



AGENDA

ISLAND CITY DEVELOPMENT
Special Meeting
November 6, 2018 at 10:30 AM
Housing Authority Office
701 Atlantic Avenue, Alameda

1. CALL TO ORDER & ROLL CALL
 2. CONSENT CALENDAR **(Action)**
 - a. Approval of Minutes – October 24, 2018 Meeting, pg 3
 3. UNFINISHED BUSINESS
 4. NEW BUSINESS
 - a. Accept the Annual Report and Audited Financial Statements for Fiscal Year Ending 12/31/2017, pg 4 **(Action)**
 - b. Approve the Federal and State Tax Returns for the Fiscal Year Ending 12/31/2017, pg 21 **(Action)**
 - c. Approve and Adopt the Budget for Fiscal Year 2019, pg 66 **(Action)**
 - d. Authorize the President, or Designee, To Negotiate And Execute a Services Agreement Amendment with The Housing Authority of the City of Alameda, pg 69 **(Action)**
 - e. Authorize the President, or Designee, To Negotiate And Execute Consultant Agreements with The Dahlin Group and Paragon Partners, pg 71 **(Action)**
 - f. Accept a \$3.4 MM Loan Commitment Amendment to Island City Development and Authorize President, or Designee, to Negotiate and Execute Loan Documents, pg 73 **(Action)**
 - g. Approve the Everett and Eagle LP Limited Partnership Agreement Letter Amendment, pg 76 **(Action)**
 5. PUBLIC COMMENT (non-agenda items)
 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 Housing Authority of the City of Alameda Board of Commissioners, please contact (510) 747-4325 (TDD: 510 522-8467) or vmondo@alamedahsg.org. Notification 48 hours prior to the meeting will enable the Housing Authority of the City of Alameda Board of Commissioners 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 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 Housing Authority accommodate these individuals.

IF YOU WISH TO ADDRESS THE BOARD:

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



MINUTES
Draft Until Approved
ISLAND CITY DEVELOPMENT
Regular Meeting
October 24, 2018 at 4:00 PM
Housing Authority Office
701 Atlantic Avenue, Alameda

1. CALL TO ORDER & ROLL CALL

President Cooper called the meeting to order at 4:00 P.M., with the following Board Members present: Vice President McCahan. Secretary/Treasurer Basta. Members absent: none. Staff in Attendance: Kathleen Mertz.

2. CONSENT CALENDAR

- a. Approval of Minutes – June 20, 2018 Meeting

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

3. UNFINISHED BUSINESS (*none*)

4. NEW BUSINESS

- a. Accept the Development Report for Rosefield Village, Adopt a Resolution Authorizing Submission of Funding Applications, and Accept a \$1.3M Loan Commitment Amendment to Island City Development for the Rosefield Redevelopment Project and Authorize President or designee to Negotiate and Execute Loan Documents.

Director McCahan moved to authorize the contract amendments; Secretary/Treasurer Basta seconded. The motion carried unanimously.

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

6. WRITTEN COMMUNICATIONS (*none*)

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

8. ADJOURNMENT

The meeting was adjourned at 4:23 P.M.

Respectfully submitted,

Draft until Approved

Janet Basta
Secretary

To: Board of Directors
Island City Development

From: Vanessa Cooper
President

Date: November 6, 2018

Re: Accept the Annual Report and Audited Financial Statements for Fiscal
Year Ending 12/31/2017

BACKGROUND

Per Section 7.7 of the Island City Development Bylaws, the President shall furnish a written annual report to the Directors.

DISCUSSION

The attached draft audited Financial Statements reflect the consolidated financial status of the corporation and subsidiaries as of 12/31/2017. During fiscal year 2017, there were no transactions, indemnifications or advances to any officer or director of the corporation.

RECOMMENDATION

Accept the Annual Report and Audited Financial Statements for Fiscal Year Ending 12/31/2017.

Respectfully submitted,

Vanessa Cooper
President

**ISLAND CITY DEVELOPMENT
AND SUBSIDIARIES**
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
CONSOLIDATED FINANCIAL STATEMENTS,
AND
SUPPLEMENTARY INFORMATION,
WITH
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2017 AND 2016



ISLAND CITY DEVELOPMENT AND SUBSIDIARIES
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
DECEMBER 31, 2017 AND 2016
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Island City Development:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Island City Development (a California nonprofit public benefit corporation) and its Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on Consolidated Financial Statements

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Island City Development and its Subsidiaries as of December 31, 2017 and 2016, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information in Schedules I and II is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual entities, and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Holtzhouse Carlin & Van Tine LLP

Westlake Village, California
October 10, 2018

ISLAND CITY DEVELOPMENT AND SUBSIDIARY
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31,	2017	2016
ASSETS		
Property, at cost		
Construction-in-progress	\$ 15,201,861	\$ 903,200
Total property	15,201,861	903,200
Cash	3,110,810	3,998,841
Other receivable	196,464	3,910
Prepaid ground lease	3,385,456	3,410,000
Preacquisition costs	252,968	1,077,567
Due from AHA	227,599	-
Deposits - TCAC	64,487	32,855
Deferred costs - TCAC fees	70,806	34,855
Total assets	\$ 22,510,451	\$ 9,461,228
LIABILITIES AND NET ASSETS		
Notes payable, net	\$ 17,893,439	\$ 9,756,863
Accounts payable and accrued expenses	32,630	41,875
Accrued construction and development costs	3,436,457	-
Due to affiliate	-	900
Accrued interest payable	252,302	8,623
Developer fee payable	84,600	16,000
Total liabilities	21,699,428	9,824,261
Net assets		
Unrestricted		
Controlling interests	(238,949)	(245,121)
Noncontrolling interests	1,049,972	(117,912)
Total net assets	811,023	(363,033)
Total liabilities and net assets	\$ 22,510,451	\$ 9,461,228

See notes to consolidated financial statements.

ISLAND CITY DEVELOPMENT AND SUBSIDIARY
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31,	2017	2016
Revenue:		
Development fee	\$ 80,000	\$ -
Other revenue	298	1,193
Total revenue	80,298	1,193
Expenses:		
Program services	125,573	90,224
Supporting services	36,315	22,550
Total expenses	161,888	112,774
Operating loss	(81,590)	(111,581)
Other income (expenses)		
Organization and other costs	(105)	(523)
State taxes	(2,400)	-
Total other expenses	(2,505)	(523)
Change in net assets from operations	(84,095)	(112,104)
Contributions - noncontrolling interests	1,304,069	200
Syndication costs - non-controlling interests	(45,918)	(117,419)
Total change in net assets	1,174,056	(229,323)
Net assets, beginning of the year	(363,033)	(133,710)
Net assets, end of the year	\$ 811,023	\$ (363,033)

See notes to consolidated financial statements.

ISLAND CITY DEVELOPMENT AND SUBSIDIARY
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECMEBER 31,	2017	2016
Cash flow from operating activities:		
Change in net assets from operations	\$ (84,095)	\$ (112,104)
Changes in operating assets and liabilities:		
Accounts receivable	-	(2,783)
Deposits	(31,632)	(32,855)
Accounts payable and accrued expenses	-	21,824
Due to affiliate	-	900
Net cash used in operating activities	(115,727)	(125,018)
Cash flows from investing activities:		
Expenditures for construction in progress	(9,656,130)	(734,577)
Advance to AHA, net	(227,599)	-
Expenditures for preacquisition costs	(252,968)	(968,057)
Cash used in investing activities	(10,136,697)	(1,702,634)
Cash flows from financing activities:		
Proceeds from notes payable	8,427,704	4,900,000
Expenditures for deferred loan costs	(285,511)	(253,137)
Expenditures for deferred costs - TCAC fees	(35,951)	(34,855)
Capital contributions from noncontrolling interests	1,304,069	200
Expenditures for syndication costs	(45,918)	(117,419)
Net cash provided by financing activities	9,364,393	4,494,789
Net change in cash	(888,031)	2,667,137
Cash at beginning of year	3,998,841	1,331,704
Cash at end of year	\$ 3,110,810	\$ 3,998,841

Supplemental disclosure of cash and non-cash activities:

During 2017 and 2016, ICD accrued approximately \$3,538,000 and \$210,000 of construction and development costs, respectively. In addition, during 2017, approximately \$837,000 of preacquisition costs were transferred to construction in progress.

During 2017 and 2016, \$267,560 and \$8,623 of interest was capitalized, of which \$23,881 and \$0 were paid, respectively. In addition, approximately \$19,000 of deferred loan costs amortization was capitalized to construction in progress.

See notes to consolidated financial statements.

ISLAND CITY DEVELOPMENT AND SUBSIDIARIES
 (A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2017 AND 2016

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Island City Development is a California nonprofit public benefit corporation (the Company or ICD) exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Company was formed in 2014 primarily to engage in acquiring, developing, rehabilitating, owning, and managing affordable housing (the Project(s)) for low and moderate income individuals and families in the City of Alameda, California. In connection with the development of the Projects, the Company, or its affiliates, intend to enter into regulatory agreements with the California Tax Credit Allocation Committee (TCAC) which govern the ownership, occupancy, management, maintenance and operations of the Project.

The Company is a discrete component unit of the City of Alameda Housing Authority (AHA) and its Board of Directors is made up of three directors appointed by the AHA Executive Director.

As of December 31, 2017 and 2016, the Company's consolidated financial statements include California limited partnerships and single member California limited liability companies (LLC), (the Partnership(s) or the Subsidiary(ies)) organized primarily to acquire, develop/rehabilitate, and manage multi-family affordable housing projects. As of December 31, 2017 and 2016, the Company, through its Subsidiaries, owns the following Projects:

Partnership Name	Project Name	City, State	Acquisition Date	Units
Sherman and Buena Vista LP	Littlejohn Commons	Alameda, California	2016	31*
Everett and Eagle L.P.	Everett Commons	Alameda, California	2017	20*

*As of December 31, 2017, the Projects are under construction.

Allocation of profit and losses of the Partnerships that owns the above projects are allocated as follows:

Company	0.01%
Limited Partner (non-controlling)	99.99%

In addition, the Company has established the following Subsidiaries:

Del Monte Senior LLC**
 2437 Eagle Avenue LLC**

**During 2017, these entities had no activity.

Principles of Consolidation and Accounting for Investments in a Limited Partnership
 Accounting standards generally accepted in the United States of America establishes the presumption that the general partner(s) in a limited partnership controls that limited partnership (or similar entity) regardless of ownership percentage. The presumption of control by the general partner is overcome when the limited partners have either (a) the substantive ability to dissolve or liquidate the limited partnership or otherwise remove the general partner without cause or (b) substantive participating rights. If the presumption of control cannot be overcome, then the general partner is required to consolidate the limited partnership. As of and for the years ended December 31, 2017 and 2016, ICD or its wholly owned Subsidiaries, as a controlling general partner, conformed their accounting to this presumption and determined the presumption of control for the limited partnerships had not been overcome.

ISLAND CITY DEVELOPMENT AND SUBSIDIARIES
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

Due to shared control with other entities, ICD records its investments in limited partnerships for which ICD serves as limited partner under the equity method of accounting. Under the equity method of accounting, ICD records its acquisition of the initial investment at cost and thereafter, records its portion of the entities income or loss on an annual basis. In the event its investment goes negative, based on management's assessments, the recording of further loss may be suspended until profitability returns.

ICD serves as a limited partner in the following limited partnership and records its investment under the equity method of accounting:

Project Name	City, State	Acquisition Date	Units
Stargell Commons	Alameda, California	2015	32*

*The project was placed in service in June 2017 and ICD's investment is \$0.

The portion of the equity of the Subsidiaries that is not owned or controlled by ICD is shown as non-controlling interests within unrestricted net assets and all material intercompany transactions between consolidated entities have been eliminated.

Method of Accounting These consolidated financial statements, which are presented in accordance with accounting principles generally accepted in the United States of America, have been prepared to focus on the Company as a whole and to present balances and transactions according to the existence or absence of donor imposed restrictions. This has been accomplished by the classification of transactions into three classes of net assets as follows:

- Unrestricted net assets represent funds, which are fully available or have been fully reserved, at the discretion of management and the Board of Directors to utilize for any of its programs or supporting services.
- Unrestricted net assets-non-controlling limited partner interests represent the balance of the limited partners' equity interest in the non-wholly owned limited partnerships that are included in the consolidated financial statements.
- Temporarily restricted net assets are comprised of funds, which are restricted by donors for specific purposes or time periods. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying consolidated financial statements as net assets released from restrictions. There were no such net assets as of December 31, 2017 and 2016.
- Permanently restricted net assets include contributions, which donors have specified must be maintained in perpetuity. The related income may be expended for such purposes as specified by the donor, or if none, then for any purpose of the Company. There were no such net assets as of December 31, 2017 and 2016.

Income Taxes The Company has received a determination letter from the Internal Revenue Service stating that it qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision for federal income taxes is recorded in the accompanying consolidated financial statements. In addition, the Company does not have any income which it believes

ISLAND CITY DEVELOPMENT AND SUBSIDIARIES
 (A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2017 AND 2016

would subject it to unrelated business income taxes. Accordingly, there is no provision for income taxes in the accompanying consolidated financial statements.

Income taxes on limited partnership and limited liability company (LLC) income are included in the tax returns of the partners or members. The federal tax status as a pass-through entity is based on the entity's legal status as a partnership or LLC and is required to file tax returns with the IRS and other taxing authorities.

Accordingly, these consolidated financial statements do not reflect a provision for income taxes. However, the limited partnerships and the LLCs are required to pay an \$800 fee to the California Franchise Tax Board. The Organization determined there are no tax positions which must be considered for disclosure. There are no current tax examinations pending.

Estimates The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents For purposes of the consolidated statements of cash flows, the Company considers all highly liquid unrestricted investments with an original maturity of three months or less to be cash equivalents.

Property Property is stated at cost. Upon completion, depreciation expense will be provided primarily using the straight-line method over the following estimated useful lives:

Description	Life
Buildings and improvements	40 years
Land improvements	15 years
Furniture and equipment	5 - 7 years

ICD capitalizes development costs, including interest and insurance until the project is placed in service. Thereafter ICD capitalizes expenditures or betterments that materially increase asset lives, charging to depreciation expense the estimated net book value of the improvement cost being replaced, and charges ordinary repairs and maintenance to operations as incurred. When assets are sold or otherwise disposed of, the costs and related reserves are removed from the accounts, and any resulting gain or loss is included in operations.

The Company reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. When evaluating recoverability, management considers future undiscounted cash flows estimated to be generated by the property including the low-income housing tax credits and any estimated proceeds from the eventual disposition. In the event these accumulated cash flows are less than the carrying amount of the property, the Company recognizes an impairment loss equal to the excess of the carrying amount over the estimated fair value of the property. No impairment losses were recognized during the years ended December 31, 2017 and 2016.

Other Receivable Other receivable includes refunds of property taxes and deposits made in connection with an abandoned financing.

ISLAND CITY DEVELOPMENT AND SUBSIDIARIES
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

Reclassification for Consolidated Financial Statements Certain amounts in the 2016 consolidated financial statements have been reclassified to conform to the 2017 presentation.

Concentration of Credit and Business Risk The Company's cash and cash equivalents are maintained in various banks. The Company has exposure to credit risk to the extent that its cash and cash equivalents exceed amounts covered by federal deposit insurance. The Company believes that its credit risk is not significant.

ICD, either as a direct owner, advisor or general partner, has an economic interest in the Projects that are subject to business risks associated with the economy and level of unemployment in California, which affects occupancy as well as the tenants' ability to make rental payments. In addition, these Projects operate in a heavily regulated environment and the operations of these Projects will be subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, the U.S. Department of Housing and Urban Development (HUD). Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD and may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Recent Accounting Pronouncement In August 2016, the FASB issued ASU No.2016-14, Not-for-Profit Entities (Topic 958) (ASU 2016-14). These amendments change presentation and disclosure requirements for not-for-profit entities to provide more relevant information about their resources (and the changes in those resources) to donors, creditors, and other users. These include qualitative and quantitative requirements in the following areas:

- Net Asset Classes;
- Investment;
- Expenses;
- Liquidity and Availability of Resources; and
- Presentation of Operating Cash Flows

The guidance in ASU 2016-14 is effective for the Company beginning on January 1, 2018, with early adoption permitted. The Company has not yet determined the impact the adoption of ASU 2016-14 will have on its consolidated financial statements.

2. PREPAID GROUND LEASE

The Partnership entered into a ground lease agreement with AHA for Littlejohn Commons commencing December, 2016 for a period of 99 years. In accordance with the ground lease agreement, \$3,410,000 was recorded as a prepaid ground lease with a corresponding ground lease payable, see Note 5. During the term of the lease, the Subsidiary will annually amortize prepaid ground lease of \$34,444. As of December 31, 2017 and 2016, the prepaid ground lease balance was \$3,375,556 and \$3,410,000, respectively.

The Partnership entered into a ground lease agreement with AHA for Everett Commons commencing June 2017 for a period of 99 years. Prepaid rent for the full lease term (99 years) of \$9,900 was paid at lease commencement.

ISLAND CITY DEVELOPMENT AND SUBSIDIARIES
 (A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2017 AND 2016

3. PREACQUISITION COSTS

In connection with the Company's development efforts, ICD incurs preacquisition costs, which are capitalized until management determines the proposed development is not feasible. As of December 31, 2017 and 2016, preacquisition costs for future Projects of \$252,968 and \$1,077,567, respectively, have been incurred and are recorded in the accompanying consolidated statements of financial position.

4. DEFERRED COSTS – TCAC FEES AND LOAN COSTS

Deferred TCAC Costs Deferred TCAC costs consist of fees paid to TCAC that will be amortized over a 15-year period, beginning in the year the applicable Project is placed in service. As of December 31, 2017 and 2016, no projects were placed in service, and deferred costs paid to TCAC were \$64,487 and \$34,855, respectively.

Deferred Loan Costs Deferred loan costs of \$557,668 and \$253,137 net of accumulated amortization as of December 31, 2017 and 2016, respectively, are reported as a direct reduction of the obligation to which such costs relate. While the projects are under development, the amortization of deferred loan costs are capitalized. Thereafter, the amortization is reported as a component of interest expense using a method that approximates the effective interest method.

5. NOTES PAYABLE

	2017	2016
A summary of ICD's financing arrangements as of December 31, 2017 and 2016 are as follows:		
AHA preacquisition loans Various unsecured promissory notes payable to AHA for the purpose of funding preacquisition efforts with principal amounts ranging from \$250,000 to \$1,000,000. Interest on the notes shall accrue at a simple rate of 3.00% beginning on July 1, 2016. The notes have various maturity dates ranging from 2022 to 2074.	\$ 1,550,000	\$ 3,000,000
Total ICD notes payable	1,550,000	3,000,000

A summary of the Subsidiaries' financing arrangements as of December 31, 2017 and 2016 are as follows:

Construction loans Notes payable in the aggregate amounts up to \$20,181,856, secured by a deed of trust, with interest at LIBOR (2.11 and 1.69% at December 31, 2017 and 2016) plus 1.80% to 2.50%, with interest only payments due monthly through December 2018 and March 2019. The construction loans are then expected to be paid down to aggregate amount of \$5,882,168, with interest accruing at 5.39 to 5.55%. The permanent loans mature from 2033 to 2054.	5,303,085	-
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ISLAND CITY DEVELOPMENT AND SUBSIDIARIES
 (A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2017 AND 2016

City HOME Loan - residual receipts Notes payable to the City of Alameda in the aggregate amounts up to \$349,022, secured by a deed of trust, simple interest accrues at 3.00% with interest and principal payments due annually from Residual Receipts, as defined. All unpaid principal and interest are due from 2073 to 2074.	348,022	-
AHA property loan – residual receipts Note payable to AHA, secured by a deed of trust, interest accrues at 2.26%, with interest and principal payments due annually from Residual Receipts, as defined. All unpaid principal and interest are due on December 31, 2073.	3,600,000	3,600,000
Ground lease Ground lease payable to AHA, secured by a deed of trust, interest accrues at 2.26%, with interest and principal payments due annually from Residual Receipts, as defined. All unpaid principal and interest are due in December 2073.	3,410,000	3,410,000
AHA Loan Note payable to AHA, secured by a deed of trust, interest accrues at 2.68%, with interest and principal payments due annually from Residual Receipts, as defined. All unpaid principal and interest are due in December 2074.	4,250,000	-
Total Subsidiaries notes payable	16,911,107	7,010,000
Total notes payable	18,461,107	10,010,000
Less: deferred loan costs	(538,648)	(253,137)
Total notes payable, net	\$ 17,922,459	\$ 9,756,863

Principal payments on notes payable are required as follows:

Year Ending December 31,	Amount
2018	\$ 2,751,085
2019	103,960
2020	119,412
2021	126,009
2022	282,972
Thereafter	15,077,669
	\$ 18,461,107

6. RELATED PARTY TRANSACTIONS

Consulting Services ICD entered into an agreement with AHA, commencing on April 15, 2015, in which AHA shall provide professional project management services for a term of three years. For these services, ICD will annually compensate AHA \$100,000, not to exceed \$300,000 in total. During 2017 and 2016, AHA charged \$100,000 and \$100,171, respectively, for consulting services.

Developer Fee Payable The Subsidiaries have entered into joint developer fee agreements with ICD and AHA (together referred to as the Developers in the amounts of 90% and 10%, respectively, or such amount agreed to by the Developers). As of December 31, 2017, and 2016, the Developers have

ISLAND CITY DEVELOPMENT AND SUBSIDIARIES
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

entered into developer fee agreements in the amounts of \$1,675,000 and 800,000, respectively. ICD's portion (90%), has been eliminated, net of costs incurred to provide development services, (\$80,000 and \$0 in 2017 and 2016, respectively). As of December 31, 2017 and 2016, \$84,600 and \$16,000 of developer fees are payable to AHA, respectively.

Due from AHA Due from AHA are net amounts advanced by ICD to AHA. These advances are unsecured, due on demand and do not accrue interest. As of December 31, 2017 and 2016, \$227,599 and \$0 are due from AHA, respectively.

7. COMMITMENTS

In connection with the development and operations of the Projects, the Company, as guarantor, made certain guaranties regarding the Project's operations and tax benefits. In addition, the Company has entered into cost plus guaranteed maximum construction contracts up to \$22,979,664. As of December 31, 2017 and 2016, the contractors have incurred costs of \$11,835,342 and \$0 to date, respectively.

8. SUBSEQUENT EVENTS

Management evaluated all activity of the Company through the independent auditor's report date, which is the date that the consolidated financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements.

ISLAND CITY DEVELOPMENT AND SUBSIDIARY
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2017

ASSETS

	Island City Development	Real Estate (a)	Eliminating Entries	Consolidated
Property, at cost:				
Construction-in-progress	\$ -	\$ 15,883,261	\$ (681,400)	\$ 15,201,861
Property	-	15,883,261	(681,400)	15,201,861
Cash	709,115	2,401,695	-	3,110,810
Developer fee receivable	506,000	-	(506,000)	-
Other receivable	196,464	-	-	196,464
Prepaid ground lease	-	3,385,456	-	3,385,456
Preacquisition costs	252,968	-	-	252,968
Due from AHA	384,995	-	(157,396)	227,599
Deposits - TCAC	-	64,487	-	64,487
Deferred costs - TCAC fees	-	70,806	-	70,806
Total assets	\$ 2,049,542	\$ 21,805,705	\$ (1,344,796)	\$ 22,510,451

(a) Sherman and Buena Vista, LP and Everett and Eagle, LP

LIABILITIES AND NET ASSETS

	Island City Development	Real Estate (a)	Eliminating Entries	Consolidated
Notes payable, net	\$ 1,550,000	\$ 16,343,439	\$ -	\$ 17,893,439
Accounts payable and accrued expenses	32,630	-	-	32,630
Accrued construction and development costs	-	3,436,457	-	3,436,457
Due to affiliates	-	157,396	(157,396)	-
Accrued interest payable	3,750	248,552	-	252,302
Developer fee payable	84,600	506,000	(506,000)	84,600
Total liabilities	1,670,980	20,691,844	(663,396)	21,699,428
Net assets				
Unrestricted				
Controlling interest in Subsidiaries	378,562	63,889	(681,400)	(238,949)
Noncontrolling interest in Subsidiaries	-	1,049,972	-	1,049,972
Total net assets	378,562	1,113,861	(681,400)	811,023
Total liabilities and net assets	\$ 2,049,542	\$ 21,805,705	\$ (1,344,796)	\$ 22,510,451

(a) Sherman and Buena Vista, LP and Everett and Eagle, LP

See independent auditor's report.

ISLAND CITY DEVELOPMENT AND SUBSIDIARY
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2017

	Island City Development	Real Estate (a)	Eliminating Entries	Consolidated
Revenue:				
Development fee revenue	\$ 761,400	\$ -	(681,400)	\$ 80,000
Other revenue	298	-	-	298
Total other revenue	761,698	-	(681,400)	80,298
Total revenue	761,698	-	(681,400)	80,298
Expenses:				
Program services	100,000	25,573	-	125,573
Supporting services	36,315	-	-	36,315
Total operating expenses	136,315	25,573	-	161,888
Operating loss	625,383	(25,573)	(681,400)	(81,590)
Other income (expenses)				
Organization and other costs	-	(105)	-	(105)
State taxes	(1,600)	(800)	-	(2,400)
Total other income (expenses)	(1,600)	(905)	-	(2,505)
Change in net assets	623,783	(26,478)	(681,400)	(84,095)
Contributions - noncontrolling interests	-	1,304,069	-	1,304,069
Syndication costs-noncontrolling interests	-	(45,918)	-	(45,918)
Total change in net assets	623,783	1,231,673	(681,400)	1,174,056
Net assets, beginning of the year	(245,221)	(117,812)	-	(363,033)
Net assets, end of the year	\$ 378,562	\$ 1,113,861	\$ (681,400)	\$ 811,023

(a) Sherman and Buena Vista, LP and Everett and Eagle, LP

See independent auditor's report.

To: Board of Directors
Island City Development

From: Kathleen Mertz
Director of Housing and Community Development

Date: November 6, 2018

Re: Approve the Federal and State Tax Returns for the Fiscal Year Ending
12/31/2017

BACKGROUND

All tax exempt corporations must file an annual information return to the Internal Revenue Service (IRS), known as Form 990, and to the State of California, known as Form 199. Prior to filing the federal tax return form, the Board of Directors is required to review and approve the documentation.

DISCUSSION

ICD's auditor Holthouse Carlin & Van Trigt, LLP has prepared the IRS Form 990 and state Form 199 based on the audited financial statements. (Attached) Once these filings are complete, staff will also file this information with the California Attorney General, as required.

FISCAL IMPACT

None.

RECOMMENDATION

Approve the Federal and State Tax Returns for the Fiscal Year Ending 12/31/2017.

Respectfully submitted,

Kathleen Mertz
Director of Housing and Community Development

Attachment: Form 990 and Form 199

Return of Organization Exempt From Income Tax

2017

Open to Public Inspection

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

A For the 2017 calendar year, or tax year beginning , 2017, and ending , 20																																		
B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2">C Name of organization ISLAND CITY DEVELOPMENT</td> <td>D Employer identification number 47-2164827</td> </tr> <tr> <td colspan="2">Doing business as</td> <td>E Telephone number (510) 747-4320</td> </tr> <tr> <td>Number and street (or P.O. box if mail is not delivered to street address)</td> <td>Room/suite</td> <td></td> </tr> <tr> <td colspan="2">701 ATLANTIC AVENUE</td> <td></td> </tr> <tr> <td colspan="2">City or town, state or province, country, and ZIP or foreign postal code</td> <td></td> </tr> <tr> <td colspan="2">ALAMEDA, CA 94501</td> <td>G Gross receipts \$ 761,698.</td> </tr> <tr> <td colspan="2">F Name and address of principal officer: VANESSA COOPER, 701 ATLANTIC AVE., ALAMEDA, CA 94501</td> <td>H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td> </tr> <tr> <td colspan="2"></td> <td>H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)</td> </tr> <tr> <td colspan="2">I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527</td> <td>H(c) Group exemption number ▶</td> </tr> <tr> <td colspan="2">J Website: ▶ N/A</td> <td></td> </tr> <tr> <td colspan="2">K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶</td> <td>L Year of formation: 2014 M State of legal domicile: CA</td> </tr> </table>	C Name of organization ISLAND CITY DEVELOPMENT		D Employer identification number 47-2164827	Doing business as		E Telephone number (510) 747-4320	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite		701 ATLANTIC AVENUE			City or town, state or province, country, and ZIP or foreign postal code			ALAMEDA, CA 94501		G Gross receipts \$ 761,698.	F Name and address of principal officer: VANESSA COOPER, 701 ATLANTIC AVE., ALAMEDA, CA 94501		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number ▶	J Website: ▶ N/A			K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 2014 M State of legal domicile: CA
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Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <u>LOW-INCOME HOUSING</u> <u>THE CORPORATION WAS FORMED IN 2014 PRIMARILY TO ENGAGE IN ACQUIRING, DEVELOPING,</u> <u>REHABILITATING, OWNING, AND MANAGING AFFORDABLE HOUSING FOR LOW AND</u>		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	3
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	3
	5	Total number of individuals employed in calendar year 2017 (Part V, line 2a)	5	0
	6	Total number of volunteers (estimate if necessary)	6	0
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)		761,400.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,193.	298.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,193.	761,698.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)		
	14	Benefits paid to or for members (Part IX, column (A), line 4)		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		2,847.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	112,704.	135,068.
	18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	112,704.	137,915.
	19	Revenue less expenses. Subtract line 18 from line 12	-111,511.	623,783.
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	2,796,654.	2,049,542.
	22	Net assets or fund balances. Subtract line 21 from line 20	3,041,875.	1,670,980.
			-245,221.	378,562.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here		Date
	VANESSA COOPER, PRESIDENT Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name JONATHAN SIAO	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN P00244223
	Firm's name ▶ HOLTHOUSE CARLIN & VAN TRIGT LLP			Firm's EIN ▶ 95-4345526	
	Firm's address ▶ 15760 VENTURA BLVD SUITE 1700, ENCINO, CA 91436			Phone no. (818) 849-3140	

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III Yes No

1 Briefly describe the organization's mission:

LOW-INCOME HOUSING
THE CORPORATION WAS FORMED IN 2014 PRIMARILY TO ENGAGE IN ACQUIRING, DEVELOPING, REHABILITATING, OWNING, AND MANAGING AFFORDABLE HOUSING FOR LOW AND MODERATE INCOME INDIVIDUALS AND FAMILIES IN THE CITY OF ALAMEDA, CALIFORNIA.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 45,000 . including grants of \$ 0 .) (Revenue \$ 342,630 .)

LITTLEJOHN COMMONS - LITTLEJOHN COMMONS, FKA DEL MONTE SENIOR HOUSING PROJECT, IS A 31-UNIT SENIOR RENTAL PROJECT CONSISTING OF 30 ONE-BEDROOM AND ONE TWO-BEDROOM MANAGER'S UNIT INTENDED TO PROVIDE AFFORDABLE HOUSING FOR LOW AND VERY LOW INCOME SENIORS IN THE CITY OF ALAMEDA, CALIFORNIA. THE PROJECT WAS UNDER CONSTRUCTION AS OF DECEMBER 31, 2017.

4b (Code:) (Expenses \$ 45,000 . including grants of \$ 0 .) (Revenue \$ 342,630 .)

EVERETT COMMONS - EVERETT COMMONS, FKA 2437 EAGLE AVENUE FAMILY PROJECT, IS A 20-UNIT MULTI-FAMILY, TOWNHOUSE-STYLE PROPERTY INCLUDING ONE TWO-BEDROOM MANAGER'S UNIT, INTENDED TO PROVIDE AFFORDABLE HOUSING FOR LOW AND VERY LOW INCOME FAMILIES AND VETERANS IN THE CITY OF ALAMEDA, CALIFORNIA. THE PROJECT WAS UNDER CONSTRUCTION AS OF DECEMBER 31, 2017.

4c (Code:) (Expenses \$ 5,000 . including grants of \$ 0 .) (Revenue \$ 38,070 .)

ROSEFIELD VILLAGE- THE ROSEFIELD VILLAGE PROJECT INCLUDES THE REDEVELOPMENT OF A 53-UNIT PROPERTY INTO 91 UNITS OF AFFORDABLE HOUSING FOR LOW INCOME FAMILIES IN THE CITY OF ALAMEDA, CALIFORNIA. THIS PROJECT IS IN THE PREDEVELOPMENT AND FUNDING APPLICATION PHASE AS OF DECEMBER 31, 2017.

4d Other program services (Describe in Schedule O.)
(Expenses \$ 5,000 . including grants of \$ 0 .) (Revenue \$ 38,070 .)

4e Total program service expenses ▶ 100,000 .

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12 a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
14 a Did the organization maintain an office, employees, or agents outside of the United States?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV.</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV.</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Part IV Checklist of Required Schedules *(continued)*

	Yes	No
20 a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	X	
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Table with columns for question numbers (1a-14b), descriptions, and Yes/No checkboxes. Includes questions about Form 1096, W-2G forms, backup withholding, employee reporting, foreign accounts, prohibited transactions, and charitable contributions.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.
 Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	X	
8b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official		X
15b	Other officers or key employees of the organization		X
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed ► CA
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: ►
 VANESSA COOPER, 701 ATLANTIC AVE, ALAMEDA, CA 94501 (510)747-4320

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) VANESSA COOPER PRESIDENT	0.25 36.00	X		X				0.	235,748.	0.
(2) JANET BASTA SECRETARY/TREASURER	0.25 36.00	X		X				0.	147,397.	0.
(3) JOHN MCCAHAN VICE PRESIDENT	0.25 36.00	X		X				0.	600.	0.
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15)										
(16)										
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
1b Sub-total							0.	383,745.	0.	
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)							0.	383,745.	0.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **▶** 0

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ANNE PHILLIPS ARCHITECTURE, 3032 MAGNOLIA ST, OAKLAND, CA 94608	BUILDING PLANS	102,900.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **▶** 1

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns 1a					
	b	Membership dues 1b					
	c	Fundraising events 1c					
	d	Related organizations 1d					
	e	Government grants (contributions) 1e					
	f	All other contributions, gifts, grants, and similar amounts not included above 1f					
	g	Noncash contributions included in lines 1a-1f: \$					
	h	Total. Add lines 1a-1f ▶					
Program Service Revenue			Business Code				
	2a	PROFESSIONAL SERVICES 541640	761,400.	761,400.	0.	0.	
	b	-----					
	c	-----					
	d	-----					
	e	-----					
	f	All other program service revenue .					
g	Total. Add lines 2a-2f ▶	761,400.					
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶	298.	0.	0.	298.	
	4	Income from investment of tax-exempt bond proceeds ▶					
	5	Royalties ▶					
	6a		(i) Real				
			(ii) Personal				
			Gross rents				
			Less: rental expenses				
	c	Rental income or (loss)					
	d	Net rental income or (loss) ▶					
	7a		(i) Securities				
			(ii) Other				
			Gross amount from sales of assets other than inventory				
			Less: cost or other basis and sales expenses				
	c	Gain or (loss)					
	d	Net gain or (loss) ▶					
	8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18 a					
	b	Less: direct expenses b					
c	Net income or (loss) from fundraising events . ▶						
9a		Gross income from gaming activities. See Part IV, line 19 a					
		Less: direct expenses b					
		Net income or (loss) from gaming activities . . ▶					
10a		Gross sales of inventory, less returns and allowances a					
		Less: cost of goods sold b					
		Net income or (loss) from sales of inventory . . ▶					
Miscellaneous Revenue		Business Code					
11a	-----						
b	-----						
c	-----						
d	All other revenue						
e	Total. Add lines 11a-11d ▶						
12	Total revenue. See instructions. ▶	761,698.	761,400.	0.	298.		

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	2,847.	0.	2,847.	0.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	21,000.	0.	21,000.	0.
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)				
12 Advertising and promotion				
13 Office expenses	867.	0.	867.	0.
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance				
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a ADMINISTRATIVE FEE	100,000.	100,000.	0.	0.
b STATE TAXES	1,600.	0.	1,600.	0.
c PREDEVELOPMENT COST	4,222.	0.	4,222.	0.
d UTILITIES	3,090.	0.	3,090.	0.
e All other expenses	4,289.	0.	4,289.	0.
25 Total functional expenses. Add lines 1 through 24e	137,915.	100,000.	37,915.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year	
Assets	1 Cash—non-interest-bearing	669,657.	1	657,297.	
	2 Savings and temporary cash investments	901,520.	2	51,818.	
	3 Pledges and grants receivable, net		3		
	4 Accounts receivable, net	3,910.	4	196,464.	
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5		
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L		6		
	7 Notes and loans receivable, net		7		
	8 Inventories for sale or use		8		
	9 Prepaid expenses and deferred charges		9		
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a			
	b Less: accumulated depreciation	10b		10c	
	11 Investments—publicly traded securities		11		
	12 Investments—other securities. See Part IV, line 11		12		
	13 Investments—program-related. See Part IV, line 11		13		
	14 Intangible assets		14		
	15 Other assets. See Part IV, line 11		1,221,567.	15	1,143,963.
16 Total assets. Add lines 1 through 15 (must equal line 34)		2,796,654.	16	2,049,542.	
Liabilities	17 Accounts payable and accrued expenses	41,875.	17	36,380.	
	18 Grants payable		18		
	19 Deferred revenue		19		
	20 Tax-exempt bond liabilities		20		
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21		
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22		
	23 Secured mortgages and notes payable to unrelated third parties		23		
	24 Unsecured notes and loans payable to unrelated third parties		24		
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		3,000,000.	25	1,634,600.
	26 Total liabilities. Add lines 17 through 25		3,041,875.	26	1,670,980.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets	-245,221.	27	378,562.	
	28 Temporarily restricted net assets		28		
	29 Permanently restricted net assets		29		
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30 Capital stock or trust principal, or current funds		30		
	31 Paid-in or capital surplus, or land, building, or equipment fund		31		
	32 Retained earnings, endowment, accumulated income, or other funds		32		
33 Total net assets or fund balances		-245,221.	33	378,562.	
34 Total liabilities and net assets/fund balances		2,796,654.	34	2,049,542.	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	761,698.
2	Total expenses (must equal Part IX, column (A), line 25)	2	137,915.
3	Revenue less expenses. Subtract line 2 from line 1	3	623,783.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	-245,221.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	378,562.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . . If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.		X
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2017

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization ISLAND CITY DEVELOPMENT	Employer identification number 47-2164827
---	--

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state:
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vii)**. (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university:
- 10 An organization that normally receives: (1) more than 33¹/₃% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations 1
 - g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A) HOUSING AUTHORITY OF THE CITY OF ALAMEDA	94-6003048	6	X		0.	100,000.
(B)						
(C)						
(D)						
(E)						
Total					0.	100,000.

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2017 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2016 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test—2017. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% support test—2016. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10%-facts-and-circumstances test—2017. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10%-facts-and-circumstances test—2016. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2017 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2016 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2017 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2016 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests—2017. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

b 33 1/3% support tests—2016. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>	X	
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		X
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		X
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		X
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		X
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		X
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		X
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		X
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		X
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		X
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		X
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		X
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		X
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		X
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		X
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		X

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		X
b A family member of a person described in (a) above?		X
c A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>		X

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>	X	

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2 Activities Test. Answer (a) and (b) below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>		
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>		
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1** Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3.	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 Adjusted Net Income (subtract lines 5, 6, and 7 from line 4).	8		
Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d Total (add lines 1a, 1b, and 1c)	1d		
e Discount claimed for blockage or other factors (explain in detail in Part VI):			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d.	3		
4 Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by .035.	6		
7 Recoveries of prior-year distributions	7		
8 Minimum Asset Amount (add line 7 to line 6)	8		
Section C - Distributable Amount			Current Year
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1		
2 Enter 85% of line 1.	2		
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3		
4 Enter greater of line 2 or line 3.	4		
5 Income tax imposed in prior year	5		
6 Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6		
7 <input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).			

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2017 from Section C, line 6	
10 Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2017	(iii) Distributable Amount for 2017
1 Distributable amount for 2017 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2017 (reasonable cause required—explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2017			
a			
b From 2013			
c From 2014			
d From 2015			
e From 2016			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2017 distributable amount			
i Carryover from 2012 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2017 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2017 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2017, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI . See instructions.			
6 Remaining underdistributions for 2017. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7 Excess distributions carryover to 2018. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2013			
b Excess from 2014			
c Excess from 2015			
d Excess from 2016			
e Excess from 2017			

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization: ISLAND CITY DEVELOPMENT; Employer identification number: 47-2164827

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate value of contributions, grants, and end of year, and two Yes/No questions regarding donor advisement.

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Form for Part II with multiple questions (1-9) regarding conservation easements, including checkboxes for various purposes and a table for held easements at the end of the tax year.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Form for Part III with questions (1a, 1b, 2) regarding reporting requirements for art and historical treasures, including revenue and asset amounts.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a** Public exhibition
- b** Scholarly research
- c** Preservation for future generations
- d** Loan or exchange programs
- e** Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? **Yes** **No**

Part IV Escrow and Custodial Arrangements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? **Yes** **No**

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
1c Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f Ending balance	

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? **Yes** **No**

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds.

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a** Board designated or quasi-endowment ▶ %
- b** Permanent endowment ▶ %
- c** Temporarily restricted endowment ▶ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i)** unrelated organizations
- (ii)** related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) ▶

Part VII Investments—Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other _____		
(A) _____		
(B) _____		
(C) _____		
(D) _____		
(E) _____		
(F) _____		
(G) _____		
(H) _____		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ►		

Part VIII Investments—Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ►		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) CONSTRUCTION IN PROGRESS	252,968.
(2) DEVELOPER FEE RECEIVABLE	506,000.
(3) DUE FROM AHA	384,995.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ►	1,143,963.

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) AHA PROPERTY LOAN	1,550,000.	
(3) ACCRUED DEVELOPER FEE	84,600.	
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►	1,634,600.	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	80,298.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains (losses) on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	80,298.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b	681,400.	
c	Add lines 4a and 4b		4c	681,400.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)		5	761,698.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	164,393.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d	26,478.	
e	Add lines 2a through 2d		2e	26,478.
3	Subtract line 2e from line 1		3	137,915.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)		5	137,915.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Pt XII, Line 2d: INCOME AND EXPENSES FROM AFFILIATES INCLUDED IN CONSOLIDATED FINANCIAL STATEMENTS AS PER GAAP, SEPARATELY REPORTED FOR TAX PURPOSES.

Pt XI, Line 4b: SEE EXPLANATION ABOVE FOR PART XII, LINE 2d.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

ISLAND CITY DEVELOPMENT

Employer identification number

47-2164827

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|---|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as, maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|--|--|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5–9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?

If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?

If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1a		
1b		
2		
3		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)–(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)–(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
VANESSA COOPER 1 PRESIDENT	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	235,748.	0.	0.	0.	0.	235,748.	0.
2	(i)							
	(ii)							
3	(i)							
	(ii)							
4	(i)							
	(ii)							
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Area with horizontal dashed lines for supplemental information.

**SCHEDULE O
(Form 990 or 990-EZ)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Name of the organization

ISLAND CITY DEVELOPMENT

Employer identification number

47-2164827

Pt VI, Line 15a: THE ORGANIZATION DOES NOT COMPENSATE ANY OFFICERS OR EMPLOYEES.

Pt VI, Line 15b: SEE ABOVE EXPLANATION Pt VI, Line 15a.

Pt VI, Line 19: THE FORMS 990 ARE AVAILABLE TO THE PUBLIC ON THE ATTORNEY GENERAL
WEBSITE AND GUIDESTAR.ORG. ALSO SEE EXPLANATION FOR Pt VI, Line 12c, BELOW.

Pt VI, Line 11b: A COMPLETE COPY OF THE FORM 990 IS DISCUSSED AND APPROVED AT
A MEETING OF ALL CURRENT MEMBERS OF THE ORGANIZATION'S GOVERNING BODY BEFORE
FILING.

Pt VI, Line 12c: THE GOVERNING DOCUMENTS, INCLUDING CONFLICT OF INTEREST POLICY
AND FINANCIAL STATEMENTS, ARE REVIEWED AND CONSIDERED AT A MEETING THAT IS OPEN
TO THE PUBLIC. AS A PUBLIC ENTITY, ALL OF THE HOUSING AUTHORITY RECORDS, INCLUDING
ISLAND CITY DEVELOPMENT, ARE PUBLICLY AVAILABLE.

Pt III, Line 4d:

Expenses: \$5,000 including grants of: \$0 Revenue: \$38,070

Description: NORTH HOUSING-NORTH HOUSING PROJECT INCLUDES THE
DEVELOPMENT OF 13 ACRES OF FORMER MILITARY LAND INTO A NEW AFFORDABLE MIXED INCOME NEIGHBORHOOD THAT INCLUDES
360 UNITS OF SUPPORTIVE AND FAMILY HOUSING IN THE CITY OF ALAMEDA, CALIFORNIA. THIS PROJECT IS IN THE PLAN-
-NING STAGE AS OF DECEMBER 31, 2017.

Pt IX, Line 24e:

Description: BANK CHARGES

Total: \$4,289

Program services: \$0

Management and general: \$4,289

Fundraising: \$0

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Name of the organization

ISLAND CITY DEVELOPMENT

Employer identification number

47-2164827

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) 2437 EAGLE AVENUE LLC 37-1852983 701 ATLANTIC AVE ALAMEDA CA 94501	LOW INCOME HOUSING	CA	0.	100.	ISLAND CITY DEVELOPMENT
(2) DEL MONTE SENIOR LLC 38-4009678 701 ATLANTIC AVE ALAMEDA CA 94501	LOW INCOME HOUSING	CA	0.	316.	ISLAND CITY DEVELOPMENT
(3)					
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) ALAMEDA HOUSING AUTHORITY 94-6093048 701 ATLANTIC AVE ALAMEDA CA 94501	HOUSING AUTHORITY	CA			N/A		X
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512–514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V–UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) SHERMAN & BUENA VISTA LP 81-3540156 701 ATLANTIC AVE ALAMEDA CA 94501	LOW INCOME HOUSING	CA	ICD	RELATED	0.	19,160,967.	X		0.	X		0.01
(2) EVERETT AND EAGLE LP 37-1854574 701 ATLANTIC AVE ALAMEDA CA 94501	LOW INCOME HOUSING	CA	ICD	RELATED	0.	16,956,140.	X		0.	X		0.01
(3) STARGELL COMMONS, L.P. 47-3210229 2220 OXFORD STREET BERKELEY CA 94704	LOW INCOME HOUSING	CA	STARGELL COMMONS, LP	RELATED	0.	4,131.	X		0.		X	0.10
(4)												
(5)												
(6)												
(7)												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)	X	
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)	X	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	X	
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses		X
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) ALAMEDA HOUSING AUTHORITY	m	100,000.	COST
(2) ALAMEDA HOUSING AUTHORITY	k, n	3,419,900.	COST
(3) ALAMEDA HOUSING AUTHORITY	s	227,599.	COST
(4) ALAMEDA HOUSING AUTHORITY	o	383,745.	COST
(5)			
(6)			

Part VI **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512–514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

IRS e-file Signature Authorization for an Exempt Organization

For calendar year 2017, or fiscal year beginning _____, 2017, and ending _____, 20_____

Department of the Treasury
Internal Revenue Service

Do not send to the IRS. Keep for your records.
Go to www.irs.gov/Form8879EO for the latest information.

2017

Name of exempt organization ISLAND CITY DEVELOPMENT	Employer identification number 47-2164827
---	---

Name and title of officer
VANESSA COOPER, PRESIDENT

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a, or 5a**, below, and the amount on that line for the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b, or 5b**, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than one line in Part I.

1a Form 990 check here <input checked="" type="checkbox"/>	b Total revenue , if any (Form 990, Part VIII, column (A), line 12)	1b <u>761,698.</u>
2a Form 990-EZ check here <input type="checkbox"/>	b Total revenue , if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here <input type="checkbox"/>	b Balance Due (Form 8868, line 3c)	5b _____

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2017 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize Van Trigt's Accounting Service to enter my PIN

1	2	3	4	5
---	---	---	---	---

 as my signature
ERO firm name Enter five numbers, but do not enter all zeros

on the organization's tax year 2017 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2017 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature Date

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

9	6	2	8	5	8	2	6	2	8	4
---	---	---	---	---	---	---	---	---	---	---

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2017 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature Date

ERO Must Retain This Form — See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So

Additional information from your 2017 Federal Exempt Tax Return

Schedule D: Supplemental Financial Statements

Part X: Other Liabilities. (1)

End Other Liability Amt

Itemization Statement

Description	Amount
VARIOUS UNSECURED PROMISSORY NOTES PAYABLE	1,550,000.
TO AHA FOR THE PURPOSE OF FUNDING PREACQUISITION	
EFFORTS WITH PRINCIPAL AMOUNTS RANGING FROM \$250,000	
TO \$1,000,000. INTEREST ON THE NOTES SHALL ACCRUE AT	
A SIMPLE RATE OF 3% BEGINNING ON JULY 1, 2016. THE	
NOTES HAVE VARIOUS MATURITY DATES RANGING FROM	
2022 TO 2074.	
Total	1,550,000.

California Exempt Organization Annual Information Return

2017

199

Calendar Year 2017 or fiscal year beginning (mm/dd/yyyy) and ending (mm/dd/yyyy)

Corporation/Organization name ISLAND CITY DEVELOPMENT California corporation number 3707008

Additional information. See instructions. FEIN 472164827

Street address (suite or room) 701 ATLANTIC AVENUE PMB no.

City ALAMEDA State CA Zip code 94501

Foreign country name Foreign province/state/county Foreign postal code

- A First Return
B Amended Return
C IRC Section 4947(a)(1) trust
D Final Information Return?
E Check accounting method: (1) Cash (2) Accrual (3) Other
F Federal return filed?
G Is this a group filing?
H Is this organization in a group exemption?
I Did the organization have any changes to its guidelines not reported to the FTB?
J If exempt under R&TC Section 23701d, has the organization engaged in political activities?
K Is the organization exempt under R&TC Section 23701g?
L If organization is exempt under R&TC Section 23701d and meets the filing fee exception, check box.
M Is the organization a Limited Liability Company?
N Did the organization file Form 100 or Form 109 to report taxable income?
O Is the organization under audit by the IRS or has the IRS audited in a prior year?
P Is federal Form 1023/1024 pending?

Part I Complete Part I unless not required to file this form. See General Information B and C.

Table with 3 columns: Description, Line Number, Amount. Includes Receipts and Revenues (Total gross receipts: 761,698.00), Expenses (Total expenses: 137,915.00), and Filing Fee (Balance due: 10.00).

Sign Here: Declaration of preparer. Signature of officer: PRESIDENT. Title: PRESIDENT. Date: [blank]. Telephone: (510) 747-4320.
Paid Preparer's Use Only: Preparer's signature: [blank]. Date: [blank]. Check if self-employed: [blank]. Firm's name: HOLTHOUSE CARLIN & VAN TRIGT LLP. Address: 15760 VENTURA BLVD SUITE 1700, ENCINO CA 91436. Telephone: (818) 849-3140.

May the FTB discuss this return with the preparer shown above? See instructions [X] Yes [] No

Part II Organizations with gross receipts of more than \$50,000 and private foundations regardless of amount of gross receipts — complete Part II or furnish substitute information.

Receipts from Other Sources	1	Gross sales or receipts from all business activities. See instructions	●	1		00
	2	Interest	●	2		00
	3	Dividends	●	3		00
	4	Gross rents	●	4		00
	5	Gross royalties	●	5		00
	6	Gross amount received from sale of assets (See Instructions)	●	6		00
	7	Other income. Attach schedule See Stmt	●	7	761,698.	00
	8	Total gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1	●	8	761,698.	00
	9	Contributions, gifts, grants, and similar amounts paid. Attach schedule	●	9		00
	10	Disbursements to or for members	●	10		00
	11	Compensation of officers, directors, and trustees. Attach schedule See Stmt	●	11	0.	00
	12	Other salaries and wages	●	12	2,847.	00
Expenses and Disbursements	13	Interest	●	13		00
	14	Taxes	●	14		00
	15	Rents	●	15		00
	16	Depreciation and depletion (See instructions)	●	16		00
	17	Other Expenses and Disbursements. Attach schedule See Stmt	●	17	135,068.	00
	18	Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9	●	18	137,915.	00

Schedule L Balance Sheet		Beginning of taxable year		End of taxable year	
Assets		(a)	(b)	(c)	(d)
1	Cash		1,571,177.	●	709,115.
2	Net accounts receivable		3,910.	●	196,464.
3	Net notes receivable			●	
4	Inventories			●	
5	Federal and state government obligations			●	
6	Investments in other bonds			●	
7	Investments in stock			●	
8	Mortgage loans			●	
9	Other investments. Attach schedule			●	
10	a Depreciable assets				
	b Less accumulated depreciation	()	()		
11	Land			●	
12	Other assets. Attach schedule SEE STMT		1,221,567.	●	1,143,963.
13	Total assets		2,796,654.		2,049,542.
Liabilities and net worth					
14	Accounts payable		41,875.	●	36,380.
15	Contributions, gifts, or grants payable			●	
16	Bonds and notes payable			●	
17	Mortgages payable			●	
18	Other liabilities. Attach schedule SEE STMT		3,000,000.		1,634,600.
19	Capital stock or principal fund SEE STMT			●	
20	Paid-in or capital surplus. Attach reconciliation		-245,221.	●	378,562.
21	Retained earnings or income fund			●	
22	Total liabilities and net worth		2,796,654.		2,049,542.

Schedule M-1 Reconciliation of income per books with income per return			
Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$50,000			
1	Net income per books	●	623,783.
2	Federal income tax	●	
3	Excess of capital losses over capital gains	●	
4	Income not recorded on books this year. Attach schedule	●	
5	Expenses recorded on books this year not deducted in this return. Attach schedule	●	
6	Total. Add line 1 through line 5.		623,783.
7	Income recorded on books this year not included in this return. Attach schedule	●	
8	Deductions in this return not charged against book income this year. Attach schedule	●	
9	Total. Add line 7 and line 8		
10	Net income per return. Subtract line 9 from line 6		623,783.

Name as Shown on Return
ISLAND CITY DEVELOPMENT

California Corporation No.
3707008

	Beginning of Tax Year	End of Tax Year
Other Investments:		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Totals to Form 199, Schedule L, line 9. ▶		
Other Assets:		
CONSTRUCTION IN PROGRESS	1,221,567.	252,968.
DEVELOPER FEE RECEIVABLE	0.	506,000.
DUE FROM AHA	0.	384,995.
_____	_____	_____
_____	_____	_____
_____	_____	_____
Totals to Form 199, Schedule L, line 12 ▶	1,221,567.	1,143,963.

Name as Shown on Return
ISLAND CITY DEVELOPMENT

California Corporation No.
3707008

Other Liabilities:	Beginning of Tax Year	End of Tax Year
AHA PROPERTY LOAN	3,000,000.	1,550,000.
ACCRUED DEVELOPER FEE	0.	84,600.
Totals to Form 199, Schedule L, line 18 ▶	3,000,000.	1,634,600.

Paid-in or Capital Surplus:	Beginning of tax year	End of tax year
UNRESTRICTED NET ASSETS	-245,221.	378,562.
Totals to Form 199, Schedule L, line 20 ▶	-245,221.	378,562.

Voucher at bottom of page. ■

DO NOT MAIL A PAPER COPY OF THE CORPORATE OR EXEMPT ORGANIZATION TAX RETURN WITH THE PAYMENT VOUCHER.
If the amount of payment is zero, do not mail this voucher.

WHERE TO FILE: Using black or blue ink, make check or money order payable to the "Franchise Tax Board." Write the corporation number or FEIN and "2017 FTB 3586" on the check or money order. Detach voucher below. Enclose, but **do not** staple, payment with voucher and mail to:

**FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0531**

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

WHEN TO FILE: **Corporations – File and Pay by the 15th day of the 4th month following the close of the taxable year.**
S corporations – File and Pay by the 15th day of the 3rd month following the close of the taxable year.
Exempt organizations – File and Pay by the 15th day of the 5th month following the close of the taxable year.

When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.

Due to the federal Emancipation Day holiday on April 16, 2018, tax returns filed and payments mailed or submitted on April 17, 2018, will be considered timely.

ONLINE SERVICES: Corporations can make payments online using Web Pay for Businesses. Corporations can make an immediate payment or schedule payments up to a year in advance. Go to ftb.ca.gov/pay for more information.

✂ DETACH HERE — — — — — IF NO PAYMENT IS DUE, DO NOT MAIL THIS VOUCHER — — — — — DETACH HERE ✂

CAUTION: You may be required to pay electronically, see instructions.
TAXABLE YEAR

REV 11/30/17 PRO

CALIFORNIA FORM

2017 Payment Voucher for Corporations and Exempt Organizations e-filed Returns 3586 (e-file)

3707008 ISLA 47-2164827 000000000000 17 FORM 3
TYB 01-01-2017 TYE 12-31-2017
ISLAND CITY DEVELOPMENT

701 ATLANTIC AVENUE
ALAMEDA CA 94501

(510) 747-4320

Amount of Payment 10.

Date Accepted _____

DO NOT MAIL THIS FORM TO THE FTB

TAXABLE YEAR

2017

California e-file Return Authorization for Exempt Organizations

FORM

8453-EO

Exempt Organization name ISLAND CITY DEVELOPMENT	Identifying number 47-2164827
---	----------------------------------

Part I Electronic Return Information (whole dollars only)

1 Total gross receipts (Form 199, line 4)	1	761,698.
2 Total gross income (Form 199, line 8)	2	761,698.
3 Total expenses and disbursements (Form 199, Line 9)	3	137,915.

Part II Settle Your Account Electronically for Taxable Year 2017

4 Electronic funds withdrawal 4a Amount _____ 4b Withdrawal date (mm/dd/yyyy) _____

Part III Banking Information (Have you verified the exempt organization's banking information?)

5 Routing number _____
6 Account number _____ 7 Type of account: Checking Savings

Part IV Declaration of Officer

I authorize the exempt organization's account to be settled as designated in Part II. If I check Part II, Box 4, I authorize an electronic funds withdrawal for the amount listed on line 4a.

Under penalties of perjury, I declare that I am an officer of the above exempt organization and that the information I provided to my electronic return originator (ERO), transmitter, or intermediate service provider and the amounts in Part I above agree with the amounts on the corresponding lines of the exempt organization's 2017 California electronic return. To the best of my knowledge and belief, the exempt organization's return is true, correct, and complete. If the exempt organization is filing a balance due return, I understand that if the Franchise Tax Board (FTB) does not receive full and timely payment of the exempt organization's fee liability, the exempt organization will remain liable for the fee liability and all applicable interest and penalties. I authorize the exempt organization return and accompanying schedules and statements be transmitted to the FTB by the ERO, transmitter, or intermediate service provider. **If the processing of the exempt organization's return or refund is delayed, I authorize the FTB to disclose to the ERO or intermediate service provider the reason(s) for the delay.**

Sign Here _____ _____ PRESIDENT

Part V Declaration of Electronic Return Originator (ERO) and Paid Preparer. See instructions.

I declare that I have reviewed the above exempt organization's return and that the entries on form FTB 8453-EO are complete and correct to the best of my knowledge. (If I am only an intermediate service provider, I understand that I am not responsible for reviewing the exempt organization's return. I declare, however, that form FTB 8453-EO accurately reflects the data on the return.) I have obtained the organization officer's signature on form FTB 8453-EO before transmitting this return to the FTB; I have provided the organization officer with a copy of all forms and information that I will file with the FTB, and I have followed all other requirements described in FTB Pub. 1345, 2017 e-file Handbook for Authorized e-file Providers. I will keep form FTB 8453-EO on file for **four** years from the due date of the return or **four** years from the date the exempt organization return is filed, whichever is later, and I will make a copy available to the FTB upon request. If I am also the paid preparer, under penalties of perjury, I declare that I have examined the above exempt organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I make this declaration based on all information of which I have knowledge.

ERO Must Sign ERO's signature _____ Date _____ Check if also paid preparer Check if self-employed ERO's PTIN P00785773

Firm's name (or yours if self-employed) and address VAN TRIGT'S ACCOUNTING SERVICE FEIN 95-4345526

10799 E. LAS POSAS RD., SANTA ROSA VALLEY, CA ZIP code 93012

Under penalties of perjury, I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I make this declaration based on all information of which I have knowledge.

Paid Preparer Must Sign Paid preparer's signature _____ Date _____ Check if self-employed Paid preparer's PTIN P00244223

Firm's name (or yours if self-employed) and address HOLTHOUSE CARLIN & VAN TRIGT LLP FEIN 95-4345526

15760 VENTURA BLVD SUITE 1700 ENCINO, CA ZIP code 91436

Additional information from your 2017 California Exempt Organization Business

Form 199: CA Exempt Organization Annual Information

Part II, Other Income

Continuation Statement

Description	Amount
PROFESSIONAL SERVICES	761,400.
INCOME FROM INVESTMENT OF TAX EXEMPT BOND PROCEEDS	
INCOME FROM FUNDRAISING EVENTS	
INCOME FROM GAMING ACTIVITIES	
INVESTMENT INCOME	298.
Total	761,698.

Form 199: CA Exempt Organization Annual Information

Part II, Compensation

Continuation Statement

Description	Amount
VANESSA COOPER	
JANET BASTA	
JOHN MCCAHAN	

Total

Form 199: CA Exempt Organization Annual Information

Part II, Expenses

Continuation Statement

Description	Amount
ACCOUNTING	21,000.
OFFICE EXPENSES	867.
ADMINISTRATIVE FEE	100,000.
STATE TAXES	1,600.
PREDEVELOPMENT COST	4,222.
UTILITIES	3,090.
BANK CHARGES	4,289.
Total	135,068.

Schedule L, Other Liabilities Statement

Line 18 Stmt (1)

Other liabilities, beg.

Itemization Statement

Description	Amount
VARIOUS UNSECURED PROMISSORY NOTES PAYABLE	3,000,000.
TO AHA FOR THE PURPOSE OF FUNDING PREACQUISITION	
EFFORTS WITH PRINCIPAL AMOUNTS RANGING FROM \$300,000	
TO \$1,000,000. INTEREST ON THE NOTES SHALL ACCRUE AT	
A SIMPLE RATE OF 3% BEGINNING ON JANUARY 1, 2018. THE	
NOTES HAVE VARIOUS MATURITY DATES RANGING FROM	
2047 TO 2073.	

Schedule L, Other Liabilities Statement

Line 18 Stmt (1)

Other liabilities, beg.

Itemization Statement

Description	Amount
Total	3,000,000.

Schedule L, Other Liabilities Statement

Line 18 Stmt (1)

Other liabilities, end.

Itemization Statement

Description	Amount
VARIOUS UNSECURED PROMISSORY NOTES PAYABLE	1,550,000.
TO AHA FOR THE PURPOSE OF FUNDING PREACQUISITION	
EFFORTS WITH PRINCIPAL AMOUNTS RANGING FROM \$250,000	
TO \$1,000,000. INTEREST ON THE NOTES SHALL ACCRUE AT	
A SIMPLE RATE OF 3% BEGINNING ON JULY 1, 2016. THE	
NOTES HAVE VARIOUS MATURITY DATES RANGING FROM	
2022 TO 2074.	
Total	1,550,000.

To: Board of Directors
Island City Development

From: Kathleen Mertz
Director of Housing and Community Development

Date: November 6, 2018

Re: Approve and Adopt the Budget for Fiscal Year 2019

BACKGROUND

The ICD fiscal year ends December 31. When ICD participates in real estate development projects, predevelopment costs are managed from a predevelopment loan. This loan eventually rolls up into a project budget that is controlled by the project owner (e.g. a limited partnership if using Low-Income Housing Tax Credits) when the project financing is secured and closed. Outside of the specific real estate project costs, also referred to as capital costs, ICD has an operating budget for the nonprofit corporation.

The proposed budget for 2019 includes ICD capital costs related to the real estate projects during the predevelopment phase as well the administrative expenses of the non-profit corporation.

DISCUSSION

To date, ICD has taken two loans from the Housing Authority for the purposes of the development of the Rosefield Village and North Housing projects, \$1mm per project, plus a \$250,000 Working Capital Loan for short term costs that will be reimbursed by either construction loan proceeds (project capital costs) or developer fee (working capital operating costs). Approximately \$425,711 of the Rosefield loan has been used to date. Approximately \$113,345 of the North Housing loan has been used to date. Approximately \$200,000 of the Working Capital loan has been used, mostly for property tax payments for the Littlejohn and Everett Commons projects, which will be refunded when the County finalizes the welfare tax exemption. It is expected to take approximately 9 months to complete this process.

Proposed Activity - 2019

The attached budget projections do not reflect construction activity at Littlejohn Commons or Everett Commons because construction funds are held and managed by the limited partnerships and lenders rather than ICD. The two capital projects included in the 2019 budget are Rosefield and North Housing. The Rosefield project continues to progress, and most of 2019 activity will revolve around the final funding applications and

design work to secure building permits. North Housing predevelopment work related to entitlements and demolition activity is included in this budget, but as of the time of writing this report, the ICD Board had not accepted the Housing Authority's predevelopment loan amendment. Should new activities not included in this budget arise, staff will return to the Board for a budget adjustment.

FINANCIAL ANALYSIS

In 2019, the ICD administrative expenses will include \$100,000 payable to the Housing Authority for staffing services, per the Consulting Services Agreement. Additionally, it includes estimated audit, tax return, legal and insurance expenses of approximately \$27,600. Finally, it includes one year of interest expense for the Working Capital loan.

RECOMMENDATION

Staff recommends Board approve and adopt the Budget for Fiscal Year 2019.

Respectfully submitted,

Kathleen Mertz
Director of Housing and Community Development

Exhibit A: Proposed 2019 Budget

Island City Development		FY 2019	
Budget			
		OPERATING	CAPITAL
INCOME			
	Developer Fee	\$ 288,000	\$ -
	Investment	\$ 100	\$ -
	Loan Balance		
	Predev Loan - Rosefield	\$ -	\$ 574,289
	Predev Loan - North Housing	\$ -	\$ 3,586,655
	Working Capital Loan	\$ 100,000	\$ -
	Other	\$ -	\$ -
	Total Income	\$ 388,100	\$ 4,160,944
EXPENSE			
	Administrative	\$ 100,000	\$ -
	Arch/Engineering	\$ -	\$ 850,000
	Audit	\$ 21,000	\$ -
	Insurance	\$ 1,500	\$ 100,000
	Lender/Investor Fees	\$ -	\$ -
	Permits and Fees	\$ 100	\$ 40,000
	Professional Services	\$ 5,000	\$ 670,944
	Other	\$ -	\$ 2,500,000
	Predev Loan Interest	\$ 7,500	\$ -
	Predev Loan Repayment	\$ 150,000	\$ -
	Total Expense	\$ 285,100	\$ 4,160,944
	Net Income	\$ 103,000	\$ -

To: Board of Directors
Island City Development

From: Kathleen Mertz
Director of Housing and Community Development

Date: November 6, 2018

Re: Authorize the President, or Designee, to Execute a Services Agreement
Amendment with The Housing Authority of the City of Alameda

DISCUSSION

In April 2015, Island City Development entered into contract with the Housing Authority of the City of Alameda to provide real estate services for the development of affordable housing on behalf of the Housing Authority. The contract had an initial term of 3 years and a contract price of \$100,000 annually for a total of \$300,000.

Island City Development has no staff and relies on the services agreement to perform its duties as real estate developer on behalf of the Housing Authority. This contract amendment will extend the existing contract for one year, until December 31, 2019.

FINANCIAL ANALYSIS

The services contract extension is for \$100,000 to be paid from earned developer fee from the Littlejohn Commons and Everett Commons projects. This fee is included in the 2019 annual budget.

RECOMMENDATION

Authorize the President, or Designee, to Execute a Services Agreement Amendment with The Housing Authority of the City of Alameda.

Respectfully submitted,

Kathleen Mertz
Director of Housing and Community Development

Attachment: Services Contract Amendment

SECOND AMENDMENT TO CONSULTANT SERVICES AGREEMENT

This second Amendment of a Consultant Services Agreement entered into this ____ day of November 2018, by and between ISLAND CITY DEVELOPMENT, a California nonprofit public benefit corporation (“ICD”) and the HOUSNG AUTHORITY OF THE CITY OF ALAMEDA, a public body (“AHA”), is made with reference to the following:

RECITALS

- A. On April 15, 2015, the Agreement was entered into by and between ICD and AHA for delivery of real estate development services.
- B. On December 5, 2017, the Agreement was amended to extend the original contract term to the end of the fiscal year, December 31, 2018.
- C. ICD and AHA desire to extend the term of the Agreement for an additional year to December 31, 2019.
- D. All conditions of the Consultant Agreement will remain the same.

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

The Compensation to Consultant will include an additional one hundred thousand dollars (\$100,000) dollars. The not to exceed amount for the entire Agreement will be modified to Four hundred thousand dollars and zero cents (\$400,000).

The contract term shall be extended to December 31, 2019.

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.

HOUSING AUTHORITY OF THE
CITY OF ALAMEDA

ISLAND CITY DEVELOPMENT

Date: _____

Date: _____

To: Board of Directors
Island City Development

From: Danielle Thoe
Management Analyst

Date: November 6, 2018

Re: Authorize the President, or Designee, to Negotiate And Execute
Consultant Agreements with The Dahlin Group and Paragon Partners

BACKGROUND

ICD performs pre-development real estate development services for the Rosefield Village project which requires large consultant contracts or contract amendments.

In November 2016 the Housing Authority published an RFQ for pre-qualified relocation consultants and developed a list of nine pre-qualified firms. In June 2017 the Housing Authority held interviews and entered into an agreement with Paragon Partners for general relocation consulting services. Paragon Partners has provided these services in preparation for relocation of tenants at Rosefield Village during the site's redevelopment.

On January 11, 2017, a Consultant Agreement was entered into by and between ICD and Dahlin Group Inc., for architectural services related to Rosefield Village redevelopment for a not to exceed amount of \$250,000. On June 25, 2018 this agreement was amended to extend the date of expiration to December 31, 2018 with the intention of returning to the board with a full design services agreement with the project as approved.

DISCUSSION

The proposed amendment extends the existing contract from December 31, 2018 to November 7, 2021 and increases the not to exceed amount to \$1,819,895.00. This contract scope extends the scope of services to include design work for both the new construction units and the rehab units. Additionally, the scope has been amended to include construction documents, permit processing, construction administration, and all anticipated work through delivery of the finished project.

FISCAL IMPACT

These contracts are included in the overall project budget for which staff is seeking project funding. Costs incurred during the predevelopment phase will be paid from the

current predevelopment loan for Rosefield (\$1 M), and costs incurred during the construction phase will be paid from the construction loan (forthcoming once all funding is secured).

RECOMMENDATION

Authorize the President, or Designee, to Negotiate And Execute Consultant Agreements with The Dahlin Group and Paragon Partners

Respectfully submitted,

Danielle Thoe
Management Analyst

To: Board of Directors
Island City Development

From: Kathleen Mertz
Director of Housing and Community Development

Date: November 6, 2018

Re: Accept a \$3.4 MM Loan Commitment Amendment to Island City
Development and Authorize President, or Designee, to Negotiate and
Execute Loan Documents

BACKGROUND

In 2012, the Navy approved the transfer of 13 acres of land from the Navy to the Housing Authority at the former Coast Guard housing site known as North Housing. The approved public benefit conveyance is based on the proposal submitted by AHA, Alameda Point Collaborative (APC) and Building Futures with Women and Children (BFWC) to develop 90 units of permanent supportive housing. On June 5, 2018 City Council approved the final reading of the resolution for transfer of the North Housing site to the Housing Authority.

DISCUSSION

In 2012 AHA, APC and BFWC signed a Memorandum of Understanding that outlines the roles and responsibilities of each party. This MOU states broadly that AHA is responsible to serve as “fiscal agent”, to secure financing, to develop and then to manage the project, and to provide regular quarterly reports to the partners regarding project finances. The providers are responsible to apply for the funds needed to provide long-term services to the project and then to perform those services. The MOU also states that each of the parties shall be reimbursed for pre-development and other project expenses that have been incurred at the time of sale or financing. Island City Development will be taking on these tasks on behalf of the Housing Authority.

As such, staff has been working with the City Planning, Base Reuse staff, and ICD’s urban design/architecture consultant to understand the requirements of securing Development Plan approval from the City, which establishes an overall plan for the property but not a detailed building plan for each parcel. Additionally, staff is working to map out a plan for the first development phase, which would include the 90 unit building for permanent supportive housing.

Additionally, staff hosted the second meeting with project partners Alameda Point Collaborative and Building Futures on September 19, 2018. The discussion at this meeting focused on the Development Plan process, project schedule, and beginning to

imagine how the site plan could be laid out. Staff will continue to meet monthly with the partners and has confirmed dates for meetings through the end of the year.

Staff, development consultant Structure Development, and the site plan architects Urban Design Associates, Ltd are leading the community outreach process for the Development Plan. While the building specific plans cannot move forward without the Development Plan approval in place, the programming can begin on the heels of the development plan process. Therefore, staff has developed a more robust predevelopment budget for the North Housing project, which includes demolition of all units on AHA land, development plan approvals, and preliminary predevelopment activities for the first phase of 90 units.

Existing pre-development contracts for North Housing:

Service Under Contract	Total Contract
Development Consultant/Project Management	\$150,000
Initial Site Planning Services	\$99,000
Surveying	\$120,500
Appraisal	\$8,250
Legal Services	\$25,000
TOTAL	\$402,750

Below is the projected pre-development budget for North Housing:

Budget Line Item	Estimated Cost
Development Consultant/Project Management	150,000
Initial Site Planning Services	150,000
Architecture and Engineering	350,000
Environmental Consulting	200,000
Legal Services	50,000
Reports and Studies (appraisal, market, etc.)	50,000
Fencing and Security	75,000
Pollution Liability and Other Insurance	100,000
Website Services	3,000
City and Utility Fees	72,000
SUBTOTAL	1,200,000
Demolition (16 buildings), Disposal and Monitoring	2,500,000
GRAND TOTAL	\$3,700,000

Of the CDBG funds awarded to the project, \$24,924 remains. The City has allocated additional CDBG funds for FY 18-19 to clearance activities and an application for CDBG funds will be forthcoming for future clearance work. Carmel Partners recently bid the demolition of three buildings, which were located along the street alignments, and their

bid came back at \$25,000 per unit for a federally funded project. Using this as a baseline, staff anticipates a cost of \$2.5 M for the demolition of AHA's 16 buildings, or 90 units, which includes some contingency funds.

FINANCIAL IMPACT

In October 2017, the Board accepted a \$300,000 loan from the Housing Authority to be used to pay for planning, engineering and other related services. In moving forward with the Development plan and predevelopment work on the first phase building, costs will exceed the remaining balance of the AHA pre-development loan, per the budget discussed above.

The chart below summarizes expenses incurred through September.

North Housing

Pre-development Loan from AHA	\$	300,000
Usage through September 2018	\$	<u>113,345</u>
Balance	\$	186,655

In 2016 the Housing Authority Board accepted a three to five-year cash reserve schedule that shows a total of \$7.1 million of reserve funds allocated to the North Housing project. This requested increase of the predevelopment loan from \$300,000 to \$3,700,000, as outlined in the budget above, will count towards that total. Many pre-development costs can eventually be reimbursed from the project construction loan when the financing is closed. However, the costs associated with demolition may not recoverable through the project loan, either because the project cannot absorb the cost or because the activity itself is not eligible for reimbursement (according to accounting or tax law).

The primary benefits of using ICD to receive the loan and for project management is to establish that the reserve funds have been obligated to the project and to simplify the financial underwriting when applications for funding are submitted to the County, State and private funders. Funds loaned to ICD are maintained in a separate account(s) and are documented with a Promissory Note. If and when it is determined that loan funds will not be reimbursed, the funds will be posted as a receivable to AHA and may be recovered over time through project cash flow.

RECOMMENDATION

Accept a \$3.4 MM Loan Commitment Amendment to Island City Development and Authorize President, or Designee, to Negotiate and Execute Loan Documents.

Respectfully submitted,

Kathleen Mertz
 Director of Housing and Community Development

To: Board of Directors
Island City Development

From: Kathleen Mertz
Director of Housing and Community Development

Date: November 6, 2018

Re: Approve the Everett and Eagle LP Limited Partnership Agreement Letter Amendment and Authorize the President, or Designee, to Negotiate and Execute Associated Documents

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 November 2018.

DISCUSSION

The IRS has begun using a new centralized audit regime to audit partnership tax returns. Under prior law, partnership agreements provided for a Tax Matters Partner that handled audit matters with the IRS. However, beginning with the 2018 tax year, any audits must be managed at the partnership level by the Partnership Representative (PR). The IRS will only deal with the PR, which has the power to take binding actions with the IRS. Further, partners have no rights to separately appeal a tax assessment. Moreover, the new rules eliminate the concept of notice partners who are entitled to hear directly from the IRS. As a result of this new audit regime, the partners need to agree on certain consent and notice provisions and that these are clearly laid out in the Limited Partnership or Operating Agreement.

In response to this requirement, the investor limited partner, Enterprise Community Investment Corporation, has drafted a letter amendment to the Limited Partnership Agreement, attached. The amendment revises the Limited Partnership/Operating Agreement in order to (i) designate the Partnership Representative and Designated Individual as required by the Code, (ii) outline those actions of the Partnership Representative and Designated Individual which require prior written consent from the Limited Partner/Investor Member, (iii) describe events which must be communicated by the Partnership Representative and Designated Individual to the Limited Partner/Investor Member, and (iv) otherwise memorialize the partners'/members' agreement as it relates to the new IRS audit regime. This Amendment had been reviewed by ICD's auditor and tax attorney.

FISCAL IMPACT

None.

RECOMMENDATION

Approve the Everett and Eagle LP Limited Partnership Agreement Letter Amendment and Authorize the President, or Designee, to Negotiate and Execute Associated Documents

Respectfully submitted,

Kathleen Mertz
Director of Housing and Community Development

Attachment: Limited Partnership Agreement Letter Amendment

Via email

August 28, 2018

2437 Eagle Avenue, LLC
c/o Housing Authority of the City of Alameda
2437 Eagle Avenue
Alameda, CA 94501

Attention: Kathleen Mertz
kmertz@alamedahsg.org

Re: Everett and Eagle L.P.

Dear Managing Member/General Partner:

Reference is hereby made to the Operating Agreement/Limited Partnership Agreement dated as of 6/27/2017 (as amended, the “Agreement”) of Everett and Eagle L.P., (the “Company/Partnership”).

Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement.

This letter will confirm our agreement concerning compliance with the revised partnership audit rules of Sections 6221 through 6227 of the Code, as amended by Section 1101 of the Bipartisan Budget Act of 2015, P.L. 114-74 and the Protecting Americans from Tax Hikes Act of 2015, P.L. 114-113, div. Q (collectively, the “Revised Partnership Audit Rules”).

The Company/Partnership shall timely elect out of the Revised Partnership Audit Rules pursuant to the election provided in Code Section 6221 in each Fiscal Year in which the Company/Partnership is eligible to make such an election.

For any Fiscal Year in which the Company/Partnership is subject to the Revised Partnership Audit Rules, the Members/Partners hereby authorize the Company/Partnership to

appoint the Managing Member/General Partner as the initial representative of the Partnership pursuant to Section 6223(a) of the Code (the “Partnership Representative”). The Managing Member/General Partner shall be appointed the Partnership Representative for each taxable year of the Company/Partnership provided that no event or circumstances has occurred which, with the giving of notice or the passage of time, would constitute a Removal Default with respect to the Managing Member/General Partner hereunder. The Partnership Representative shall designate an individual to serve as the sole individual through whom the Partnership Representative will act for purposes of the Revised Partnership Audit Rules (the “Designated Individual”) with the Consent of the Investor Member/Limited Partner. The Designated Individual must agree in writing to be bound by the same obligations and restrictions imposed on the Partnership Representative under this amendment to the Agreement. Neither the Partnership Representative nor the Designated Individual shall have any personal liability arising out of his, her, or its good faith performance of his, her, or its duties as the Partnership Representative or Designated Individual, respectively.

Changes to the identity of the Partnership Representative and/or Designated Individual shall be made only with the Consent of the Investor Member/Limited Partner and in accordance with the Code and any applicable treasury regulations or other administrative guidance promulgated from time to time (“Applicable Guidance”). The Partnership Representative and the Designated Individual are hereby authorized to carry out the duties and responsibilities, including the making of elections, set forth for each in the Code and such Applicable Guidance provided, however, that to the extent not inconsistent with the Revised Partnership Audit Rules, the Partnership Representative and Designated Individual shall have the obligations and responsibilities, and shall be subject to the limitations, imposed on the Tax Matters Partner under the Agreement. In addition, and without limiting the generality of the foregoing, neither the Partnership Representative nor the Designated Individual shall make any election, or take any other action, under the Revised Partnership Audit Rules that might reasonably be expected to have a material impact on the Investor Member/Limited Partner without the Consent of the Investor Member/Limited Partner. Each Member/Partner shall comply with any reasonable request for cooperation made by the Partnership Representative in furtherance of its duties and responsibilities under this paragraph. Neither the Partnership Representative nor the Designated Individual shall receive any fees or compensation for its services in such capacity but shall be reimbursed by the Company/Partnership for all costs and expenses incurred by it in the course of discharging its duties and responsibilities under the Code and any Applicable Guidance. Neither the Partnership Representative nor the Designated Individual shall have any personal liability arising out of his, her, or its good faith performance of his, her, or its duties as the Partnership Representative or Designated Individual, respectively.

In addition to the existing obligations of the Tax Matters Partner under the Agreement to notify the Investor Member/Limited Partner of any IRS audits or communications, the Partnership Representative shall promptly notify the Investor Member/Limited Partner of any audit of, or other proceedings affecting, the Company/Partnership under the Revised Partnership Audit Rules and shall forward to the Investor Member/Limited Partner copies of all notices, correspondence, and other communications relating to any such audit.

The letter shall constitute an amendment to the Agreement and each of the undersigned parties agrees that such amendment has been, and shall be deemed to be, duly executed in full compliance with the applicable terms of the Agreement. Each of the undersigned parties represents that it has the right, power, legal capacity and authority to execute and enter into this amendment. This amendment may be executed by the use of electronic or facsimile signatures, and all such signatures shall be deemed to be original signatures for all purposes.

If the foregoing correctly sets forth our agreement concerning the revised Partnership Audit Rules, please evidence your acceptance and approval by signing a copy of this letter in the space provided below.

Very truly yours,

By: _____
Name: Stephanie Shack
Title: Senior Vice President & General Counsel

For:
Enterprise Stanley GP, LLC, managing member/general partner
Enterprise Neighborhood Impact Fund II, LLC

Accepted and agreed to as of the date provided above:

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: _____

Vanessa Cooper
President