



AGENDA

ISLAND CITY DEVELOPMENT
Special Meeting
March 29, 2018 at 2:30 PM
701 Atlantic Avenue, Alameda
First Floor Conference Room

1. CALL TO ORDER & ROLL CALL
2. CONSENT CALENDAR (**Action**)
 - a. Approval of Minutes – October 23, 2017 Special Meeting
3. UNFINISHED BUSINESS
4. NEW BUSINESS
 - a. Approve The Authorizing Resolution Regarding The Partnership Agreement Amendment (**Action**)
5. PUBLIC COMMENT (non-agenda items)
6. WRITTEN COMMUNICATIONS
7. ORAL COMMUNICATIONS – BOARD MEMBERS AND STAFF
8. ADJOURNMENT



NOTES:

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

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

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

For more information on your rights under the sunshine ordinance or to report a violation of the ordinance, contact the open government commission: the address is 2263 Santa Clara Avenue, Room 380, Alameda, CA, 94501; phone number is 510-747-4800; fax number is 510-865-4048, e-mail address is 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
October 23, 2017 at 9:30 AM
Alameda Housing Authority Office
701 Atlantic Avenue, Alameda

1. CALL TO ORDER & ROLL CALL

President Cooper called the meeting to order at 9:30 A.M., with the following Board Members present: Vice President McCahan, Secretary/Treasurer Basta. Members absent: none. Staff in Attendance: Kathleen Mertz and Victoria Johnson.

2. CONSENT CALENDAR

- a. Approval of Minutes – August 30, 2017 Regular 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. Approve a Predevelopment Loan from the Housing Authority in the Amount of \$3.3 Million

Director McCahan moved to approve a predevelopment loan from the Housing Authority in the amount of \$300,000; Director Basta seconded. The motion carried unanimously.

- b. Approve the Federal and State Tax Returns for the Fiscal Year Ending 12/31/2016

Director Basta moved to approve the federal and state tax returns for the fiscal year ending 12/31/2016; Director McCahan seconded. The motion carried unanimously.

- c. Approve and Adopt the Budget for Fiscal Year 2018

Director McCahan moved to approve and adopt the budget for fiscal year 2018 with the recognition that \$3MM of the demolition expense is not yet funded; Director Basta seconded. The motion carried unanimously.

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

6. WRITTEN COMMUNICATIONS (*none*)

7. ORAL COMMUNICATIONS – BOARD MEMBERS AND STAFF

Kathleen presented a summary of the four existing bank accounts. President Cooper requested a revised Regular Meeting schedule to be reviewed and approved at the next board meeting. President Cooper asked staff to compile policies and procedures for review at the next board meeting.

8. ADJOURNMENT

The meeting was adjourned at 9:47 A.M.

Respectfully submitted,

Draft until Approved

Janet Basta
Secretary

To: Board of Directors
Island City Development

From: Kathleen Mertz
Asset Manager

Date: March 29, 2018

Re: Approve The Authorizing Resolution Regarding The Partnership Agreement
Amendment

BACKGROUND

ICD is the sole member of 2437 Eagle Avenue, LLC (the LLC), which is the General Partner of Everett and Eagle LP (the LP), which is the owner of the 20-unit new construction low-income housing tax credit project to be completed in October 2018.

DISCUSSION

The LLC and LP have filed for clearance from the California Board of Equalization (BOE) to apply to Alameda County for a property tax exemption due to the properties charitable use as affordable housing. To receive this clearance, the BOE requires very specific language to be included in the LLC and LP’s organizational documents. The BOE has advised us of a minor technical edit to the language so the organizational documents will meet the requirements under Section 214 of the California Revenue and Taxation Code. The revised organizational documents and Resolution 2018-01 are attached to this report.

FISCAL IMPACT

None.

RECOMMENDATION

Staff recommends the Board approve the Authorizing Resolution regarding the Partnership Agreement Amendment.

Respectfully submitted,



Kathleen Mertz
Asset Manager

Exhibit A: First Amendment to the First Amended and Restated Agreement of Limited Partnership of Everett and Eagle LP and LLC-2 Amendment of Articles of Organization
Exhibit B: Resolution 2018-01

EXHIBIT A

FIRST AMENDMENT TO FIRST AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF EVERETT AND EAGLE L.P.

THIS FIRST AMENDMENT TO FIRST AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP (the “*Amendment*”) of Everett And Eagle L.P., a California limited partnership (the “*Partnership*”) is made and entered into as of March 23, 2018, by and between 2437 Eagle Avenue, LLC, a California limited liability company, as the general partner of the Partnership (the “*General Partner*”), and Enterprise Neighborhood Impact Fund II, LLC, a Delaware limited liability company (successor in interest to Wincopin Circle LLLP, a Maryland limited liability limited partnership, the “*Original Limited Partner*”), as the limited partner of the Partnership (the “*Limited Partner*”, and together with the General Partner, the “*Partners*”).

RECITALS

WHEREAS, the General Partner filed that certain Certificate of Limited Partnership with the California Secretary of State on November, 22, 2016, to form the Partnership and entered into that certain Agreement of Limited Partnership together with the Housing Authority of the City of Alameda, a California public body, corporate and politic, as the limited partner of the Partnership (the “*Withdrawing Limited Partner*”), dated as of December 12, 2016 (the “*Initial LPA*”), as amended by that certain First Amended and Restated Agreement of Limited Partnership, by and among the General Partner, the Original Limited Partner and the Withdrawing Limited Partner, dated as of June 27, 2017, pursuant to which the Withdrawing Limited Partner withdrew from the Partnership and the Original Limited Partner was admitted as the limited partner of the Partnership, as further amended by that certain Transfer Agreement dated as of July 14, 2017, pursuant to which the Original Limited Partner transferred its interest to the Limited Partner (together, the “*Partnership Agreement*”).

WHEREAS, the Partners intend to enter into this Amendment to amend certain provisions of the Partnership Agreement to comply with the property tax exemption provisions of Section 214 of the California Revenue and Taxation Code and the rules of the California Board of Equalization, as promulgated by the California Department of Tax and Fee Administration.

NOW, THEREFORE, for and in consideration of the foregoing recitals, which are incorporated into this Amendment by this reference, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Amendment of Section 5.03. Section 5.03(a) of the Partnership Agreement is hereby amended by adding the following at the end the paragraph:

“Any actions requiring the Consent of the General Partner shall be determined by vote of a majority in Interest of the Persons constituting the General Partner (if at

the time more than one Person constitutes the General Partner). Each General Partner has a right to vote in all the “major decisions” of the Partnership (a “major decision” being those acts, if any, that require a vote of a majority in interest of the General Partner).”

Section 2. Partnership Agreement Otherwise Confirmed. Except as expressly set forth in this Amendment, the Partnership Agreement is hereby ratified and confirmed in all respects and shall continue unmodified and in full force and effect.

Section 3. Severability. If any provision of this Amendment, or the application of such provision to any person or circumstance, shall be held to be invalid by a court of competent jurisdiction, the remainder of this Agreement, or the application of such provision to the persons or circumstances, shall not be affected thereby.

Section 4. Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 5. Headings. The section headings contained in this Amendment are for reference purposes only and will not affect in any way the meaning or interpretation of this Amendment.

Section 6. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of California

Section 7. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be an original and all of which, taken together, shall constitute one and the same instrument. This Amendment may also be executed by delivery by facsimile of an executed counterpart original of this Amendment. The parties hereto agree that the signature of any party transmitted by facsimile with confirmation of transmission shall have binding effect as though such signature were delivered as an original.

[Signatures appear on the following page]

IN WITNESS WHEREOF, this Amendment has been executed as of the date first above written.

GENERAL PARTNER:

2437 Eagle Avenue, LLC,
a California limited liability company

By: Island City Development,
a California nonprofit public benefit corporation,
its Manager and Sole Member

By: _____
Name: _____
Its: _____

LIMITED PARTNER:

Enterprise Neighborhood Impact Fund II, LLC,
a Delaware limited liability company

By: Enterprise Stanley GP, LLC,
its Managing Member

By: _____
Name: _____
Its: _____

Amendment to Articles of Organization of a Limited Liability Company (LLC)

To change information of record for your California LLC, you can fill out this form, and submit for filing along with:

- A **\$30** filing fee.
- A separate, non-refundable **\$15** service fee also must be included, if you **drop off** the completed form.
- To file this form, the status of your LLC must be active on the records of the California Secretary of State, or if suspended, this form can only be filed to list a new LLC name. To check the status of the LLC, go to BusinessSearch.sos.ca.gov.

Important! To change the LLC addresses, or to change the name or address of the LLC's agent for service of process, you must file a Statement of Information (Form LLC-12). To get Form LLC-12, go to www.sos.ca.gov/business/be/statements.htm.

Items 4-6: **Only** fill out the information that is changing. Attach extra pages if you need more space or need to include any other matters.

This Space For Office Use Only

For questions about this form, go to www.sos.ca.gov/business/be/filing-tips.htm.

① **LLC's Exact Name** (on file with CA Secretary of State)

2437 Eagle Avenue, LLC

② **LLC File No.** (issued by CA Secretary of State)

201633710220

Purpose

③ The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the California Revised Uniform Limited Liability Company Act.

New LLC Name (List the proposed LLC name exactly as it is to appear on the records of the California Secretary of State.)

④

Proposed LLC Name

The proposed new name **must** include: LLC, L.L.C., Limited Liability Company, Limited Liability Co., Ltd. Liability Co. or Ltd. Liability Company; and **may not** include: bank, trust, trustee, incorporated, inc., corporation, or corp., insurer, or insurance company.

Management (Check only one.)

⑤ The LLC will be managed by:

One Manager More Than One Manager All Limited Liability Company Member(s)

Amendment to Text of the Articles of Organization (List both the current text, and the text as amended by this filing.)

⑥ The attached Exhibit A replaces the existing Exhibit A to the Articles of Organization in its entirety.

Read and sign below: Unless a greater number is provided for in the Articles of Organization, this form must be signed by at least one manager, if the LLC is manager-managed or at least one member, if the LLC is member-managed. If the signing manager or member is a trust or another entity, go to www.sos.ca.gov/business/be/filing-tips.htm for more information. If you need more space, attach extra pages that are 1-sided and on standard letter-sized paper (8 1/2" x 11"). All attachments are part of this document.

►
Sign here

see attached signature page

Print your name here

Your business title

Make check/money order payable to: **Secretary of State**

Upon filing, we will return one (1) uncertified copy of your filed document for free, and will certify the copy upon request and payment of a \$5 certification fee.

By Mail

Secretary of State
Business Entities, P.O. Box 944228
Sacramento, CA 94244-2280

Drop-Off

Secretary of State
1500 11th Street., 3rd Floor
Sacramento, CA 95814

**Signature Page Attachment to
LLC-2 Amendment to Articles of Organization
of
2437 Eagle Avenue, LLC**

LLC File No. 201633710220

SIGNATURE:

I certify under penalty of perjury that the contents of this document are true. I declare I am the person who executed this instrument which execution is my act and deed.

Date: March __, 2018

Vanessa Cooper, President of Island City Development,
a California nonprofit public benefit corporation,
Sole Member and Manager of 2437 Eagle Avenue, LLC

EXHIBIT A

**Attachment to
Articles of Organization
of
2437 EAGLE AVENUE, LLC
(the "Company")**

ADDITIONAL INFORMATION.

- (A) The activities of the Company are limited to providing housing to lower income households, as contemplated by Section 214(g) of the California Revenue and Taxation Code ("**RT Code**"). The Company is organized and operated exclusively for charitable purposes as specified in Section 214 of the RT Code.
- (B) The Company shall be operated exclusively to further the charitable purposes as specified in Section 214 of the RT Code, of its member.
- (C) Each member of the Company shall be an organization that is charitable under Section 501(c)(3) of the Internal Revenue Code or under Section 23701d of the RT Code and that qualifies for exemption under Section 214 of the RT Code. Each member of the Company shall have a valid, unrevoked letter from the Internal Revenue Service or the Franchise Tax Board, stating that it qualifies as a charitable organization under Section 501(c)(3) of the Internal Revenue Code or under Section 23701d of the RT Code.
- (D) Any direct or indirect transfer of any membership interest in the Company to any organization whose purpose is not charitable under Section 501(c)(3) of the Internal Revenue Code or under Section 23701d of the RT Code and does not qualify for an exemption under Section 214 of the RT Code is prohibited.
- (E) The property of this Company is irrevocably dedicated to charitable purposes as specified in Sections 214 and 214.01 of the RT Code and no part of the net income or assets of this Company shall ever inure to the benefit of any private person.
- (F) Upon dissolution, all assets shall be distributed to an organization(s) organized and operated exclusively for charitable purposes, as specified in Section 214 of the RT Code, and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code, or under Section 23701d of the RT Code.
- (G) Any amendments to the Company's Articles of Organization or to the operating agreement of the Company shall be consistent with Section 214 of the RT Code.
- (H) To the fullest extent permitted by law, for the purpose of qualifying for the Welfare Exemption under the rules of the California Board of Equalization, this limited liability company is prohibited from merging or converting into a for-profit entity.

- (I) The Company shall not distribute any assets to any member who ceases to be charitable under Section 501(c)(3) of the Internal Revenue Code or under Section 23701d of the RT Code and that does not have charitable purposes under Section 214 of the RT Code.

- (J) In the event that any provision of the Articles of Organization is inconsistent with any provision of the Company's operating agreement, the provisions of the Articles of Organization shall prevail and control.

EXHIBIT B

ISLAND CITY DEVELOPMENT

Resolution No. 2018-01

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 March 29, 2018 (the “**Meeting**”), the following resolutions were adopted:

WHEREAS, ICD formed 2437 Eagle Avenue, LLC, a California limited liability company (the “**LLC**”), pursuant to those 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 managing general partner of the Partnership, together with Enterprise Neighborhood Impact Fund II, LLC, a Delaware limited liability company (successor in interest Wincopin Circle LLLP, a Maryland limited liability partnership) (together with the LLC, the “**Partners**”), pursuant to that certain First Amended and Restated Agreement of Limited Partnership, dated as of June 27, 2017, as further amended by that certain Transfer Agreement dated as of July 14, 2017, pursuant to which the Original Limited Partner transferred its interest to the Limited Partner (the “**Partnership Agreement**”).

WHEREAS, the Partnership was formed to develop, construct, own and operate that certain multifamily housing development located in the City of Alameda and commonly known as Eagle Family Housing (the “**Project**”).

WHEREAS, the Partners intend to enter into a First Amendment to First Amended and Restated Agreement of Limited Partnership of the Partnership (the “**First Amendment**”) to amend the Partnership Agreement to ensure that the Project is eligible for the property tax exemption and meets the welfare exemption requirements under Section 214 of the California Revenue and Taxation Code (“**Section 214**”) and the property tax rules of the Board of Equalization (the “**BOE Rules**”), as administered by the California Department of Tax and Fee Administration.

WHEREAS, the Board, acting on behalf of ICD, and acting on behalf of ICD in its capacity as the sole member and manager of the LLC, acting as the managing general partner of the Partnership, deems it to be in the best interest of ICD, the LLC and Partnership for the LLC, in its capacity as the managing general partner of the Partnership, to enter into the First Amendment to amend the Partnership Agreement to ensure consistency with the welfare exemption requirements of Section 214 and the BOE Rules to ensure the continued affordability of the Project.

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

1. First Amendment; 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 amendment of the Partnership Agreement (collectively, the “**Transaction Documents**”), using his or her own independent judgment.

BE IT FURTHER RESOLVED, that the 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.

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ATTEST:

Vanessa M. Cooper
President

Janet Basta
Secretary

Adopted:

Date