 2,626 2,652 2,678 2,732 2,732 2,760						244,897 0 0	247,346 0 0	249,820 0 0	252,318 0 0	254,841 0 0	257,389 0 0	259,963 0 0	262,563 0 0			270,519 0 0	273,224 0 0	275,956 0 0	278,716 0 0	281,503	284,318 0 0
			1.0%			2,449	2,473	252,318	2,523	2,548	259,963	262,563	2,626	352		2,705	2,732	2,760	2,787	2,815	2,843

98	3	200	3	20	200	2	22	5
16 SOURCES AND USES OF CAPITAL CONTRIBUTIONS AND LOAN PROCEEDS								
17								
Source of Loan or Equity		First Mortgage	Housing Authority	City HOME		Deferred	GP	4
20			loan		Construction loan	Developer Fee	Capital Contributions	itributions
21 Land acquisition - lease from Alameda Housing Authority - value \$3,410,000	0				0			0
22 Legal and closing costs	25,000		25,000		0			0
23 Offsite or site work not in basis	250,000		250,000					0
24 Site improvements in basis	593,715				593,715			0
25 New Construction	8,544,602		2,361,318		5,864,457			318,827
26 Contractor general requirements/ overhead/profit	1,409,200				1,409,200			0
27 Contractor bond and insurance	137,352				137,352			0
28 PV system	160,835				160,835			0
29 Personal Property in Construction Contract	62,800				62,800			0
30 Furniture Purchased by Owner	50,000				900'09			0
31 Construction contingency - adjust here	557,799				667.799			0
32 Impact Fees (net of waived fees)	360,288				360,288			0
33 Permits and utility hookups	125,000				125,000			0
34 Architecture	520.000			195,740	324,260			0
35 Survey, engineering, testing	300,000		300,000		0			0
36 Construction management	200.000		200.000		0			0
37 Environmenta reports	70,000		70,000		0			0
	150.000				150,000			0
39 Construction Loan Fees @ 75%	77,664		77,664		0			0
40 Perm loan fee CCRC 1%	26,018		26,018		0			0
41 Interest on soft loans during construction	84,821		80,447	4.374				0
42 Taxes during construction	30,000		30,000					0
43 Construction Loan Interest during construction - 16 months	289,947				289,947			0
44 Construction loan interest post construction - 7 months	182,452				182,452			0
45 Construction lender legal and costs	000'09		000'09		0			0
	150,000		150,000					0
47 Title - Construction Loan Closing	20,000							20,000
48 Appraisal	10,000		10,000		0			0
49 Tax Credit Allocation Committee Fees	47,155		0		47,155			0
50 Legal Fees - Organization	5,000							9,000
51 Legal Fees - Construction Loan Closing	30,000							30,000
52 Legal - Syndication	40,000				0			40,000
53 Legal - Permanent loan closing	10,000				0			10,000
54 Title - Permanent loan closing	10,000				0			10,000
55 Market Study	15,000							15,000
56 Consultant - Syndication	40,000		40,000		0			0
57 Marketing	40,000				40,000			0
58 Project Audit	20,000				0			20,000
59 Operating Reserves - 6 mo operations	244,897				0			244,897
60 Development Fee - capped in TCAC app	800,000	000 400 0				0	00+	2 752 360
61 Repayment of Construction Loan	10,355,260	2,601,800				,	001	7.753,360
STACK TORING TO TORING	26 104 806	2 601 800	3.680.447	200.114	10.355.260	0	100	9.267.0841

16	16 DISBURSEMENTS OF LIMITED PARTNER CAPITAL CONTRIBUTIONS						
17				completion /			
18			Closing	draft cost cert	Conversion 8609 / tax return	509 / tax return	
19		Totals	12/1/2016	7/1/2018	11/1/2018	3/1/2019	
20			653,827	2,682,964	5,890,293	40,000	
21	21 Land acquisition - lease from Alameda Housing Authority - value \$3,410,000	0					
22	22 Legal and closing costs	0					
23	23 Offsite or site work not in basis	0					
24	Site improvements in basis	0					
25	25 New Construction	318,827	318,827				
26	Contractor general requirements/ overhead/profit	0					
27	Contractor bond and insurance	0					
28	PV system	0					
58	Personal Property in Construction Contract	0					
30	30 Furniture Purchased by Owner	0					
£	Construction contingency - adjust here	0			0		
32	Impact Fees (net of waived fees)	0					
33	Permits and utility hookups	0					
34	Architecture	0					
35	Survey, engineering, testing	0					
36	Construction management	0					
37	Environmental reports	0					
38	Soft cost contingency	0					
39	Construction Loan Fees @ 75%	0					
40	Permioan fee CCRC 1%	0					
41	41 Interest on soft loans during construction	0					
42	42 Taxes during construction	0					
43	43 Construction Loan Interest during construction - 16 months	0			0		
44	44 Construction loan interest post construction - 7 months	0			0		
45	45 Construction lender legal and costs	0			0		
46		0			0		
47	Title - Construction Loan Closing	20,000	20,000				
48	48 Appraisal	0			0		
49	49 Tax Credit Allocation Committee Fees	0			0		
20	50 Legal Fees - Organization	2,000	5,000		0		
51	51 Legal Fees - Construction Loan Closing	30,000	30,000		0		
52	Legal - Syndication	40,000	40,000		0		
53	Legal - Permanent loan closing	10,000			10,000		
54	Title - Permanent loan closing	10,000			10,000		
55	55 Market Study	15,000			15,000		
56	56 Consultant - Syndication	0			0		
22	Marketing	0			0		
58	58 Project Audit	20,000			20,000		
59	59 Operating Reserves - 6 mo operations	244,897	-		244,897		
9	60 Development Fee - capped in TCAC app	800,000	240,000	200,000	320,000	40,000	
6	61 Repayment of Construction Loan	7,753,360		2,482,964	5,270,396		
62	62 TOTAL PROJECT COSTS	9.267.084	653,827	2,682,964	5,890,293	40,000	

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CW	CX	CY	CZ	DA	DB	DC	QQ	DE	- PF	DG	H	ā	20	Ă.	70	DM	NO
2 SCHEDULE OF TAX CONSEQUENCES		-	2	3	4	ιΩ	9	7	80	6	10	=	12	13	14	15	16
8	AMOUNT	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
4 DEPRECIATION								20									
	13,896,026	357,928	505,310	505,310	505,310	505,310	505,310	505,310	505,310	505.310	505,310	505,310	505,310	505,310	505,310	505,310	505,310
6 Residential (40 years)	0 245 002	0 969 00	0 000	0 263	0 27.5	2 4 4 5	0 000	0 25 020	35,020	080 35	35,000	000 35	36,036	35.080	35.020	000 35	17 515
A Site Improvements (15 Tears, 1507a DB)	080,713	29,000	00+.00	20.70	2	-	000,000	670.00	630,00	000	620,00	600.00	670.00	00.00	00,00		0.
	273.635	54.727	87,563	52,538	31,523	31,523	15,761	•		•			•	•	•		•
	0	0	0	0	0	0	0	0	0	0	0						
	10,937						398	398	398	398	398	398	398	398	398	398	398
13 Residential (40 years)	0						0 !	0	0	0	0	0	0	0	0	0	0
	10,937						2,187	3.500	2,100	1.260	1,260	630		·	•		
15 Personal Property (9 years)	0						0	0	0	0	0	0	0	0	0		
												1	9	1		1	-
	20.841											900	86/	000	80	80	90
18 Residential (40 years)	0 100											7	9	000	5	200	,
19 Personal Property (5 years) 20 Personal Property (9 years)	20,841												0000	0.0	0	0 0	0
21																	
	27,780																1,010
23 Residential (40 years)	0																0
24 Personal Property (5 years)	27,780																5,556
	0																0
26			-														
27 Subtotal	14,763,376	442,341	649,276	608,611	582,549	577,977	560,645	544,237	542,837	542,056	541,997	546,352	548,164	545,556	543,896	543,955	531,747
78	14,703,370																
67																	
				177	177	7745	27.7	745	775	1745	3 7 7 1 5	1 170					
31 Tax Credit Allocation Committee Fees	47,155	3,537	017,4	0.7,4	4,710	4.7	7,4	4,7	4,7	4,7	4,7	6/1.	700	200	200	000	200
32 Mortgage fees	46,018	979	200	1000	1 000	1 000	250	158	120	150	20	Š	20	60	60	60	20
33 Organization	000,00	000	9	200	200.	200	2										
34 Marketing Cost	30,000	10000	>														
33 Froject Audit	20,000	1000	000000	01010	24 955	22 510	23 185	23 881	704 EC	25 335	26.095	878 90	27 685	28 515	20 371	30 252	31 150
	5,0,0 6,0,0	13,000	20,800	21,210	25.000	5.5.4	5,103	20.02 80.02	6 146	6.361	6.584	6814	7.053	7 300	7.555	7.820	8,003
=-	0.074	00,700	22,000	32,075	23.763	34.606	34 725	35,370	36.296	37 249	28.030	35 70B	35 574	36.652	37 763	38 908	40.090
36 Subtotal	158.173	100.00	25,135	25.70									i				
40																	
41 TAX CREDITS																	
42 Project Basis for 9% Federal Credit	14,794,024																
43 subtract 1/2 of solar credit	14,763,376	30,648															
44 Reduced for Tiebreaker by	7,743,108																
45 Requested Basis	7,020,268 am	7,020,268 amount in TCAC app \$7,020,268	1pp \$7,020,268														
46 130% Adjustment for Difficult to Develop Area	9,126,348 YES, QCI	S, QCT	821 371	175 158	B21 371	R21 371	821 371	R21 371	821.371	R21.371	R21 371	309 118	c				
48 Amount of State Credit	0.5			0					1				6				
49 Amount of solar Credit at 30%	61,296	61,296		ie.													
50 TOTAL CREDITS	8,275,010	573,549	821,371	821,371	821,371	821,371	821,371	821,371	821,371	821,371	821,371	309,118	0				
51																	
52 Proportion of First year	0.75	9 cre	9 credit months	ŏ	Occupancy for 2018	8 2											
The state of the s	821 371 all	821 371 allocation \$821 371	74 June 2016		48.39% m	> 0	62.37% 20	62 37% 2018 avg occ									
AN State Tax Credits	0	01170			100.00% June	16											
56 Tax Credit Percentage	%00%																

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ANALYSIS OF TAXABLE INCOME	-	2	m	4	ιŋ	9	7	89	6	10	F	12	13	14	15	16
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Net Operating Income	167,265	308,591	309,506	310,319	311,022	311,609	312,075	312,412	312,613	312,672	312,581	312,331	311,915	311,325	310,550	309,582
Interest on deposits	2,449	2,499	2,679	2,861	3,045	3,011	3,197	3,383	3,572	3,763	3,539	3,729	3,922	4,116	4,312	3,954
Deductions:																, 1847 C. S.
Interest on First Mortgage	21,641	126,378	120,211	113,730	106,917	99,755	92,227	84,314	75,995	67,252	58,061	48,399	38,244	27,569	16,347	4,638
Interest on AHA loan	49,347	64,902	65,713	66,536	67,375	68,230	69,106	70,005	70,930	71,884	72,870	73,894	74,957	76,065	77,221	78,431
Interest on City HOME loan	0	3,481	3,524	3,568	3,613	3,658	3,705	3,753	3,802	3,853	3,906	3,960	4,017	4,076	4,138	4,203
Interest on deferred developer fee	0	0	0	0	0	0										
Constr. Int. Carryover	182,452	0														
Depreciation	442,341	649,276	608,611	582,549	577,977	560,645	544,237	542,837	542,056	541,997	546,352	548,164	545,556	543,896	543,955	531,747
Expensed Items	83,664	32,152	32,945	33,763	34,606	34,725	35,372	36,296	37,249	38,232	35,708	35,574	36,652	37,763	38,908	40,090
Total Deductions	779,445	876,188	831,004	800,146	790,487	767,014	744,647	737,204	730,033	723,217	716,898	709,992	699,425	689,368	680,570	659,107
NET TAXABLE INCOME	-609,731	-565,098	-518,818	-486,966	-476,421	-452,393	-429,375	-421,409	-413,847	-406,782	-400,778	-393,931	-383,588	-373,928	-365,708	-345,571
Seneral Dariner Share @ 01%	9	7.57	55.	40	-48	.45	.43	CP.	-41	-41	-40	30	38	75	27	r.
		,	,				2			F	2	2	3	?	5	3
Investor Limited Partner @ 99.99%	-609,670	-565,042	-518,766	-486,917	-476,373	-452,348	-429,332	-421,367	-413,805	-406,741	-400,738	-393,892	-383,550	-373,890	-365,671	-345,536
Marginal Tax Bracket	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Benefits from Losses	213,384	197,765	181,568	170,421	166,731	158,322	150,266	147,478	144,832	142,359	140,258	137,862	134,243	130,862	127,985	120,938
Investor Limited Partner Share of Tax Credits																
Federal Low-Income Credits	512,202	821,289	821,289	821,289	821,289	821,289	821,289	821,289	821,289	821,289	309,087	0	0			
State Low Income Credits	0	0	0	0	0	0	0	0								
Solar Tax Credits	61,290	0	0	0	0											
Total Tax Benefits	786,877	1,019,054	1,002,857	991,710	988,020	979,611	971,556	968,768	966,121	963,649	449,346	137,862	134,243	130,862	127,985	120,938

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4 OUTSTANDING DEBT		-	2	69	4	2	9	7	60	o	10	1	12	13	41	72	16
- C		2018	2019	2020	2021	2022	. 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
6 First Mortgage		2,582,291	2,461,770	2,335,083	2,201,915	2,061,933	1,914,790	1,760,118	1,597,533	1,426,630	1,246,984	1,058,146	859,647	650,992	431,662	201,111	0
7 Alameda Housing Authority loan		3,630,416	3,675,787	3,721,853	3,768,748	3,816,614	3,865,602	3,915,876	3,967,604	4,020,971	4,076,167	4,133,398	4,192,880	4,254,842	4,319,525	4,387,186	4,419,067
8 City HOME loan		194,711	197,130	199,586	202,086	204,638	207,250	209,931	212,690	215,537	218,483	221,539	224,716	228,026	231,484	235,103	236,774
9 Deferred developer fee owed		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Partnership Management Fees Owed		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT		6,407,418	6,334,687	6,256,522	6.172.748	6,083,184	5,987,642	5,885,925	5,777,828	5,663,139	5,541,634	5,413,083	5,277,243	5,133,861	4.982,672	4,823,400	4,655,841
13 AHA loan		1.79%															
4	Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
15 Interest on Last Balance		49.347	64,902	65,713	96,536	67,375	68,230	69,106	70,005	70,930	71,884	72,870	73,894	74,957	76,065		78,431
16 Balance		3,680,447	3,695,317	3,741,500	3,788,389	3,836,122	3,884,844	3,934,708	3,985,880	4,038,534	4,092,854	4,149,038	4,207,292	4,267,837	4,330,907		4,465,617
17 Amount Paid from Capital Contributions	S	0															
18 Amount Paid from Operations		99,378	19,530	19,647	19,642	19,509	19,241	18,833	18,276	17,563	16,687	15,639	14,412	12,995	11,381	9,560	46,550
19 New Balance		3,630,416	3,675,787	3,721,853	3,768,748	3,816,614	3,865,602	3,915,876	3,967,604	4,020,971	4,076,167	4,133,398	4,192,880	4,254,842	4,319,525	4,387,186	4,419,067
50																	
21 City HOME loan		1.79%					100000000000000000000000000000000000000	AMERICAN	-			į		1			
22	Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
23 Interest on Last Balance		0	3,481	3,524	3,568	3,613	3,658	3,705	3,753	3,802	3,853	3,906	3,960	4,017	4.076	4,138	4,203
24 Balance		200,114	198,192	200,654	203,154	205,698	208,296	210,955	213,684	216,492	219,391	222,389	225,499	228,733	232,103	235,622	239,305
25 Amount Paid from Capital Contributions	Ś	0															
26 Amount Paid from Operations		5,403	1,062	1,068	1,068	1,061	1,046	1,024	994	992	206	850	784	707	619	520	2,531
27 New Balance		194,711	197,130	199,586	202,086	204,638	207,250	209,931	212,690	215,537	218,483	221,539	224,716	228,026	231,484	235,103	236,774
29 Deferred developer fee		%00.0															
08	Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
31 Interest on Last Balance			0	0	0	0	0	0	0	0	0	0	0	0			
32 Balance		0	0	0	0	0	0	0	0	0	0	0	0	0	0		
33 Amount Paid from Operations		0	0	0	0	0	0	0	0	0	0	0	0	0	0		
34 New Balance		0	0	0	0	0	0	0	0	0	0	0	0	0	0		
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2 CAPITAL ACCOUNT ANALYSIS DURING OWNERSHIP BY LIMITED PARTNERSHIP	JERSHIP BY LI	MITED PARTN	ERSHIP													
3 Limited Partner Share	-	2	e	4	C)	9	7	89	6	10	11	12	13	4	15	16
4 Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
5 Basis	15,317,421	14,893,122	14,262,089	13,671,898	13,107,950	12,526,668	12,006,646	11,481,345	10,957,633	10,434,892	9,870,308	9,384,916	8,856,226	8,330,339	7,806,308	7,226,304
6 Deductions from Basis	-442,296	-649,211	-608,550	-582,491	-577,919	-560,589	-544,182	-542,783	-542,002	-541,943	-546,298	-548,109	-545,501	-543,841	-543,901	-531,694
7 Basis at end of year	14,875,125	14,243,911	13,653,539	13,089,408	12,530,031	11,966,079	11,462,464	10,938,563	10,415,631	9,892,949	9,324,010	8,836,807	8,310,725	7,786,498	7,262,407	6,694,610
8 Outstanding Nonrecourse Debt	3,824,744	3,872,529	3,921,047	3,970,436	4,020,849	4,072,445	4,125,394	4,179,876	4,236,085	4,294,221	4,354,502	4,417,154	4,482,420	4,550,554	4,621,826	4,655,376
9 Minimum Gain on Chargeback	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10																
11 CAPITAL ACCOUNT																
12 Capital Account Balance	0	8,491,776	7,966,734	7,447,967	6,961,050	6,484,677	6,032,329	5,602,996	5,181,630	4,767,824	4,361,083	3,960,345	3,566,453	3,182,903	2,809,013	2,443,341
13 Capital Contributions	9,227,084	40,000	0													
14 Deductions	-609,670	-565,042	-518,766	-486,917	-476,373	-452,348	-429,332	-421,367	-413,805	-406,741	-400,738	-393,892	-383,550	-373,890	-365,671	-345,536
15 subtract 1/2 of solar credit	-30,648															8
16 Syndication Expenses	-94,991															7
17 Cash Flow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 End of Year Capital Account	8,491,776	7,966,734	7,447,967	6,961,050	6,484,677	6,032,329	5,602,996	5,181,630	4,767,824	4,361,083	3,960,345	3,566,453	3,182,903	2,809,013	2,443,341	2,097,805
10	•	•	•		c	c	C	C	c	C	ć	•	•			
20 Minimum Gain Chargeback	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Capital Account plus Chargeback	8,491,776	7,966,734	7,447,967	6,961,050	6,484,677	6,032,329	5,602,996	5,181,630	4,767,824	4,361,083	3,960,345	3,566,453	3,182,903	2,809,013	2,443,341	2,097,805
22 23 CALCULATION OF TAX CONSEQUENCES ON SALE (TRANSFER) OF LIMITED PARTNERSHIP INTERESTS (outside basis)	SALE (TRANS	SFER) OF LIMIT	'ED PARTNER!	SHIP INTERES	TS (outside be	asis)										
24 Initial Capital Account		8,617,414	8,092,372	7,573,606	7,086,689	6,610,315	6,157,967	5,728,635	5,307,268	4,893,463	4,486,722	4,085,984	3,692,092	3,308,542	2,934,651	2,568,980
25 Capital Contributions	9,227,084	40,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26 Allocated Losses during Ownership	-609,670	-565,042	-518,766	-486,917	-476,373	-452,348	-429,332	-421,367	-413,805	-406,741	400,738	-393,892	-383,550	-373,890	-365,671	-345,536
27 Cash Flow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28 Basis in Partnership Interest	8,617,414	8,092,372	7,573,606	7,086,689	6,610,315	6,157,967	5,728,635	5,307,268	4,893,463	4,486,722	4,085,984	3,692,092	3,308,542	2,934,651	2,568,980	2,223,444
29 30 Tax Benefits (Losses) on Sale	8.617.414	8.092.372	7,573,606	7,086,689	6,610,315	6,157,967	5,728,635	5,307,268	4,893,463	4,486,722	4.085,984	3.692.092	3.308.542	2.934,651	2.568.980	2.223.444
31 After Tax Benefits (Losses)	3,016,095	2,832,330	2,650,762	2,480,341	2,313,610	2,155,289	2,005,022	1,857,544	1,712,712	1,570,353	1,430,094	1,292,232	1,157,990	1,027,128	899,143	778,205

¥	RR		4.08%	6																																																			
HW	OUAR ERL	00	0	0	0	-653,827	0 0	0	0	C	202,292	-5,628,001	214,763	254,763	254,763	250,714	250,714	250.714	247,928	247,928	247,928	247,005	247,005	247,005	244,903	244,903	244 903	242,889	242,889	242.889	242,192	242,192	242,192	241,530	241,530	241,530	240,912	240,912	240,912	112,336	112,336	112,336	34,466	34,466	34,466	33,561	33,561	33.561	32,715	32,715	32.715	31,996	31,996	31,996	899.143
£	BENEFIT INVESTMENT					653,827						5,890,293																																											
로	BENEFIT									200 000	262,292	262,292	254,763	254,763	254,763	250,714	250,714	250.714	247,928	247,928	247.928	247,005	247,005	247,005	244,903	244,903	244 903	242,889	242,889	242,889	242,192	242,192	242,192	241,530	241,530	241,530	240,912	240,912	240,912	112,336	112,336	112,336	34,466	34,466	34,466	33,561	33,561	33,561	32,715	32,715	32.715	31,996	31.996	31.996	899.143
노	IN ERNAL RA DATE			Jun-16	Sep-16	Dec-16	Mar-17	Sep-17	Dec-17	Mar-18	Sep-18			Jun-19	Dec-19	Mar-20	Jun-20	Dec-20	Mar-21	Jun-21	Dec-21	Mar-22	Sep-22	Dec-22	Mar-23	Jun-23	Dec-23	Mar-24	Jun-24	Dec-24	Mar-25	Sen-25	Dec-25	Mar-26	Jun-26 Sep-26	Dec-26	Mar-27	Jun-27	Dec-27	Mar-28	Jun-28	Dec-28	Mar-29	Jun-29	Dec-29	Mar-30	Jun-30	Dec-30	Mar-31	Jun-31	Dec-31	Mar-32	Jun-32	Dec-32	Mar-33
		46	48	49	20	5	20 53	54	22	26	o a	59	9	61	63	64	65	90	68	69	2 2	72	73	75	9/	77	79	80	18	83 65	8	88	87	88	68 8	9 19	92	93	38	96	97	8 8	100	101	103	104	105	105	108	109	111	112	113	115	116

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ICD ITEM 4-A, Exhibit B

ISLAND CITY DEVELOPMENT

Resolution No.____

DEL MONTE SENIOR HOUSING

At a duly constituted meeting of the Board of Directors (the "Board") of Island City Development, a California nonprofit public benefit corporation ("ICD"), held on November ___, 2016 (the "Meeting"), the following resolutions were adopted:

WHEREAS, the Housing Authority of the City of Alameda (the "Housing Authority") and TL PARTNERS I, L.P., a California limited partnership ("TLP") are parties to that certain Agreement for Development of Affordable Housing (Del Monte) made as of November 3, 2015 (the "Agreement for Development of Affordable Housing"); and

WHEREAS, pursuant to the Agreement for Development of Affordable Housing, the Housing Authority entered into the following "Option Agreements": (1) the Real Property Purchase Option Agreement entered into as of October 1, 2015 with the City of Alameda (the "City"), with respect to certain land located in the City of Alameda (the "City Land"); and (2) the Real Property Purchase Option Agreement entered into as of February 9, 2016 with TLP and Encinal Del Monte Plant 48 Reuse, LLC, with respect to certain land located in the City of Alameda (the "TLP Land"; together with the City Land, the "Land"); and

WHEREAS, the Land is commonly referred to as 1301 Buena Vista Avenue, Alameda, California; and

WHEREAS, the Land will be transferred to the Housing Authority pursuant to the applicable deeds attached to the Option Agreements; and

WHEREAS, the City requires that the Housing Authority enter into and record against the Land an "**Affordable Housing Agreement**"; and

WHEREAS, ICD has formed and is the sole member and manager of Del Monte Senior LLC, a California limited liability company (the "LLC"), and the LLC has formed and is the sole general partner of Sherman and Buena Vista LP, a California limited partnership (the "Partnership"), with the Housing Authority as the sole limited partner (the "Limited Partner") of the Partnership; and

WHEREAS, the Board deems it to be in the best interests of itself, the LLC, and the Partnership for the Partnership, as lessee, to enter into a ground lease with the Housing Authority, as lessor, with respect to the Land for a term of 99 years and upon

such terms and conditions as deemed necessary or appropriate by an Officer (as defined below) (the "Ground Lease"); and

WHEREAS, the Board deems it to be in the best interests of itself, the LLC, and the Partnership for the Partnership to construct, own and operate 31 units of affordable housing (including 1 manager's unit) on the Land (the Partnership's leasehold interest in the Land and fee interest in the improvements, including the affordable housing, now or hereafter located thereon is collectively referred to herein as the "Project"); and

WHEREAS, the Board deems it to be in the best interests of itself, the LLC, and the Partnership, for the Partnership to enter into a development agreement with the Housing Authority, as developer of the Project (the "Development Agreement"); and

WHEREAS, the Board deems it to be in the best interests of itself, the LLC, and the Partnership, for ICD, the LLC and the Partnership to assist in the acquisition, construction and development of the Project by: (i) consenting to the withdrawal of the Housing Authority as limited partner from the Partnership and facilitating the admission of an affiliate of NEF Assignment Corporation, or a substitute investor ("Investor") as a 99.99% limited partner in the Partnership in exchange for capital contributions of approximately \$9,267,804, and (ii) amending and restating the agreement of limited partnership of the Partnership (as amended, the "Amended Partnership Agreement") to provide for such other matters as may be required by the Investor and entering into the Guaranty Agreement (the "Guaranty Agreement") for the benefit of the Partnership and the Investor (collectively, the "Syndication"); and

WHEREAS, the Board deems it to be in the best interests of itself, the LLC, and the Partnership for the Partnership to obtain the following financings for the Project, which will be secured by liens on the Project ("Secured Financings"):

- (a) A recourse, construction loan from Compass Bank ("Compass") in the approximate amount of \$10,279,862, which is expected to convert to a nonrecourse permanent loan in the approximate amount of \$2,499,800 (the "Permanent Loan"), which Permanent Loan will be acquired by California Community Reinvestment Corporation at conversion;
- (b) A nonrecourse construction/permanent loan from the Housing Authority in the amount of \$3,600,000, which will be repaid with the Project's residual receipts (the "Housing Authority Loan");
- (c) A nonrecourse construction/permanent loan of HOME funds from the City in the approximate amount of \$195,740, which will be repaid with the Project's residual receipts (the "HOME Loan"); and

(d) A nonrecourse permanent loan from the Housing Authority in the amount of \$3,410,000, which will be repaid with the Project's residual receipts (the "Ground Rent Loan"); and

WHEREAS, as a condition of the Secured Financings and the Syndication, the lenders and the Investor may require that ICD and/or the LLC (a) guaranty the payment and performance by the Partnership and/or the LLC of their obligations under the documents evidencing and securing the Secured Financings and the Syndication, and guaranty timely lien-free completion of the Project and make certain indemnities (the "Guaranties"), and/or (b) assign any fees from the Partnership as security for the Secured Financings and the Syndication (the "Security Assignments"), and ICD deems it to be in the best interests for itself, the LLC and the Partnership, to make and enter into the Guaranties and Security Assignments; and

WHEREAS, the Board deems it to be in the best interests of itself, the LLC, and the Partnership for ICD, the LLC and the Partnership to execute and deliver any and all documents or agreements necessary or advisable for the acquisition, development, financing, construction, rehabilitation, management, operation and maintenance of the Project, including, but not limited to, all grant deeds, deeds of trust, UCC financing statements, regulatory agreements, assignments of rents, leases, income and profits, general assignments, construction contracts, architect agreements, grant agreements, development agreements, sub-development agreements, management agreements, service contracts, housing assistance payments contracts and similar or related agreements for housing subsidies, and any other types of agreements (collectively, the "Project Documents"); and

WHEREAS, the Board deems it to be in the best interests of itself, the LLC, and the Partnership for ICD, the LLC and the Partnership, as applicable, to grant, any easement and/or a dedication of a portion of the Project, as may be necessary, to the City of Alameda and/or the County of Alameda, or other public body, and to execute such documents and to perform such actions as may be required in order to obtain all necessary and appropriate entitlements, permits and any other authorization for the acquisition, development, management or operation of the Project and for any waiver of entitlement or similar fees (collectively, the "Entitlement Documents"); and

WHEREAS, the Board deems it to be in the best interests of itself, the LLC, and the Partnership for ICD, the LLC and the Partnership to execute such documents (including, without limitation, any indemnities and guaranties) and to perform such actions as may be required in order to obtain all necessary and appropriate title insurance (owner and lender policies) for the Project (collectively, the "Title Documents"); and

WHEREAS, the Board deems it to be in the best interests of itself, the LLC, and the Partnership for the Partnership to enter into a housing assistance payments contract,

an agreement to enter into a housing assistance payments contract, or such other agreement or document in connection with a project-based voucher assistance with the Housing Authority or such other appropriate party (collectively, the "HAP Documents").

NOW, THEREFORE, BE IT RESOLVED, that ICD for itself, the LLC and the Partnership, does hereby approve and is authorized to enter into the following transactions and documents, as applicable:

- 1. Ground Lease;
- 2. Development Agreement;
- 3. Amended Partnership Agreement, the Guaranty Agreement and the Syndication;
- 4. Secured Financings;
- 5. Guaranties and Security Assignments;
- 6. Project Documents;
- 7. Entitlement Documents;
- 8. Title Documents;
- 9. HAP Documents; and
- 10. Such other documents, agreements and contracts deemed necessary or advisable by an Officer in furtherance of these resolutions and/or to assist in the development of the Project (collectively, the "Transaction Documents"), using his or her own independent judgment.

BE IT FURTHER RESOLVED, that Board hereby authorizes each of (a) Vanessa Cooper, President of ICD; (b) John McCahan, Vice President of ICD; or (c) Janet Basta, Secretary of ICD (each, an "**Officer**"), acting alone to accept the Transaction Documents subject to any minor conforming, technical or clarifying changes approved by an Officer and ICD counsel. Each Officer is hereby further authorized and directed to take such further actions and execute and record such documents as are necessary to accept the Transaction Documents, for itself, the LLC and the Partnership.

BE IT FURTHER RESOLVED, that all actions previously taken by ICD, the LLC and the Partnership, and any of their employees, officers and agents, in connection with the Project or the transactions described herein are hereby ratified and approved.

• directors to		dopted on October 27, 201	4, set the number of
•	As of the date of the Meet	ing, ICD has/had three (3) o	directors.
•	directors attended th	e Meeting.	
•	The Board approved these	e resolutions at the Meeting	as follows:
	Aye:	Nay:	Abstain:
attendance a	A copy of said resolution the Meeting.	n(s) has been sent to any B	oard member not in

ATTEST:		
Vanessa M. Cooper President	Janet Basta Secretary	
Adopted:		
 Date		

To:

Board of Directors

Island City Development

From:

Victoria Johnson

Director of Housing and Community Development

Date:

November 28, 2016

Re:

Authorize the Board President to Negotiate Terms and Execute a Final Contract Agreement for Architectural and Engineering Design Services for

the Rosefield Project in an Amount Not to Exceed \$1,200,000

BACKGROUND

In recent months, staff continues to work on the redevelopment of the Rosefield project. In July 2016, the project received a preliminary approval for tax-exempt bond allocation for the construction of 60 new units. The Board also approved a \$1m loan from the Housing Authority to pay for pre-development activities. The next steps are to select an architectural firm to proceed with design development and construction drawings and to engage an environmental consultant to complete the Phase I CEQA and NEPA studies. Staff has also engaged Landis Development, LLC, to serve as a third party real estate development consultant to assist with the project management tasks.

DISCUSSION

The Housing Authority maintains a list of pre-qualified architectural and engineering firms. Staff issued a Request for Proposals to the pre-qualified firms as follows: Anne Phillips Architecture, BAR Architects, Dahlin Group, MWA Architects, SGPA Architecture, and YHLA Architects. Responses were received from five firms (all but BAR). The three top ranked firms were Dahlin Group, SGPA Architecture, and MWA Architecture. Staff conducted interviews with the firms and recommends Dahlin Group as the first choice and SGPA as the second choice. Both of these firm's proposed fees fall under the budgeted amount. The SGPA fee proposal is above the budgeted amount.

FINANCIAL IMPACT

The architectural contract cost is budgeted at 5.5% of the estimated construction contract amount of \$22 million, plus 5% contingency for a total amount of \$1,270,000. Some portion of this amount will be paid during the construction phase and paid directly from lender or investor proceeds.

Funds for pre-development expenses will be available through the loan made by the \$1m loan previously made by the Housing Authority to ICD. Pre-development expenses are reimbursed by the construction loan proceeds at the start of construction.

RECOMMENDATION

Authorize the Executive Director to negotiate terms and to execute a final contract agreement for architectural and engineering design services for the Rosefield project. The exact amount of the contract will be negotiated depending on the menu of services but the total amount will not exceed \$1,200,000. The A & E services agreement will be phased to allow for changes to the scope or duration of the project.

Respectfully submitted,

Victoria Johnson

Victoria Johnson

Director of Housing and Community Development

To: Board of Directors

Island City Development

From: Victoria Johnson

Director of Housing and Community Development

Date: November 28, 2016

Re: Approve and Adopt Budget for Fiscal Year 2017

BACKGROUND

The ICD fiscal year ends December 31. When ICD participates in development projects, project funds are held in separate bank accounts that are controlled by the limited partnership and the project budgets are reviewed and approved by the project lender and investor as well as by the ICD Board.

The proposed budget for 2017 includes ICD activity related to the development projects during the pre-development phase only as well the administrative expensed of the non-profit.

DISCUSSION

To date, ICD has taken three loans from the Housing Authority for the purposes of the development of the Everett and Eagle, Del Monte and Rosefield projects (\$1mm per project).

Overview of Activity - 2016

As of January 1, 2016, approximately \$705,000 was available for pre-development expenses of the Everett and Eagle project. As of October 31, 2016, approximately \$550,000 has been expended in 2016. The end-of-year balance will be carried forward to 2017.

As of January 1, 2016, approximately \$940,000 was available for pre-development expenses of the Del Monte senior project. As of October 31, 2016, approximately \$850,000 has been expended in 2016. Most of the pre-development expenses will be reimbursed through the closing draw in mid-December 2016. These funds will be redeposited into the ICD account and the end-of-year balance will be carried forward to 2017.

During 2016, \$1,000,000 was available for pre-development expenses of the Rosefield redevelopment project. As of October 31, 2016, approximately \$165,000 has been

expended. The end-of-year balance will be carried forward to 2017.

In 2015, ICD paid an administrative staffing services fee to AHA for \$100,000. During 2016, ICD administrative expenses included \$100,000 payable to the Housing Authority for staffing services, and audit and insurance expenses of approximately \$10,000.

<u>Revenues</u>: As of the closing for the Del Monte project, ICD will earn an installment of development fee in the amount of \$240,000. This revenue will cover the 2015 and 2016 staffing services fees, as well as other administrative and end-of-year expenses.

In 2017, ICD expects to earn an installment of development fee for the Everett and Eagle project in the amount of \$240,000. ICD also expects to earn \$100,000 in development from the Stargell Commons project.

Proposed Activity - 2017

The attached budget projections do not reflect construction activity, as construction funds are held and managed by the limited partnerships. (A new partnership is formed for each tax credit project.)

FINANCIAL ANALYSIS

In 2017, the ICD administrative expenses will include \$100,000 payable to the Housing Authority for staffing services, and estimated audit and insurance expenses of approximately \$60,000.

RECOMMENDATION

Staff recommends Board approval and adoption the proposed 2017 budget.

Respectfully submitted,

Victoria Johnson

Victoria Johnson

Director of Housing and Community Development

Exhibit A: Approved 2016 Budget Exhibit B: Proposed 2017 Budget

ICD Item 4-C Exhibit A

ISLAND CITY DEVELOPMENT FISCAL YEAR 2016 BUDGET

	Eagle Ave.	Del Monte	Rosefield	Administrative
Revenue or Expense				
Projected Starting Balance	\$650,000	\$600,000	\$650,000	(115,000)
Developer fee	100,000	100,000		
2016 administrative costs				125,000
A & E services	125,000	250,000	250,000	
Professional Services	175,000	115,000	125,000	
Application Fees and deposits	150,000	100,000	150,000	
Misc. permit and other fees	80,000	50,000		
Ending Balance (cash balance)	\$220,000	\$185,000	\$125,000	(240,000)

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ICD ITEM 4-C Exhibit B

ISLAND CITY DEVELOPMENT FISCAL YEAR 2017 BUDGET

	Eagle Ave.	Del Monte	Rosefield	Administrative
Revenue or Expense				
Projected Starting Balance	\$140,000	\$800,000	\$810,000	\$ 20,000
Revenue				340,000
2017 administrative costs				160,000
A & E services	50,000		450,000	
Professional Services	25,000		125,000	
Application Fees and deposits	10,000		25,000	
Misc. permit and other fees	50,000		100,000	
	-			
Reimbursement due	\$935,000	\$125,000		
(6)				
Ending Balance (cash balance)	\$940,000	\$925,000	\$110,000	\$200,000