



AGENDA

ISLAND CITY DEVELOPMENT
Special Meeting
June 22, 2017 at 12:30 PM
701 Atlantic Avenue, Alameda
First Floor Conference Room

1. CALL TO ORDER & ROLL CALL
 2. CONSENT CALENDAR (**Action**)
 - a. Approval of Minutes – June 7, 2017 Special Meeting
 3. UNFINISHED BUSINESS
 4. NEW BUSINESS
 - a. UPDATED: Everett and Eagle Project Update and Approve Authorizing Resolution for Syndication and Financing Transaction and Document Execution (**Action**)
 - b. New Chase Bank accounts for Everett and Eagle Project
 5. PUBLIC COMMENT (non-agenda items)
 6. WRITTEN COMMUNICATIONS
 7. ORAL COMMUNICATIONS – BOARD MEMBERS AND STAFF
 8. ADJOURNMENT
-

NOTES:

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

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

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

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

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

IF YOU WISH TO ADDRESS THE BOARD:

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

MINUTES
Draft until approved
ISLAND CITY DEVELOPMENT
Special Meeting
June 7, 2017, 2:30 PM
701 Atlantic Avenue, Conference Room, Alameda

1. CALL TO ORDER & ROLL CALL

President Cooper called the meeting to order at 2:36 p.m., with the following Board Members present: Vice President McCahan and Secretary/Treasurer Basta. Members absent: none. Staff in Attendance: Kathleen Mertz.

2. CONSENT CALENDAR (**Action**)

a. Approval of Minutes – April 27, 2017 Special Meeting

Director McCahan moved to accept all items on the Consent Calendar, Director Basta seconded. The motion carried unanimously.

3. UNFINISHED BUSINESS (*none*)

4. NEW BUSINESS

a. Everett and Eagle Project Update and Approve Authorizing Resolution for Syndication and Financing Transaction and Document Execution (**Action**)

Roll Call Vote: Director Basta, yes. Director McCahan, yes. President Cooper, yes. Resolution approved unanimously.

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

6. WRITTEN COMMUNICATIONS (*none*)

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

Developer Fee from Del Monte project was finally received. The audit should be ready by mid-July for review and approval at a regular meeting.

8. ADJOURNMENT

The meeting was unanimously adjourned at 2:45 p.m.

Respectfully submitted,

Draft until approved

Janet Basta
Secretary

To: Board of Directors
Island City Development

From: Victoria Johnson
Director of Housing and Community Development

Date: June 22, 2017

Re: Everett and Eagle Project Update and Approve Authorizing Resolution for Syndication and Financing Transaction and Document Execution (**Action**)

BACKGROUND

Everett and Eagle Avenue (Project) is an affordable rental project located on an infill lot at the corner of Eagle Avenue and Everett Street. The Project will be developed by the Housing Authority and Island City Development. The funding sources for the Project include Low-Income Housing Tax Credit equity, a permanent bank loan, Alameda County bond loan funds, a Housing Authority loan that will include AHA funds plus the funding available through the Successor Agency ROPS account, and a City HOME loan. The operating budget includes subsidy from Project Based Vouchers and VASH vouchers.

The Board has previously approved the project funding, performance commitments and guarantees and has authorized the Executive Director to execute the Loan Agreements and other closing documents.

Staff is actively working with outside counsel to finalize all closing documents and the construction loan closing date is now scheduled for the week of June 19th 2017. The TCAC hard deadline to submit copies of the recorded closing documents is June 30, 2017.

DISCUSSION

The County funds are designed to be available as permanent but not construction financing. Because the County Housing Bond is a new program, the County's loan documents were not available until this week. When the documents were circulated, it was noted that they contain a clause that states the County funds are contingent upon the issuance of the general obligation bonds. After extensive dialogue among the attorneys representing the lender, investor, the County and the Housing Authority, counsel for the lender and investor have stated they will not accept the contingent language unless the guarantor (the Housing Authority) provides an additional commitment to supply the \$1mm in funds if the County fails to issue the bonds. The current schedule is for the County to issue the first round of GO bonds by the end of 2017 or early 2018. The Housing Authority Board is expected to provide the additional financial guarantee associated with this loan on June 21, 2017. The Resolution is the same form approved at the June 7th meeting, but with new language about the Housing Authority

loan and County Loan circumstance discussed above.

RECOMMENDATION

Approve updated Authorizing Resolution for Syndication and Financing Transaction and Document Execution

Respectfully submitted,
Victoria Johnson
Director of Housing and Community Development

ISLAND CITY DEVELOPMENT

Resolution No. 2017-02

EAGLE FAMILY HOUSING

At a duly constituted meeting of the Board of Directors (the “**Board**”) of Island City Development, a California nonprofit public benefit corporation (“**ICD**”), held on June 22, 2017 (the “**Meeting**”), the following resolutions were adopted:

WHEREAS, the Board adopted and approved certain actions under Resolution No. 2017-01 on June 7, 2017 (“**Resolution 2017-01**”), and this resolution shall constitute an update to Resolution 2017-01.

WHEREAS, ICD formed 2437 Eagle Avenue, LLC, a California limited liability company (the “**LLC**”), pursuant to that certain Articles of Organization filed with the California Secretary of State (“**Secretary of State**”) on November 22, 2016, and serves as the manager and sole member of the LLC.

WHEREAS, the LLC formed Everett and Eagle L.P., a California limited partnership (the “**Partnership**”), upon filing that certain certificate of limited partnership with the Secretary of State on November 22, 2016, and serves as the sole general partner of the Partnership, together with the Housing Authority of the City of Alameda, a public body, corporate and politic (the “**Housing Authority**”) as the sole limited partner of the Partnership;

WHEREAS, the Board deems it to be in the best interests of ICD, the LLC and the Partnership for ICD and the LLC to assist the Partnership in the acquisition, construction and development of the Project by: (i) allowing the Housing Authority to withdraw as limited partner of the Partnership; (ii) facilitating the admission of Wincopin Circle LLLP, a Maryland limited liability partnership, or a substitute investor (the “**Investor**”) as a 99.99% limited partner in the Partnership in exchange for capital contributions in the approximate aggregate amount of \$7,498,000; (iii) entering into a first amended and restated agreement of limited partnership (as amended, the “**Amended Partnership Agreement**”) to provide for such other matters as may be required by the Investor; and (iv) causing the Partnership to enter into a development services agreement with the Housing Authority and ICD, both of which will serve as the co-developers of the Project, a partnership administration agreement, a property management agreement, an investor services agreement, a right of first refusal agreement, a guaranty agreement and any other agreement, certificate, document or instrument required by the Investor and deemed necessary or appropriate by an Officer of ICD to allow the Housing Authority to withdraw from the Partnership, admit the Investor and syndicate the Partnership (collectively, the “**Equity Documents**”). Items (i) through (iv) are hereinafter referred to as the “**Syndication**”;

WHEREAS, ICD and the Housing Authority are parties to that certain Option Agreement, dated effective as of June 1, 2016 (the “**Initial Option**”), as assigned to the LLC pursuant to that certain Assignment and Assumption of Option Agreement, dated on or about

June 1, 2017 (the “**First Assignment**”), and subsequently assigned to the Partnership pursuant to that certain Assignment and Assumption of Option Agreement, dated on or about June 1, 2017 (the “**Assignment**” together with the Initial Option and the First Assignment the “**Option Agreement**”), pursuant to which the Housing Authority granted an option to the Partnership for a long-term ground lease of that certain real property located at 2437 Eagle Avenue, in the City of Alameda (the “**Property**”), in connection with the Partnership’s development and construction of a twenty (20) unit, including one (1) unrestricted manager’s unit, affordable housing development on the Property to be commonly known as Eagle Family Housing (the “**Project**”) (the Partnership’s leasehold interest in the Property, including the Project, is collectively referred to herein as (the “**Development**”));

WHEREAS, pursuant to the terms of the Option Agreement, the Partnership desires to enter into a ground lease with the Housing Authority with respect to the Land for a term of 99 years and upon such other terms and conditions, set forth in the ground lease (the “**Ground Lease**”);

WHEREAS, the Board deems it to be in the best interests of ICD, the LLC, and the Partnership for the Partnership, as lessee, to enter into the Ground Lease with the Housing Authority, as lessor, with respect to the Property for a term of 99 years and upon such terms and conditions as deemed necessary or appropriate by an Officer;

WHEREAS, the Board deems it to be in the best interests of ICD, the LLC, and the Partnership for the Partnership to construct, own, operate and maintain the Project; and

WHEREAS, the Board deems it to be in the best interests of ICD for ICD to enter into a development services agreement with the Partnership to serve as the co-developer of the Project together with the Housing Authority (the “**Development Agreement**”);

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

(a) A recourse, construction loan from JPMorgan Chase Bank, N.A. (“**Chase**”) in the approximate amount of \$9,930,000 (the “**Construction Loan**”), a portion of which is expected to convert to a nonrecourse permanent loan in the approximate amount of \$3,313,600 (the “**Permanent Loan**” together with the Construction Loan, the “**Chase Construction/Permanent Loan**”), which shall be evidenced by, among other documents, a promissory note, and loan agreement and secured by a leasehold deed of trust, UCC financing statement and any other agreement, certificate, document, or instrument required by Chase and deemed necessary or appropriate by an officer of ICD to consummate the Chase Construction / Permanent Loan (collectively, the “**Chase Loan Documents**”);

(b) A construction to permanent loan to the Partnership in the approximate amount of \$4,250,000 (the “**Housing Authority Construction to Permanent Loan**”), which will be repaid with the Project’s residual receipts and evidenced by a Promissory Note and a Loan Agreement and secured by a Leasehold Deed of Trust, Assignment of Rents, Security Agreement and

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Fixture Filing to be recorded against the Development, and encumbered by a Regulatory Agreement and Notice of Affordability Restrictions on Transfer of Property, and any other agreement, document, certificate or instrument required by the Housing Authority and deemed necessary or appropriate by an Officer of ICD to consummate the Housing Authority Construction to Permanent Loan (the “**Housing Authority Construction Loan Documents**”);

(c) A permanent loan to the Partnership in the approximate amount of \$1,000,000 (the “**Housing Authority Permanent Loan**”), which is intended to be replaced by the County Loan prior to conversion of the Chase Construction/Permanent Loan from construction to permanent financing, and if not replaced will be repaid with the Project’s residual receipts and evidenced by a Promissory Note and secured by a Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing to be recorded against the Development, and any other agreement, document, certificate or instrument required by the Housing Authority and deemed necessary or appropriate by an Officer of ICD to consummate the Housing Authority Permanent Loan (the “**Housing Authority Permanent Loan Documents**”);

(d) A nonrecourse permanent loan of Measure A1 funds from the County of Alameda (the “**County**”) in the approximate amount of \$1,000,000 (the “**County Loan**”), which will be repaid with the Project’s residual receipts and be evidenced by a promissory note and a loan agreement, and be secured by a leasehold deed of trust to be recorded against the Development, and encumbered by a regulatory agreement and an inter-creditor agreement and any other agreement, document, certificate or instrument required by the County and deemed necessary or appropriate by an Officer of ICD to consummate the County Loan (collectively, the “**County Loan Documents**”);

(e) A nonrecourse construction/permanent loan of HOME Investment Partnerships Act funds from the City of Alameda (the “**City**”) in the approximate amount of \$153,000 (the “**City HOME Loan**”), which will be repaid with the Project’s residual receipts and be evidenced by a promissory note and a loan agreement and be secured by a leasehold deed of trust to be recorded against the Development, and encumbered by a regulatory agreement and any other agreement, certificate, document or instrument required by the City and deemed necessary or appropriate by an Officer of ICD to consummate the City HOME Loan (the “**City Loan Documents**”);

WHEREAS, the Housing Authority Construction to Permanent Loan and the Housing Authority Permanent Loan are collectively referred to in this resolution as the “**Housing Authority Loans**”;

WHEREAS, the Housing Authority Construction to Permanent Loan Documents and the Housing Authority Permanent Loan Documents are collectively referred to in this resolution as the “**Housing Authority Loan Documents**”;

WHEREAS, as a condition of the Secured Financings and the Syndication, the lenders and the Investor may require ICD to (a) guaranty the payment and performance by the Partnership and / or the LLC of their respective obligations under the documents evidencing and securing the Secured Financings and the Syndication, guaranty timely lien-free completion of the

Project and make certain indemnities (collectively the “**Guaranties**”), and/or (b) assign any fees from the Partnership as security for the Secured Financings and the Syndication (the “**Security Assignments**”);

WHEREAS, the Board deems it to be in the best interests of ICD, the LLC and the Partnership, for ICD to make and enter into the Guaranties and the Security Assignments for the benefit of the lenders and Investor in connection with the construction of the Project and Syndication of the Partnership;

WHEREAS, the Board deems it to be in the best interests of ICD, the LLC, and the Partnership for ICD, the LLC and the Partnership, as applicable, to execute such documents and to perform such actions as may be required in order to obtain all necessary and appropriate entitlements, permits and any other authorization for the acquisition, development, construction, management or operation of the Project and for any waiver of entitlement or similar fees (collectively, the “**Entitlement Documents**”);

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

WHEREAS, ICD applied for and was awarded an allocation of 9% Low Income Housing Tax Credits (“**LIHTCs**”) from the California Tax Credit Allocation Committee (“**TCAC**”) as evidenced by that certain Preliminary Reservation Letter dated September 21, 2016 (the “**Preliminary Reservation**”) and that certain carryover allocation from TCAC dated November 15, 2016 (the “**Carryover Allocation**” together with the Preliminary Reservation the “**LIHTC Allocation**”), and intends to assign the LIHTC Allocation to the Partnership through an assignment and assumption of Tax Credits (the “**Assignment of Tax Credits**”);

WHEREAS, the Board deems it to be in the best interest of ICD, the LLC and the Partnership for ICD and the Partnership to enter into the Assignment of Tax Credits to allow ICD to assign its right, title and interest in and obligations under the LIHTC Allocation to the Partnership and for the Partnership to assume the same and for ICD, the LLC and the Partnership to submit any and all agreements, documents, and certificates required by TCAC to allow ICD to assign, and the Partnership to assume, the LIHTC Allocation;

WHEREAS, in connection with the construction and development of the Project, ICD and the LLC entered into several service contracts and agreements for professional services with various vendors and professionals, and ICD and the LLC intend to assign their respective rights, title and interest in and obligations under the various service contracts and agreements to the Partnership pursuant to an assignment and assumption of service contracts (the “**Assignment of Contracts**”);

WHEREAS, the Board deems it to be in the best interest of ICD, the LLC and the Partnership for ICD, the LLC and the Partnership to enter into the Assignment of Contracts to

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allow ICD and the LLC to assign their respective rights, title and interest in, and obligations under, the various service contracts and agreements to the Partnership and for the Partnership to assume and reimburse ICD and the LLC for cost incurred in connection with the various service contracts and agreements;

WHEREAS, the Housing Authority has approved the provision of Veterans Affairs Supportive Housing Vouchers for the Project and a housing assistance payments contract to be entered into with the Partnership, an agreement to enter into a housing assistance payments contract, or such other agreement or document in connection with a project-based voucher assistance with the Housing Authority or such other appropriate party (collectively, the “**VASH and HAP Documents**”);

WHEREAS, the Board deems it to be in the best interests of ICD, the LLC, and the Partnership for the Partnership to execute and deliver and perform its obligations under the VASH and HAP Documents;

WHEREAS, the Board deems it to be in the best interests of ICD, the LLC and the Partnership, for ICD, the LLC and the Partnership, as the case may be, to execute and deliver, and to perform their respective obligations under, any and all documents or agreements necessary or advisable in furtherance of the Partnership’s acquisition, development, financing, construction, operation, management and maintenance of the Project, including, but not limited to, the Amended Partnership Agreement, Equity Documents and any other agreement, certificate, document necessary to consummate the Syndication, Option Agreement, the Ground Lease, all grant deeds and any other document required to transfer the leasehold interest in the Property and the fee interest in the existing and hereinafter constructed improvements thereon to the Partnership, the Development Agreement any other agreement, certificate or document necessary to allow ICD to serve as the co-developer of the Project, the Secured Financings, the Chase Loan Documents, and any and all other agreements, certificates, documents or instruments necessary for the Partnership to consummate the Chase Construction/Permanent Loan, the Housing Authority Loan Documents, and any and all other agreements, documents or instruments necessary for the Partnership to consummate the Housing Authority Loans, the County Loan Documents, and any and all other agreements, documents or instruments necessary for the Partnership to consummate the County Loan, the City Loan Documents and any and all other agreements, documents or instruments necessary for the Partnership to consummate the City HOME Loan, the Development Agreement, the Amended Partnership Agreement, the Guaranty Agreement, the Guaranties and the Security Assignments, the Entitlement Documents, the Title Documents, the Assignment of Tax Credits, the Assignment of Contracts, the VASH and HAP Documents and any similar or related agreements for housing subsidies, regulatory agreements, assignments of rents, leases, income and profits, general assignments, management agreements construction contract, and any other agreement necessary to construct the project, and any resolution required by any lender or Investor, with the advice counsel, deemed to be consistent with the resolutions contained herein (collectively, the “**Project Documents**”).

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

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1. Project Documents; and
2. Such other agreements, certificates, contracts, instruments and any and all other documents deemed necessary or advisable by an Officer in furtherance of these resolutions and/or to assist in the acquisition, development and construction of the Project (collectively, the “**Transaction Documents**”), using his or her own independent judgment.

BE IT FURTHER RESOLVED, that Board hereby authorizes Vanessa Cooper, Chief Executive Officer and President of ICD, John McCahan, Vice President of ICD, and (c) Janet Basta, Secretary/Treasurer of ICD (each, an “**Officer**”), each acting alone on behalf of ICD, the LLC and the Partnership, to execute the Transaction Documents subject to any minor conforming, technical or clarifying changes approved by an Officer and ICD counsel. Each Officer is hereby further authorized and directed to take such further actions in furtherance of the resolutions contained herein and to execute and record such documents as are necessary to accept the Transaction Documents, for ICD, the LLC and the Partnership.

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

ATTEST:

Vanessa M. Cooper
President

Janet Basta
Secretary

Adopted:

Date

ICD Resolutions
Eagle Family Housing