



ISLAND CITY DEVELOPMENT AGENDA

AGENDA
DATE & TIME

REGULAR MEETING OF ISLAND CITY DEVELOPMENT
Wednesday, May 25, 2022 - 2:30 PM

LOCATION

Independence Plaza Conference Room at 703 Atlantic Ave, Alameda, CA 94501

PUBLIC PARTICIPATION

1. CALL TO ORDER & ROLL CALL
2. PUBLIC COMMENT (Non-Agenda)
3. CONSENT CALENDAR (Action)
 - A. Approve April 20 2022 ICD Minutes
 - B. Approve Amended and Restated ICD Bylaws and Accept Names for Appointee to the ICD Board.
 - C. Approve the Sixth Amendment to the Consultant Services Agreement dated 4/15/15 between Island City Development and the Housing Authority of the City of Alameda
 - D. Accept the LIHTC Portfolio Asset Management Fiscal Year to Date Financial Report through the Month of March 2022.
 - E. Accept the 2021 Audited Financial Statement of Low-Income Housing Tax Credit Partnership - Stargell Commons, L.P.
 - F. Authorize the President, or her Designee, to Negotiate a Contract Amendment with the Dahlin Group, Inc. for an Amount not to exceed \$10,000 for Additional Design Services at Rosefield Village and in addition, to Negotiate up to an Additional \$10,000 for Contingency.
4. NEW BUSINESS
 - A. Discussion and Possible Adoption of Resolution 2022-10 of the Board of Directors of Island City Development Ratifying the Proclamation of a State of Emergency by the Governor of the State of California on March 4, 2021, and Making Findings Authorizing Continued Remote Teleconference Meetings of the Board of Directors Pursuant to Brown Act Provisions, as amended by Assembly Bill No. 361.
 - B. Adopt Resolution 2022-11 to Accept AHA Loans and Options to Island City Development a) Up to \$8 million for an adaptive reuse acquisition



and an Option to Ground Lease to Island City Development, b) Up to \$4.4 million for 2615 Eagle Avenue and an Option to Ground Lease to Island City Development, c) Up to \$3 million for North Housing PSH I, d) Up to \$1.5 million for North Housing PSH II, e) Up to \$4.538 million for North Housing Senior to Island City Development and authorize the Executive Director or her designee to sign options to ground lease and award letters and to submit to State of California funding applications

C. Authorize the Creation of Two Limited Partnerships and/or Two Limited Liability Company Entities for Tilden Commons and an Acquisition Adaptive Reuse Project

5. NON-AGENDA (Public Comment)
6. WRITTEN COMMUNICATIONS
7. ORAL COMMUNICATIONS – BOARD MEMBERS AND STAFF
8. ADJOURNMENT

NOTES:

- If you need special assistance to participate in the meetings of the Island City Development Board of Directors, please contact Jocelyn Layte at (510) 747-4349 (TTY/TRS: 711) or jlayte@alamedahsg.org. Notification 48 hours prior to the meeting will enable the Island City Development Board of Directors to make reasonable arrangements to ensure accessibility.
- Documents related to this agenda are available for public inspection and copying at the Office of the Housing Authority, 701 Atlantic Avenue, during normal business hours.
- Know Your RIGHTS Under The Ralph M. Brown Act: Government's duty is to serve the public, reaching its decisions in full view of the public. The Board of Directors exists to conduct the business of its constituents. Deliberations are conducted before the people and are open for the people's review. In order to assist Island City Development'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 Island City Development 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.



MIUNTES – DRAFT UNTIL APPROVED
ISLAND CITY DEVELOPMENT
SPECIAL MEETING, APRIL 20, 2022
VIA RING CENTRAL

1. CALL TO ORDER & ROLL CALL

President Cooper called the meeting to order at 7:09 PM. The following Board members were present: Director Vanessa Cooper, Director Janet Basta; Director Grob, absent; quorum established. Staff in attendance: Sylvia Martinez, Tony Weng, Allyson Ujimori, Jocelyn Layte, Stephanie Shipe, Cheley Quiambao, Janet Lee

2. PUBLIC COMMENT (Non-Agenda)

3. CONSENT CALENDAR (Action)

- A. Approve the ICD Meeting Minutes for March 16 th and 30th of 2022
- B. Approve the Sixth Amendment to the Dahlin Group Contract Services Agreement.
- C. Accept the 2021 Audited Financial Statement of Low-income Housing Tax Credit Partnerships
- D. Ratify and Adopt the Amended and Restated Bylaws

No comments or questions on consent items. Director Basta motioned, Director Cooper seconded, and a roll call vote was held. Director Basta: Yes, Director Cooper: Yes. Motion passes unanimously.

4. NEW BUSINESS

- A. Discussion and Possible Adoption of Resolution of the Board of Directors of Island City Development Ratifying the Proclamation of a State of Emergency by the Governor of the State of California on March 4, 2021, and Making Findings Authorizing Continued Remote Teleconference

No questions or discussion. Director Basta motioned, Director Cooper Seconded, a roll call vote was held. Director Basta: Yes, Director Cooper: Yes. Motion passed unanimously.

- B. Approve Resolution 2022-07 Accepting a Loan in the Amount of up to \$3,000,000 from AHA to ICD for 2615 Eagle Avenue; Approve an Option to Ground Lease, and Authorize the President or Designee to Negotiate and Execute the Loan and Option Agreement

Staff T. Weng provided an overview and explained that this should be a conditional approval that will be in full effect once the Housing Authority Board of Commissioners passed the motion during their May 2022 meeting. Director Cooper commented that these would be contingent upon approval of the AHA Board of Commissioners approval and noted staff will want to explain 5% fee and its relationship to third party funders.



Director Basta motioned with contingency language, Director Cooper Seconded, and a roll call vote was held. Director Basta: yes, Director Cooper: yes, Motion passed unanimously.

C. Approve Resolution 2022-08 Accepting a Loan in the Amount of up to \$3,500,000 from AHA to ICD for North Housing Senior, and Authorize the President or Designee to Negotiate and Execute the Loan Documents

No questions or discussion. Director Basta motioned with contingency language, Director Cooper Seconded, and a roll call vote was held. Director Basta: Yes, Director Cooper: Yes. Motion passed unanimously.

D. Approve Resolution 2022-09 accepting a Loan in the Amount of up to \$2,500,000 from AHA to ICD for North Housing PSH I, and Authorize the President or Designee to Negotiate and Execute the Loan Documents

No questions or discussion. Director Basta motioned with contingency language, Director Cooper Seconded, and a roll call vote was held. Director Basta: Yes, Director Cooper: Yes. Motion passed unanimously.

E. Accept the North Housing Project Update Report, Authorize the President, or designee to negotiate and sign the Legal Service Contracts With CMPR, Approve and Ratify the Executed CMPR Contract for Legal Services

Staff T. Weng Shared pictures and report of the North Housing Block A development. Director Cooper expressed excitement on getting to this stage in the development process. Director Basta thanked staff for the update and visuals. Director Basta motioned, Director Cooper seconded, and roll call vote was held. Director Basta: Yes, Director Cooper: Yes. Motion passed unanimously.

- 5. NON-AGENDA (Public Comment) (none)
- 6. WRITTEN COMMUNICATIONS (none)
- 7. ORAL COMMUNICATIONS – BOARD MEMBERS AND STAFF
- 8. ADJOURNMENT

Director Cooper adjourned the meeting at 7:24 PM.





ISLAND CITY DEVELOPMENT

Fax (510) 522-7848 | TTY/TRS 711

To: Board of Directors
Island City Development

From: Sylvia Martinez, Director of Housing Development

Date: May 25, 2022

Re: Approve Amended and Restated ICD Bylaws and Accept Names for Appointee to the ICD Board.

BACKGROUND

Island City Development (ICD) is a non-profit public benefit corporation affiliated with the Housing Authority of the City of Alameda. The Corporation's sole activity is to benefit and support the mission of the Housing Authority and the City of Alameda (Housing Authority). ICD achieves its charitable purposes by developing housing for low-income households.

ICD was incorporated in 2014 to increase the role the Housing Authority plays in affordable housing development in the City of Alameda. The ICD Board of Directors is made up of the Housing Authority Executive Director, a current Housing Authority Commissioner, and a current or past employee of the Housing Authority.

DISCUSSION

As the development arm of the Housing Authority, ICD is frequently the applicant, or sponsor on applications for public and private sources of funds. In a recent application to the City of Alameda for HOME/CDBG funds, staff noted a requirement that the Board of Directors of the nonprofit sponsor meet at least quarterly. Currently, the ICD bylaws call for meetings at least twice a year (although in the past few years it has met significantly more often). To conform with the funding requirement, staff proposes that ICD amend and restate its bylaws to allow for a requirement to meet quarterly.

A related change is to update the timing of the Annual report. As currently written, it should be provided at the first regular meeting of the fiscal year. The move to quarterly meetings adds to the regular meeting schedule. The ICD audit is typically approved in November, so the annual report should be provided within 12 months of the fiscal year end. This change conforms to current practice.

A redlined version of the proposed amended bylaws is included for review. The ICD Board will ratify the proposed changes to the bylaws to be effective after receipt of written approval from the Housing Authority Board of Commissioners via approved minutes. The Board is also asked to propose names for the Board appointee to start on the ICD Board effective July 1, 2022.



FISCAL IMPACT

None.

CEQA

Not applicable.

RECOMMENDATION

Approve Amended and Restated ICD Bylaws and Accept Names for Appointee to the ICD Board.

ATTACHMENTS

1. Attach 1 Draft ICD Amended and Restated Bylaws

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Sylvia Martinez', with a stylized flourish at the end.

Sylvia Martinez, Director of Housing Development

DRAFT

Formatted: Right

AMENDED AND RESTATED
BYLAWS OF
ISLAND CITY DEVELOPMENT
A California Nonprofit Public Benefit Corporation

Formatted: Right: 0.72"

Formatted: Indent: Left: 0.5", Right: 0.72"

ARTICLE 1.
NAME

Section 1.1 Name. The name of this Corporation is Island City Development (the "Corporation").

ARTICLE 2.
OFFICE

Section 2.1 Principal Office. The principal office for the transaction of affairs and activities of the Corporation is located at 701 Atlantic Avenue, Alameda, CA 94501. The Board of Directors of the Corporation (the "Board") may change the principal office from one location to another. Any change shall be noted on these Bylaws, or this section may be amended to state the new location.

Section 2.2 Other Offices. The Board may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to conduct its activities

ARTICLE 3.

Section 3.1 Supporting Organization Under IRC §509(a)(3). This Corporation has been organized and shall operate exclusively to support the Housing Authority of the City of Alameda ("HACA" or "AHA") and shall be operated in connection with that organization as specified in Internal Revenue Code §509(a)(3). If AHA (1) shall cease to be an organization described in Internal Revenue Code §170(b)(1)(A)(iv), §501(c)(3) and §509(a)(1) or §509(a)(2), or (2) shall substantially abandon the charitable purposes that this Corporation is organized to support, the directors shall designate a publicly supported charitable organization as described in Internal Revenue Code §170(b)(1)(A)(iv), §501(c)(3) and §509(a)(1) or §509(a)(2), in substitution for AHA, for purposes of Article 2 of the Articles of Incorporation.

ARTICLE 4.
MEMBERS

Section 4.1 Members. This Corporation shall have no members.

ARTICLE 5.
DIRECTORS

Section 5.1 Powers. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law and any other applicable laws, all powers and

activities of the Corporation shall be exercised directly by or under the ultimate direction of the Board.

Section 5.2 Borrowing: Funds. The Board shall have the power to borrow money and incur indebtedness on the Corporation's behalf and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidence of debt and securities.

Section 5.3 Number of Directors. The number of directors shall be three (3) unless a greater or lesser number is authorized by the Executive Director of AHA.

Section 5.4 Compensation and Reimbursement of Directors. The directors shall serve without compensation though they may be reimbursed for their expenditure of monies on behalf of the Corporation.

Section 5.5 Restriction on interested Persons as Directors. No more than forty-nine percent (49%) of the persons serving on the Board of Directors may be interested persons. An interested person is (a) any person compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, and (b) father, mother, parent, son, daughter, child, brother, sister, sibling, uncle, aunt, first cousin, nephew, niece, husband, wife, registered domestic partner, spouse, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, other relation by marriage, half-brother, half-sister, descendant or his/her partner of such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the Corporation.

Section 5.6 Appointment and Qualification of Directors. Subject to Sections 5.9 and 5.10 below and as set forth below, the initial directors shall be appointed by the AHA's Board of Commissioners, and all subsequent directors shall be appointed by the Executive Director of AHA. The Executive Director of AHA shall appoint directors meeting the following criteria. (each a "Designated Director"):

- (a) A current Housing Authority of the City of Alameda Commissioner.
- (b) The Current Executive Director of the Housing Authority of the City of Alameda, and
- (c) A current or past employee of the Housing Authority of the City of Alameda

If a Designated Director (except a director described in (c) above) ceases to be an employee or Commissioner of AHA or, as applicable, a member of the executive cabinet of AHA such person shall automatically cease to be a director of the Corporation. If one or more Designated Director positions shall cease to exist (such as by reorganization of AHA or

otherwise), the Executive Director of AHA shall designate one or more new Designated Director positions, as needed, and shall appoint directors to those positions. If there shall cease to be either an acting or permanent Executive Director of AHA, the duties and powers of the Executive Director of AHA under these Bylaws shall be exercised by the Board of AHA.

Section 5.7 Term. The initial directors of the Corporation shall serve for a term beginning on the date on which the Articles of Incorporation of the Corporation are filed with the Secretary of State and ending two (2) years from the date of filing. At such time and thereafter, the Executive Director of AHA shall appoint successor directors to serve as directors of the Board for a term of two (2) years.

Section 5.8 Vacancies on the Board. A vacancy shall be deemed to exist in the event that the actual number of directors is less than the authorized number for any reason.

Section 5.9 Removal of Directors. The Executive Director of AHA may remove any director with or without cause.

Section 5.10 Resignations of Directors. Except as provided below, any director may resign by giving written notice to the president or secretary of the Board. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. Except on notice to the Attorney General of California, no director may resign if the Corporation would be left without a duly elected director or directors.

Section 5.11 Filling Vacancies. Vacancies shall be filled as provided for in Section 5.6.

Section 5.12 Meetings of the Directors. Regular meetings shall be held at least ~~quarterly~~ ~~twice a year~~ at such time and place as shall from time to time be fixed by the directors for the purpose of organization, election of officers and the transaction of other business.

Section 5.13 Meetings by Telecommunication. Any Board meeting may be held by conference telephone, video screen communication, or other communications equipment. Participation in a meeting under this Section shall constitute presence in person at the meeting if both the following apply:

- (1) Each member participating in the meeting can communicate concurrently with all other members.
- (2) All persons participating in the meeting can hear one another.
- (3) Each member is provided the means of participating in all matters

before the Board, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation.

Section 5.14 Special Meetings. Special meetings of the Board for any purpose may be called at any time by the president or only two (2) directors.

Section 5.15 Director Voting. Each director shall have one vote on each matter presented to the Board of Directors for action. No director may vote by proxy.

Section 5.16 Notice. Subject to public law requirements, notice of regular and special meetings shall be given to each director not less than four (4) days prior to the meeting if delivered by first class mail or not less than seventy-two (72) hours prior to the meeting if the notice is delivered (1) personally, (2) by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, or by electronic transmission, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; (3) by facsimile; (4) by electronic mail; or (5) by other electronic means. All such notices shall be given or sent to the director's address, telephone number, facsimile number or electronic mail address as shown on the Corporation's records. The notice must state the date and time of the meeting and the place of the meeting if it is other than the principal office of the Corporation. When required, public notice of a meeting shall be posted pursuant to Government Code Sections 54950-54963.

Section 5.17 Waiver of Notice. Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.

Section 5.18 Quorum. A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the directors present at a duly held meeting of which a quorum is present shall be the act of the Board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (1) approval of contracts or transactions in which a director has a direct or indirect

financial interest, (2) approval of certain transactions between corporations having common directorships, (3) creation of and appointments to committees of the Board, and (4) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of some directors from that meeting, if any action

taken of decision made is approved by at least a majority of the required quorum for that meeting.

Section 5.19 Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of any adjournment to another time and place shall be given to the directors who were not present at the time of the adjournment.

Section 5.20 Action Without a Meeting. Any action that the Board is required or permitted to take may be taken without a meeting if all members of the Board consent in writing to the action. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All such consents shall be filed with the minutes of the proceedings of the Board.

Section 5.21 Committees of Directors. The Board may, by resolution adopted by a majority of the directors then in office, designate one (1) or more committees, each consisting of two (2) or more directors, to serve at the pleasure of the Board. Appointments to such committees shall be by majority vote of the directors then in office. Any committee, to the extent provided in the resolution, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:

- (a) Fill vacancies on the Board or on any committee;
- (b) Fix compensation of directors for serving on the Board or any committee;
- (c) Amend or repeal bylaws or adopt new bylaws;
- (d) Amend or repeal any resolution of the Board which by its express terms is not so amendable or repealable;
- (e) Appoint any other committees of the Board or the members of these committees; or
- (f) Approve any self-dealing transaction.

Section 5.22 Committee Meetings. Meetings and actions of committees shall be governed by and held and taken in accordance with the provisions of this Article IV concerning meetings of directors, with such changes in the context of these Bylaws as are necessary to substitute the committee and its members for the Board and its members. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board may adopt rules for the governance of any committee not inconsistent with the provisions of Bylaws concerning meetings of directors.

Section 5.23 Standard of Care- General. A director shall perform the duties of a director, including duties as a member of any committee of the Board on which the director may serve, in good faith, in a manner such director believes to be in the best interest of this Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like situation would use under similar circumstances.

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

- (a) One (1) or more officers or employees of the Corporation whom the director believes to be reliable and competent in the matters presented;
- (b) Counsel, independent accountants, or other persons as to matters which the director believes to be within such person's professional or expert competence; or
- (c) A committee of the Board upon which the director does not serve, as to matters within its designated authority, which committee the director believes to merit confidence, so long as in any such case, the director acts in good faith, after reasonable inquiry when the need thereof is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Except in the case of a self-dealing director, as described in Section 5.25 of these Bylaws, a person who performs the duties of a director in accordance with the above shall have no liability based upon any failure or alleged failure to discharge that person's obligations as a director, including, without limiting the generality of the foregoing, any actions or omissions which exceed or defeat a public or charitable purpose to which the Corporation, or assets held by it, are dedicated.

Section 5.24 Standard of Care-Investments. Except with respect to assets held for use or used directly in carrying out this Corporation's charitable activities, in investing, reinvesting, purchasing, acquiring, exchanging, selling and managing this Corporation's investments, the Board shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of this Corporation's capital. The provisions of Section 5.23 of these Bylaws shall apply to this Section.

Section 5.25 Self-Dealing Transactions. Except as provided below, the Board shall not approve a self-dealing transaction. A self-dealing transaction is one in which the Corporation is a party and in which one (1) or more of the directors has a material financial interest as defined in the Corporation's Conflict of Interest policy or if no such policy exists then as it is generally defined, or a transaction between this Corporation and any entity in which one (1) or more of its directors has a material financial interest as defined in

the Corporation's Conflict of Interest policy or if no such policy exists then as it is generally defined. The Board may approve a self-dealing transaction if a majority of the Board, not including the self-interested director, determines that the transaction is fair and reasonable to this Corporation and, after reasonable investigation under the circumstances, determines that it could not have secured a more advantageous arrangement with reasonable effort under the circumstances.

Section 5.26 Inspection. Every director shall, at his or her own expense, have the absolute right at any reasonable time during the business hours of the Corporation to inspect and copy all books, records, and documents, and to inspect the physical properties of this Corporation.

ARTICLE 6. OFFICERS

Section 6.1 Officers of the Corporation. The officers of the Corporation shall be a president, vice-president, and a secretary/treasurer. Each appointed officer shall have the title and authority, hold office for the period, and perform the duties specified in the Bylaws or established by the Board. The Corporation may also have at the Board's discretion, such other officers as may be appointed in accordance with Section 5.3 of these Bylaws. Any number of offices may be held by the same person, except that the secretary/treasurer may not serve concurrently as the president.

Section 6.2 Appointment of Officers. Except as otherwise provided herein, the Board shall designate all officers of the Corporation for terms of two (2) years or until their successors are designated and qualified. Officers of the Corporation shall be the Executive Director of AHA; a current Commissioner of AHA, and a current AHA employee. An officer's term shall be ended and his or her position deemed vacant upon the officer's ceasing to be an Executive Director or Commissioner of AHA.

Section 6.3 Other Officers. The Board may appoint or may authorize the president or other officer, to appoint any other officers that the Corporation may require. Each officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in the Bylaws or determined by the Board.

Section 6.4 Removal of Officers. Any officer may be removed with or without cause by the Board or the Executive Director of AHA at any time.

Section 6.5 Resignation of Officers. Any officer may resign at any time by giving written notice to the president or secretary of the Corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall not affect the rights, if any, of the Corporation under any contract to which the officer is a party.

Section 6.6 Vacancies in Office. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office, provided, however, that vacancies may be filled as they occur.

Section 6.7 Reimbursement of Expenses. The Corporation shall provide reimbursement for monies expended on behalf of the Corporation by its officers.

Section 6.8 President. The president shall serve as the chief executive officer of the Corporation and shall be responsible for conducting the affairs of the Corporation in a manner consistent with the policies and directives of the Board. The president shall preside at meetings of the Board and shall exercise and perform such other powers and duties as may from time to time be assigned to the president by the Board. Subject to the control of the Board, the president shall be the general manager of the Corporation and shall supervise, direct, and control the Corporation's activities, affairs, and officers. The president shall have such other powers and duties as the Board of the Bylaws may require.

Section 6.9 Secretary. The secretary shall have the following duties:

(a) The secretary shall keep, or cause to be kept, at the Corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board and of committees of the Board. The minutes of the meetings shall include the time and place that meeting was held, whether the meeting was annual, regular, or special, and, if special, how authorized and the notice given.

(b) The secretary shall keep or cause to be kept at the Corporation's principal office, a copy of the Articles of Incorporation and Bylaws of the Corporation, as amended to date.

(c) The secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board required by these Bylaws to be given. The secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

Section 6.10 Treasurer. The treasurer shall have the following duties:

(a) The treasurer shall be the chief financial officer of the Corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The treasurer shall send or cause to be given to the directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board. The books of account shall be open to inspection by any director at all reasonable times during the business hours of the Corporation.

(b) The treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate, shall disburse the Corporation's funds as the Board may order, shall render to the president and the Board, when requested, an account of all transactions as treasurer and of the financial condition of the Corporation, and shall have other powers and perform such other duties as the Board or the Bylaws may prescribe.

ARTICLE 7 MISCELLANEOUS

Section 7.1 Fiscal Year. The fiscal year of this Corporation shall be determined by resolution of the Board.

Section 7.2 Corporate Seal. This Corporation may have a seal which shall be specified by resolution of the Board. The seal may be affixed to any corporate instruments, as directed by the Board or any of its officers, but failure to affix it shall not affect the validity of the instrument.

Section 7.3 Contracts. All contracts entered into on behalf of this Corporation must be authorized by the Board, or, where the contract is for less than Two Hundred Fifty Thousand Dollars (\$250,000), by the president

Section 7.4 Execution of Checks. Except as otherwise provided by law, every check, draft, promissory note, money order, or other evidence of indebtedness of the Corporation shall be signed by such individuals as are authorized by the Board.

Section 7.5 Indemnification. This Corporation shall indemnify its directors, officers, employees, and agents, including persons formerly occupying any such position, to the fullest extent permitted by law, against all expenses, judgments, fines and other amounts actually and reasonably incurred by them in connection with any threatened, pending or completed action or proceeding, whether it is civil, criminal, administrative or investigative.

In all cases where indemnification is sought, the Corporation shall be subject to the following restrictions and requirements:

(a) Where the action or proceeding *is* brought on behalf of the Corporation or involves self-dealing transactions, as defined in Section 5.25 of these Bylaws, the Corporation shall not indemnify against amounts paid in settlement or judgment amounts, but shall, upon the express authorization of the Board, indemnify the director, officer, employee or agent against expenses incurred in defense of an action arising from his or her relation to the Corporation. To indemnify in such cases the Board must find the person met the

statutorily prescribed standard of care by acting (1) in good faith, (2) in the best interests of the Corporation, and (3) with the care of an ordinarily prudent person.

(b) Where the person seeking indemnification under this section has been held liable to the Corporation or has settled his or her liability to the Corporation, the Corporation shall not indemnify against expenses without the approval of the court or the Attorney General.

(c) The Board shall determine whether the person seeking indemnification has acted in accordance with the standard of care set forth in subsection (a) of this section by a majority vote of a quorum consisting of disinterested directors. The termination of any proceeding in a manner adverse to the defendant seeking indemnification shall not create a presumption that such person failed to meet the standard of care.

(d) Where the person seeking indemnification has been successful on the merits in defense of any action or proceeding brought on behalf of the Corporation or in defense of any claim or issue involved in such action or proceeding, the Corporation shall indemnify against all expenses actually or reasonably incurred.

(e) The Corporation shall not advance any money to the person seeking indemnification for the purpose of defending against any action or proceeding without the receipt of an undertaking by such person to repay all advances unless it is ultimately determined that he or she is entitled to indemnification.

Section 7.6 Insurance. The Board may adopt a resolution authorizing the purchase of insurance on behalf of any director, officer, employee or agent of this Corporation against any liability asserted against or incurred by the director, officer, employee or agent in such capacity or arising out of the director's, officer's, employee's or agent's status as such, whether or not this corporation would have the power to indemnify the director, officer, employee, or agent against that liability under law; except, the Corporation may not purchase insurance to protect self-- dealing directors (as defined in Section 5.25 of these Bylaws) from liability.

Section 7.7 Annual Report to Directors. The president shall furnish a written report ~~at the first regular meeting of the~~ within twelve (12) months of the fiscal year end to all directors of this Corporation containing the following information:

(a) The assets and liabilities, including the trust funds, of this Corporation as of the end of the fiscal year;

(b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;

(c) The revenue or receipts of this Corporation both unrestricted and restricted for particular purposes, for the fiscal year;

(g) The expenses or disbursements of this Corporation, for both general and restricted purposes during the fiscal year.

(e) An independent accountants' report or, if none, the certificate of an authorized officer of the corporation that such statements were prepared without audit from the corporation's books and records.

The president must furnish a written report to all directors that lists every transaction during the prior fiscal year involving Fifty Thousand Dollars (\$50,000) or more between this Corporation or a subsidiary and any director or officer of this Corporation or a subsidiary. The report must disclose the name of the director or officer and the person's relationship to the Corporation, the nature of such person's interest in the transaction and, where practicable, the amount of such interest. The president must also furnish an annual written report to all directors disclosing the amount and circumstances of any indemnifications or advances aggregating more than Ten Thousand Dollars (\$10,000) paid during the prior fiscal year to any officer or director of the Corporation.

This requirement of an annual report shall not apply if the corporation receives less than \$25,000 in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all directors and to any member who requests it in writing. If the Board approves, the corporation may send the report and any accompanying material sent pursuant to this section by electronic transmission. If a report sent to the Attorney General in compliance with the requirements of Government Code Sections 12580-12599.7 includes the information required on the annual report, then the corporation may furnish a copy of its report to the Attorney General in lieu of the annual report whenever it is required to furnish an annual report.

Section 7.8 Amendment of Bylaws. The Bylaws may be amended or repealed and new Bylaws adopted by the vote of a majority of all the members of the Board, provided that any amendment to the Bylaws must receive the prior written approval of AHA's Board of Commissioners. Such amended or newly adopted Bylaws shall take effect immediately.

Section 7.9 Applicable Law. This Corporation shall be subject to any and all applicable state, federal and local laws, including, but not limited to, such laws as may be applicable as a result of the Corporation's affiliation with AHA.

CERTIFICATION OF SECRETARY

I, the undersigned, do hereby certify:

- (1) That I am the duly elected and acting Secretary of Island City Development, a California nonprofit public benefit Corporation; and
- (2) That the foregoing Bylaws, comprising eleven (11) pages, constitute the Bylaws of such Corporation as adopted by the Incorporator on ~~March 16, 2022~~ ~~October 27, 2014~~, and ratified by the directors of the Corporation at a duly constituted meeting held on ~~December 17, 2014~~ March 16, 2022.

IN WITNESS THEREOF, I have hereunto subscribed my name, this ____ day of _____, 2022.

Janet Basta, Secretary



ISLAND CITY DEVELOPMENT

Fax (510) 522-7848 | TTY/TRS 711

ITEM 3.C

To: Board of Directors
Island City Development

From: Sylvia Martinez, Director of Housing Development

Date: May 25, 2022

Re: Approve the Sixth Amendment to the Consultant Services Agreement dated 4/15/15 between Island City Development and the Housing Authority of the City of Alameda

BACKGROUND

In 2015, a three-year Consultant Services Agreement was signed by and between ICD and AHA for the delivery of real estate development services. The scope and deliverables include the strategy, financing, and implementation of affordable housing development activities such as rehabilitation and new construction. In addition, ICD is asked to provide technical assistance on affordable housing opportunities in the City of Alameda. This contract has been renewed five times, extending the time period and additional fee by one year each time. The Fifth Amendment expires 12/31/2022.

DISCUSSION

ICD continues to be the development arm of the Housing Authority of the City of Alameda and has taken on the financing and development of Littlejohn Commons, Everett Commons, and Rosefield projects in the period from 2015 to the present. The Rosefield project is nearly complete. In addition, ICD has implemented entitlement and predevelopment activities on the North Housing site and plans to continue developing this site in phases. ICD anticipates that it will have four active projects starting in 2022 - three phases of North Housing and the Tilden Commons (2615 Eagle) site. Thus, staff proposes that the fee for staffing services from AHA increase to \$200,000. To support these efforts, staff proposes an extension of the services agreement until 12/31/2024.

FISCAL IMPACT

The AHA fee is typically paid in the second half of the year. In late 2022, ICD will pay AHA a total of \$200,000 per year for staffing services for housing development staff. The funds will come from previous developer fees. Payments of \$200,000 will continue in 2023 and 2024, supported by future developer fees.

CEQA

Not Applicable.

RECOMMENDATION



Approve the Sixth Amendment to the Consultant Services Agreement dated 4/15/15 between Island City Development and the Housing Authority of the City of Alameda.

ATTACHMENTS

1. Att 1 - Amendment 6 to ICD-AHA Services Agreement

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Sylvia Martinez', is written over a faint, illegible stamp or background.

Sylvia Martinez, Director of Housing Development

**SIXTH AMENDMENT TO THE
CONSULTANT SERVICES AGREEMENT
BETWEEN ISLAND CITY DEVELOPMENT AND
THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA**

THIS SIXTH AMENDMENT to the Consultant Services Agreement (the "Agreement"), entered into this 18th day of May 2022, by and between ISLAND CITY DEVELOPMENT, a California nonprofit public benefit corporation ("ICD) and the HOUSING AUTHORITY OF THE CITY OF ALAMEDA a public body corporation ("AHA"), is made with reference to the following:

- A. On April 15, 2015, the Agreement was entered into by and between ICD and AHA for delivery of real estate development services; and
- B. On December 5, 2017, the Agreement was amended to extend the completion date to December 31, 2018
- C. On December 20, 2018, the Agreement was amended to extend the completion date to December 31, 2019.
- D. On November 8, 2019, the Agreement was amended to extend the completion date to December 31, 2020.
- E. On December 16, 2020, the Agreement was amended to extend the completion date to December 31, 2021.
- F. On November 17, 2021, the Agreement was amended to extend the completion date to December 31, 2022.
- G. ICD and AHA desire to extend the term of the contract for one year with an increased annual contract amount of \$200,000 and a completion date of December 31, 2024.
- H. Consultant compensation shall be increased, pursuant to the Agreement, in the amount of \$200,000 annually for calendar years 2022, 2023 and 2024, for a total contract amount not to exceed \$1,200,000.

NOW, THEREFORE, in consideration of the foregoing, it is mutually agreed by and between and undersigned parties that paragraphs 1. TERM and 3. COMPENSATION TO CONSULTANT, shall be replaced in whole with the following paragraphs:

- 1. TERM: The time for Completion set forth in the contract is nine years, ending December 31, 2024, unless terminated earlier as set forth herein.
- 3. COMPENSATION TO CONSULTANT: Consultant shall be compensated for services performed pursuant to this Agreement in the amount of \$200,000 annually, for a contract total not to exceed \$1,200,000. Payment will be made based upon Consultant's submitted and approved invoice.

IN WITNESS WHEREOF, the parties hereto have caused this modification of Agreement to be executed on the day and year first above written.

ISLAND CITY DEVELOPMENT

HOUSING AUTHORITY OF THE CITY OF
ALAMEDA

Vanessa Cooper
President

Vanessa Cooper
Executive Director



ISLAND CITY DEVELOPMENT

Fax (510) 522-7848 | TTY/TRS 711

ITEM 3.D

To: Board of Directors
Island City Development

From: Cheley Quiambao, Asset Manager

Date: May 25, 2022

Re: Accept the LIHTC Portfolio Asset Management Fiscal Year to Date
Financial Report through the Month of March 2022.

BACKGROUND

The portfolio includes seven Low Income Housing Tax Credit (LIHTC) Partnership properties: Breakers at Bayport, Shinsei Gardens, Park Alameda, Jack Capon Villa, Littlejohn Commons, Stargell Commons, and Everett Commons. The projects were built between 2006 and 2018 with a cumulative unit count of 255 units (80% family, 12% senior, and 8% special needs), of which, 50% of the units are supported by a combination of various Section 8 rental subsidy programs (Project Based Voucher, Housing Choice Voucher, and Veterans Affairs Supportive Housing.)

The Housing Authority of the City of Alameda (AHA) owns all the land; thus, all partnerships include a land lease, and AHA's role varies from Co-General Partner (Co-GP), General Partner (GP), and Special Limited Partner. Island City Development (ICD) is the developer for Littlejohn Commons and Everett Commons and co-developer for Stargell Commons.

DISCUSSION

This memo provides an overview of the Low-Income Housing Tax Credit (LIHTC) partnership properties' year- to- date financial report through the month of March 2022. This report tracks performance per the budget and includes achievements, items of note, and upcoming events or changes. Please note the properties' fiscal year end is December, and the figures used in this report may change and not match the audit.

Statements that apply to all properties:

- Operating Revenue - Tenant rent, rental subsidy, vacancy loss, laundry income, and interest on accounts
- Tenant Receivables - Outstanding rent and damages
- Operating Expense - Marketing, administrative, property management fees, salaries and benefits, utilities, operating and maintenance, taxes and insurance, and resident services
- Total Operating Income - Operating Revenue minus Operating Expense
- Total Net Cash Flow - Will be distributed per the waterfall in accordance with the LPA, lender, and regulatory agreements



Breakers at Bayport- 459 Neptune Gardens Avenue

Breakers at Bayport is a 52-unit Low Income Housing Tax Credit (LIHTC) development for families. Resources for Community Development (RCD) is the General Partner (GP) and the Limited Partner (LP). The Housing Authority of the City of Alameda (AHA) owns the land. John Stewart Company (JSCo) provides property management services. Operation Dignity provides resident services. The project was placed in service on March 29, 2006.

Unit matrix: 2Bed- 34 units, 3Bed- 18 units
Section 8 PBV: 20 units
Income and rent limits: 50%-60% AMI

- Operating Revenue is \$272,035, which is 4% (\$9,285) higher than budget
- Occupancy is 98% (1 vacant unit)
- Tenant Receivables are \$22,261 and Subsidy Receivables are \$4,111
- Operating Expenses are \$126,386, which is 10% (\$13,489) lower than budget
- Total Operating Income is \$145,649, which is 19% (\$22,774) higher than budget
- Mandatory hard debt service and reserve deposit requirements are \$45,700 and Debt Service Coverage Ratio is 3.19
- Total Net Cash Flow is \$100,018, which is 30% (\$22,843) higher than budget

Shinsei Gardens- 401 Willie Stargell Avenue

Shinsei Gardens is a 39-unit Low Income Housing Tax Credit (LIHTC) development for families. RCD is the GP, Operation Dignity is the Sp-LP, and National Equity Fund (NEF) is the LP. AHA owns the land, and also holds an Option/ Right of First Refusal. JSCo provides property management services. Operation Dignity also provides resident services. The project was placed in service on September 03, 2009.

Unit matrix: 1Bed- 6 units, 2Bed- 18 units, 3Bed- 12 units, 4Bed- 3 units
Section 8 PBV: 21 units
Income and rent limits: 20%-60% AMI

- Operating Revenue is \$221,455, which is 3% (\$6,444) lower than budget
- Occupancy is 97% (1 vacant unit)
- Tenant Receivables are \$2,695 and Subsidy Receivables are \$28,122. Per RCD, high subsidy receivables are an accounting issue, where funds were received by the property but have not been applied to the appropriate ledgers. RCD is working to make all necessary adjustments to the ledgers.
- Operating Expenses are \$109,954, which is 5% (\$5,450) higher than budget
- Total Operating Income is \$111,502, which is 10% (\$11,895) lower than budget
- Mandatory hard debt service and reserve deposit requirements are \$9,528 and Debt Service Coverage Ratio is 11.66
- Total Net Cash Flow is \$101,939, which is 10% (\$11,929) lower than budget

Park Alameda- 2428 Central Avenue

Park Alameda is a 62-unit Low Income Housing Tax Credit (LIHTC) development for families. RCD is the managing Co-GP, AHA is the Co-GP, and Union Bank (UB) is the LP. AHA also



holds an Option/ Right of First Refusal. JSCo provides property management services. Operation Dignity provides resident services. The project was placed in service on December 27, 2012.

Unit matrix: 0Bed- 61 units, 2Bed- 1 unit
Section 8 PBV: 15 units
Income and rent limits: 50%-120% AMI

- Operating Revenue is \$196,229, which is 1% (\$2,281) higher than budget
- Occupancy is 92% (5 vacant units)
- Tenant Receivables are \$70,051 and Subsidy Receivables are \$43,630
- Operating Expenses are \$147,328, which is 3% (\$4,880) lower than budget
- Total Operating Income is \$48,901, which is 17% (\$7,160) higher than budget
- Mandatory hard debt service and reserve deposit requirements are \$7,982 and Debt Service Coverage Ratio is 6.13
- Total Net Cash Flow is \$40,919, which is 21% (\$7,161) higher than budget

Stargell Commons- 2700 Bette Street

Stargell Commons is a 32-unit Low Income Housing Tax Credit (LIHTC) development for families. RCD is the GP, Wells Fargo Bank (WFB) is the LP, and ICD is the Sp-LP. AHA holds an Option/ Right of First Refusal. JSCo provides property management services. Operation Dignity provides resident services. The project was built in May 2017.

Unit matrix: 1Bed- 5 units, 2Bed- 17 units, 3Bed- 10 units
Section 8 PBV: 7 units
Income and rent limits: 30%-60% AMI

- Operating Revenue is \$140,529, which is 2% (\$2,511) lower than budget
- Occupancy is 97%. (1 vacant unit)
- Tenant Receivables are \$0 and Subsidy Receivables are \$3,110
- Operating Expenses are \$95,663, which is less than 1% (\$384) lower than budget
- Total Operating Income is \$44,866, which is 5% (\$2,127) lower than budget
- Mandatory hard debt service and reserve deposit requirements are \$27,853 and Debt Service Coverage Ratio is 1.61
- Total Net Cash Flow is \$17,013, which is 11% (\$2,123) lower than budget

Jack Capon Villa- 2216 Lincoln Avenue

Jack Capon Villa is a 19-unit Low Income Housing Tax Credit (LIHTC) development for Persons with Developmental Disabilities. Satellite Affordable Housing Associates (SAHA) is the managing Co-GP, AHA is the Co-GP, and Bank of America (BoFA) is the LP. AHA also holds an Option/ Right of First Refusal. SAHA Property Management provides property management services. Housing Consortium East Bay (HCEB) provides resident services. The project was placed in service on January 09, 2014.

Unit matrix: 1Bed- 16 units, 2Bed- 3 units
Section 8 PBV: 19 units
Income and rent limits: 50% AMI



- Operating Revenue is \$116,129, which is 5% (\$5,704) higher than budget
- Occupancy is 100%
- Tenant Receivables are \$961 and Subsidy Receivables are \$16,298
- Operating Expenses are \$88,744, which is 11% (\$11,221) lower than budget
- Total Operating Income is \$27,385, which is 162% (\$16,925) higher than budget
- Mandatory hard debt service and reserve deposit requirements are \$10,010 and Debt Service Coverage Ratio is 2.74
- Total Net Cash Flow is \$17,375, which is 3,761% (\$16,925) higher than budget

Littlejohn Commons- 1301 Buena Vista Avenue

Littlejohn Commons is a 31-unit Low Income Housing Tax Credit (LIHTC) development for Seniors. ICD is the GP and NEF is the LP. ICD also holds an Option/ Right of First Refusal. JSCo provides property management services. LifeSteps provides resident services. The project was placed in service on July 31, 2018.

Unit matrix: 1Bed- 30 units, 2Bed- 1 unit
Section 8 PBV: 25 units
Income and rent limits: 30%-50% AMI

- Operating Revenue is \$158,627, which is 9% (\$14,806) lower than budget due to high vacancy loss
- Occupancy is at 94% (2 vacant units)
- Tenant Receivables are \$18,104 and Subsidy Receivables are \$0
- Operating Expenses are \$87,875, which is 13% (\$10,093) higher than budget due to the sewer service charge invoice from the previous year and mulch for the rainstorm water drain system planter boxes.
- Total Operating Income is \$70,752, which is 26% (\$24,900) lower than budget
- Mandatory hard debt service and reserve deposit requirements are \$63,001 and Debt Service Coverage Ratio is 1.12
- Total Net Cash Flow is \$7,751, which is 76% (\$24,887) lower than budget
- Staff is working with JSCo to reduce variance, maximize revenue, and implement cost-savings strategies.

Everett Commons- 2437 Eagle Avenue

Everett Commons is a 20-unit Low Income Housing Tax Credit (LIHTC) development project for families. ICD is the GP and Enterprise is the LP. ICD also holds an Option/ Right of First Refusal. JSCo provides property management services. LifeSteps provides resident services. The project was placed in service on December 17, 2018.

Unit matrix: 1Bed- 4 units, 2Bed- 11 units, 3Bed- 5 units
Section 8 PBV: 12 units
VASH PBV: 5 units
Income and rent limits: 30%-60% AMI

- Operating Revenue is \$143,908, which is 3% (\$4,038) higher than budget
- Occupancy is 100%



- Tenant Receivables are \$0 and Subsidy Receivables are \$9,278
- Operating Expenses are \$83,243, which is 31% (\$19,864) higher than budget, due to sewer service charges that weren't budgeted, property insurance expenses from the previous year, plumbing expenses (\$8,900) from the previous year, unit replacement (\$4,200), and expenses charged for a different property (\$2,700.) Reclasses will be implemented on the next month's financials which will significantly reduce the variance.
- Total Operating Income is \$60,665, which is 21% (\$15,826) lower than budget
- Mandatory hard debt service and reserve deposit requirements are \$72,088 and Debt Service Coverage Ratio is 0.84
- Total Net Cash Flow is -\$11,423, which is 360% (\$15,819) lower than budget
- Staff is working with JSCo to reduce variance, maximize revenue, implement cost- savings strategies, and improve timely booking and payment of expenses.

Overall, the portfolio is performing strongly and stabilized. All the assets are able to fulfill mandatory hard debt service and deposit reserves with a debt service coverage ratio averaging at 2.16, ranging from 0.84 to 11.66. Also, all assets produce surplus cash/ residual receipts for distribution. Reserve balances are attached.

FISCAL IMPACT

None.

CEQA

N/A

RECOMMENDATION

Accept the LIHTC Portfolio Asset Management Fiscal Year to Date Financial Report through the Month of March 2022.

ATTACHMENTS

1. LIHTC Portfolio Snapshot 0322
2. LIHTC Portfolio Reserves 0322
3. LIHTC Portfolio Asset Management Fiscal Year to Date Report through March 2022

Respectfully submitted,

Cheley Quiambao

Cheley Quiambao, Asset Manager



LIHTC Portfolio Financial Performance
01/22-03/22

	Breakers at Bayport Family 52		Shinsei Gardens Family 39		Park Alameda Family 62		Stargell Commons Family 32		Jack Capon Villa Senior/ Sp 19		Littlejohn Commons Senior 31		Everett Commons Family 20		Portfolio LIHTC 255	
	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals
Rental Revenue	133,221	140,104	89,119	101,321	125,937	125,523	82,322	92,316	21,582	24,678	38,645	44,935	34,128	29,607	524,954	558,484
Subsidy Revenue	133,473	136,427	140,774	128,415	74,379	87,071	61,492	50,619	91,698	93,016	136,298	124,685	105,658	114,300	743,773	734,533
Vacancy Loss	(3,999)	(6,577)	(3,193)	(9,684)	(5,129)	(16,438)	(2,274)	(4,280)	(3,398)	(2,324)	(1,785)	(11,447)	-	-	(19,780)	(50,750)
Other Income	55	2,081	1,200	1,403	(1,238)	73	1,500	1,874	543	759	275	454	84	1	2,419	6,645
Effective Gross Income	\$ 262,750	\$ 272,035	\$ 227,899	\$ 221,455	\$ 193,949	\$ 196,229	\$ 143,040	\$ 140,529	\$ 110,425	\$ 116,129	\$ 173,433	\$ 158,627	\$ 139,870	\$ 143,908	\$ 1,251,366	\$ 1,248,912
Administrative and Marketing	18,078	17,228	17,346	14,914	21,214	28,169	13,208	13,869	15,941	16,976	21,935	19,096	14,451	10,351	122,172	120,604
Property Management Fee	10,920	10,920	8,073	8,073	13,020	13,020	6,720	6,720	3,990	3,990	6,933	6,001	4,186	4,189	53,843	52,913
Payroll, Benefits, Taxes	35,671	31,910	19,015	19,227	45,313	23,474	18,910	19,198	8,763	7,156	15,771	16,831	14,624	10,664	158,066	128,459
Utilities	23,198	24,811	17,033	23,137	18,073	21,769	11,474	12,673	6,043	7,068	5,560	13,619	2,578	7,293	83,960	110,370
Operaring and Maintenance	29,839	22,748	21,417	26,288	21,347	26,073	16,055	23,568	39,554	29,917	11,757	18,865	7,226	26,532	147,196	173,992
Taxes and Insurance	19,591	15,996	15,224	12,195	15,899	12,619	19,925	12,937	8,422	6,385	10,753	8,365	8,549	12,417	98,363	80,914
Resident services	2,578	2,773	6,396	6,119	17,342	22,205	9,755	6,697	17,252	17,252	5,073	5,098	11,763	11,797	70,159	71,941
Total Operating Expense	\$ 139,875	\$ 126,386	\$ 104,503	\$ 109,954	\$ 152,208	\$ 147,328	\$ 96,046	\$ 95,663	\$ 99,965	\$ 88,744	\$ 77,782	\$ 87,875	\$ 63,379	\$ 83,243	\$ 733,758	\$ 739,193
Net Operating Income	\$ 122,875	\$ 145,649	\$ 123,396	\$ 111,502	\$ 41,741	\$ 48,901	\$ 46,994	\$ 44,866	\$ 10,460	\$ 27,385	\$ 95,651	\$ 70,752	\$ 76,491	\$ 60,665	\$ 517,608	\$ 509,720
Debt Service, Reserve Depos	45,700	45,631	9,528	9,562	7,983	7,982	27,857	27,853	10,010	10,010	63,014	63,001	72,095	72,088	\$ 236,187	\$ 236,128
Net cash flow	\$ 77,175	\$ 100,018	\$ 113,868	\$ 101,939	\$ 33,758	\$ 40,919	\$ 19,136	\$ 17,013	\$ 450	\$ 17,375	\$ 32,638	\$ 7,751	\$ 4,395	\$ (11,423)	\$ 281,421	\$ 273,591
Debt Service Coverage Ratio	2.69	3.19	12.95	11.66	5.23	6.13	1.69	1.61	1.04	2.74	1.52	1.12	1.06	0.84	2.19	2.16
Operating Expense PUPY	\$ 2,690	\$ 2,430	\$ 2,680	\$ 2,819	\$ 2,455	\$ 2,376	\$ 3,001	\$ 2,989	\$ 5,261	\$ 4,671	\$ 2,509	\$ 2,835	\$ 3,169	\$ 4,162	\$ 2,877	\$ 2,899
Operating Expense PUPM	\$ 224	\$ 203	\$ 223	\$ 235	\$ 205	\$ 198	\$ 250	\$ 249	\$ 438	\$ 389	\$ 209	\$ 236	\$ 264	\$ 347	\$ 240	\$ 242

LIHTC Portfolio Reserve Balances
01/22-03/22

	Breakers at B:	52	Shinsei Garde	39	Park Alameda	62	Stargell Comm	32	Jack Capon Vi	19	Littlejohn Com	31	Everett Comm	20
	Balance	Reserve/ Unit	Balance	Reserve/ Unit	Balance	Reserve/ Unit	Balance	Reserve/ Unit	Balance	Reserve/ Unit	Balance	Reserve/ Unit	Balance	Reserve/ Unit
Replacement Reserve	\$ 576,133	\$ 11,079	\$ 273,764	\$ 7,020	\$ 364,406	\$ 5,878	\$ 80,225	\$ 2,507	\$ 126,865	\$ 6,677	\$ 46,500	\$ 1,500	\$ 31,000	\$ 1,550
Operating Reserve	\$ 218,439	\$ 4,201	\$ 596,482	\$ 15,294	\$ 329,048	\$ 5,307	\$ 202,086	\$ 6,315	\$ 110,341	\$ 5,807	\$ 245,668	\$ 7,925	\$ 255,080	\$ 12,754
Other Reserve	\$ 51,174	\$ 984	\$ 80,717	\$ 2,070	\$ 96,352	\$ 1,554	\$ 194,297	\$ 6,072	\$ 22,301	\$ 1,174			\$ 14,839	\$ 742

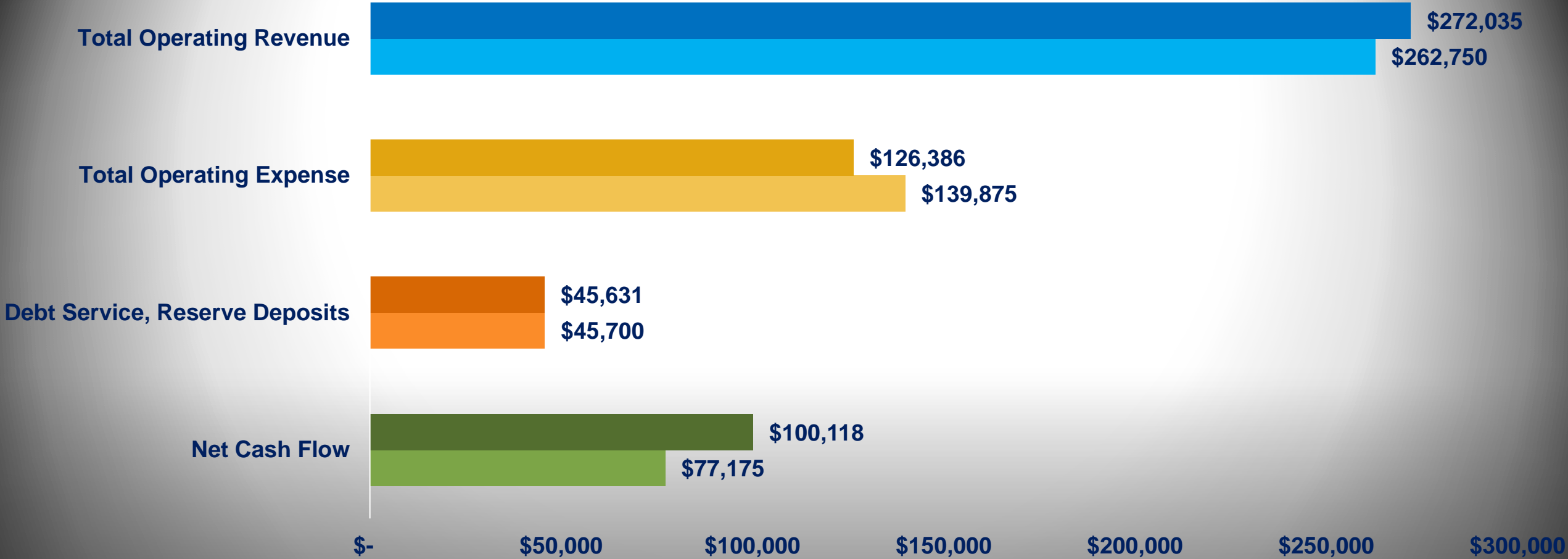
**LIHTC PORTFOLIO
ASSET MANAGEMENT FINANCIAL REPORT
FISCAL YEAR TO DATE THROUGH
THE MONTH OF MARCH 2022**

**PREPARED BY
CHELEY QUIAMBAO
ASSET MANAGER**

LIHTC PORTFOLIO

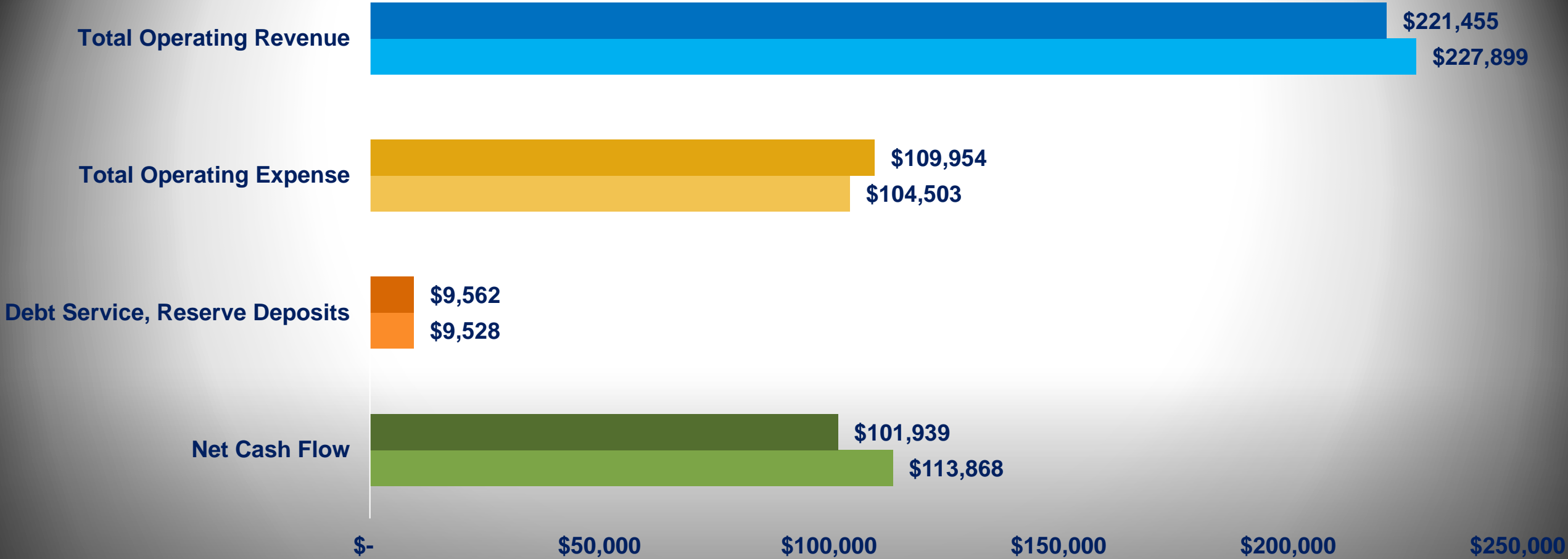
Breakers at Bayport
Shinsei Gardens
Park Alameda
Stargell Commons
Jack Capon Villa
Littlejohn Commons
Everett Commons

Breakers at Bayport 52 Family



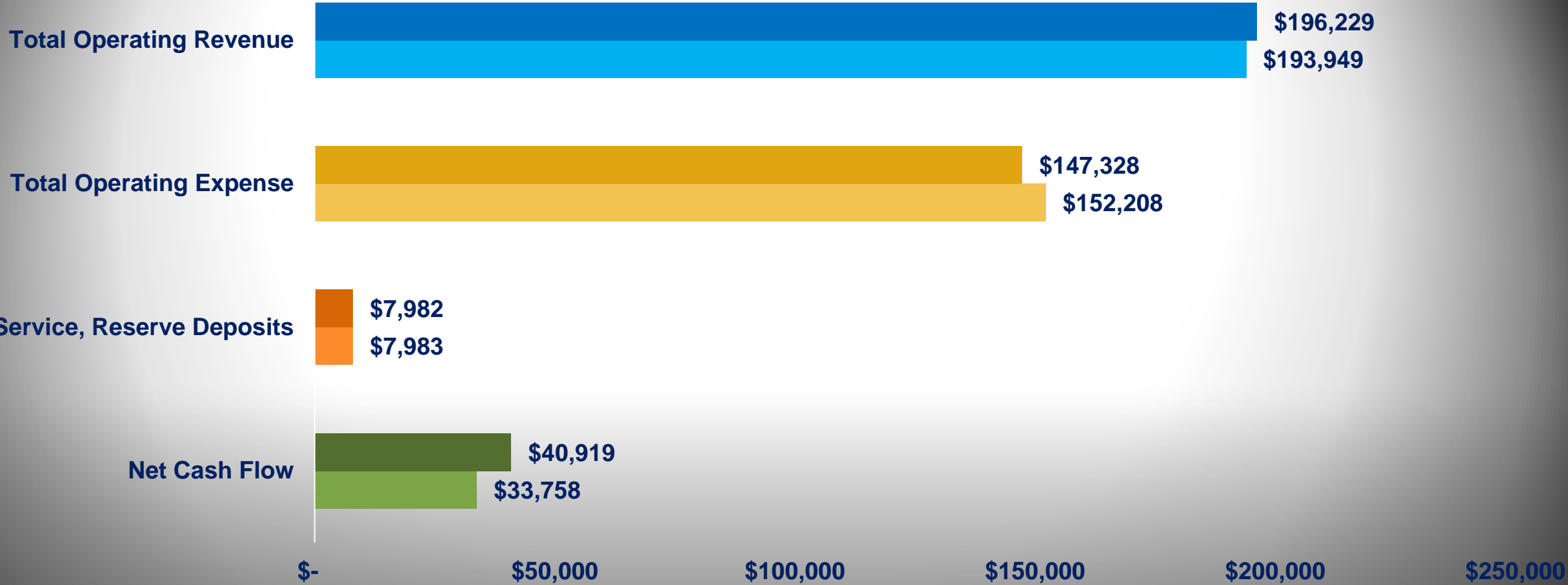
	Net Cash Flow	Debt Service, Reserve Deposits	Total Operating Expense	Total Operating Revenue
Actual (Top)	\$100,118	\$45,631	\$126,386	\$272,035
Budget (Bottom)	\$77,175	\$45,700	\$139,875	\$262,750

Shinsei Gardens 39 Family



	Net Cash Flow	Debt Service, Reserve Deposits	Total Operating Expense	Total Operating Revenue
Actual (Top)	\$101,939	\$9,562	\$109,954	\$221,455
Budget (Bottom)	\$113,868	\$9,528	\$104,503	\$227,899

Park Alameda 62 Family



	Net Cash Flow	Debt Service, Reserve Deposits	Total Operating Expense	Total Operating Revenue
Actual (Top)	\$40,919	\$7,982	\$147,328	\$196,229
Budget (Bottom)	\$33,758	\$7,983	\$152,208	\$193,949

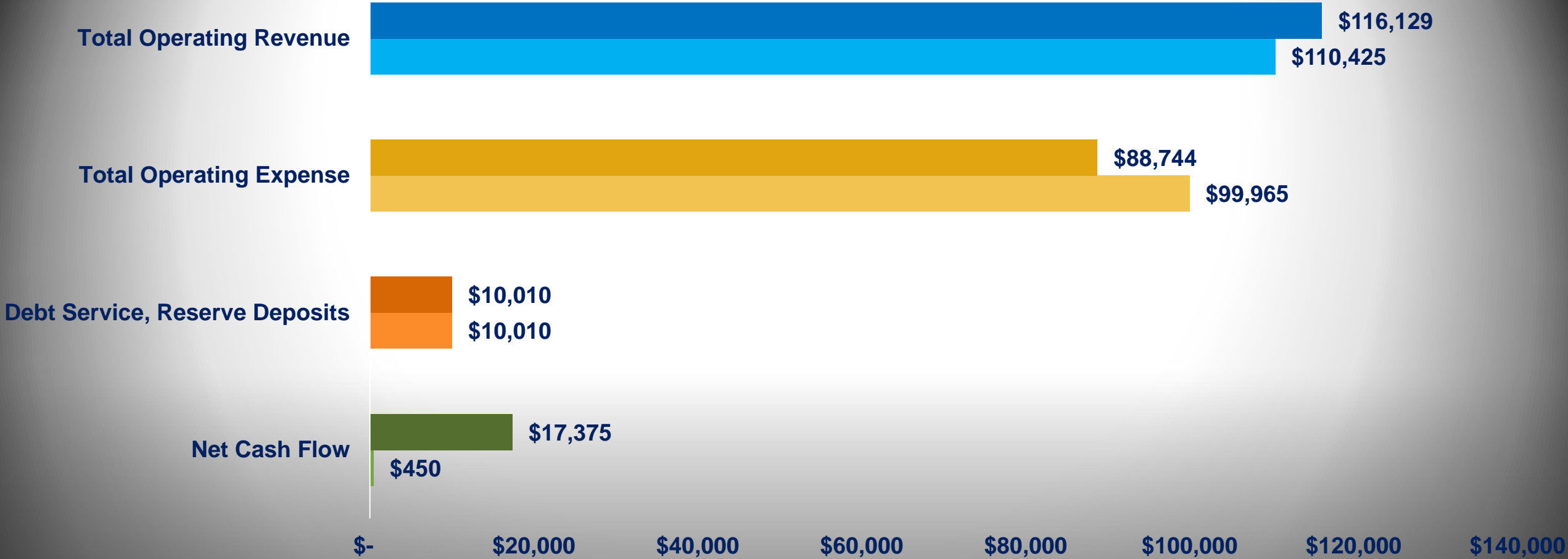
Stargell Commons 32 Family



\$- \$20,000 \$40,000 \$60,000 \$80,000 \$100,000 \$120,000 \$140,000 \$160,000

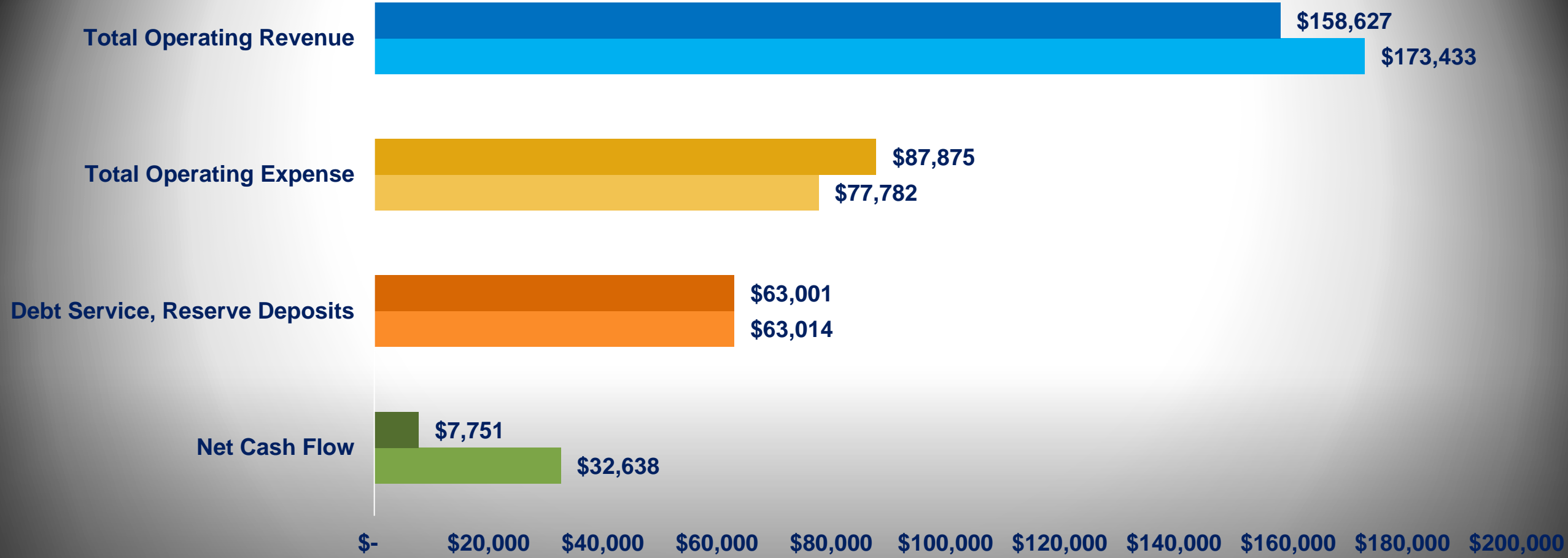
	Net Cash Flow	Debt Service, Reserve Deposits	Total Operating Expense	Total Operating Revenue
Actual (Top)	\$17,013	\$27,853	\$95,663	\$140,529
Budget (Bottom)	\$19,136	\$27,857	\$96,046	\$143,040

Jack Capon Villa 19 Special Needs



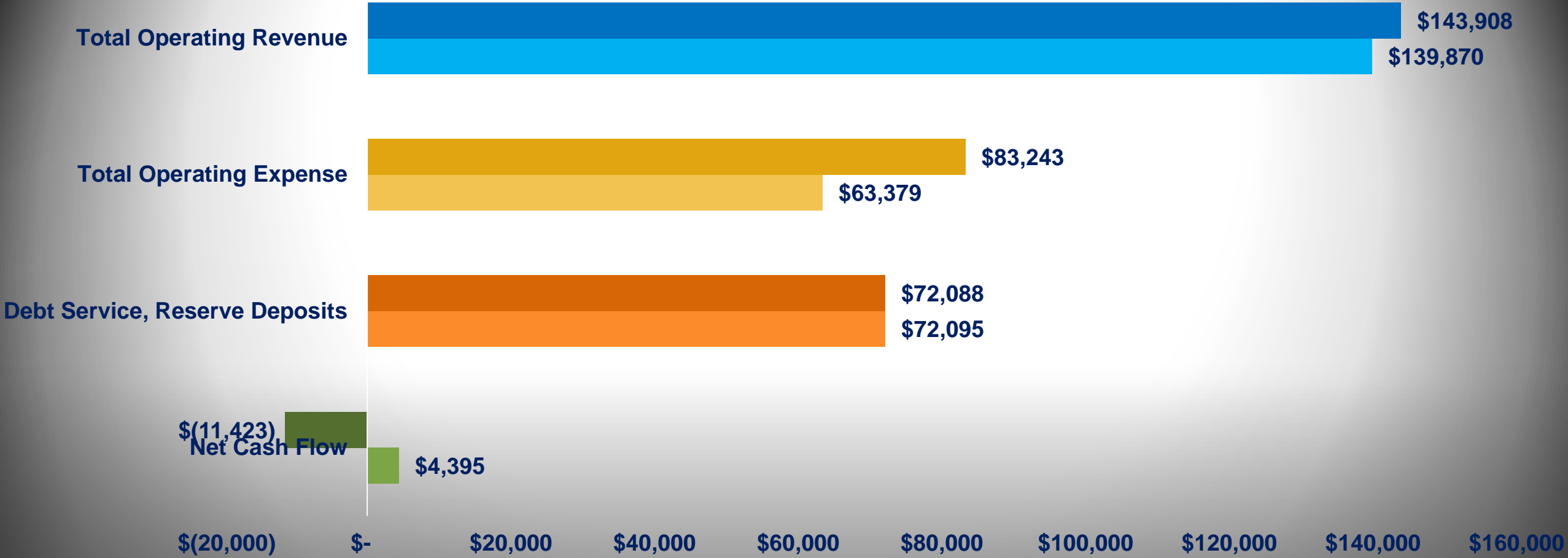
	Net Cash Flow	Debt Service, Reserve Deposits	Total Operating Expense	Total Operating Revenue
Actual (Top)	\$17,375	\$10,010	\$88,744	\$116,129
Budget (Bottom)	\$450	\$10,010	\$99,965	\$110,425

Littlejohn Commons 31 Senior



	Net Cash Flow	Debt Service, Reserve Deposits	Total Operating Expense	Total Operating Revenue
Actual (Top)	\$7,751	\$63,001	\$87,875	\$158,627
Budget (Bottom)	\$32,638	\$63,014	\$77,782	\$173,433

Everett Commons 20 Family



	Net Cash Flow	Debt Service, Reserve Deposits	Total Operating Expense	Total Operating Revenue
Actual (Top)	\$(11,423)	\$72,088	\$83,243	\$143,908
Budget (Bottom)	\$4,395	\$72,095	\$63,379	\$139,870

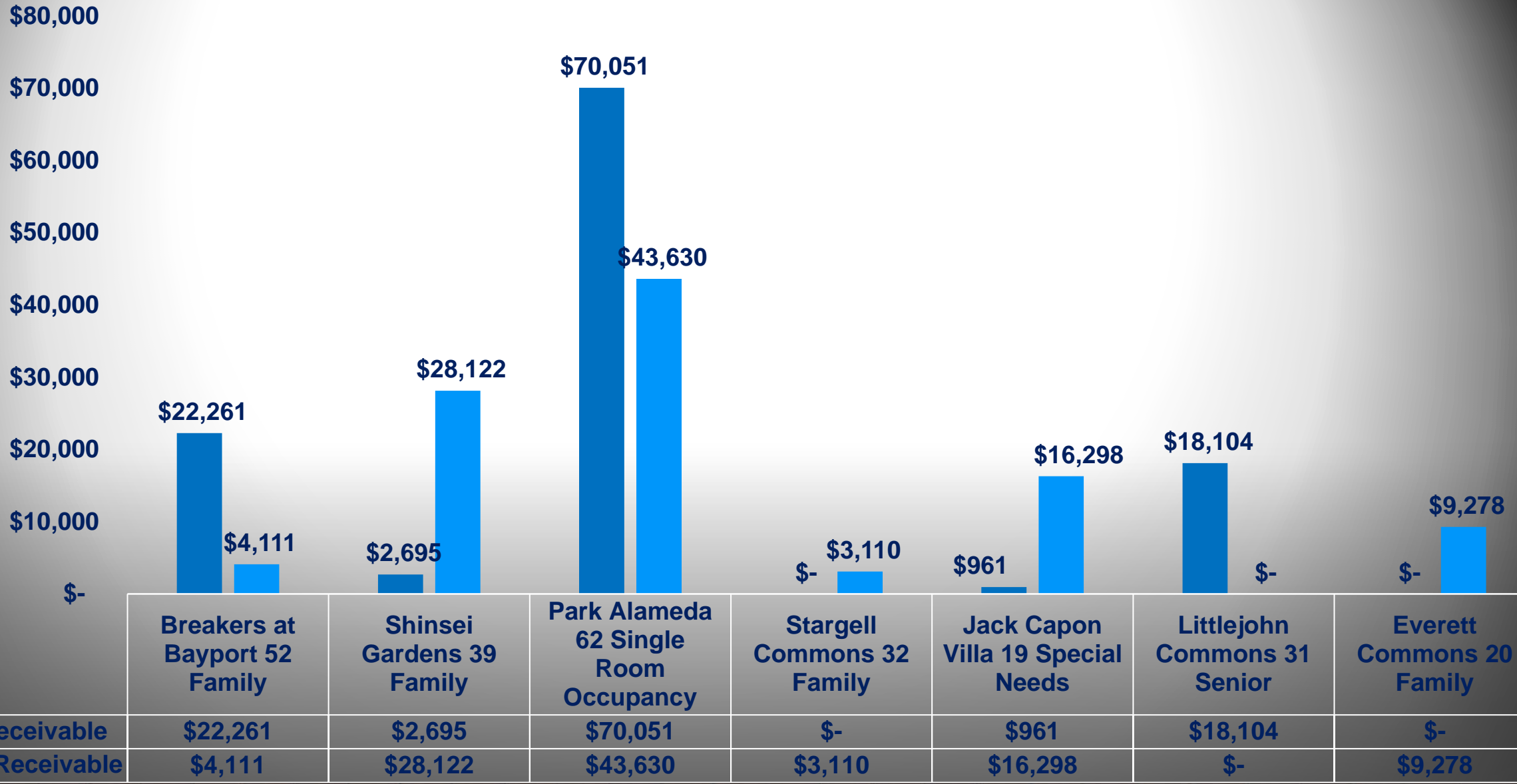
Portfolio Performance



\$- \$200,000 \$400,000 \$600,000 \$800,000 \$1,000,000 \$1,200,000 \$1,400,000

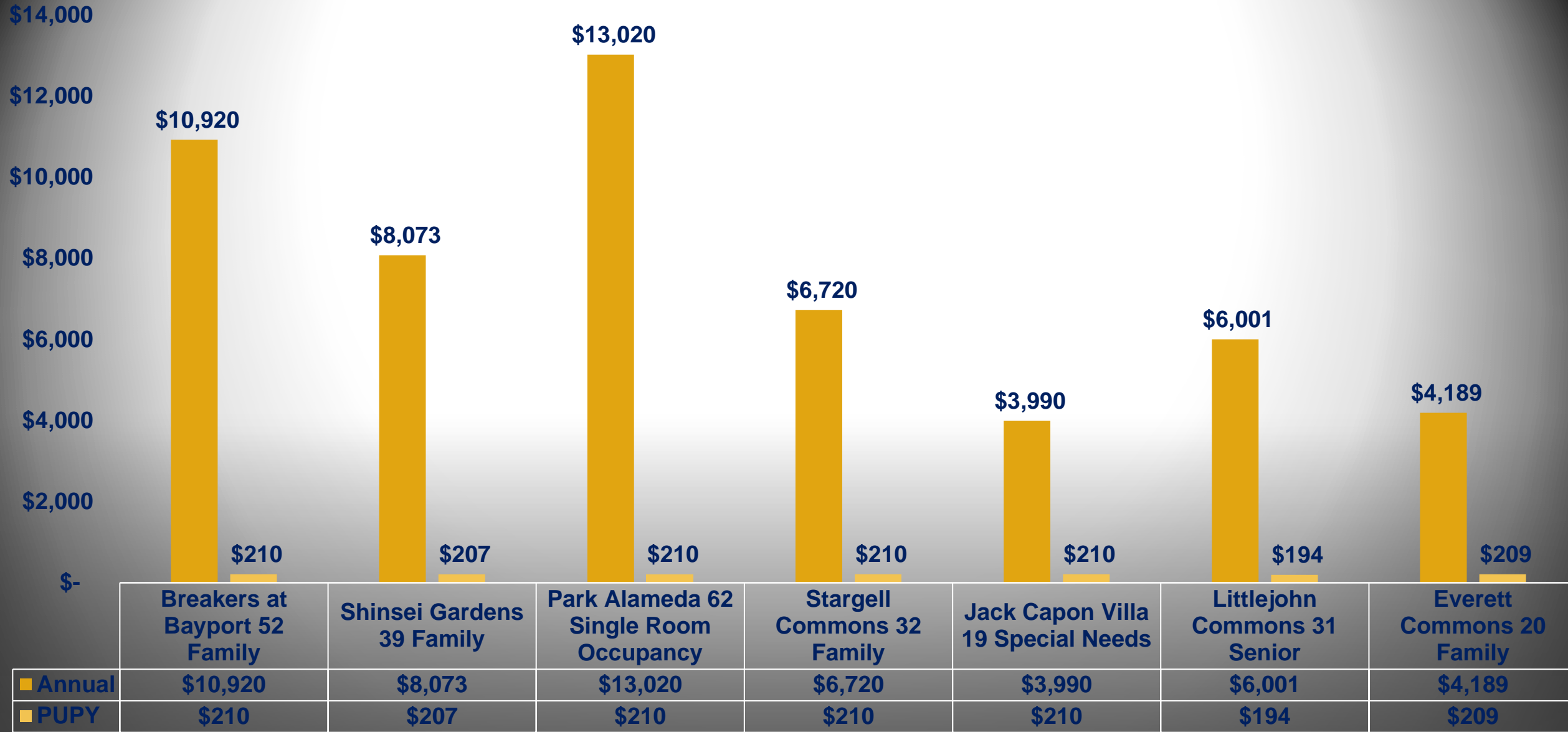
	Net Cash Flow	Debt Service, Reserve Deposits	Total Operating Expense	Total Operating Revenue
Actual (Top)	\$273,591	\$236,128	\$739,193	\$1,248,912
Budget (Bottom)	\$281,421	\$236,187	\$733,758	\$1,251,366

Tenant Receivables

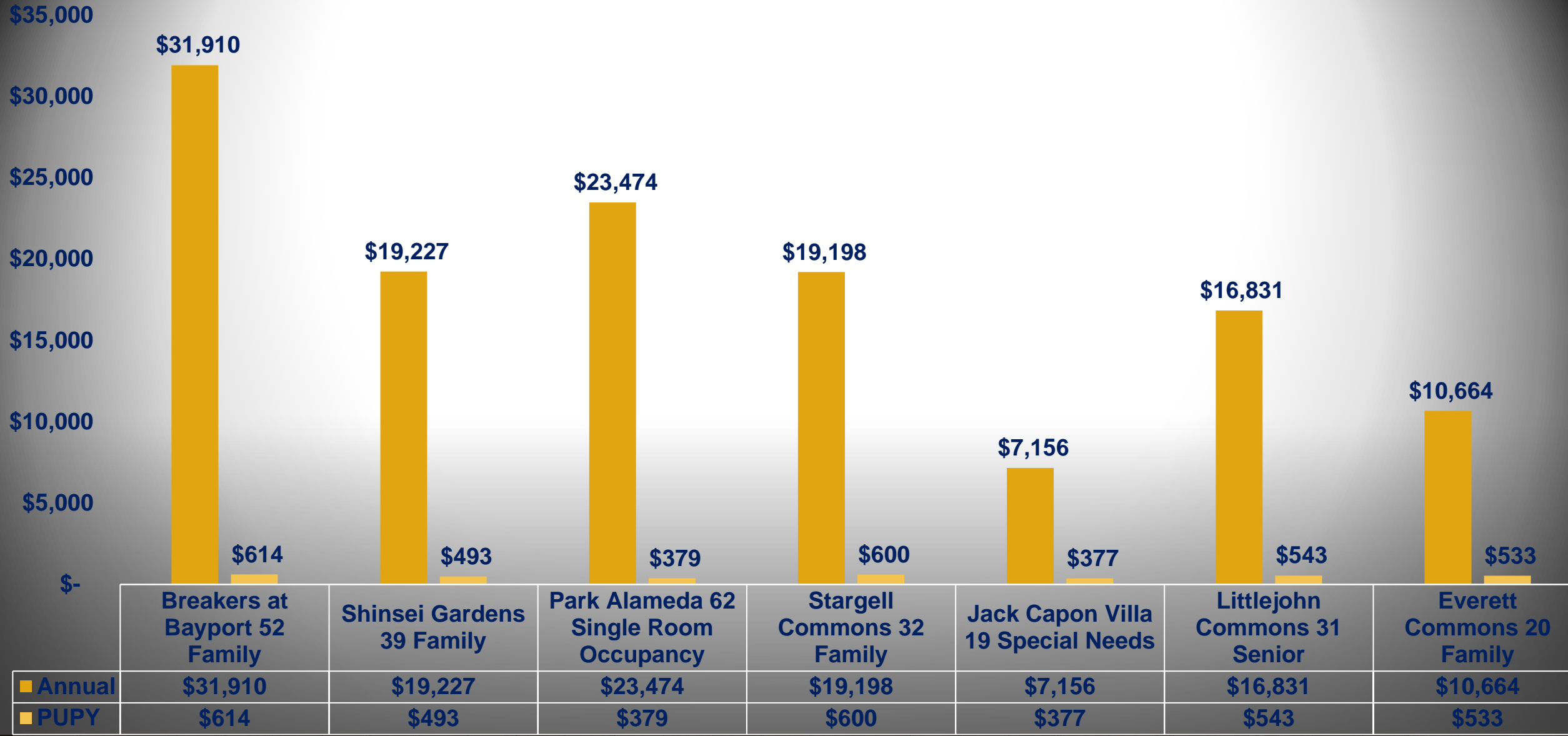


■ Tenant Receivable
■ Subsidy Receivable

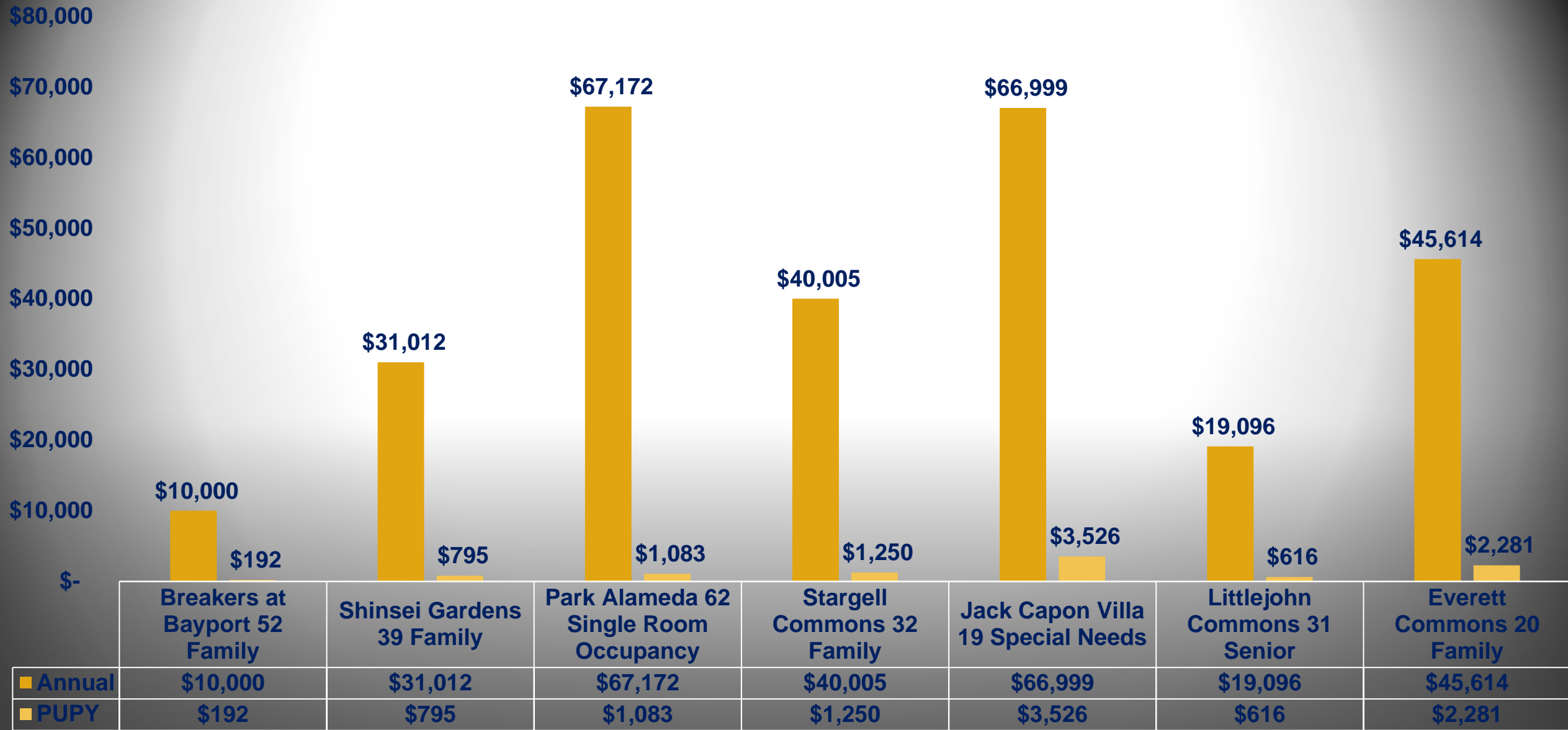
Property Management Fees



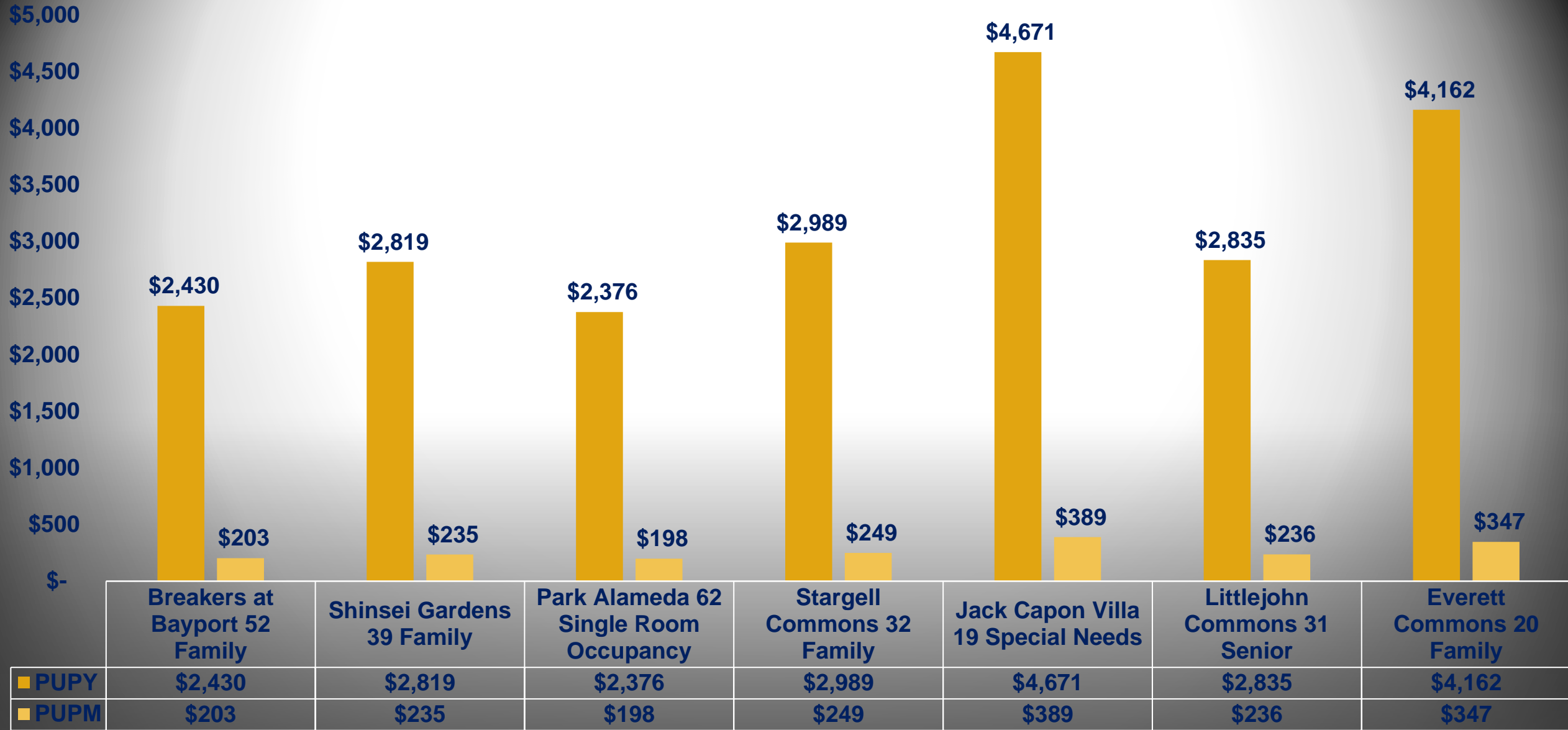
Property Staff Salaries and Benefits



Resident Services

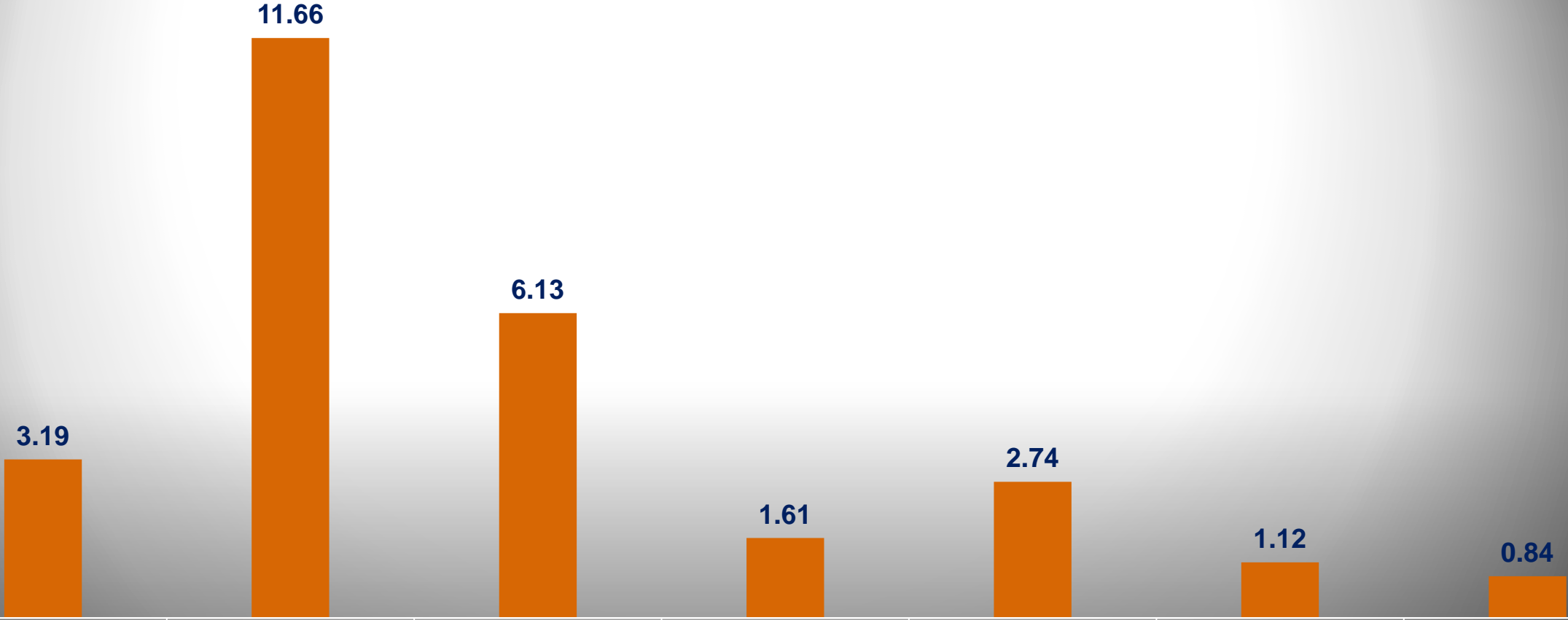


Operating Expense PUPY (Operating Expense/ Unit)



Debt Service Coverage Ratio (Total Operating Income/ Debt Service)

14.00
12.00
10.00
8.00
6.00
4.00
2.00
0.00



DSCR	3.19	11.66	6.13	1.61	2.74	1.12	0.84
-------------	-------------	--------------	-------------	-------------	-------------	-------------	-------------

Reserve Balances

\$700,000
 \$600,000
 \$500,000
 \$400,000
 \$300,000
 \$200,000
 \$100,000
 \$-

	Breakers at Bayport 52 Family	Shinsei Gardens 39 Family	Park Alameda 62 Single Room Occupancy	Stargell Commons 32 Family	Jack Capon Villa 19 Special Needs	Littlejohn Commons 31 Senior	Everett Commons 20 Family
■ Replacement Reserve	\$576,133	\$273,764	\$364,406	\$80,225	\$126,865	\$46,500	\$31,000
■ Reserve/ Unit	\$11,079	\$7,020	\$5,878	\$2,507	\$6,677	\$1,500	\$1,550
■ Operating Reserve	\$218,439	\$596,482	\$329,048	\$202,086	\$110,341	\$245,668	\$255,080
■ Reserve/ Unit	\$4,201	\$15,294	\$5,307	\$6,315	\$5,807	\$7,925	\$12,754
■ Other Reserve	\$51,174	\$80,717	\$96,352	\$194,297	\$22,301	\$-	\$14,839
■ Reserve/ Unit	\$984	\$2,070	\$1,554	\$6,072	\$1,174	\$-	\$742

Thank you!



ISLAND CITY DEVELOPMENT

Fax (510) 522-7848 | TTY/TRS 711

To: Board of Directors
Island City Development

From: Janet Lee, Controller

Date: May 25, 2022

Re: Accept the 2021 Audited Financial Statement of Low-Income Housing
Tax Credit Partnership - Stargell Commons, L.P.

BACKGROUND

Island City Development or its affiliates are the general partner of four separate limited partnerships. Each limited partnership is required to prepare an audited financial statement each fiscal year. This statement is then used to prepare the annual tax returns. Both the audited financial statements and tax returns are reviewed by the Director of Finance and approved by the limited partners for each limited partnership. These audited financial statements will be consolidated into the Island City Development 2021 audited financial statements, which come to the Board of Directors for review and approval with the non-profit corporation tax return Form 990 and its California equivalent. The fourth limited partnership is Constitution & Eagle, L.P., which is in construction and does not complete a 2021 audited financial statements with approval of the limited partner. It is expected that a 2022 audited financial statement will be required as Constitution & Eagle, L.P. will be placed in service by the Summer of 2022.

DISCUSSION

Accept the December 31, 2021 audited financial statements Stargell Commons, L.P. An unqualified audit opinion is the auditor's independent judgment that the financial statements are fairly and appropriately presented, in all material respects, in compliance with generally accepted accounting principles.

FISCAL IMPACT

Not applicable.

CEQA

N/A

RECOMMENDATION

Accept the 2021 Audited Financial Statement of Low-Income Housing Tax Credit Partnership - Stargell Commons, L.P.



ATTACHMENTS

- 1. Stargell Commons FS 2021 - FINAL

Respectfully submitted,



Janet Lee, Controller

STARGELL COMMONS, L.P.

(A California Limited Partnership)

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

YEARS ENDED DECEMBER 31, 2021 AND 2020

STARGELL COMMONS, L.P.
(A California Limited Partnership)
 FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2021 AND 2020

TABLE OF CONTENTS

	Page
Independent Auditor’s Report	1
Balance Sheets	4
Statements of Operations	5
Statements of Changes in Partners’ Capital	6
Statements of Cash Flows	7
Notes to Financial Statements	9
Supplementary Information.....	19
Schedules of Operating Expenses	20
Computation of Excess/Distributable Cash	21
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	22

* * * *



The Partners
Stargell Commons, L.P.
Berkeley, California

ALEXIS H. WONG
CHARLOTTE SIEW-KUN TAY
CATHY L. HWANG
RITA B. DELA CRUZ
SCOTT K. SMITH
CRISANTO S. FRANCISCO
JOE F. HUIE

SHERMAN G. LEONG

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Stargell Commons, L.P., a California limited partnership, which comprise the balance sheets as of December 31, 2021 and 2020 and the related statements of operations, changes in partners' capital and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stargell Commons, L.P. as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Stargell Commons, L.P. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Related-party Transactions

As discussed in Note 1 to the financial statements, Stargell Commons, L.P. is controlled by its general partner, Stargell Commons LLC, which is controlled by its sole member, Resources for Community Development, a California nonprofit public benefit corporation. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Stargell Commons, L.P.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Stargell Commons, L.P.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Stargell Commons, L.P.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information on pages 20 and 21 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2022 on our consideration of Stargell Commons, L.P.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Stargell Commons, L.P.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Stargell Commons, L.P.'s internal control over financial reporting and compliance.

Lindquist, von Husen and Joyce LLP

April 8, 2022

STARGELL COMMONS, L.P.
(A California Limited Partnership)
BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
Current assets:		
Cash	\$ 146,894	\$ 310,177
Receivables:		
Tenant receivable – net	-	261
Subsidy receivable	2,749	109
Prepaid expenses:		
Prepaid ground lease – current portion (Note 3)	4,041	4,041
Other	725	725
Total current assets	154,409	315,313
Restricted cash (Note 4):		
Replacement reserve	75,394	56,088
Investor limited partner operating reserve	202,006	201,683
Operating deficit reserve	93,866	102,207
Resident services reserve	100,354	100,194
Tenant security deposits	30,550	31,750
Prepaid ground lease – net of current portion (Note 3)	371,810	375,851
Property and equipment – net (Note 5)	13,614,478	14,092,995
Deferred costs – net (Note 6)	33,995	40,320
Total assets	\$ 14,676,862	\$ 15,316,401
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable and accrued expenses	\$ 37,926	\$ 28,847
Deferred revenue	3,967	5,346
Related-party payable (Note 7)	50,245	49,732
Interest payable – current portion (Note 8)	34,773	182,693
Notes payable – current portion (Note 8)	53,705	51,061
Total current liabilities	180,616	317,679
Tenant security deposits	30,550	31,750
Interest payable – net of current portion (Note 8)	327,899	250,136
Notes payable – net of current portion (Note 8)	4,681,489	4,731,601
Total liabilities	5,220,554	5,331,166
Partners' capital:		
Partners' capital	9,526,308	10,055,235
Syndication costs	(70,000)	(70,000)
Total partners' capital	9,456,308	9,985,235
Total liabilities and partners' capital	\$ 14,676,862	\$ 15,316,401

The accompanying notes are an integral part of these financial statements.

STARGELL COMMONS, L.P.
(A California Limited Partnership)
STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Income:		
Gross potential rent	\$ 571,740	\$ 560,495
Less: vacancies and concessions	(24,068)	-
Other income	7,815	7,676
Total income	555,487	568,171
Operating expenses:		
Administrative	112,722	104,479
Utilities	47,955	39,614
Operating and maintenance	86,844	81,937
Taxes and insurance	56,337	38,729
Social services	36,210	34,702
Total operating expenses	340,068	299,461
Operating income	215,419	268,710
Financial, partnership and other expenses:		
Interest (Note 8)	150,162	164,593
Interest – permanent loan costs (Notes 8)	3,593	3,593
GP asset management fee (Note 7)	25,000	25,000
LP asset management fee (Note 7)	8,500	8,500
Tax credit compliance fee (Note 7)	11,255	10,927
Ground lease (Note 3)	4,041	4,041
Miscellaneous financial expenses	4,200	4,200
Total financial, partnership and other expenses	206,751	220,854
Depreciation	478,517	478,517
Amortization	6,325	6,325
Net loss	\$ (476,174)	\$ (436,986)

The accompanying notes are an integral part of these financial statements.

STARGELL COMMONS, L.P.

(A California Limited Partnership)

STATEMENTS OF CHANGES IN PARTNERS' CAPITAL

YEARS ENDED DECEMBER 31, 2021 AND 2020

	<i>General Partner^a</i>	<i>Investor Limited Partner^b</i>	<i>Class B Limited Partner^c</i>	<i>Syndication Costs</i>	<i>Total</i>
Partnership interest	1.0%	98.9%	0.1%	-	100%
Balance, December 31, 2019	\$ (26,700)	\$ 10,551,530	\$ -	\$ (70,000)	\$ 10,454,830
Capital distribution	(325)	(32,251)	(33)	-	(32,609)
Net loss of 2020	(4,840)	(432,179)	33	-	(436,986)
Balance, December 31, 2020	(31,865)	10,087,100	-	(70,000)	9,985,235
Capital distribution	(528)	(52,173)	(52)	-	(52,753)
Net loss of 2021	(5,290)	(470,936)	52	-	(476,174)
Balance, December 31, 2021	\$ (37,683)	\$ 9,563,991	\$ -	\$ (70,000)	\$ 9,456,308

^a *Stargell Commons LLC*

^b *Wells Fargo Affordable Housing Community Development Corporation*

^c *Island City Development*

The accompanying notes are an integral part of these financial statements.

STARGELL COMMONS, L.P.
(A California Limited Partnership)
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Cash flows from operating activities:		
Net loss	\$ (476,174)	\$ (436,986)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	484,842	484,842
Interest – amortization of permanent loan costs	3,593	3,593
Amortization of ground lease	4,041	4,041
(Increase) decrease in assets:		
Tenant receivable	261	(261)
Subsidy receivable	(2,640)	161
Prepaid expenses	-	(325)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	9,079	4,517
Deferred revenue	(1,379)	4,675
Related-party payables	513	473
Interest payable	(70,157)	77,707
Tenant security deposit	(1,200)	-
Net cash provided by (used in) operating activities	(49,221)	142,437
Cash flows from financing activities:		
Payment of capital distribution	(52,753)	(32,609)
Payment of notes payable	(51,061)	(48,545)
Net cash used in financing activities	(103,814)	(81,154)
Net increase (decrease) in cash and restricted cash	(153,035)	61,283
Cash and restricted cash, beginning of year	802,099	740,816
Cash and restricted cash, end of year	\$ 649,064	\$ 802,099

The accompanying notes are an integral part of these financial statements.

STARGELL COMMONS, L.P.
(A California Limited Partnership)
 STATEMENTS OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Cash	\$ 146,894	\$ 310,177
Restricted cash:		
Replacement reserve	75,394	56,088
Investor limited partner operating reserve	202,006	201,683
Operating deficit reserve	93,866	102,207
Resident services reserve	100,354	100,194
Tenant security deposits	30,550	31,750
Total cash and restricted cash shown in the statements of cash flows	\$ 649,064	\$ 802,099
Supplementary information:		
Cash paid for interest	\$ 220,319	\$ 86,886

The accompanying notes are an integral part of these financial statements.

STARGELL COMMONS, L.P.
(A California Limited Partnership)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Stargell Commons, L.P. (Stargell) was formed as a limited partnership under the laws of the State of California on February 20, 2015 to acquire, construct, maintain, and operate four residential buildings consisting of 32 residential units located in Alameda, California, which is currently operating under the name of Stargell Commons (the Project). The Project was placed in service in June 2017. The tax credit allocation date was June 10, 2015.

Stargell is controlled by its general partner, Stargell Commons LLC, which is controlled by its sole member, Resources for Community Development (RCD), a California nonprofit public benefit corporation. The investor limited partner is Wells Fargo Affordable Housing Community Development Corporation, and Island City Development is the class B limited partner.

The Project was built on land owned by and leased from the Housing Authority of the City of Alameda (the Housing Authority). Under the terms of lease, title to the improvements reverts to the lessor at the end of the 99-year lease term (see Note 3).

Development costs were partially financed by the Housing Authority of the City of Alameda loan, County of Alameda loan, the City of Alameda loan, and the RCD Sponsor loan. Construction financing was provided by Wells Fargo Bank, N.A. (Wells Fargo Bank). Permanent financing was obtained from the conversion of the Wells Fargo Bank construction loan into permanent financing of \$967,907, and the rollover of the Housing Authority loan, County of Alameda loan, City of Alameda loan, and RCD Sponsor loan.

The Project participates in the low-income housing tax credit program under Section 42 of the Internal Revenue Code as modified by the State of California. Various loan, regulatory and other agreements dictate the maximum income levels of new tenants and provide rent and other restrictions through 2114.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method

Stargell uses the accrual method of accounting, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Rental income is shown at its maximum gross potential. Vacancy loss is shown as a reduction in rental income. Rental units occupied by employees are included in rental income and as an expense of operations.

Stargell's revenue is mainly derived from leases. Other income is ancillary to the lease proceeds and is recognized as revenue at the point in time such income or fees are earned.

STARGELL COMMONS, L.P.
(A California Limited Partnership)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Cash and Restricted Cash

Cash is defined as cash in demand deposit accounts as well as cash on hand. Restricted cash are funds restricted as to their use, regardless of liquidity, such as replacement reserve, investor limited partner operating reserve, operating deficit reserve, resident services reserve, and tenant security deposits. Stargell occasionally maintains cash on deposit at banks in excess of the Federal Deposit Insurance Corporation limit. The uninsured cash balance, including restricted accounts, was approximately \$222,000 as of December 31, 2021. Stargell has not experienced any losses in such accounts.

Accounts Receivable

Stargell records an allowance for doubtful collections based on a review of outstanding receivables, historical collection information, and existing economic conditions. The allowance for doubtful collections were \$-0- and \$1,009 as of December 31, 2021 and 2020, respectively.

Property and Equipment, and Deferred Costs

Property and equipment are stated at cost of acquisition or construction. The costs of maintenance and repairs below \$5,000 that neither significantly add to the permanent value of property and equipment nor prolong its intended useful life are charged to expense as incurred. Depreciation is computed based on the straight-line method over the estimated useful lives of the assets.

Deferred costs are incurred in order to obtain tax credits for the Project. Deferred costs are stated at cost and amortized on a straight-line basis over the 10-year tax credit period. Organization costs are expensed as incurred.

The useful lives of the assets are estimated as follows:

Buildings and improvements	40 years
On-site improvements	15 years
Offsite improvements	15 years
Furniture, fixtures and equipment	7 years
Tax credit costs	10 years

Stargell reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the property and equipment to the future net undiscounted cash flow expected to be generated by the rental property, including the low-income housing tax credits and any estimated proceeds from the eventual disposition of the property and equipment. If the property and equipment is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the property and equipment exceeds the fair value of such property. There were no impairment losses recognized in 2021 and 2020.

Permanent Loan Costs

Costs incurred in order to obtain permanent financing are stated at cost and amortized on a straight-line basis into interest expense over the term of the loan. Permanent loan costs are reported as a direct deduction from the face amount of the related debt.

Ground Lease

The ground lease payments are stated at cost and amortized on a straight-line basis over the lease term.

Income Taxes

No provision for federal and state income taxes is included in the financial statements. The income or loss of Stargell is reported by the partners on their income tax returns.

STARGELL COMMONS, L.P.
(A California Limited Partnership)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Stargell believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Stargell's federal and state income tax returns for the years 2017 through 2020 are subject to examination by regulatory agencies, generally for three years and four years after they were filed for federal and state, respectively.

Allocation of Partnership Income/Loss and Tax Credits

Stargell is expected to generate low-income housing credits, which will be allocated in the same manner as the income or loss of Stargell. Because the limited partners' losses are limited to their investments, the limited partners' equity will not be reduced below zero unless future capital contributions will be made in an amount sufficient to absorb the losses. All remaining losses are allocated to the general partner. Any subsequent income allocable to the limited partners are allocated to the general partner first until the general partner's share of that income offsets the losses not previously recognized by the limited partners.

Subsequent Events

Management has evaluated subsequent events through April 8, 2022 the date on which the financial statements were available to be issued.

NOTE 3 – GROUND LEASE

On November 24, 2015, Stargell entered into a ground lease agreement to lease the land on which the Project was built from the Housing Authority, an affiliate of the class B limited partner. The lease expires on December 31, 2114, and upon the expiration or termination of the lease, the title to improvements and all alterations, additions, equipment and fixtures shall be reverted to the Housing Authority without any additional costs. The lease requires a one-time initial rent payment of \$400,000 at construction closing date and annual payments of \$1 payable on January 1st commencing 2016. Stargell prepaid the entire amount of rent \$400,099 at the closing date of the construction financing for the Project. Total lease payments are amortized on a straight-line basis over the 99-year lease term. Ground lease rent expense was \$4,041 for both 2021 and 2020. Prepaid ground lease was \$375,851 and \$379,892 for 2021 and 2020, respectively.

NOTE 4 – RESTRICTED CASH

Replacement Reserve

Stargell is required to maintain a reserve for replacement and repair of property and equipment in accordance with the partnership agreement and other lenders' regulatory agreements. The reserve is required to be funded on a monthly basis at an annual rate of \$19,200 commencing February 2018, the month of permanent loan conversion. Withdrawals from the replacement reserve in excess of \$10,000 are subject to approval by the investor limited partner and Wells Fargo Bank, permanent lender.

Investor Limited Partner Operating Reserve

Stargell is required to maintain an investor limited partner operating reserve in accordance with the partnership agreement and other lenders' regulatory agreements. In 2018, the reserve was funded with an initial deposit of \$200,000 using proceeds from the limited partner's performance installment of capital contribution. The reserve is also required to make annual deposits of at least 2% of gross rent until the operating reserve balance reaches an amount equaling to six months of annual operating expenses including debt services. If the balance falls below \$100,000, the reserve shall be replenished from excess/distributable cash (see Note 10). Withdrawals from the operating reserve are subject to approval by the investor limited partner and Wells Fargo Bank.

STARGELL COMMONS, L.P.
(A California Limited Partnership)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Operating Deficit Reserve

Stargell is required to maintain an operating deficit reserve to fund annual asset management fees payable to the investor limited partner in accordance with the partnership agreement. In 2018, the reserve was funded with an initial deposit of \$127,500 using the proceeds from performance installment of the limited partner capital contribution. Withdrawals up to \$8,500 per year are allowed to pay the LP asset management fee. No additional deposits are required.

Resident Services Reserve

Stargell is required to maintain a supportive services reserve for the exclusive use for resident services at the Project in accordance with the partnership agreement and other lenders' regulatory agreements. In 2018, the reserve was funded with an initial deposit of \$100,000 using proceeds from the limited partner's performance installment of capital contribution. No additional deposits are required.

Tenant Security Deposits

Stargell is required to hold security deposits in a separate bank account in the name of the Project.

In accordance with provisions of the agreements, restricted cash is held in separate bank accounts. Details follow:

	<i>Investor Limited</i>			
	<i>Partner</i>	<i>Operating</i>	<i>Deficit</i>	<i>Resident</i>
	<i>Operating</i>	<i>Reserve</i>	<i>Reserve</i>	<i>Services</i>
	<i>Reserve</i>		<i>Reserve</i>	<i>Reserve</i>
	<i>Reserve</i>		<i>Reserve</i>	<i>Reserve</i>
Balance, December 31, 2019	\$ 36,811	\$ 200,063	\$ 110,535	\$ 100,032
Deposits	19,200	-	-	-
Other deposits ⁽¹⁾	-	1,294	-	-
Withdrawal ⁽²⁾	-	-	(8,500)	-
Interest	77	326	172	162
Balance, December 31, 2020	56,088	201,683	102,207	100,194
Deposits ⁽²⁾	19,200	-	-	-
Withdrawal ⁽³⁾	-	-	(8,500)	-
Interest	106	323	159	160
Balance, December 31, 2021	<u>\$ 75,394</u>	<u>\$ 202,006</u>	<u>\$ 93,866</u>	<u>\$ 100,354</u>

⁽¹⁾ Management deposited an additional \$1,294 in 2020 to satisfy the 2019 funding requirement.

⁽²⁾ Management plans to deposit \$11,135 into the investor limited partner operating reserve in 2022 to satisfy the 2021 funding requirements.

⁽³⁾ Management withdrew \$8,500 each in 2021 and 2020 for the LP asset management fee of 2020 and 2019, respectively. The payment for the 2021 LP asset management fee will be withdrawn in 2022.

STARGELL COMMONS, L.P.
(A California Limited Partnership)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	2021	2020
Land improvements	\$ 324,134	\$ 324,134
Buildings and improvements	13,706,354	13,706,354
On-site improvements	1,368,759	1,368,759
Offsite improvements	216,320	216,320
Furniture, fixtures and equipment	211,306	211,306
	<u>15,826,873</u>	<u>15,826,873</u>
Less: accumulated depreciation	<u>(2,212,395)</u>	<u>(1,733,878)</u>
Total property and equipment	<u>\$ 13,614,478</u>	<u>\$ 14,092,995</u>

NOTE 6 – DEFERRED COSTS

Deferred costs are summarized as follows:

	2021	2020
Tax credit costs	\$ 63,247	\$ 63,247
Less: accumulated amortization	<u>(29,252)</u>	<u>(22,927)</u>
Total deferred costs	<u>\$ 33,995</u>	<u>\$ 40,320</u>

NOTE 7 – RELATED-PARTY TRANSACTIONS

Related-party transactions include the following fees and charges:

<u>Payable/Paid to</u> Description	<u>Payable at</u> <u>December 31,</u> <u>2021</u>	<u>2021 Expense</u> <u>(Payment)</u>	<u>Payable at</u> <u>December 31,</u> <u>2020</u>	<u>2019 Expense</u> <u>(Payment)</u>
<u>Resources for Community Development</u>				
Resident services coordination fee ⁽¹⁾	\$ 5,490	\$ 5,490 (5,305)	\$ 5,305	\$ 5,305 (5,150)
<u>Stargell Commons LLC</u>				
GP asset management fee ⁽²⁾	25,000	25,000 (25,000)	25,000	25,000 (25,000)
Tax credit compliance fee ⁽³⁾	11,255	11,255 (10,927)	10,927	10,927 (10,609)
<u>Wells Fargo Affordable Housing Community Development Corporation</u>				
LP asset management fee ⁽⁴⁾	8,500	8,500 (8,500)	8,500	8,500 (8,500)
Total	<u>\$ 50,245</u>		<u>\$ 49,732</u>	

STARGELL COMMONS, L.P.
(A California Limited Partnership)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

- (1) Commencing January 1, 2017, Stargell is required to pay RCD an annual resident services coordination fee, up to \$40,000, subject to 3.5% annual increases, to be paid from the annual operating budget approved by the County of Alameda through December 31, 2032. The amount reflects the portion of that fee paid to RCD beyond the resident services expense shown in operating expenses.
- (2) Commencing January 1, 2017, Stargell is required to pay Stargell Commons LLC an annual GP asset management fee of \$25,000, payable from excess/distributable cash (see Note 10) ^(a). Unpaid fees carry forward without interest.
- (3) Commencing January 1, 2017, Stargell is required to pay Stargell Commons LLC an annual tax credit compliance fee of \$10,000, subject to 3% annual increases, payable from excess/distributable cash (see Note 10) ^(a).
- (4) Commencing January 1, 2017, Stargell is required to pay the investor limited partner an annual asset management fee of \$8,500 payable in arrears from excess/distributable cash (see Note 10) to the extent not paid from the operating deficit reserve (see Note 4). Unpaid fees carry forward without interest.
- ^(a) In no event shall the aggregate annual payment of GP asset management fee, tax credit compliance fee and property management fee exceed 14% of the Project's effective gross income, as defined in the partnership agreement.

Other

See Note 3 for the ground lease from the Housing Authority.

NOTE 8 – NOTES PAYABLE

Notes payable are secured by the property unless otherwise noted and are consist of the following:

	2021		2020	
	<i>Interest Payable</i>	<i>Principal</i>	<i>Interest Payable</i>	<i>Principal</i>
Wells Fargo Bank, construction loan, in the maximum amount of \$10,460,000, bore variable interest at USD-LIBOR-BBA rate. Interest only payments were due monthly until the conversion date on February 1, 2018, at which time \$967,907 was converted to a 15-year permanent amortizing loan bearing interest at 5.06%, with monthly principal and interest payments of \$7,684. The loan is to be repaid in full by February 1, 2033. Interest expense was \$40,937 and \$43,462 for 2021 and 2020, respectively.	\$ 3,311	\$ 785,422	\$ 3,527	\$ 836,483
Housing Authority of City of Alameda, in the original amount of \$2,000,000, bears simple interest at 3%, with annual payments from excess/distributable cash (see Note 10) due by May 1 each year commencing 2018. The loan is to be repaid in full by December 2072. Interest expense was \$60,000 for both 2021 and 2020.	193,880	2,000,000	222,624	2,000,000

STARGELL COMMONS, L.P.
(A California Limited Partnership)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021		2020	
	<i>Interest Payable</i>	<i>Principal</i>	<i>Interest Payable</i>	<i>Principal</i>
County of Alameda, in the original amount of \$1,670,664, comprised of Boomerang and HOME funds of \$1,379,337 and \$291,327, respectively, bears simple interest at 3%, with annual payments from excess/distributable cash (see Note 10) due by May 1 each year commencing 2018. The loan is to be repaid in full by May 2072. Interest expense was \$50,120 for both 2021 and 2020.	129,556	1,670,664	153,571	1,670,664
City of Alameda, HOME loan, in the original amount of \$367,043, bears simple interest at 3%, with annual payments from excess/distributable cash (see Note 10) due by May 1 each year commencing 2018. The loan is to be repaid in full by April 2072. Interest expense was \$(895) ⁽¹⁾ and \$11,011 for both 2021 and 2020, respectively.	35,925	367,043	53,107	367,043
Total	362,672	4,823,129	432,829	4,874,190
Less: unamortized permanent loan costs ⁽²⁾	-	(87,935)	-	(91,528)
Notes payable – net	362,672	4,735,194	432,829	4,782,662
Less: current portion	(34,773)	(53,705)	(182,693)	(51,061)
Long-term portion	\$ 327,899	\$ 4,681,489	\$ 250,136	\$ 4,731,601

⁽¹⁾ Due to the timing difference in when interest accrual commenced, an adjustment of \$11,906 was recorded in 2021 to match the outstanding interest payable to the lender's records.

⁽²⁾ Costs incurred in order to obtain permanent financing were \$103,383 as of December 31, 2021 and 2020. Permanent loan costs are amortized on a straight-line basis into interest expense over the terms of the loans. Interest expenses for amortization of permanent loan costs were \$3,593 for both 2021 and 2020.

After receiving the final capital contributions in late 2018, management determined that a surplus of \$115,485 was available from the development funding sources. Upon consulting with lenders, in August 2020, the Housing Authority of the City of Alameda, Alameda County, and the City of Alameda requested that Stargell distribute the balance of development funding surplus as interest payments in the amount of \$57,203, \$47,784, and \$10,498, respectively. The interest payments were paid to the lenders in January 2021.

STARGELL COMMONS, L.P.
(A California Limited Partnership)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

Principal payments on notes payable for the next five years are subject to changes in net cash flow and are estimated as follows:

2022	\$	53,705
2023		56,486
2024		59,412
2025		62,489
2026		65,725

NOTE 9 – COMMITMENTS, CONTINGENCIES AND OTHER MATTERS

Property Management

Property management and bookkeeping services of the Project is contracted with The John Stewart Company, through December 2021 for an annual fee, currently at \$26,112 and \$3,648, respectively. The contract is subject to renewal annually thereafter.

Resident Services

Resident social services of the Project are contracted with Operations Dignity through December 2021 for an aggregate amount not to exceed \$32,293 and \$30,756 for 2021 and 2020, respectively. The contract is subject to renewal annually thereafter.

Operating Deficit Guaranty

The general partner is required to fund operating deficits incurred by Stargell without limitation as to amount prior to making the performance installment, as defined in the partnership agreement. After the performance installment was made in February 2018, the general partner is required to fund operating deficits incurred by Stargell up to \$210,000 in the aggregate. The guaranty will expire provided that: (i) Stargell has maintained an average occupancy of 90% and an average debt service coverage ratio of 1.15 or better for any 12 consecutive month period commencing at least 2 years after the making of the performance installment, (ii) permanent loan closing has occurred, (iii) Stargell has received Forms 8609, (iv) adjuster distributions owed to the investor limited partner, if any, have been made, (v) the current amount in the investor limited partner operating reserve is not less than \$100,000, and (vi) no default by the general partner exists. Such advances will be treated as unsecured loans bearing 10% compounded interest and repayable from excess/distributable cash (see Note 10).

Right of First Refusal

The Housing Authority has a right of first refusal to purchase the Project during the 24-month period commencing on the first day following December 31, 2031, the end of the 15-year tax credit compliance period. The purchase price of the Project, if acquired using the right of first refusal after notice of a bona fide purchase offer, shall be equal to the greater of: (i) \$100; or (ii) the sum of: (a) all outstanding debt secured by the property, plus (b) the sum of: (1) all taxes attributable to the purchase, plus (2) unpaid adjuster distributions, if any, including interest, plus (3) all debts owed to the investor limited partner.

Purchase Options

The Housing Authority has an option to purchase either the Project or the investor limited partner's partnership interest during the twenty-four-month period commencing on the first day following December 31, 2031, the end of the 15-year tax credit compliance period.

STARGELL COMMONS, L.P.
(A California Limited Partnership)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

The purchase price of the Project shall be equal to the sum of all debts owed to the investor limited partner plus the greater of: (i) the sum of \$1 plus (a) the amount of outstanding debt of Stargell, plus (b) an amount sufficient to distribute to the investor limited partner equal to all taxes incurred by the limited partner attributable to the sale, if the Project were purchased for \$1 plus all outstanding debts of Stargell; or (ii) the fair market value of the Project.

The purchase price of the investor limited partner's partnership interest shall be equal to the sum of all debts owed to the investor limited partner plus the greater of: (i) the sum of \$1 plus (a) the amount of outstanding debt of Stargell, plus (b) an amount sufficient to distribute to the investor limited partner equal to all taxes incurred by the limited partner attributable to the sale, if the Project were purchased for \$1 plus all outstanding debts of Stargell; or (ii) the fair market value of the investor limited partner's partnership interest.

Vulnerability – COVID-19 Pandemic

The severity of the impact of COVID-19 on the Stargell's operations will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Stargell's stakeholders, all of which are uncertain and cannot be predicted. The Stargell's future results could be adversely impacted by delays in rent collection and loan payments. Management is unable to predict with absolute certainty the impact of COVID-19 on its financial condition, results of operations or cash flows.

NOTE 10 – DISTRIBUTION OF EXCESS/DISTRIBUTABLE CASH

Excess cash, as defined by the partnership agreement and other lenders' regulatory agreements, is distributable as follows:

- (i) First, to the payment of any adjuster distributions payable, in accordance with the limited partnership agreement;
- (ii) Second, to payment of LP asset management fee in the amount \$8,500 per year (to the extent not paid by the operating deficit reserve);
- (iii) Third, to deposit in investor limited partner operating reserve to restore the balance to \$100,000;
- (iv) Fourth, to the payment of any unpaid deferred developer fee;
- (v) Fifth, to payment of GP asset management fee up to \$25,000 per year, provided that the amount when added to (ii), only when the amount in (ii) is paid from distributable cash, does not exceed \$25,000 per year, during the 15-year tax credit compliance period, and in an amount to be approved by the County of Alameda thereafter;
- (vi) Sixth, 50% of the remaining excess cash towards debt service as follows:
 - a) 49.53% to the Housing Authority loan;
 - b) 7.22% to the HOME component of the County loan;
 - c) 34.16% to the Boomerang component of the County loan; and
 - d) 9.09% to the City HOME loan.
- (vii) Seventh, to payment of any unpaid GP asset management fees from all prior years;
- (viii) Eighth, to the payment of any limited partner loans;
- (ix) Ninth, to the payment of any operating deficit loan; and

STARGELL COMMONS, L.P.
(A California Limited Partnership)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

- (x) Thereafter, to the payment of tax credit compliance fee, in an annual amount of \$10,000, to be increased by 3% annually beginning 2018, to the extent that total property management fee, GP asset management fee, tax credit compliance fee, and GP distribution does not exceed 14% of partnership's effective gross income for the year ⁽¹⁾.

Distributable cash, if any, as defined by the partnership agreement, shall be distributed as follows:

- (i) 98.90% to the investor limited partner
- (ii) 1.00% to the general partner; and
- (iii) 0.10% to the class B limited partner.

- ⁽¹⁾ In the event that the total exceeds 14% of Stargell's effective gross income for the year, the fees and distributions should be reduced in the following order: general partner distribution, tax credit compliance fee, and GP asset management fee.

SUPPLEMENTARY INFORMATION

STARGELL COMMONS, L.P.
(A California Limited Partnership)
SCHEDULES OF OPERATING EXPENSES
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Administrative:		
Conventions and meetings	\$ 83	\$ 9
Advertising and marketing	1,547	878
Office expenses	15,942	11,800
Property management fee	26,112	22,656
Manager's expenses or superintendent salaries	32,525	32,488
Staff rent-free unit	14,976	14,976
Legal expenses – project	95	-
Audit and tax preparation	16,730	16,190
Bookkeeping	3,648	3,648
Bad debts	-	1,009
Miscellaneous	1,064	825
	\$ 112,722	\$ 104,479
Utilities:		
Electricity	\$ 2,231	\$ 2,568
Water	20,934	16,814
Gas	9,368	9,739
Sewer	15,422	10,493
	\$ 47,955	\$ 39,614
Operating and maintenance:		
Payroll	\$ 27,222	\$ 15,626
Supplies	6,807	5,382
Contracts	19,346	23,630
Garbage and trash removal	29,636	28,490
Heating/cooling repairs and maintenance	1,034	6,266
Miscellaneous	2,799	2,543
	\$ 86,844	\$ 81,937
Taxes and insurance:		
Payroll taxes	\$ 4,989	\$ 3,489
Property and liability insurance	37,430	27,799
Fidelity bond insurance	63	64
Workers' compensation	2,893	2,384
Health insurance and employee benefit	6,093	2,365
Miscellaneous	4,869	2,628
	\$ 56,337	\$ 38,729
Social services:		
Resident services payroll	\$ 30,720	\$ 29,397
Resident services coordination fee	5,490	5,305
	\$ 36,210	\$ 34,702

STARGELL COMMONS, L.P.
(A California Limited Partnership)
 COMPUTATION OF EXCESS/DISTRIBUTABLE CASH
 YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Operating income:		
Total income	\$ 555,487	\$ 568,171
Interest income on restricted deposits	(748)	(737)
Adjusted operating income	554,739	567,434
Operating expenses	(340,068)	(299,461)
Adjusted net income	214,671	267,973
Other activities:		
Deposits into reserves	(19,200)	(19,200)
Deposits into operating reserve subsequent to year end	(11,135)	-
Debt service cost – mortgage	(92,214)	(92,212)
Monitoring fees – Alameda County	(4,200)	(4,200)
Excess/distributable cash	\$ 87,922	\$ 152,361
Uses of excess/distributable cash:		
GP asset management fee	\$ 25,000	\$ 25,000
Debt service – Housing Authority loan interest	15,583	31,541
Debt service – County of Alameda loan interest	13,019	26,351
Debt service – City of Alameda loan interest	2,860	5,789
Tax credit compliance fee	11,255	10,927
Distribution – general partner	201	528
Distribution – investor limited partner	19,984	52,173
Distribution – Class B limited partner	20	52
Total uses	\$ 87,922	\$ 152,361

The annual LP asset management fee is paid from the operating deficit reserve in arrears.



ALEXIS H. WONG
CHARLOTTE SIEW-KUN TAY
CATHY L. HWANG
RITA B. DELA CRUZ
SCOTT K. SMITH
CRISANTO S. FRANCISCO
JOE F. HUIE

SHERMAN G. LEONG

The Partners
Stargell Commons, L.P.
Berkeley, California

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Stargell Commons, L.P., which comprise the balance sheet as of December 31, 2021 and the related statements of operations, changes in partners' capital and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 8, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Stargell Commons, L.P.'s internal control over financial reporting (internal control) to as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Stargell Commons, L.P.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Stargell Commons, L.P.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Stargell Commons, L.P.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of testing of internal control and compliance and the results of testing, and not to provide an opinion on the effectiveness of Stargell Commons, L.P.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Stargell Commons, L.P.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lindquist, von Husen and Joyce LLP

April 8, 2022



ISLAND CITY DEVELOPMENT

Fax (510) 522-7848 | TTY/TRS 711

To: Board of Directors
Island City Development

From: Allyson Ujimori, Senior Project Manager

Date: May 25, 2022

Re: Authorize the President, or her Designee, to Negotiate a Contract Amendment with the Dahlin Group, Inc. for an Amount not to exceed \$10,000 for Additional Design Services at Rosefield Village and in addition, to Negotiate up to an Additional \$10,000 for Contingency.

BACKGROUND

ICD performs real estate development services for Rosefield Village. On January 11, 2017, a Consultant Agreement was entered into by and between ICD and Dahlin Group Inc., for architectural services not to exceed \$250,000 for preliminary designs and entitlement review. On June 25, 2018, the contract expiration date was extended to December 31, 2018, in order to provide time to negotiate and finalize a full design and services agreement for the proposed project. On November 6, 2018, the Board approved a contract extension to December 31, 2021 for work not to exceed \$1,819,895 based on the full design and construction administration scope of work. On April 30, 2019, the Board approved a contract amendment for work not to exceed \$1,862,445, based on the corrected fee schedule. On March 18, 2020, the Board approved the contract amendment for work not to exceed \$1,872,045, based on the revised fee schedule. On April 27, 2021, the Board approved the contract amendment for work not to exceed \$1,935,995 for additional construction administration services for the project’s longer construction period. On April 20, 2022, the Board approved the contract amendment for work not to exceed \$1,995,145 for additional design services at Rosefield Village.

DISCUSSION

Contract Amendment No. 7 will increase the not to exceed contract amount from \$1,995,145 to \$2,005,145. The total contract is increased by \$10,000 for additional design services, including preparation of utility easement documentation and landscape certification under the ReScope program required by the City of Alameda.

In addition to the Amendment, staff also requests authorization to increase the contract by an amount not to exceed \$10,000 in case unknown scope emerges as the project approaches completion.

FISCAL IMPACT

The contract amount increases are covered within the budget for the proposed project.



CEQA

This item is not applicable.

RECOMMENDATION

Authorize the President, or her Designee, to Negotiate a Contract Amendment with the Dahlin Group, Inc. for an Amount not to exceed \$10,000 for Additional Design Services at Rosefield Village and in addition, to Negotiate up to an Additional \$10,000 for contingency.

ATTACHMENTS

1. 3.F - Attach 1 RV_Dahlin 7th Contract Amendment DRAFT

Respectfully submitted,



Allyson Ujimori, Senior Project Manager

AMENDMENT NO. 7 TO CONSULTANT AGREEMENT

This Amendment of a Consultant Agreement by and between Constitution and Eagle LP (Owner) and Dahlin Group, Inc., a California corporation, whose address is 5865 Owens Drive, Pleasanton, CA 94588 (hereinafter “Consultant”), made with reference to the following:

RECITALS

A. On January 11, 2017, a Consultant Agreement was entered into by and between Owner and Consultant.

B. The Original Consultant Agreement limited the Compensation to Consultant to a not exceed amount of Two Hundred and Fifty Thousand dollars and zero cents (\$250,000.00) for the term of the contract.

C. The original expiration date of the contract is June 30, 2017.

D. On June 25, 2018, the parties executed Amendment No. 1 to this Consultant Agreement. Amendment No. 1 to the Consultant Agreement extended the expiration date to December 31, 2018.

E. On November 6, 2018, the parties executed Amendment No. 2 to this Consultant Agreement. Amendment No. 2 to the Consultant Agreement extended the expiration date to December 31, 2021, and amended the contract fee to One Million Eight Hundred Nineteen Thousand Eight Hundred Ninety-Five Dollars and zero cents (\$1,819,895.00) based on the updated scope of work documented in Exhibit A and the updated fee schedule documented in Exhibit B.

F. On April 1, 2019, the parties executed Amendment No. 3 to this Consultant Agreement. Amendment No. 3 to the Consultant Agreement limited the Compensation to Consultant to a not to exceed amount of One Million Eight Hundred Sixty-Two Thousand Four Hundred Forty-Five Dollars and zero cents (\$1,862,445.00) based on the updated scope of work documented in Exhibit A and the updated fee schedule documented in Exhibit B.

G. On March 18, 2020, the parties executed Amendment No. 4 to this Consultant Agreement. Amendment No. 4 to the Consultant Agreement limited the Compensation to Consultant to a not to exceed amount of One Million Eight Hundred Seventy-Two Thousand Four Hundred and Forty-Five Dollars and zero cents (\$1,872,445.00), based on the updated additional scope of work and fee schedule

ICD Board of Directors Meeting
May 25, 2022
Amendment No. 7 – DRAFT
Dahlin Group – Rosefield Redevelopment

document in the Request for Additional Services #01 dated January 27, 2020. An additional Six Thousand Four Hundred Dollars (\$6,400.00) is included as a contingency.

H. On April 12, 2021, the parties executed Amendment No. 5 to this Consultant Agreement. Amendment No. 5 to the Consultant Agreement limited the Compensation to Consultant to a not to exceed amount of One Million Nine Hundred Thirty-Five Thousand Nine Hundred and Ninety-Five Dollars and zero cents (\$1,935,995.00), based on the updated additional scope of work and fee schedule document in the Request for Additional Services #03 and #04 dated September 8, 2020, and February 22, 2021 respectively. The contract expiration date was also extended to December 31, 2022.

I. On April 20, 2022, the parties executed Amendment No. 6 to this Consultant Agreement. Amendment No. 6 to the Consultant Agreement limited the Compensation to Consultant to a not to exceed amount of One Million Nine Hundred Ninety-Five Thousand One Hundred Forty-Five Dollars and zero cents (\$1,995,145.00), based on the updated additional scope of work and fee schedule document in the Request for Additional Services #05 dated March 22, 2022.

J. The effective date of this Amendment No. 7 shall be May 25, 2022.

K. All conditions of the Consultant Agreement will remain the same except as amended below.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. The not to exceed amount for the entire Agreement shall be amended to Two Million Five Thousand One Hundred Forty-Five Dollars and zero cents (\$2,005,145.00), based on the updated additional scope of work and fee schedule document in the Request for Additional Services #06 dated May XX, 2022.

ICD Board of Directors Meeting
May 25, 2022
Amendment No. 7 – DRAFT
Dahlin Group – Rosefield Redevelopment

IN WITNESS WHEREOF, the parties hereto have caused this modification of the Consultant Agreement to be executed on the day and year first above written.

Consultant:
Dahlin Group, Inc.

By: _____
Lauri Moffet-Fehlberg, Senior Principal

Owner:
Constitution and Eagle LP,
a California limited partnership

By: Rosefield LLC,
a California limited liability company,
its managing general partner

By: Island City Development,
a California nonprofit public benefit corporation,
its sole manager

By: _____
Vanessa Cooper
President



ISLAND CITY DEVELOPMENT

Fax (510) 522-7848 | TTY/TRS 711

ITEM 4.A

To: Board of Directors
Island City Development

From: Sylvia Martinez, Director of Housing Development

Date: May 25, 2022

Re: Discussion and Possible Adoption of Resolution 2022-10 of the Board of Directors of Island City Development Ratifying the Proclamation of a State of Emergency by the Governor of the State of California on March 4, 2021, and Making Findings Authorizing Continued Remote Teleconference Meetings of the Board of Directors Pursuant to Brown Act Provisions, as amended by Assembly Bill No. 361.

BACKGROUND

On March 17, 2020, Governor Newsom issued Executive Order N-29-20 which allowed for relaxed provisions of the Ralph M. Brown Act (Brown Act) that allowed legislative bodies to conduct meetings through teleconferencing without having to meet the strict compliance of the Brown Act. All provisions of Executive Order N-29-20 concerning the conduct of public meetings via teleconferencing expired on September 30, 2021.

DISCUSSION

Assembly Bill 361(Chapter 165,Statutes of 2021) (AB 361) was signed into law by the Governor on September 16, 2021, and went into effect immediately. It amends the Brown Act to allow local legislative bodies to continue using teleconferencing and virtual meeting technology after the September 30, 2021 expiration of the current Brown Act exemptions as long as there is a "proclaimed state of emergency" by the Governor. This allowance also depends on state or local officials imposing or recommending measures that promote social distancing or a legislative body finding that meeting in person would present an imminent safety risk to attendees. Though adopted in the context of the pandemic, AB 361 will allow for virtual meetings during other proclaimed emergencies, such as earthquakes or wildfires, where physical attendance may present a risk. AB 361 will sunset on January 1, 2024.

AB 361 requires the following to continue to conduct teleconferenced meetings:

1. Notice of the meeting must still be given in compliance with the Brown Act, and the notice must include the means by which the public may access the meeting and provide public comment remotely.
2. The public must be provided access to the meeting via a call-in option or internet-based service option and allowed to "address the legislative body directly." Island City Development does not have to provide an in-person option for the public to attend the meeting.



3. The meeting must be conducted “in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body.”
4. If there is a disruption to the meeting broadcast or in the ability to take call-in or internet-based public comment, no further action can be taken on agenda items until the issue is resolved, even if this means stopping the meeting at that point and continuing all remaining items.
5. The Board of Directors cannot require comments to be submitted before the start of the meeting. The public must be allowed to make “real time” public comment.
6. Reasonable time for public comment must be provided. If the Board provides a timed public comment period, the public comment period must be left open until the time expires.
7. All votes must be taken by roll call.
8. The Board of Directors must approve a resolution making findings by majority vote within 30 days of the first teleconferenced meeting under AB 361 and every 30 days thereafter to continue to conduct teleconference meetings under AB 361. The body must find it has reconsidered the circumstances of the state of emergency and either 1) the emergency continues to impact the ability to meet safely in person, or 2) State or local officials continue to impose or recommend social distancing.

In light of AB 361, the continuing COVID-19 State of Emergency declared by the Governor, the continuing Local Emergency declared by the City of Alameda, the continuing recommendations by the County of Alameda Health Officer of social distancing as a mechanism for preventing the spread of COVID-19, and the continued threats to health and safety posed by indoor public meetings, staff recommends the Board of Directors adopt the proposed Resolution making the findings required to initially invoke AB 361.

The procedures currently set up for Board of Directors' meetings, which provide public attendance and comment through a call-in or internet-based service option, satisfy the requirements of AB 361. The Executive Director, or designee, will work with the Board to ensure that meeting procedures for all teleconferenced meetings comply with AB 361. Continued reliance will require the Board of Directors to adopt a new resolution making required findings every 30 days.

FISCAL IMPACT

None.

CEQA

N/A

RECOMMENDATION

Adopt Resolution of the Board of Directors of the Island City Development Ratifying the Proclamation of a State of Emergency by the Governor of the State of California on March 4, 2021, and Making Findings Authorizing Continued Remote Teleconference Meetings of the Board of Directors Pursuant to Brown Act Provisions, as amended by Assembly Bill No. 361.

ATTACHMENTS



Island City Development
May 25, 2022

Page 3

1. AB 361.pdf 2021
2. Resolution No 2022-10 (AB361 May)_Final

Respectfully submitted,



Sylvia Martinez, Director of Housing Development



Assembly Bill No. 361

CHAPTER 165

An act to add and repeal Section 89305.6 of the Education Code, and to amend, repeal, and add Section 54953 of, and to add and repeal Section 11133 of, the Government Code, relating to open meetings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 16, 2021. Filed with
Secretary of State September 16, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

AB 361, Robert Rivas. Open meetings: state and local agencies: teleconferences.

(1) Existing law, the Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act contains specified provisions regarding the timelines for posting an agenda and providing for the ability of the public to directly address the legislative body on any item of interest to the public. The act generally requires all regular and special meetings of the legislative body be held within the boundaries of the territory over which the local agency exercises jurisdiction, subject to certain exceptions. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency's jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. The act authorizes the district attorney or any interested person, subject to certain provisions, to commence an action by mandamus or injunction for the purpose of obtaining a judicial determination that specified actions taken by a legislative body are null and void.

Existing law, the California Emergency Services Act, authorizes the Governor, or the Director of Emergency Services when the governor is inaccessible, to proclaim a state of emergency under specified circumstances.

Executive Order No. N-29-20 suspends the Ralph M. Brown Act's requirements for teleconferencing during the COVID-19 pandemic provided that notice and accessibility requirements are met, the public members are allowed to observe and address the legislative body at the meeting, and that a legislative body of a local agency has a procedure for receiving and swiftly

resolving requests for reasonable accommodation for individuals with disabilities, as specified.

This bill, until January 1, 2024, would authorize a local agency to use teleconferencing without complying with the teleconferencing requirements imposed by the Ralph M. Brown Act when a legislative body of a local agency holds a meeting during a declared state of emergency, as that term is defined, when state or local health officials have imposed or recommended measures to promote social distancing, during a proclaimed state of emergency held for the purpose of determining, by majority vote, whether meeting in person would present imminent risks to the health or safety of attendees, and during a proclaimed state of emergency when the legislative body has determined that meeting in person would present imminent risks to the health or safety of attendees, as provided.

This bill would require legislative bodies that hold teleconferenced meetings under these abbreviated teleconferencing procedures to give notice of the meeting and post agendas, as described, to allow members of the public to access the meeting and address the legislative body, to give notice of the means by which members of the public may access the meeting and offer public comment, including an opportunity for all persons to attend via a call-in option or an internet-based service option, and to conduct the meeting in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body. The bill would require the legislative body to take no further action on agenda items when there is a disruption which prevents the public agency from broadcasting the meeting, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments, until public access is restored. The bill would specify that actions taken during the disruption are subject to challenge proceedings, as specified.

This bill would prohibit the legislative body from requiring public comments to be submitted in advance of the meeting and would specify that the legislative body must provide an opportunity for the public to address the legislative body and offer comment in real time. The bill would prohibit the legislative body from closing the public comment period and the opportunity to register to provide public comment, until the public comment period has elapsed or until a reasonable amount of time has elapsed, as specified. When there is a continuing state of emergency, or when state or local officials have imposed or recommended measures to promote social distancing, the bill would require a legislative body to make specified findings not later than 30 days after the first teleconferenced meeting pursuant to these provisions, and to make those findings every 30 days thereafter, in order to continue to meet under these abbreviated teleconferencing procedures.

Existing law prohibits a legislative body from requiring, as a condition to attend a meeting, a person to register the person's name, or to provide other information, or to fulfill any condition precedent to the person's attendance.

This bill would exclude from that prohibition, a registration requirement imposed by a third-party internet website or other online platform not under the control of the legislative body.

(2) Existing law, the Bagley-Keene Open Meeting Act, requires, with specified exceptions, that all meetings of a state body be open and public and all persons be permitted to attend any meeting of a state body. The act requires at least one member of the state body to be physically present at the location specified in the notice of the meeting.

The Governor's Executive Order No. N-29-20 suspends the requirements of the Bagley-Keene Open Meeting Act for teleconferencing during the COVID-19 pandemic, provided that notice and accessibility requirements are met, the public members are allowed to observe and address the state body at the meeting, and that a state body has a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, as specified.

This bill, until January 31, 2022, would authorize, subject to specified notice and accessibility requirements, a state body to hold public meetings through teleconferencing and to make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the state body. With respect to a state body holding a public meeting pursuant to these provisions, the bill would suspend certain requirements of existing law, including the requirements that each teleconference location be accessible to the public and that members of the public be able to address the state body at each teleconference location. Under the bill, a state body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically would satisfy any requirement that the state body allow members of the public to attend the meeting and offer public comment. The bill would require that each state body that holds a meeting through teleconferencing provide notice of the meeting, and post the agenda, as provided. The bill would urge state bodies utilizing these teleconferencing procedures in the bill to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to existing law, as provided.

(3) Existing law establishes the various campuses of the California State University under the administration of the Trustees of the California State University, and authorizes the establishment of student body organizations in connection with the operations of California State University campuses.

The Gloria Romero Open Meetings Act of 2000 generally requires a legislative body, as defined, of a student body organization to conduct its business in a meeting that is open and public. The act authorizes the legislative body to use teleconferencing, as defined, for the benefit of the public and the legislative body in connection with any meeting or proceeding authorized by law.

This bill, until January 31, 2022, would authorize, subject to specified notice and accessibility requirements, a legislative body, as defined for purposes of the act, to hold public meetings through teleconferencing and

to make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the legislative body. With respect to a legislative body holding a public meeting pursuant to these provisions, the bill would suspend certain requirements of existing law, including the requirements that each teleconference location be accessible to the public and that members of the public be able to address the legislative body at each teleconference location. Under the bill, a legislative body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically would satisfy any requirement that the legislative body allow members of the public to attend the meeting and offer public comment. The bill would require that each legislative body that holds a meeting through teleconferencing provide notice of the meeting, and post the agenda, as provided. The bill would urge legislative bodies utilizing these teleconferencing procedures in the bill to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to existing law, as provided.

(4) This bill would declare the Legislature's intent, consistent with the Governor's Executive Order No. N-29-20, to improve and enhance public access to state and local agency meetings during the COVID-19 pandemic and future emergencies by allowing broader access through teleconferencing options.

(5) This bill would incorporate additional changes to Section 54953 of the Government Code proposed by AB 339 to be operative only if this bill and AB 339 are enacted and this bill is enacted last.

(6) The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

(7) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

(8) This bill would declare that it is to take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. Section 89305.6 is added to the Education Code, to read:

89305.6. (a) Notwithstanding any other provision of this article, and subject to the notice and accessibility requirements in subdivisions (d) and (e), a legislative body may hold public meetings through teleconferencing

and make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the legislative body.

(b) (1) For a legislative body holding a public meeting through teleconferencing pursuant to this section, all requirements in this article requiring the physical presence of members, the clerk or other personnel of the legislative body, or the public, as a condition of participation in or quorum for a public meeting, are hereby suspended.

(2) For a legislative body holding a public meeting through teleconferencing pursuant to this section, all of the following requirements in this article are suspended:

(A) Each teleconference location from which a member will be participating in a public meeting or proceeding be identified in the notice and agenda of the public meeting or proceeding.

(B) Each teleconference location be accessible to the public.

(C) Members of the public may address the legislative body at each teleconference conference location.

(D) Post agendas at all teleconference locations.

(E) At least one member of the legislative body be physically present at the location specified in the notice of the meeting.

(c) A legislative body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements in subdivisions (d) and (e), shall have satisfied any requirement that the legislative body allow members of the public to attend the meeting and offer public comment. A legislative body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

(d) If a legislative body holds a meeting through teleconferencing pursuant to this section and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the legislative body shall also do both of the following:

(1) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and resolving any doubt whatsoever in favor of accessibility.

(2) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to paragraph (2) of subdivision (e).

(e) Except to the extent this section provides otherwise, each legislative body that holds a meeting through teleconferencing pursuant to this section shall do both of the following:

(1) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by this article, and using the means otherwise prescribed by this article, as applicable.

(2) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in the means of public observation and comment, or any instance prior to the effective date of this section in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of the means of public observation and comment, a legislative body may satisfy this requirement by advertising the means of public observation and comment using the most rapid means of communication available at the time. Advertising the means of public observation and comment using the most rapid means of communication available at the time shall include, but need not be limited to, posting such means on the legislative body's internet website.

(f) All legislative bodies utilizing the teleconferencing procedures in this section are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the otherwise applicable provisions of this article, in order to maximize transparency and provide the public access to legislative body meetings.

(g) This section shall remain in effect only until January 31, 2022, and as of that date is repealed.

SEC. 2. Section 11133 is added to the Government Code, to read:

11133. (a) Notwithstanding any other provision of this article, and subject to the notice and accessibility requirements in subdivisions (d) and (e), a state body may hold public meetings through teleconferencing and make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the state body.

(b) (1) For a state body holding a public meeting through teleconferencing pursuant to this section, all requirements in this article requiring the physical presence of members, the clerk or other personnel of the state body, or the public, as a condition of participation in or quorum for a public meeting, are hereby suspended.

(2) For a state body holding a public meeting through teleconferencing pursuant to this section, all of the following requirements in this article are suspended:

(A) Each teleconference location from which a member will be participating in a public meeting or proceeding be identified in the notice and agenda of the public meeting or proceeding.

(B) Each teleconference location be accessible to the public.

(C) Members of the public may address the state body at each teleconference conference location.

(D) Post agendas at all teleconference locations.

(E) At least one member of the state body be physically present at the location specified in the notice of the meeting.

(c) A state body that holds a meeting through teleconferencing and allows members of the public to observe and address the meeting telephonically

or otherwise electronically, consistent with the notice and accessibility requirements in subdivisions (d) and (e), shall have satisfied any requirement that the state body allow members of the public to attend the meeting and offer public comment. A state body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

(d) If a state body holds a meeting through teleconferencing pursuant to this section and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the state body shall also do both of the following:

(1) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and resolving any doubt whatsoever in favor of accessibility.

(2) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to paragraph (2) of subdivision (e).

(e) Except to the extent this section provides otherwise, each state body that holds a meeting through teleconferencing pursuant to this section shall do both of the following:

(1) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by this article, and using the means otherwise prescribed by this article, as applicable.

(2) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in the means of public observation and comment, or any instance prior to the effective date of this section in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of the means of public observation and comment, a state body may satisfy this requirement by advertising the means of public observation and comment using the most rapid means of communication available at the time. Advertising the means of public observation and comment using the most rapid means of communication available at the time shall include, but need not be limited to, posting such means on the state body's internet website.

(f) All state bodies utilizing the teleconferencing procedures in this section are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the otherwise applicable provisions of this article, in order to maximize transparency and provide the public access to state body meetings.

(g) This section shall remain in effect only until January 31, 2022, and as of that date is repealed.

SEC. 3. Section 54953 of the Government Code is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, “teleconference” means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public’s right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(B) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(C) The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body of a local agency.

(D) In the event of a disruption which prevents the public agency from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption which prevents the public agency from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(G) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) For the purposes of this subdivision, “state of emergency” means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(f) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 3.1. Section 54953 of the Government Code is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency in person, except as otherwise provided in this chapter. Local agencies shall conduct meetings subject to this chapter consistent with applicable state and federal civil rights laws, including, but not limited to, any applicable language access and other nondiscrimination obligations.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body

shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, “teleconference” means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public’s right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter

2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(B) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3. In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(C) The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body of a local agency.

(D) In the event of a disruption which prevents the public agency from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption which prevents the public agency from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for

the public to address the legislative body and offer comment in real time. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(G) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) For the purposes of this subdivision, “state of emergency” means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(f) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 4. Section 54953 is added to the Government Code, to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting

of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, “teleconference” means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public’s right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting,

members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) This section shall become operative January 1, 2024.

SEC. 4.1. Section 54953 is added to the Government Code, to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, in person except as otherwise provided in this chapter. Local agencies shall conduct meetings subject to this chapter consistent with applicable state and federal civil rights laws, including, but not limited to, any applicable language access and other nondiscrimination obligations.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the

legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, “teleconference” means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public’s right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint

powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) This section shall become operative January 1, 2024.

SEC. 5. Sections 3.1 and 4.1 of this bill incorporate amendments to Section 54953 of the Government Code proposed by both this bill and Assembly Bill 339. Those sections of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2022, but this bill becomes operative first, (2) each bill amends Section 54953 of the Government Code, and (3) this bill is enacted after Assembly Bill 339, in which case Section 54953 of the Government Code, as amended by Sections 3 and 4 of this bill, shall remain operative only until the operative date of Assembly Bill 339, at which time Sections 3.1 and 4.1 of this bill shall become operative.

SEC. 6. It is the intent of the Legislature in enacting this act to improve and enhance public access to state and local agency meetings during the COVID-19 pandemic and future applicable emergencies, by allowing broader access through teleconferencing options consistent with the Governor's Executive Order No. N-29-20 dated March 17, 2020, permitting expanded use of teleconferencing during the COVID-19 pandemic.

SEC. 7. The Legislature finds and declares that Sections 3 and 4 of this act, which amend, repeal, and add Section 54953 of the Government Code, further, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act is necessary to ensure minimum standards for public participation and notice requirements allowing for greater public participation in teleconference meetings during applicable emergencies.

SEC. 8. (a) The Legislature finds and declares that during the COVID-19 public health emergency, certain requirements of the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code) were suspended by Executive Order N-29-20. Audio and video teleconference were widely used to conduct public meetings in lieu of physical location meetings, and public meetings conducted by teleconference during the COVID-19 public health emergency have been productive, have increased public participation by all members of the public regardless of their location in the state and ability to travel to physical meeting locations, have protected the health and safety of civil servants and the public, and have reduced travel costs incurred by members of state bodies and reduced work hours spent traveling to and from meetings.

(b) The Legislature finds and declares that Section 1 of this act, which adds and repeals Section 89305.6 of the Education Code, Section 2 of this act, which adds and repeals Section 11133 of the Government Code, and Sections 3 and 4 of this act, which amend, repeal, and add Section 54953 of the Government Code, all increase and potentially limit the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

(1) By removing the requirement that public meetings be conducted at a primary physical location with a quorum of members present, this act protects the health and safety of civil servants and the public and does not preference the experience of members of the public who might be able to attend a meeting in a physical location over members of the public who cannot travel or attend that meeting in a physical location.

(2) By removing the requirement for agendas to be placed at the location of each public official participating in a public meeting remotely, including from the member's private home or hotel room, this act protects the personal, private information of public officials and their families while preserving the public's right to access information concerning the conduct of the people's business.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that state and local agencies can continue holding public meetings while providing essential services like water, power, and fire protection to their constituents during public health, wildfire, or other states of emergencies, it is necessary that this act take effect immediately.

O

ISLAND CITY DEVELOPMENT

Resolution No. 2022-10

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ISLAND CITY DEVELOPMENT RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY THE GOVERNOR OF THE STATE OF CALIFORNIA ON MARCH 4, 2021, AND MAKING FINDINGS AUTHORIZING CONTINUED REMOTE TELECONFERENCE MEETINGS OF THE BOARD OF DIRECTORS PURSUANT TO BROWN ACT PROVISIONS, AS AMENDED BY ASSEMBLY BILL NO. 361

WHEREAS, the Island City Development ("ICD") is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of the ICD's Board of Directors are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the ICD's Board of Directors conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist within the jurisdiction of the ICD which includes the City of Alameda, specifically, on March 17, 2020 the Governor of the State of California proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS, as a result of the COVID-19 pandemic the California Department of Health and the Health Officer of the County of Alameda continue to recommend measures to promote social distancing. Additionally, On March 17, 2020, in response to the COVID-19 pandemic, the City Council of the City of Alameda, declared a local emergency as set forth in Ordinance No. 3267; and

WHEREAS, the Board of Directors does hereby find that the COVID-19 pandemic has caused, and will continue to cause, imminent risk to the health and safety of attendees meeting in person for a Board of Directors' meeting, and the COVID-19 pandemic has caused conditions of peril to the safety of persons within the jurisdiction of the ICD that are likely to be beyond the control of services, personnel, equipment, and facilities of the ICD, and desires to ratify the proclamation of a local emergency by the City of Alameda, ratify the proclamation of a state of emergency by the Governor of the State of California and ratify the California Department of Health and the Health Officer of the County of Alameda's recommended measures to promote social distancing; and

WHEREAS, as a consequence of the local emergency and state of emergency the Board of Directors does hereby find that the Board of Directors of the ICD shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that the Board of Directors shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of Government Code section 54953; and

WHEREAS, when holding teleconferenced meetings under abbreviated teleconferencing procedures permitted under the Brown Act, the ICD will ensure access for the public by complying with all requirements set forth in Government Code section 54953(e), including, but not limited to, giving notice of the meeting and posting agendas, to allow members of the public to access the meeting and address the legislative body, to give notice of the means by which members of the public may access the meeting and offer public comment, including an opportunity for all persons to attend via a call-in option or an internet-based service option, and to conduct the meeting in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE ISLAND CITY DEVELOPMENT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Reconsideration. The Board hereby reconsiders the circumstances of the state of emergency.

Section 3. Ratification of the City of Alameda's Proclamation of a Local Emergency. The Board hereby ratifies the City of Alameda's proclamation of a Local Emergency as set forth in Ordinance No. 3267 adopted on March 17, 2020.

Section 4. Ratification of the California Department of Health and the Health Officer of the County of Alameda's recommended measures to promote social distancing. The Board hereby finds that state and local officials continue to recommend measures to

promote social distancing. The Board further hereby ratifies the California Department of Health and the Health Officer of the County of Alameda's recommended measures to promote social distancing and finds that, as a result of the state of emergency, meeting in person would present imminent risk to the health or safety of attendees.

Section 5. Ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020, and hereby finds that the state of emergency continues to directly impact the ability of the Board of Directors and members of the public to meet safely in person.

Section 6. Remote Teleconference Meetings. The ICD's Executive Director, and designee, and the Board of Directors are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continued teleconferencing and conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 7. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) 30 days from the adoption of this Resolution, or, (ii) such time as the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the Board of Directors of the ICD may continue to teleconference without compliance with Government Code section 54953(b)(3).

PASSED AND ADOPTED by the Board of Directors of the Island City Development this _____ day of _____, 20____, by the following vote:

AYES: _____ NOES: _____ ABSTENTIONS:_____ ABSENT: ____

ATTEST:

Vanessa M. Cooper
President

Janet Basta
Secretary

Adopted:

Date



ISLAND CITY DEVELOPMENT

Fax (510) 522-7848 | TTY/TRS 711

To: Board of Directors
Island City Development

From: Sylvia Martinez, Director of Housing Development

Date: May 25, 2022

Re: Adopt Resolution 2022-11 to Accept AHA Loans and Options to Island City Development a) Up to \$8 million for an adaptive reuse acquisition and an Option to Ground Lease to Island City Development, b) Up to \$4.4 million for 2615 Eagle Avenue and an Option to Ground Lease to Island City Development, c) Up to \$3 million for North Housing PSH I, d) Up to \$1.5 million for North Housing PSH II, e) Up to \$4.538 million for North Housing Senior to Island City Development and authorize the Executive Director or her designee to sign options to ground lease and award letters and to submit to State of California funding applications

BACKGROUND

Affordable housing is built upon layered financing, starting from local awards that leverage state and federal matching funds and other subsidies in order to obtain the significant amount of resources that are needed to start construction. The local funds are especially key in demonstrating local support and commitment to the project. The June 2022 Super NOFA has been released by the State of California and presents a once in a year opportunity to secure critical matching funds. In order to position projects for financial applications, the Board of Commissioners of the Housing Authority has approved commitments of its reserves to include in the applications over the next 12 months.

DISCUSSION

Island City Development

ICD has undertaken development of all four of these projects and will complete the applications. As such, it will need access to loan funds and site control (through a typical ground lease with the Housing Authority, which will retain ownership of the land). The North Housing options to ground lease have already been approved, but new options to ground lease for 2615 Eagle Avenue and the adaptive reuse acquisition of 50 units need to be approved.

Financing status:

The Housing Authority Board of Commissioners has approved the staff recommendations in the 2022 Update to the Reserve Policy, including the ability to reallocate or 'spring' funds



from certain projects to others, and new loan funds of up to \$15,038,000 can be made available to the four named projects. The Housing Authority has also approved the Options to Ground Lease.

Permission to submit applications:

With these funds and options, the named projects are able to begin submitting funding applications for additional funding. The Board is asked to approve the submittal of applications to the State of California, County of Alameda, City of Alameda, Alameda Affordable HOusingTrust Funds and other affordable housing sources that can be utilized to leverage these funds and complete the projects.

Conditions to the Loans:

1. Permanent award is conditional on a construction loan closing with all sources.
2. Requirement to leverage – ICD is required to find public and private sources to leverage this local commitment and should document that it has applied to all relevant and appropriate funding sources.
3. Term: All of the funds will be available in a predevelopment loan for three years, with two one-year extensions. Funds for the permanent phase will repay the predevelopment loan and be available for at least 55 years.
4. Predevelopment funding loans will be at 0% interest. The permanent loan will be at no more than 3% simple interest starting at permanent conversion.
5. Permanent funding can be in place for construction as necessary.
6. Repayment is 75% of residual receipts, or as shared with other soft lenders at the Housing Authority's sole discretion. The residual receipts negotiation must be brought back to the Board for approval.
7. Loan Fee – Up to a 5% loan fee, as may be required to be charged or passed through by the initial lender or grantor, is due no earlier than 30 days after the units are placed in service.
8. If the project has the opportunity to apply for a State of CA LHTF match, this award may flow through AAHC and the AAHTF, but ICD and staff must return to the Board for approval of that transaction.
9. Progress reports on the development and its predevelopment funding will be in a monthly or quarterly board report.

As shown in the attached drafts, the Option to Ground Lease terms are similar to those used in recent approvals.

FISCAL IMPACT

If ICD accepts these loans, it will use the funds for predevelopment activities on the named projects, or to secure matching permanent funding sources to allow the project to begin construction and create affordable housing opportunities.

CEQA

Not applicable.

RECOMMENDATION



Adopt Resolution 2022-11 to Accept AHA Loans and Options to Island City Development
a) Up to \$8 million for an adaptive reuse acquisition and an Option to Ground Lease to Island City Development, b) Up to \$4.4 million for 2615 Eagle Avenue and an Option to Ground Lease to Island City Development, c) Up to \$3 million for North Housing PSH I, d) Up to \$1.5 million for North Housing PSH II, e) Up to \$4.538 million for North Housing Senior to Island City Development and authorize the Executive Director or her designee to sign options to ground lease and award letters and to submit to State of California funding applications

ATTACHMENTS

1. Att 1 Reso 2022-11 to Accept NH_TC_AAR loans
2. Att 2 Draft Form of 2615 Eagle Option Agreement
3. Att 3 Draft Form of Adaptive Reuse Option Agreement

Respectfully submitted,



Sylvia Martinez, Director of Housing Development

ISLAND CITY DEVELOPMENT

Resolution No. 2022-11

ACCEPTING THE HOUSING AUTHORITY'S LOAN(S) TO ISLAND CITY DEVELOPMENT FOR NORTH HOUSING PSH I, NORTH HOUSING PSH II, NORTH HOUSING SENIOR, TILDEN COMMONS, ACQUISITION ADAPTIVE REUSE PROJECT AND ACCEPTING THE HOUSING AUTHORITY'S OPTION(S) TO GROUND LEASE TO ISLAND CITY DEVELOPMENT FOR 2615 EAGLE AVENUE AND THE ACQUISITION ADAPTIVE REUSE PROJECT AND AUTHORIZING THE EXECUTIVE DIRECTOR OR HER DESIGNEE TO SIGN PROMISORRY NOTE(S) TO UTILIZE PREDEVELOPMENT FUNDS

WHEREAS, the Island City Development ("ICD") was formed as a public benefit corporation established to operate exclusively to support the Housing Authority of the City of Alameda ("AHA");

WHEREAS, the Housing Authority owns real property at the 501 Mosley Avenue commonly known as North Housing and the property at 2615 Eagle Avenue, and is seeking to obtain site control to the site of the Acquisition Adaptive Ruse Project (the "Properties") for which the Corporation provides real estate development services to redevelop the Properties; and

WHEREAS, ICD is authorized to do business in the State of California and is empowered to enter into an obligation to receive local, regional, state, and federal funds for the acquisition, construction, rehabilitation, or preservation of affordable multifamily rental housing, including but not limited to Low-Income Housing Tax Credits, Alameda County funds, HOME and CDBG funds, AUSD Pass Through Funds, No Place Like Home, State HCD Program funds, Tax-Exempt Bonds, and Federal Home Loan Bank Affordable Housing Program funds, (collectively the "Funding").

NOW, THEREFORE, BE IT RESOLVED, that the Board authorizes the acceptance of loan funds in the amount of up to a total of \$15,038,000.

BE IT FURTHER RESOLVED, that the Board authorizes the acceptance of the Housing Authority's option to ground lease for 2615 Eagle Avenue and option to ground lease for the Acquisition Adaptive Reuse Project.

BE IT FURTHER RESOLVED, the Board hereby authorizes Vanessa Cooper,

President, or her written designee, to each separate, individually, and independently to execute any Unsecured, Recourse Promissory Note(s) required to utilize these loan funds as predevelopment funds as authorized by the Housing Authority of the City of Alameda, to sign the two option(s) to ground lease, and to apply for additional funding as needed to complete the projects.

ATTEST:

Vanessa M. Cooper
President

Janet Basta
Secretary

Adopted:

Date

Attach 2 Draft Form of 2615 Eagle Option Agreement

OPTION AGREEMENT

THIS OPTION AGREEMENT (this “**Agreement**”) is effective as of [], 2022, by and between Housing Authority of the City of Alameda (“**Seller**”) and Island City Development, a California nonprofit public benefit corporation, or its assigns (“**Purchaser**”).

RECITALS

A. Seller is the owner of the land located in the City of Alameda, CA 94501, and described as 2615 Eagle Avenue further described in Exhibit A attached hereto and incorporated herein by reference (the “**Land**”). The site currently includes maintenance and warehouse improvements (the “**Improvements**”) situated on the Land.

B. Purchaser desires to procure, and Seller desires to grant, an option to enter into a ground lease with respect to the Land upon the terms and provisions as hereinafter set forth. The leasehold interest in the Land and the fee interest in any Improvements to be developed on the Land are referred to collectively herein as the “**Property**”.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, the parties hereto agree as follows:

AGREEMENT

1. Grant of Option. For One Dollar (\$1.00) and other good and valuable consideration, receipt of which is hereby acknowledged, Seller does hereby grant to Purchaser the exclusive right and option to acquire the Property (the “**Option**”).

2. Exercise of Option. Purchaser may exercise its Option at any time during the period commencing on the date hereof and expiring on December 31, 2023 (the “**Option Term**”), by giving written notice thereof to Seller. In the event the Purchaser does not exercise its Option during the Option Term, this Agreement shall become null and void and neither party hereto shall have any other liability, obligation or duty hereunder.

3. Contract For Ground Lease. In the event that the Purchaser exercises the Option, unless otherwise mutually agreed, both parties agree to execute a contract in accordance with the following terms and conditions:

(a) Ground Lease. The ground lease for the Land shall have the following terms: (a) have a term of no less than 99 years; (b) have base rent equal to the appraised fair market value of the Land, and (c) such other terms and conditions agreed upon by Seller and Purchaser.

(b) Financing. Seller agrees to provide seller takeback financing for up to 100% of the ground lease base rent; bearing interest at the applicable federal rate; with a term of 55 years (or a lesser term if elected by Purchaser); secured by a mortgage against the Property; subordinate to a senior construction to permanent bank loan and any other loans from governmental agencies;

repaid from residual receipts (after payment of developer fee, general partner management fee of \$25,000 per year with an annual increase of 3%, and an investor asset management fee of \$5,000 per year with an annual increase of 3%); and subject to commercially reasonable terms, including those in favor of an investor, for low income housing tax credit projects.

(c) Closing Date. The closing date shall be on any date during the Option Term as may be selected by Purchaser, provided that Purchaser shall make good faith efforts to provide 30 days prior notice of the closing date.

(d) Closing Costs. The Purchaser and Seller shall each pay their respective costs of closing the purchase in accordance with custom in the city in which the Property is located.

(e) As Is. Except as specifically provided in writing by Seller, Purchaser shall acquire the Property in an “as-is” condition with an ALTA owner’s title policy with such endorsements as Purchaser shall reasonably require, subject only to those monetary encumbrances recorded against the Property as agreed to in writing by Purchaser.

(f) Subdivision. Seller and Purchaser shall cooperate in causing the Land to be a separate legal parcel under applicable law, which shall be a condition precedent to closing under this Agreement. At the election of Purchaser, Purchaser may cause the Land to be further subdivided into 2 separate legal parcels or converted to a condominium with 2 condo units, in which case (1) Seller shall reasonably cooperate with such subdivision or conversion efforts, and (2) this Agreement shall be replaced with 2 separate option agreements for the 2 parcels or units, each with the same terms and conditions as in this Agreement.

(g) Representations, Warranties and Covenants. Seller hereby represents, warrants and covenants as follows:

(i) Except as otherwise permitted by Purchaser in writing in its sole discretion, Seller shall (A) maintain and operate the Property in its current condition and operation; (B) not enter into any lease, agreement or contract or a modification thereof (including existing loans or liens on the Property) affecting the Property unless such lease, agreement or contract shall terminate upon transfer of the Property or is approved by Purchaser in its sole discretion; (C) comply with all material contracts, agreements and obligations with respect to the Property; (D) maintain current amounts of fire, extended coverage, hazard and other insurance for the Property; and (E) not sell, assign, dispose of or further encumber the Property.

(ii) Seller shall not commit or permit any act that would diminish or devalue the Property or Purchaser’s rights under this Agreement.

(iii) Seller shall within 20 days of the date hereof provide to Purchaser all documents, contracts, agreements and other information regarding the Property that is within the possession or control of Seller.

(iv) During the Option Term, Purchaser and its agents shall have the right, upon reasonable notice and during reasonable times and without unreasonably interfering with the normal operation of the Property, to enter upon the Property to conduct inspections and testing (including surveying and environmental assessments), and to inspect and copy Seller’s

books and records with respect to the Property. Seller shall reasonably cooperate with Purchaser in inspecting and evaluating the Property, applying for or obtaining financing for the Property and obtaining entitlements or permits with respect to the Property.

4. General Provisions.

(a) Entire Agreement. This Agreement contains the entire agreement between the parties, and supersedes all prior negotiations, drafts, and other understandings which the parties may have had concerning the subject matter hereof.

(b) Time. Time is of the essence of this Agreement.

(c) Successors. The provisions of this Agreement shall inure to the benefit of, and shall be binding upon, the heirs, successors, executors, administrators and assigns of the parties hereto. Seller agrees that Purchaser shall have the right to assign this Agreement or to nominate another person (including, without limitation, a limited partnership controlled by Purchaser) to take title to the Property without Seller's consent.

(d) Amendments. This Agreement may not be amended or modified except by written documents signed by all parties hereto.

(e) Severability. Whenever possible, each provision of this Agreement shall be interpreted so as to be effective and valid under applicable law. If any provision of this Agreement is held to be prohibited by, or invalid under, applicable law, the remainder of this Agreement and any other application of such provision shall not be affected thereby.

(f) Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart shall be deemed to be an original instrument. All such counterparts together shall constitute one and the same Agreement.

(g) Notice. Any notice, demand, request, consent or other communication which either party desires or is required to give to any other party shall be in writing and shall be deemed to have been given when either: (a) delivered in person or by facsimile transfer, or (b) sent by overnight courier or first-class registered or certified mail, postage pre-paid, return receipt requested, addressed to such party at the address set forth following each party's signature to this Agreement. Either party may designate another address for itself at any time upon written notice to the other party.

(h) Headings. The titles and headings of the various sections of this Agreement have been inserted only for convenience of reference. They are not part of this Agreement and may not be used to construe or interpret any of the terms hereof.

(i) Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of California.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

SELLER:

Housing Authority of the City of Alameda,
a public body corporate and politic

By: _____
Vanessa Cooper
Executive Director

Address:

Housing Authority of the City of Alameda
701 Atlantic Avenue
Alameda, CA 94501
Attn: Executive Director

PURCHASER:

Island City Development,
a California nonprofit public benefit corporation

By: _____
Vanessa Cooper
President

Address:

Island City Development
c/o Housing Authority of the City of Alameda
701 Atlantic Avenue
Alameda, CA 94501
Attn: Executive Director

EXHIBIT A
Legal Description

Attach 3 Draft Form of Adaptive Reuse Option Agreement

OPTION AGREEMENT

THIS OPTION AGREEMENT (this “**Agreement**”) is effective as of [], 2022, by and between Housing Authority of the City of Alameda (“**Seller**”) and Island City Development, a California nonprofit public benefit corporation, or its assigns (“**Purchaser**”).

RECITALS

A. Seller is the owner of the land located in the City of Alameda, CA 94501, and described as Adaptive Reuse Project further described in Exhibit A attached hereto and incorporated herein by reference (the “**Land**”). The site currently includes improvements (the “**Improvements**”) situated on the Land.

B. Purchaser desires to procure, and Seller desires to grant, an option to enter into a ground lease with respect to the Land upon the terms and provisions as hereinafter set forth. The leasehold interest in the Land and the fee interest in any Improvements to be developed on the Land are referred to collectively herein as the “**Property**”.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, the parties hereto agree as follows:

AGREEMENT

1. Grant of Option. For One Dollar (\$1.00) and other good and valuable consideration, receipt of which is hereby acknowledged, Seller does hereby grant to Purchaser the exclusive right and option to acquire the Property (the “**Option**”).

2. Exercise of Option. Purchaser may exercise its Option at any time during the period commencing on the date hereof and expiring on December 31, 2023 (the “**Option Term**”), by giving written notice thereof to Seller. In the event the Purchaser does not exercise its Option during the Option Term, this Agreement shall become null and void and neither party hereto shall have any other liability, obligation or duty hereunder.

3. Contract For Ground Lease. In the event that the Purchaser exercises the Option, unless otherwise mutually agreed, both parties agree to execute a contract in accordance with the following terms and conditions:

(a) Ground Lease. The ground lease for the Land shall have the following terms: (a) have a term of no less than 99 years; (b) have base rent equal to the appraised fair market value of the Land, and (c) such other terms and conditions agreed upon by Seller and Purchaser.

(b) Financing. Seller agrees to provide seller takeback financing for up to 100% of the ground lease base rent; bearing interest at the applicable federal rate; with a term of 55 years (or a lesser term if elected by Purchaser); secured by a mortgage against the Property; subordinate to a senior construction to permanent bank loan and any other loans from governmental agencies;

repaid from residual receipts (after payment of developer fee, general partner management fee of \$25,000 per year with an annual increase of 3%, and an investor asset management fee of \$5,000 per year with an annual increase of 3%); and subject to commercially reasonable terms, including those in favor of an investor, for low income housing tax credit projects.

(c) Closing Date. The closing date shall be on any date during the Option Term as may be selected by Purchaser, provided that Purchaser shall make good faith efforts to provide 30 days prior notice of the closing date.

(d) Closing Costs. The Purchaser and Seller shall each pay their respective costs of closing the purchase in accordance with custom in the city in which the Property is located.

(e) As Is. Except as specifically provided in writing by Seller, Purchaser shall acquire the Property in an “as-is” condition with an ALTA owner’s title policy with such endorsements as Purchaser shall reasonably require, subject only to those monetary encumbrances recorded against the Property as agreed to in writing by Purchaser.

(f) Subdivision. Seller and Purchaser shall cooperate in causing the Land to be a separate legal parcel under applicable law, which shall be a condition precedent to closing under this Agreement. At the election of Purchaser, Purchaser may cause the Land to be further subdivided into 2 separate legal parcels or converted to a condominium with 2 condo units, in which case (1) Seller shall reasonably cooperate with such subdivision or conversion efforts, and (2) this Agreement shall be replaced with 2 separate option agreements for the 2 parcels or units, each with the same terms and conditions as in this Agreement.

(g) Representations, Warranties and Covenants. Seller hereby represents, warrants and covenants as follows:

(i) Except as otherwise permitted by Purchaser in writing in its sole discretion, Seller shall (A) maintain and operate the Property in its current condition and operation; (B) not enter into any lease, agreement or contract or a modification thereof (including existing loans or liens on the Property) affecting the Property unless such lease, agreement or contract shall terminate upon transfer of the Property or is approved by Purchaser in its sole discretion; (C) comply with all material contracts, agreements and obligations with respect to the Property; (D) maintain current amounts of fire, extended coverage, hazard and other insurance for the Property; and (E) not sell, assign, dispose of or further encumber the Property.

(ii) Seller shall not commit or permit any act that would diminish or devalue the Property or Purchaser’s rights under this Agreement.

(iii) Seller shall within 20 days of the date hereof provide to Purchaser all documents, contracts, agreements and other information regarding the Property that is within the possession or control of Seller.

(iv) During the Option Term, Purchaser and its agents shall have the right, upon reasonable notice and during reasonable times and without unreasonably interfering with the normal operation of the Property, to enter upon the Property to conduct inspections and testing (including surveying and environmental assessments), and to inspect and copy Seller’s

books and records with respect to the Property. Seller shall reasonably cooperate with Purchaser in inspecting and evaluating the Property, applying for or obtaining financing for the Property and obtaining entitlements or permits with respect to the Property.

4. General Provisions.

(a) Entire Agreement. This Agreement contains the entire agreement between the parties, and supersedes all prior negotiations, drafts, and other understandings which the parties may have had concerning the subject matter hereof.

(b) Time. Time is of the essence of this Agreement.

(c) Successors. The provisions of this Agreement shall inure to the benefit of, and shall be binding upon, the heirs, successors, executors, administrators and assigns of the parties hereto. Seller agrees that Purchaser shall have the right to assign this Agreement or to nominate another person (including, without limitation, a limited partnership controlled by Purchaser) to take title to the Property without Seller's consent.

(d) Amendments. This Agreement may not be amended or modified except by written documents signed by all parties hereto.

(e) Severability. Whenever possible, each provision of this Agreement shall be interpreted so as to be effective and valid under applicable law. If any provision of this Agreement is held to be prohibited by, or invalid under, applicable law, the remainder of this Agreement and any other application of such provision shall not be affected thereby.

(f) Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart shall be deemed to be an original instrument. All such counterparts together shall constitute one and the same Agreement.

(g) Notice. Any notice, demand, request, consent or other communication which either party desires or is required to give to any other party shall be in writing and shall be deemed to have been given when either: (a) delivered in person or by facsimile transfer, or (b) sent by overnight courier or first-class registered or certified mail, postage pre-paid, return receipt requested, addressed to such party at the address set forth following each party's signature to this Agreement. Either party may designate another address for itself at any time upon written notice to the other party.

(h) Headings. The titles and headings of the various sections of this Agreement have been inserted only for convenience of reference. They are not part of this Agreement and may not be used to construe or interpret any of the terms hereof.

(i) Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of California.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

SELLER:

Housing Authority of the City of Alameda,
a public body corporate and politic

By: _____
Vanessa Cooper
Executive Director

Address:

Housing Authority of the City of Alameda
701 Atlantic Avenue
Alameda, CA 94501
Attn: Executive Director

PURCHASER:

Island City Development,
a California nonprofit public benefit corporation

By: _____
Vanessa Cooper
President

Address:

Island City Development
c/o Housing Authority of the City of Alameda
701 Atlantic Avenue
Alameda, CA 94501
Attn: Executive Director

EXHIBIT A
Legal Description



ISLAND CITY DEVELOPMENT

Fax (510) 522-7848 | TTY/TRS 711

ITEM 4.C

To: Board of Directors
Island City Development

From: Sylvia Martinez, Director of Housing Development

Date: May 25, 2022

Re: Authorize the Creation of Two Limited Partnerships and/or Two Limited Liability Company Entities for Tilden Commons and an Acquisition Adaptive Reuse Project

BACKGROUND

Island City Development (ICD) performs real estate development services for the North Housing project. ICD anticipates undertaking two new developments that will be applying for funding in 2022, requiring the formation of the ultimate ownership entities. The two new developments are Tilden Commons, which is a 40-50 unit family new construction project, and an Acquisition Adaptive Reuse Project, of 50 units for either seniors, general adults or special needs populations.

DISCUSSION

Create Tax Credit Entities

For upcoming funding applications, staff is requesting authorization to form up to two Limited Partnership (LP) and/or two Limited Liability Company (LLC) entities for Tilden Commons and an Acquisition Adaptive Reuse Project. A sample ownership structure is included with this memo for visual reference.

FISCAL IMPACT

It is anticipated that the Housing Authority of the City of Alameda will provide financing for predevelopment and permanent capital support for these two projects in the form of loans. These approvals are occurring concurrently on this agenda. It is not anticipated that ICD will need to use its own resources for these developments.

CEQA

Not Applicable

RECOMMENDATION

Authorize the Creation of Two Limited Partnerships and/or Two Limited Liability Company Entities for Tilden Commons and an Acquisition Adaptive Reuse Project



ATTACHMENTS

1. Att 1 Sample Org Chart

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Sylvia Martinez', with a stylized flourish at the end.

Sylvia Martinez, Director of Housing Development

Sample Organizational Chart

(for a typical project)

