



AGENDA

ISLAND CITY DEVELOPMENT

Special Meeting

April 27, 2:00 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 – November 28, 2016 Regular Meeting
 - b. Approval of Regular Meeting Schedule
 - c. Accept FY 2016 Summary Report on Promissory Notes, as presented to the Board of Commissioners on March 15, 2017
 3. UNFINISHED BUSINESS
 4. NEW BUSINESS
 - a. Approve Operating Capital loan from the Housing Authority in the amount of \$250,000. **(Action)**
 - b. Eagle Avenue Project Update: Accept a New \$1 MM Loan from Alameda County A-1 Bond Funds, Accept a New \$1.5 MM Bridge Loan from Housing Authority, Approve Increase in Contract Amount for Architectural & Engineering Services from \$650,000 to \$700,000 and Authorize the Board President to Execute Any Related Documents. **(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 approved*****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

President Cooper called the meeting to order at 1:05 p.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 – October 17, 2016 Special Meeting**

The minutes were approved by unanimous consent.

3. UNFINISHED BUSINESS (none)**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)

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

b. Rosefield Project Update: Authorize the Board President to Negotiate Terms and Execute a Final Contract Agreement for the Architectural and Engineering Design Services and Planning phase of the Rosefield Project in an Amount Not to Exceed \$250,000 (Action)

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

c. Approve and Adopt Budget for Fiscal Year 2017 (Action)

President Cooper stated that the tax credit markets were in turbulence due to the results of the Presidential election and the potential effects on the corporate tax rate. The selected investor for the Everett and Eagle Project has decided to withdraw at this time. The Del Monte project will proceed as scheduled.

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

5. PUBLIC COMMENT (non-agenda items) (none)**6. WRITTEN COMMUNICATIONS (none)**

7. ORAL COMMUNICATIONS – BOARD MEMBERS AND STAFF (*none*)
8. ADJOURNMENT

The meeting was unanimously adjourned at 1:20 p.m.

Respectfully submitted,

Draft until approved

Janet Basta
Secretary

ISLAND CITY DEVELOPMENT

Board of Directors Regular Meeting Schedule

Proposed meeting schedule for the Board of Directors of Island City Development is as follows:

June/July	Review and Accept Audit and Tax Returns
November	Review and Approve Annual Budget

Special Meetings may be called at other times of the year as needed.



Housing Authority of the City of Alameda

701 Atlantic Avenue - Alameda, California 94501-2161 - Tel: (510) 747-4300 - Fax: (510)522-7848 - TDD: (510) 522-8467

ITEM 2.c.

To: Honorable Chair and
Members of the Board of Commissioners

From: Vanessa M. Cooper
Executive Director

Prepared by: Victoria Johnson, Director of Housing and Community Development

Date: March 15, 2017

RE: Accept Report on Island City Development Activity for FY 2016; Approve a Loan of \$250,000 from Housing Successor Fund to Island City Development to be used for Working Capital

BACKGROUND

In 2014 Island City Development (ICD) was incorporated to serve as the non-profit real estate development affiliate of the Housing Authority. In 2015, ICD obtained 501(c)(3) tax-exempt status in order to participate in the low-income housing tax credit program as the general partner of tax credit partnerships. The Housing Authority also has a staffing services agreement with ICD for an annual fee of \$100,000.

In 2015 and 2016, the Board approved pre-development loans (total amount \$3 million) to ICD to meet the project costs of the three projects actively under development. These include

- \$1m for 2437 Eagle Avenue
- \$1m for Del Monte Senior
- \$1m for Rosefield Village

The funds have been advanced, are secured by Promissory notes and are held in ICD checking accounts or (if large amounts) are held in LAIF.

DISCUSSION

Project Activity

In 2016 staff actively managed all three of the referenced projects. At Rosefield Village, engineering and architectural services were contracted and an application for bond financing was completed. At 2437 Eagle Avenue, two applications for 9% tax credits were prepared and a preliminary credit reservation was allocated in September. In December 2016, the Del Monte project closed construction financing.

For most major projects, staff estimates that \$1million will be utilized during the pre-development period to prepare for the construction close. The actual Del Monte project

costs prior to closing were \$947,862. The tables below show the 2016 beginning and year-end balances for each of the three projects.

Eagle Family	
2015 Activity	
1,000,000	AHA Loan (April 2015)
(10,822)	Expenses
<u>(233,326)</u>	Predevelopment Costs
755,852	2015 Balance
2016 Activity	
755,852	2015 Balance
<u>(634,004)</u>	Predevelopment Costs
121,848	2016 Balance

Del Monte Senior	
2015 Activity	
1,000,000	AHA Loan (July 2015)
<u>(233,326)</u>	Predevelopment Costs
766,674	2015 Balance
2016 Activity	
766,674	2015 Balance
(714,536)	Predevelopment Costs
<u>750,619</u>	Predevelopment Reimbursement
802,757	2016 Balance

Rosefield Village	
2015 Activity	
1,000,000	AHA Loan (November 2015)
(850)	Expenses
<u>(3,900)</u>	Predevelopment Costs
995,250	2015 Balance
2016 Activity	
995,250	2015 Balance
<u>(155,041)</u>	Predevelopment Costs
840,209	2016 Balance

After the December closing, there were some remaining pre-development invoices for Del Monte that were submitted in January and were reimbursed by bank-held loan funds in February. The February reimbursement makes it possible for ICD to now repay the \$1 million Housing Authority loan in full. The repaid funds will be returned to the same Housing Authority account from which the loan was made. The funds will be repaid on or around April 1, 2017.

Other Financial Activity

Administrative costs incurred by ICD include the \$100,000 annual staffing fee paid to AHA, bank charges, financial reporting and audit costs and minor office expenses. When developer fees are earned, the fees are expected to be adequate to cover all of these expenses. In 2017 ICD will earn \$100,000 in developer fee through the Stargell Commons project, \$240,000 through the Del Monte project and a fee will also be earned through the 2437 Eagle Avenue project if it successfully closes in June.

During the development period (post-close), projects may incur occasional costs that must be paid prior to the next bank draw. At Del Monte, for example, deposit fees are due to PGE for gas service. If the invoice is included in the next draw request, it could create a project delay. Thus, staff is now requesting a new loan from AHA to ICD that will provide funds needed to meet short-term cash needs of the projects in development.

FISCAL IMPACT

In general, when funds are used for project costs they will be reimbursed at the next project draw. This will make the funds available to revolve and the intent is that these same funds may be used as needed for different ICD projects.

Another relevant point is that some pre-development costs may need to be expensed and will not be reimbursed. For example, at 2437 Eagle Ave. the Board requested architectural renderings from three different firms before an architect was selected. The cost of the work performed by the non-selected firms is not a project eligible cost. In the tables above, these types of costs are shown as "expenses".

RECOMMENDATION

Staff requests the Board to accept the 2016 ICD report of financial activity and to approve a loan from AHA to ICD in the amount of \$250,000 to be used for operating capital. Funds will be drawn from the Housing Successor account.

Respectfully submitted,



Vanessa M. Cooper
Executive Director

VMC:vj

To: Board of Directors
Island City Development

From: Victoria Johnson
Director of Housing and Community Development

Date: April 27, 2017

Re: Approve Operating Capital Loan from the Housing Authority

BACKGROUND

In 2014 Island City Development (ICD) was incorporated to serve as the non-profit real estate development affiliate of the Housing Authority. The Housing Authority has a staffing services agreement with ICD for an annual fee of \$100,000. In this capacity, ICD is serving as the professional development company for new construction and rehabilitation projects. Most recently, this includes the new Del Monte Senior Housing project and the Everett and Eagle Family Housing project. In addition, ICD is analyzing the feasibility of redevelopment of the Rosefield property. All three of these active projects have an executed Predevelopment Promissory Note of \$1 M each to cover costs associate with predevelopment activities. Predevelopment activities include, but are not limited to architecture and engineering, environmental review, market and rent studies, permits, and other due diligence costs.

The predevelopment funds have been advanced to ICD on behalf of the project and will be repaid from the project proceeds when the construction financing closes. The Del Monte project, for example, closed on the construction financing in December and has paid back the predevelopment loan from AHA. All future costs incurred for Del Monte are paid from the construction financing through a monthly draw process.

DISCUSSION

In addition to project specific costs carried under the predevelopment loans, ICD incurs administrative costs, costs associated with the feasibility of new projects, and short term costs associated with the above projects in-between the monthly construction draw cycle. Administrative costs incurred by ICD include the \$100,000 annual staffing fee paid to AHA, bank charges, financial reporting and audit costs and minor office expenses.

When developer fees are earned, the fees are expected to be adequate to cover all of these expenses. In 2017 ICD will earn \$100,000 in developer fee from the Stargell Commons project, \$240,000 from the Del Monte project and approximately \$80,000 fee from the Everett and Eagle Avenue project. However, until these fees are earned, there is a short term cash shortfall. Therefore, staff is now requesting a new loan from AHA to ICD that will provide funds needed to meet short-term cash needs. This "operating

capital" loan, has been approved by the Housing Authority with a five (5) year term at 3% simple interest.

FISCAL IMPACT

In general, when funds are used for project costs they will be reimbursed at the next construction draw cycle. Additionally, for feasibility project costs, the funds will be reimbursed when predevelopment financing is secured for the project. This will make the funds available to revolve and the intent is that these same funds may be used as needed for different ICD projects. For administrative costs, the fund expended will be reimbursed when developer fee is earned.

RECOMMENDATION

Staff requests the Board to approve the loan from AHA to ICD in the amount of \$250,000 to be used for operating capital. The proposed Promissory Note is attached for reference.

Respectfully submitted,



Victoria Johnson
Director of Housing and Community Development

UNSECURED, RECOURSE PROMISSORY NOTE
(this "Note")

\$250,000

Alameda, California
April __, 2017

FOR VALUE RECEIVED, Island City Development, a California nonprofit public benefit corporation ("**Borrower**"), with its principal place of business at 701 Atlantic Avenue, Alameda, CA 94501, promises to pay to the Housing Authority of the City of Alameda, a public body corporate and politic ("**Lender**"), with its principal place of business at 701 Atlantic Avenue, Alameda, CA 94501, the principal sum of Two Hundred Fifty Thousand dollars (\$250,000.00).

1. **Repayment Terms.** The indebtedness evidenced by this Note shall bear simple interest at the rate of 3% per annum, beginning on July 1, 2017. On June 30, 2022 (the "**Maturity Date**"), the entire amount of outstanding principal and accrued interest not theretofore paid shall be due and payable.

2. **Prepayment.** Borrower shall have the right to prepay all or a portion of the principal due under this Note without any charge or penalty being made therefor.

3. **Uses.** Borrower shall use the proceeds of this Note for the purpose of predevelopment, development and related costs in connection with any of the projects in the development pipeline. The proceeds can be used as operating capital for short term project needs until a permanent project source is identified.

4. **No Offset.** Borrower hereby waives any rights of offset it now has or may hereafter have against Lender, its successors and assigns, and agrees to make the payments called for herein in accordance with the terms of this Note.

5. **Waiver; Attorneys' Fees.** Borrower and any endorsers or guarantors of this Note, for themselves, their heirs, legal representatives, successors and assigns, respectively, and severally waive diligence, presentment, protest, and demand, and notice of protest, dishonor and non-payment of this Note, and expressly waive any rights to be released by reason of any extension of time or change in terms of payment, or change, alteration or release of any security given for the payments hereof, and expressly waive the right to plead any and all statutes of limitations as a defense to any demand on this Note or agreement to pay the same, and jointly and severally agree to pay all costs of collection when incurred, including reasonable attorneys' fees. If an action is instituted on this Note, the undersigned promises to pay, in addition to the costs and disbursements allowed by law, such sum as a court may adjudge reasonable as attorneys' fees in such action.

6. **Manner and Place of Payment.** All payments of principal and interest due under this Note shall be payable in lawful money of the United States of America at the office of Lender or at such other address as Lender may in writing provide to Borrower.

7. **Unsecured.** This Note is not secured by any property

8. **Recourse.** The obligations evidenced by this Note shall be recourse to Borrower.

9. **Borrower's Cure Rights.** Notwithstanding anything to the contrary in this Note, Borrower shall have the right to cure any defaults and Lender agrees to accept cures tendered by Borrower within sixty (60) days of written notice to Borrower of such default, plus such additional time as is reasonably necessary to cure the default provided Borrower has commenced the cure within such sixty (60) day period and is diligently prosecuting the cure.

10. **Default.**

(a) **Events of Default.** Borrower shall be in default under this Note upon the occurrence of any of the following events or conditions:

(i) **Non Payment.** Failure by Borrower to make due and punctual payments of any and all amounts due under this Note, following any notice and cure periods;

(ii) **Noncompliance With Other Obligations.** Failure by Borrower to comply with or perform any of the other terms, covenants and conditions of, or the occurrence of an event or condition of default under this Note, following any notice and cure periods;

(b) **Default; Acceleration.** Upon any default or event of default under this Note, then, or at any time thereafter, the whole of the unpaid principal hereof, together with accrued and outstanding additional interest at a rate of 2% of the outstanding unpaid principal balance (the "**Additional Interest**"), at the election of Lender and without notice of such election, shall become immediately due and payable.

(c) **Additional Interest.** Borrower recognizes and acknowledges that any default on any payment, or portion thereof, due hereunder will result in losses and additional expenses to Lender. Borrower further acknowledges that in the event of any such default, Lender would be entitled to damages for the detriment proximately caused thereby, but that it would be extremely difficult and impractical to ascertain the extent of or compute such damages. Therefore, if for any reason Borrower fails to make any payment hereunder when the same is due, then each such delinquent payment shall also be subject to a late fee (the "**Late Fee**") in an amount equal to four percent (4%) of the amount delinquent regardless of whether or not there has been an acceleration of the indebtedness under this Note. Borrower acknowledges that the Late Fee agreed to hereunder represents the reasonable estimate of those damages which would be incurred by Lender, and a fair return to Lender for the loss of the use of the funds not timely received from Borrower, on account of a default by Borrower as herein specified, established by Borrower and Lender through good faith consideration of the facts and circumstances surrounding the transaction contemplated under this Note as of the date hereof, but that such Late Fee is in addition to, and not in lieu of, any other right or remedy available to Lender as specified in this Note. Notwithstanding anything to the contrary contained in this Section 9(c), if any federal or state law applicable pursuant to Section 11 below limits the rate of the Late Fee that may be charged to a rate less than the rate herein specified, then the maximum charge or rate

permitted by such law shall be charged by Lender for purposes of this Section 9(c).

(d) Collection and Enforcement Costs. Borrower, and all other persons or entities who are, or may become liable on the indebtedness evidenced by this Note, agree jointly and severally, to pay all costs of collection, including reasonable attorneys' fees and all costs of any action or proceeding, in case the unpaid principal sum of this Note, or any payment of Additional Interest or principal, is not paid when due, or in case it becomes necessary to enforce any other obligation of Borrower hereunder.

(e) Waivers. Borrower, and all other persons or entities who are, or may become, liable for all or any part of this indebtedness, jointly and severally, waive diligence, presentment, protest and demand, notice of protest, of demand, of nonpayment, of dishonor and of maturity and agree that time is of the essence of every provision hereof.

11. Notice. All notices required under this Note shall be in writing (sent to the address set forth above in the introduction or such other address designated in a written notice given in a manner provided herein) and sent by a reputable courier, first class mail or hand delivery.

12. Interest Rate Limitation. Notwithstanding any provision herein, total liability for payments in the nature of Additional Interest hereunder shall not exceed limits imposed by the usury laws of the State of California or any other applicable law. None of the terms and provisions contained in this Note shall ever be construed to create a contract for the use, forbearance or detention of money requiring payment of Interest at a rate in excess of the maximum interest rate permitted to be charged by applicable law. Borrower shall never be required to pay interest on this Note at a rate in excess of the maximum interest that may be lawfully charged under such usury laws, as any such right or remedy shall not be construed as a waiver or release of such rights or remedies, or the right to exercise them at any later time. If Lender collects monies which are deemed to constitute Interest which would otherwise increase the interest rate on this Note to a rate in excess of that permitted to be charged by such usury laws, all such sums deemed to constitute interest in excess of the maximum rate shall, at the option of Lender, either be credited to the payment of principal (if allowed by law) or returned to Borrower.

13. Assignment. Lender shall not sell or assign this Note without the consent of Borrower and the Limited Partner.

14. Governing Law. The provisions of this Note shall be governed by and construed in accordance with the laws of the State of California.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Borrower has executed this Note as of the date and year first **written above.**

Borrower:

Island City Development,
a California nonprofit public benefit corporation

By: _____

Name: Vanessa Cooper

Title: President

To: Board of Directors
Island City Development

From: Victoria Johnson
Director of Housing and Community Development

Date: April 27, 2017

Re: 2437 Eagle Avenue Project Update; Accept a New \$1m Loan from Alameda County A-1 Bond Funds, Accept a New \$1.5m Bridge Loan from Housing Authority, Approve Increase in Contract Amount for Architectural & Engineering Services from \$650,000 to \$700,000 and Authorize the Board President to Execute Related Documents **(Action)**

BACKGROUND

On September 8, 2016 the California Tax Credit Allocation Committee (TCAC) approved a preliminary reservation of 9% low-income housing tax credits for the development of 2437 Eagle Ave. The Eagle Ave. project includes 20 family units (one, two and three-bedroom), including one manager's unit and common area amenities. The project architect is Anne Phillips Architecture and the financial consultant is Community Economics. The construction plans have been reviewed by the City and the permits will be issued in April. Staff selected JH Fitzmaurice as the general contractor. Also, staff applied for five project-based VASH vouchers on behalf of the project and these were awarded in March.

The ICD Board has previously granted the approvals needed to form the Limited Partnership and LLC entities necessary to proceed and has authorized the Board President to execute related documents. The Board has also accepted a \$1m loan from the Housing Authority for pre-development expenses. The total development cost will be approximately \$13.8 million.

DISCUSSION

Architectural Design Services:

Staff had initially (in 2014) estimated total design contract costs based on an estimated construction value of \$8m. The initial design contract was for \$550,000 with a \$50,000 contingency allowance. In 2015 and 2016 the architect revised the plans in response to the City entitlement process, and more recently the designer has been asked to make changes based on GC input to reduce construction costs. The 2017 construction cost (approx. \$10.4m) is 25% higher than initially projected. Two prior change orders have been approved, and the current contract amount is \$650,000. Staff is now requesting an increase in contract authority from \$650,000 to \$700,000.

Additional Project Funding:

Staff issued a solicitation for lender and investor partners in September and received multiple responses. Then, following the November election, all investors withdrew their

offers. This circumstance is a state-wide and national crisis for the tax-credit program caused by the federal administration's stated goals for corporate tax reform. In December, and in response to this issue, the California Tax Credit Allocation Committee granted a blanket extension to the deadlines to close construction financing and to meet the readiness deadline. The original March deadline was extended to June 2017. This means that the closing date must occur by June 30, 2017. The construction completion and occupancy dates are unchanged and must occur by the end of 2018.

Staff republished the invitation for lender and investor in January and three responses were received from potential lenders and two from potential investors. While interest rates have increased modestly in the last few months, the tax credit market pricing has declined significantly. In October, price offers ranged from \$1.06 to \$1.11 per dollar of tax credit. In January, the price offers were between .93 and .97. Also, the terms offered were somewhat more stringent, such as additional reserve requirements and proposed downward adjusters that could result in money owed to the investor if the marginal tax rate is lower than initially expected.

Staff worked with Elissa Dennis at Community Economics and Tuan Pham at Downs, Pham and Kuei LLP to review the proposals and to select Chase Bank for the construction and permanent loans and Enterprise Community Investment for equity investor. The Enterprise tax credit price will be 93.75 cents and the Chase loan terms are expected to include a construction rate around 2.5% and 15 year fully amortizing term loan with an interest rate of approximately 5.5%. Enterprise will not require a downward adjuster but will allow an upward adjuster if corporate tax rates are not reduced to 20%.

The reduced credit pricing created a funding gap of over \$1.6 million. Staff worked with both Alameda County and the City to identify additional soft funds and has successfully obtained commitments of \$1 million in County housing bond funds and approximately \$700,000 additional Successor Agency (ROPS) funds (FY 17-18). HOME funds in the amount of \$149,000 are also expected to be available (pending approval of the federal budget).

Chart on next page

SOURCES (rounded)		USES	
Tax Credit Equity	\$7,476,000	Acquisition (Ground Lease)	\$1,000
Permanent Loan	\$2,272,000	Construction (hard) Costs	\$10,455,000
Housing Authority Loan	\$2,300,000	Permits and Fees	\$428,000
City of Alameda Successor Agency Funds	\$1,400,000	Soft Costs	\$2,064,000
Alameda County A-1 Bond	\$1,000,000	Reserve Deposits	\$875,000
City of Alameda HOME	\$149,000	Developer Fee	\$775,000
General Partner	\$1,000		
TOTAL	\$14,598,000		\$14,598,000

The County funds will be contributed as permanent financing and ROPS funds will be available after the start of July 1, 2017 fiscal year. The Housing Authority Board has agreed to bridge the funds needed to close with a short-term \$1.5m loan. These funds will be utilized as needed to meet project costs until the County and ROPS funds are accessed. The funds will be loaned by the Housing Authority to ICD or to the tax credit partnership (Eagle & Everett LP). This request is to accept a loan in the amount of \$1.5 in funds for a period of up to 24 months, or through conversion to permanent financing. Staff will return to Board prior to close with a request to approve the final deal terms including the necessary guarantees.

FINANCIAL IMPACT

The AHA bridge loan will be repaid in full by Alameda County bond loan proceeds and the ROPS grant funds.

As project developer, ICD will be eligible to earn a development fee of \$775,000.

RECOMMENDATION

Approve and increase in the contract amount for architectural and engineering services from \$650,000 to \$700,000 and authorize the Board president to execute related documents.

Accept a Housing Authority bridge loan of up to \$1.5 million and for a term of up to 24 month on behalf of the 2437 Eagle Avenue project and authorize the Board president or designee to execute related documents.

Respectfully submitted, 
Victoria Johnson
Director of Housing and Community Development