



AMENDED – ORIGINALLY POSTED OCTOBER 31, 2019

AGENDA

ISLAND CITY DEVELOPMENT
Regular Meeting
November 8, 2019 at 9:30 AM
Independence Plaza – Community Room
703 Atlantic Avenue, Alameda

1. CALL TO ORDER & ROLL CALL
2. PUBLIC COMMENT (Non-Agenda)
3. CONSENT CALENDAR **(Action)**
 - a. Approval of Minutes – July 23, 2019 Meeting, **Page 1**
 - b. Authorize the President, or Designee, to Execute a Services Agreement Amendment with the Housing Authority of the City of Alameda, **Page 3**
 - c. Accept the Report on Banking Activity of Island City Development, **Page 5**
4. NEW BUSINESS
 - a. Accept the Annual Report and Audited Financial Statements for Fiscal Year Ending 12/31/2018, **Page 7 (Action)**
 - b. Approve the Federal and State Tax Returns for the Fiscal Year Ending 12/31/2018, **Page 32 (Action)**
 - c. Approve and Adopt the Budget for Fiscal Year 2020, **Page 76 (Action)**
 - d. Authorize the President, or Designee, to Execute a Third Services Agreement Amendment with Holthouse, Carlin and Van Trigt LLP, **Page 79 (Action)**
 - e. Approve the Authorizing Resolution Regarding Purchasing Authority for Island City Development, **Page 81 (Action)**
5. NON-AGENDA (Public Comment)
6. WRITTEN COMMUNICATIONS
7. ORAL COMMUNICATIONS – BOARD MEMBERS AND STAFF
8. ADJOURNMENT

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NOTES:

- If you need special assistance to participate in the meetings of the Island City Development Board of Directors, please contact Stacey Wilson at (510) 747-



4307 (TTY/TRS: 711) or swilson@alamedahsq.org. Notification 48 hours prior to the meeting will enable the Island City Development Board of Directors to make reasonable arrangements to ensure accessibility.

- Documents related to this agenda are available for public inspection and copying at the Office of the Housing Authority, 701 Atlantic Avenue, during normal business hours.
- Know Your RIGHTS Under The Ralph M. Brown Act: Government's duty is to serve the public, reaching its decisions in full view of the public. The Board of Directors exists to conduct the business of its constituents. Deliberations are conducted before the people and are open for the people's review. In order to assist Island City Development's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help Island City Development accommodate these individuals.

IF YOU WISH TO ADDRESS THE BOARD:

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



MINUTES
Draft until approved
ISLAND CITY DEVELOPMENT
Special Meeting
July 23, 2019 at 11:30 AM
Independence Plaza, - Community Room, 703 Atlantic Avenue, Alameda

1. CALL TO ORDER & ROLL CALL

President Cooper called the meeting to order at 11:30 a.m. and corrected the Agenda to acknowledge this is a Special Meeting, not a Regular Meeting. The following Board Members were present: Secretary/Treasurer Basta. Members absent/Note: Board Member John McCahan resigned as Vice President as he is no longer on the AHA Board of Commissioners. Nominations for the 3rd ICD Director will be held during the next regular Housing Authority meeting which will be held on August 21, 2019. Staff in Attendance: Kathleen Mertz, Stacey Wilson.

2. PUBLIC COMMENT (Non-Agenda) (None)

3. CONSENT CALENDAR (Action)

- a. Approve Minutes of the Board of Directors Meeting Held April 30, 2019

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

4. NEW BUSINESS

- a. Accept the Rosefield Project Update Report and Ratify the Acceptance and Execution of the Amended \$2 Million Predevelopment Loan from the Housing Authority of the City of Alameda, **Page 2 (Action)**

Director Basta moved to accept the motion, Director Cooper seconded. The motion carried unanimously.

- b. Approve the Authorizing Resolution to Apply for State of California Multifamily Housing Program Funds for Rosefield Village, **Page 5 (Action)**

Director Basta moved to accept the motion, Director Cooper seconded. The motion carried unanimously.

5. NON-AGENDA (Public Comment) (none)

6. WRITTEN COMMUNICATIONS (none)

Director Cooper noted that the only written communication received was an email from former Director, John McCahan, regarding his resignation from the ICD Board.

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

Staff member Kathleen Mertz discussed a letter from the auditors regarding the accounting

of the two partnerships with respect to reconciliation of construction draws. Ms. Mertz stated that she, Finance, and Project Management will be handling the monthly reconciliation of pre-development draws. Director Cooper requested a copy of the auditor's letter via email.

8. ADJOURNMENT

The meeting was adjourned at 11:44 a.m.

Respectfully submitted,

Draft until approved

Janet Basta

Secretary

To: Board of Directors
Island City Development

From: Kathleen Mertz
Director of Housing and Community Development

Date: November 8, 2019

Re: Authorize the President, or Designee, to Execute a Third Consultant 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.

On December 5, 2017 a First Amendment to the Service Agreement was executed to clarify the terms of the Agreement so that it coincided with the calendar year end and ICD's fiscal year, which was the original intent of the Agreement. Therefore, the term of the Agreement was extended to December 31, 2018.

On December 20, 2018 a Second Amendment to the Service Agreement was executed to extend the term of the contract for one year. The amended term of the Agreement was extended to December 31, 2019, thereby making the contract a four year term.

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 Third Amendment to the Service Agreement will extend the existing contract for an additional one year, thereby making the contract a five year term until December 31, 2020. In addition, Consultant compensation shall be increased, pursuant to the Agreement, in the amount of \$100,000 annually for years 2019 and 2020 for a total contract amount not to exceed \$500,000.

FINANCIAL ANALYSIS

The services contract extension is for \$200,000 to be paid from earned developer fees 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 Third Consultant Services Agreement



Amendment with The Housing Authority of the City of Alameda.

Respectfully submitted,



Kathleen Mertz
Director of Housing and Community Development



To: Board of Directors
Island City Development

From: Candace Latigue, Asset Manager

Date: November 8, 2019

Re: Accept the Report on Banking Activity of Island City Development

BACKGROUND

Island City Development, the general partners and the limited partnerships engage in banking activity related to the Low-Income Housing Tax Credit properties. Staff is providing a periodic report to update the ICD Board on this banking activity. This activity is in compliance with Resolution 2014-02.

DISCUSSION

Below is a chart summarizing the bank accounts for Sherman and Buena Vista LP (Littlejohn Commons), Everett and Eagle LP (Everett Commons), Island City Development, and its affiliated Limited Liability Companies who serve as the General Partner for the above referenced limited partnerships.

<u>ENTITY</u>	<u>BANK INSTITUTION</u>	<u>REASON</u>
Everett & Eagle LP	Chase Bank (to be closed within 60 days)	Construction Checking
Everett & Eagle LP	Chase Bank (to be closed within 60 days)	Equity Account
Everett & Eagle LP	Citibank	Operating Checking
Everett & Eagle LP	Citibank	Tenant Security Deposits
Everett & Eagle LP	Citibank	Replacement Reserves
Everett & Eagle LP	Beneficial State Bank	Insured Cash Sweep (ICS)
Sherman & Buena Vista LP	BBVA Compass (closed)	Equity Account
Sherman & Buena Vista LP	BBVA Compass (closed)	Construction Draws
Sherman & Buena Vista LP	US Bank (to be closed within 60 days)	Construction Checking
Sherman & Buena Vista LP	Citibank	Operating Checking
Sherman & Buena Vista LP	Citibank	Tenant Security Deposits
Sherman & Buena Vista LP	Beneficial State Bank	Insured Cash Sweep (ICS)
Sherman & Buena Vista LP	CCRC	Replacement Reserves
Del Monte LLC	US Bank	Checking- Required per Operating Agreement to validate existing entity as



<u>ENTITY</u>	<u>BANK INSTITUTION</u>	<u>REASON</u>
		part of the Limited Partnership
2437 Eagle Avenue LLC	US Bank	Checking- Required per Operating Agreement to validate existing entity as part of the Limited Partnership
Island City Development	US Bank	Money Market- established when ICD was formed
Island City Development	US Bank	Checking Account
Rosefield LLC	US Bank	Checking- Required per Operating Agreement to validate existing entity as part of the Limited Partnership

All accounts are reconciled monthly by the Finance staff.

The US Bank accounts follow the same collateralization requirements of AHA accounts. Chase Bank and BBVA Compass Bank accounts were required per the loan documents when a lender was chosen for the project. This is common practice with lending partners for real estate development deals. The operating and tenant security deposit accounts are managed by John Stewart Company (JSCO), but in the name of the limited partnership owner, which is also common practice with 3rd party property management companies and outlined as part of the Property Management Agreement. JSCO also manages the Insured Cash Sweep (ICS) accounts established to sweep and hold excess cash over the FDIC limit of \$250,000. JSCO's core banking is all through Citibank and FDIC insured establishments.

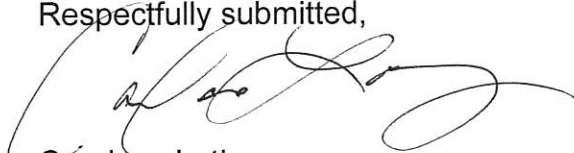
FISCAL IMPACT

None.

RECOMMENDATION

Accept the Report on Banking Activity of Island City Development

Respectfully submitted,



Candace Latigue
Asset Manager



To: Board of Directors
Island City Development

From: Vanessa Cooper
President

Date: November 8, 2019

Re: Accept the Annual Report and Audited Financial Statements for Fiscal
Year Ending 12/31/2018

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 audited Financial Statements reflect the consolidated financial status of the corporation and subsidiaries as of 12/31/2018. During fiscal year 2018, 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 12/31/2018.

Respectfully submitted,



Vanessa Cooper
President

Attachments:

1. HCVT Audit Letter for ICD
2. HCVT Annual Report and Financial Statement for FYE 12/31/2018 for ICD





Camarillo, CA
Encino, CA
Long Beach, CA
Los Angeles, CA
Orange County, CA
Pasadena, CA
Walnut Creek, CA
West Los Angeles, CA
Westlake Village, CA
Fort Worth, TX
Park City, UT

PERSONAL & CONFIDENTIAL

October 8, 2019

Ms. Victoria Johnson
Director of Housing and Community Development
Housing Authority of the City of Alameda
701 Atlantic Avenue
Alameda, CA 94501

Re: Island City Development

We have audited the consolidated financial statements of Island City Development (the Company) for the year ended December 31, 2018, and have issued our report thereon dated October 8, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated July 25, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Company are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management, and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates during 2018.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Misstatements were identified by HCVT during the audit (see the attached copy of adjustments). Management represented that they recorded all of the adjustments to correct the identified misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of our audit.

Management Representations

We have requested and received certain representations from management that are included in the management representation letter dated October 8, 2019.

Management Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

While auditing receivables, we noted that developer fee receivables from consolidated entities are being comingled with other receivables. We recommend creating a new account to track developer fee receivables separately as these fees are going to increase in frequency in the future.

While auditing the intercompany accounts, we noted that numerous transactions are being recorded that result in the intercompany accounts not being reconcilable in relation to consolidated entities. We recommend refraining from booking manual journal entries to intercompany accounts.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Ms. Victoria Johnson
October 8, 2019
Page 3

This information is intended solely for your use and management of the Company, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Holthouse Carlin & Van Trigt LLP".

HOLTHOUSE CARLIN & VAN TRIGT LLP

Client: 0900022.0 - Island City Development, Inc.
 Engagement: 2018 AUD - Island City Development
 Period Ending: 12/31/2018
 Trial Balance: A.40.1 - ICD TB
 Workpaper: A.30.01 - ICD - AJE Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 101				
to record and accrue interest for AHA loan and Rosefield Loan		M-1		
1900350	CIP - Loan Interest - Soft		8,125.00	
1900350	CIP - Loan Interest - Soft		17,500.00	
9500100	Interest Expense		3,125.00	
9500100	Interest Expense		12,500.00	
3120060	Accrued Interest Payable			11,250.00
3120060	Accrued Interest Payable			30,000.00
Total			41,250.00	41,250.00
Adjusting Journal Entries JE # 102				
to reclass developer income to separate account		O-1		
1255555-HCVT	Developer fee receivable		405,628.00	
1255555-HCVT	Developer fee receivable		506,000.00	
1250010	Accounts Receivable - Other			405,628.00
1250010	Accounts Receivable - Other			506,000.00
Total			911,628.00	911,628.00
Adjusting Journal Entries JE # 103				
to true up ICD portion of developer income received		O-1		
1255555-HCVT	Developer fee receivable		423,372.00	
7110092	Professional Service Revenue			423,372.00
Total			423,372.00	423,372.00
Adjusting Journal Entries JE # 104				
to record additional 10% of dev fee to AHA and to reclass what was booked to interprogram		O-1		
3470050	Interprogram (Due to)		40,563.00	
7110092	Professional Service Revenue		42,337.00	
3120070	Accrued Payables			40,563.00
3120070	Accrued Payables			42,337.00
Total			82,900.00	82,900.00
Adjusting Journal Entries JE # 105				
to expense consulting services provided to AHA and ICD. Not allocable to any one project		I.1.2		
9710090	Pre-development Cost		26,105.00	
1900230	CIP - Professional Services (Other)			26,105.00
Total			26,105.00	26,105.00
Adjusting Journal Entries JE # 106				
to reclass developer fee payable to AHA to proper account per AHA chart of accounts		A.20.1		
3120070	Accrued Payables		167,500.00	
3330300	Developer Fee Payable			167,500.00
Total			167,500.00	167,500.00
Adjusting Journal Entries JE # 107				
to record investment income in Del Monte LLC for fees earned on SBV		C-1		
149999-HCVT	Investment in Subsidiary - Del Monte LLC		8,333.00	
7110010	Investment Income - Unrestricted			8,333.00
Total			8,333.00	8,333.00

**ISLAND CITY DEVELOPMENT
AND SUBSIDIARIES**
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
CONSOLIDATED FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION,
AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2018



ISLAND CITY DEVELOPMENT AND SUBSIDIARIES
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
DECEMBER 31, 2018
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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 statement of financial position as of December 31, 2018, and the related consolidated statements of activities, functional expenses, changes in net assets, and cash flows, for the year 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 audit. We conducted our audit 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, 2018, and the results of their operations and their cash flows for the year 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.

Holtzhausen Carlin & Van Tine LLP

Westlake Village, California
October 8, 2019

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

DECEMBER 31,

2018

ASSETS

Property, at cost

Land improvements	\$ 2,170,596
Building and improvements	26,136,686
Furniture and equipment	512,067

Total property 28,819,349

Less: accumulated depreciation (183,946)

Net property 28,635,403

Cash and cash equivalents 725,048

Other receivables 255,081

Due from affiliates 29,437

Restricted funds:

 Tenant security deposits 22,924

Prepaid ground lease and other 3,363,574

Preacquisition costs 627,621

Prepaid ground lease 5,933

Deposits - TCAC 64,487

Deferred costs - TCAC fees 89,717

Total assets \$ 33,819,225

LIABILITIES AND NET ASSETS

Notes payable, net \$ 30,537,441

Accounts payable and accrued expenses 21,499

Accrued construction and development costs 2,157,399

Accrued interest payable 610,469

Developer fee payable 167,500

Accrued Asset Management Fee payable 2,083

Accrued ground lease 997

Tenant security deposits 22,924

Total liabilities 33,520,312

Net assets

 Without donor restrictions - controlling interests (370,473)

 Without donor restrictions - noncontrolling interests 669,386

Total net assets 298,913

Total liabilities and net assets \$ 33,819,225

See notes to consolidated financial statements.

ISLAND CITY DEVELOPMENT AND SUBSIDIARIES
 (A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
 CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2018

Revenue:	
Residential rent	\$ 47,546
Tenant subsidies	156,185
Development fee	82,900
Other revenue	41
Total revenue	286,672
Expenses:	
Program services-housing	621,858
Supporting services	169,700
Total expenses	791,558
Change in net assets from operations	(504,886)
Syndication costs	(7,224)
Total change in net assets	\$ (512,110)

See notes to consolidated financial statements.

ISLAND CITY DEVELOPMENT AND SUBSIDIARIES
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31,

2018

	Program Services				Supporting Services		Total
	Island City		Island City		Housing (a)	Housing (a)	
	Development	Housing (a)	Development	Housing (a)			
Administrative							
Manager's salaries	\$ -	\$ 9,983	\$ 8	\$ -			9,991
Office expense	-	7,156	8,386	-			15,542
Professional fees - accounting	-	-	23,336	34,541			57,877
Professional fees - legal	-	160	-	-			160
Property management fees	-	7,998	-	-			7,998
Total administrative expenses	-	25,297	31,730	34,541			91,568
Utilities							
Electricity	-	2,305	-	-			2,305
Water and sewer	-	2,648	2,635	-			5,283
Gas	-	122	-	-			122
Total utilities	-	5,075	2,635	-			7,710
Operating and maintenance							
Maintenance salaries	-	9,564	-	-			9,564
Repairs and maintenance	-	3,346	-	-			3,346
Trash removal	-	3,659	-	-			3,659
Total operating and maintenance	-	16,569	-	-			16,569
Taxes and insurance							
Payroll taxes	-	1,773	-	-			1,773
Property and liability insurance	-	3,016	-	-			3,016
Employee benefits	-	2,504	-	-			2,504
State taxes	-	2,437	75	-			2,512
Total taxes and insurance	-	9,730	75	-			9,805
Other expenses							
Depreciation	-	183,946	-	-			183,946
Amortization	-	1,179	-	-			1,179
Advertising and lease-up	-	149,739	-	-			149,739
Interest expense	-	189,969	15,625	-			205,594
Asset Management Fee	-	-	-	2,083			2,083
Development fee - AHA	-	-	82,900	-			82,900
Development consulting	26,105	-	-	-			26,105
Ground lease	-	14,249	-	-			14,249
Organization costs	-	-	-	111			111
Total other expenses	26,105	539,082	98,525	2,194			665,906
Total functional expenses	\$ 26,105	\$ 595,753	\$ 132,965	\$ 36,735			\$ 791,558

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

See notes to financial statements.

ISLAND CITY DEVELOPMENT AND SUBSIDIARIES
 (A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
 CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

		Controlling Interest		Noncontrolling Interest		Total
Balance, December 31, 2017	\$	(302,641)	\$	1,113,664	\$	811,023
Syndication costs		-		(7,224)		(7,224)
Net loss		(67,832)		(437,054)		(504,886)
Balance, December 31, 2018	\$	(370,473)	\$	669,386	\$	298,913

See notes to consolidated financial statements.

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

FOR THE YEAR ENDED DECMEBER 31,

2018

Cash flow from operating activities:

Change in net assets from operations	\$ (504,886)
Adjustments to reconcile change in net assets from operations to net cash used in operating activities:	
Depreciation	183,946
Amortization of TCAC fees	1,179
Amortization of debt issuance costs	32,698
Ground lease expense	14,249
Change in operating assets and liabilities:	
Tenant security deposits	(22,924)
Prepaid ground lease	(4,936)
Accrued interest payable	96,667
Accrued asset management fee payable	2,083
Tenant security deposits - liability	22,924
Net cash used in operating activities	(179,000)

Cash flows from investing activities:

Expenditures for property	(14,131,985)
Expenditures for preacquisition costs	(374,653)
Cash used in investing activities	(14,506,638)

Cash flows from financing activities:

Proceeds from notes payable	12,365,647
Expenditures for debt issuance costs	(38,457)
Expenditures for deferred costs - TCAC fees	(20,090)
Expenditures for syndication costs	(7,224)
Net cash provided by financing activities	12,299,876

Net change in cash and cash equivalents (2,385,762)

Cash and cash equivalents at beginning of year 3,110,810

Cash and cash equivalents at end of year \$ 725,048

Supplemental disclosure of cash activities:

Cash paid for interest, net of capitalized interest \$ 37,345

Supplemental disclosure of non-cash activities:

Accrued construction costs \$ 2,157,399
Unpaid capitalized interest (including capitalized interest added to principal) \$ 560,955

See notes to consolidated financial statements.

ISLAND CITY DEVELOPMENT AND SUBSIDIARIES
 (A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2018

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization 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, 2018, 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, 2018, the Company, through its Subsidiaries, owns the following Projects:

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

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
 Rosefield LLC
 Constitution and Eagle LP

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 year ended December 31, 2018, 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.

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

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 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2018

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 net assets without donor restrictions 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 (GAAP), as such, revenues are recognized when earned and expenses are recorded when incurred. In addition, the consolidated financial statements have been prepared to focus on ICD as a whole and to present balances and transactions according to the existence of absence of donor-imposed restrictions. This has been accomplished by the classification of transactions into three classes of net assets as follows:

- Net assets without donor restrictions represent expendable funds available for operations, which are not otherwise limited by donor restrictions.
- Net assets with donor restrictions represent the part of the net assets of ICD resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources will be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of December 31, 2018, there were no net assets with donor restrictions.

Functional Allocation of Expenses The costs of providing ICD's programs and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. The functional classifications are defined as follows:

- **Program service** expenses consist of costs incurred in connection with providing housing services.
- **Supporting service** expenses consist of costs incurred in connection with the overall activities of ICD, which are not allocable to another functional expense category.

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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 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 consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the financial reporting period. Management believes actual results will not differ significantly from those estimates.

Cash and Cash Equivalents For purposes of the consolidated statement 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	20 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

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over the estimated fair value of the property. No impairment losses were recognized during the year ended December 31, 2018.

Other Receivables Other receivables primarily consists of property tax receivables from the Alameda County Tax Collector. The Company evaluates collectability on a case-by-case basis and provides a reserve when collection is doubtful.

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.

Adoption of New Accounting Principle Effective January 1, 2018, the Company adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities* (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes, and disclose a summary of the methods used to allocate costs, (c) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (d) presenting investment return net of external and direct expenses, and (e) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

2. PREPAID GROUND LEASE

Littlejohn Commons entered into a ground lease agreement with AHA 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, 2018, the prepaid ground lease balance was \$3,341,112.

Everett Commons entered into a ground lease agreement with AHA 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. The ground lease will begin to amortize in January 2019.

ISLAND CITY DEVELOPMENT AND SUBSIDIARIES
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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, 2018, preacquisition costs for future Projects of \$627,621 has been incurred and is recorded in the accompanying consolidated statement of financial position.

4. DEFERRED COSTS – TCAC FEES AND DEBT ISSUANCE COSTS

Deferred TCAC Costs Deferred TCAC costs consist of fees paid to TCAC that will be be amortized over a 15-year period, beginning in the year the applicable Project is placed in service. As of December 31, 2018, unamortized TCAC costs were \$89,717.

Debt Issuance Costs Debt issuance costs of \$260,293 net of accumulated amortization as of December 31, 2018 is reported as a direct reduction of the obligation to which such costs relate. While the projects are under development, the amortization of debt issuance 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

2018

A summary of ICD's financing arrangements as of December 31, 2018 is 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 \$3,700,000. 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
AHA line of credit During 2018, AHA issued \$3,400,000 of additional development proceeds to ICD for the development of a project, and evidenced through an unsecured promissory note payable to AHA. As of December 31, 2018, \$3,400,000 of the line-of-credit is unused.	-
Total ICD notes payable	1,550,000

A summary of the Subsidiaries' financing arrangements as of December 31, 2018 is 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 (ranging from 2.34% to 2.50% as of December 31, 2018), as defined, plus 1.80% to 1.85%, with interest only payments due monthly through December 2018 and March 2019. The construction loans are expected to be paid down to an aggregate amount of \$5,882,168, with interest accruing at 5.39% to 5.55%. The permanent loans mature from 2034 to 2039.	17,639,712
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ISLAND CITY DEVELOPMENT AND SUBSIDIARIES

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

	2018
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 Loan – residual receipts Notes payable to AHA, secured by a deed of trust, interest accrues at 2.26% to 2.68%, with interest and principal payments due annually from Residual Receipts, as defined. All unpaid principal and interest are from 2073 to 2074.	7,850,000
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
Total Subsidiaries notes payable	29,247,734
Total notes payable	30,797,734
Less: unamortized debt issuance costs	(260,293)
Total notes payable, net	\$ 30,537,441

Principal payments on notes payable are required as follows:

Year Ending December 31,	Amount
2019 (a)	\$ 17,639,712
2020	-
2021	-
2022	250,000
2023	-
Thereafter	12,908,022
	\$ 30,797,734

(a) It is anticipated that the construction loans will be paid down in 2019 with limited partner contributions and converted to permanent loans.

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. The total fees of \$300,000 had been charged by AHA as of December 31, 2017, and no fees were charged for the year ended December 31, 2018. In December 2018, the agreement was amended to extend through December 31, 2019.

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 90.00% and 10.00%, respectively, or such amount agreed to by the Developers). As of December 31, 2018, the Developers have entered into developer fee agreements in the amounts of \$1,675,000. ICD's portion (90.00%) has been eliminated,

ISLAND CITY DEVELOPMENT AND SUBSIDIARIES
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DECEMBER 31, 2018

net of costs incurred to provide development services, (\$82,900 in 2018). As of December 31, 2018, \$167,500 of developer fees are payable to AHA.

Due from Affiliates Due from Affiliates are net amounts advanced by ICD to AHA. These advances are unsecured, due on demand and do not accrue interest. As of December 31, 2018, \$29,437 is due from AHA.

Limited Partner Fees In connection with the limited partnerships, the limited partners (non-controlling entities) charge an Asset Management Fee for miscellaneous services rendered to the Partnerships.

7. COMMITMENTS

In connection with the development and operations of the Subsidiaries, AHA and the Company, together as Guarantor, made certain guaranties regarding the duties and performance obligations of the Subsidiaries' general partners. These duties include, but are not limited to, ensuring complete development of the Subsidiaries, ensuring tax credit delivery, maintaining the Subsidiaries' compliance with various regulatory agencies, and providing operating deficit guarantees of \$314,000 to Everett Commons and \$245,668 to Little John Commons. In addition, the Company has entered into cost plus guaranteed maximum construction contracts up to \$22,979,664.

8. LIQUIDITY AND AVAILABILITY

The Company's financial assets available to meet cash needs for general expenditures within one year of the date of the statement of financial position include:

Cash	\$ 725,048
Receivables	255,081
Less: Subsidiaries operating cash due to partnership and lender restrictions	(285,594)
<u>Estimated financial assets available to meet general expenditures within one year</u>	<u>694,535</u>

In addition to the financial assets available in the above table, AHA has committed an additional \$3,400,000 of development proceeds to ICD (Note 5).

Regarding the Subsidiaries' liquidity needs, each subsidiary has been established to develop and operate affordable housing. As a result, the Subsidiaries have been structured in such a way to be self-sufficient regarding their liquidity needs. In the event, the subsidiaries have unplanned liquidity needs over and above that which is provided by its operations, they have access to cash reserves, reported as restricted funds, subject to lender and limited partner withdrawal approval, upon conversion to permanent financing. In addition, in the normal course of business, the Subsidiaries under development rely on receiving funds from, non-recourse permanent loan commitments and limited partner capital contributions. In the event, the Subsidiaries are unable to meet their liquidity needs, AHA and the Company as together as Guarantor have provided limited guarantees to fund operating deficits. As of December 31, 2018, ICD's management believes they have sufficient liquidity availability to meets it obligations for the coming year.

ISLAND CITY DEVELOPMENT AND SUBSIDIARIES
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DECEMBER 31, 2018

9. 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 SUBSIDIARIES
(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

SCHEDULE I

AS OF DECEMBER 31, 2018

	Island City		Housing (a)	Consolidation	Pre- Eliminating Entries	Consolidated					
	Development										
Property, at cost:											
Land improvements	-	\$	2,170,596	\$	2,170,596	2,170,596					
Building and building improvements	-		27,564,186		(1,427,500)	26,136,686					
Furniture and equipment	-		512,067		-	512,067					
Accumulated depreciation	-		30,246,849		(1,427,500)	28,819,349					
Property	-		(183,946)		-	(183,946)					
			30,062,903		(1,427,500)	28,635,403					
Cash and cash equivalents	439,454		285,594		-	725,048					
Tenant security deposits	-		22,924		-	22,924					
Developer fee receivable	1,335,000		-		(1,335,000)	-					
Other receivable	230,183		24,898		-	255,081					
Due from affiliates	181,509		-		(152,072)	29,437					
Prepaid ground lease and other	-		3,363,574		-	3,363,574					
Investment in affiliates	8,333		-		(8,333)	-					
Preacquisition costs	627,621		-		627,621	627,621					
Deposits - TCAC	-		64,487		-	64,487					
Ground lease costs	-		5,933		-	5,933					
Deferred costs - TCAC fees, net amortization	-		89,717		-	89,717					
Total assets		\$	2,822,100	\$	33,920,030	\$	36,742,130	\$	(2,922,905)	\$	33,819,225

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

See independent auditor's report.

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

SCHEDULE I

LIABILITIES AND NET ASSETS

	Island City Development	Housing (a)	Pre- Consolidation	Eliminating Entries	Consolidated
Notes payable, net	\$ 1,550,000	\$ 28,987,441	\$ 30,537,441	\$ -	\$ 30,537,441
Accounts payable and accrued expenses	6,484	15,015	21,499	-	21,499
Accrued construction and development costs	-	2,157,399	2,157,399	-	2,157,399
Due to affiliates	-	152,072	152,072	(152,072)	-
Accrued Partnership Management Fee payable	-	8,333	8,333	(8,333)	-
Accrued asset management fee payable	-	2,083	2,083	-	2,083
Accrued interest payable	41,250	569,219	610,469	-	610,469
Developer fee payable	167,500	1,335,000	1,502,500	(1,335,000)	167,500
Prepaid rents	-	997	997	-	997
Tenant security deposits	-	22,924	22,924	-	22,924
Total liabilities	1,765,234	33,250,483	35,015,717	(1,495,405)	33,520,312
Net assets					
Net assets without donor restrictions					
Controlling interest	1,056,866	161	1,057,027	(1,427,500)	(370,473)
Noncontrolling interest	-	669,386	669,386	-	669,386
Total net assets	1,056,866	669,547	1,726,413	(1,427,500)	298,913
Total liabilities and net assets	\$ 2,822,100	\$ 33,920,030	\$ 36,742,130	\$ (2,922,905)	\$ 33,819,225

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

See independent auditor's report.

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

SCHEDULE II

FOR THE YEAR ENDED DECEMBER 31, 2018

	Island City Development	Housing (a)	Eliminating Entries	Consolidated
Revenue:				
Rental revenue	\$ -	\$ 47,546	\$ -	\$ 47,546
Rental revenue - subsidy	-	156,185	-	156,185
Total rental revenue	-	203,731	-	203,731
Development fee revenue	829,000	-	(746,100)	82,900
Other revenue	8,374	-	(8,333)	41
Total other revenue	837,374	-	(754,433)	82,941
Total revenue	837,374	203,731	(754,433)	286,672
Expenses:				
Program services	26,105	595,753	-	621,858
Supporting services	132,965	45,068	(8,333)	169,700
Total operating expenses	159,070	640,821	(8,333)	791,558
Operating loss	678,304	(437,090)	(746,100)	(504,886)
Change in net assets	678,304	(437,090)	(746,100)	(504,886)
Syndication costs-noncontrolling interests	-	(7,224)	-	(7,224)
Total change in net assets	678,304	(444,314)	(746,100)	(512,110)
Net assets, beginning of the year	378,562	1,113,861	(681,400)	811,023
Net assets, end of the year	\$ 1,056,866	\$ 669,547	\$ (1,427,500)	\$ 298,913

(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 8, 2019

Re: Approve the Federal and State Tax Returns for the Fiscal Year Ending
12/31/2018

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.

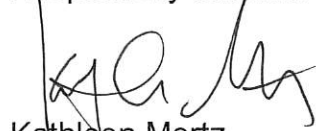
FISCAL IMPACT

None.

RECOMMENDATION

Approve the Federal and State Tax Returns for the Fiscal Year Ending 12/31/2018.

Respectfully submitted,



Kathleen Mertz
Director of Housing and Community Development

Attachment:

1. IRS Form 990 and California Form 199



Return of Organization Exempt From Income Tax

2018

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 2018 calendar year, or tax year beginning		, 2018, 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	C Name of organization ISLAND CITY DEVELOPMENT			D Employer identification number	
	Doing business as			47-2164827	
	Number and street (or P.O. box if mail is not delivered to street address)		Room/suite	E Telephone number	
	701 ATLANTIC AVENUE			(510) 747-4320	
City or town, state or province, country, and ZIP or foreign postal code			G Gross receipts \$ 837,374.		
ALAMEDA, CA 94501					
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		

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>LOW-INCOME HOUSING</u> <u>SEE PAGE 2 FOR FURTHER EXPLANATION.</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 2018 (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 38	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.	837,333.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	298.	41.
	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)	761,698.	837,374.
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.	8.
	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)	135,068.	159,062.
	18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	137,915.	159,070.
19 Revenue less expenses. Subtract line 18 from line 12	623,783.	678,304.	
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)	2,049,542.	2,822,100.
	22 Net assets or fund balances. Subtract line 21 from line 20	1,670,980.	1,765,234.
		378,562.	1,056,866.

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	Signature of officer	Date
	VANESSA COOPER, PRESIDENT Type or print name and title	

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

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
SEE PAGE 2 FOR FURTHER EXPLANATION.

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 \$ including grants of \$ 0.) (Revenue \$)

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 COMPLETED AS OF AUGUST 2, 2018, AND WAS 100% LEASED BY AUGUST 30, 2018.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

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 COMPLETED AS OF DECEMBER 17, 2018, AND WAS 100% LEASED BY DECEMBER 31, 2018.

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

ROSEFIELD VILLAGE- THE ROSEFIELD VILLAGE PROJECT INCLUDES THE REDEVELOPMENT OF A 53-UNIT PROPERTY INTO 92 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, 2018.

4d Other program services (Describe in Schedule O.)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶

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>	1 X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	2	X
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>	3	X
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>	4	X
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>	5	X
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>	6	X
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>	7	X
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>	8	X
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>	9	X
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>	10	X
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>	11a	X
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>	11b	X
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>	11c	X
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>	11d X	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	11e X	
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>	11f	X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	12a X	
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>	12b	X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	13	X
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	X
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>	14b	X
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>	15	X
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>	16	X
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>	17	X
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>	18	X
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>	19	X
20 a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	20a	X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	
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>	21	X

Part IV Checklist of Required Schedules *(continued)*

	Yes	No
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

	Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		

Part V **Statements Regarding Other IRS Filings and Tax Compliance** *(continued)*

		Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	0
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b	X
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	X
b	If "Yes," has it filed a Form 990-T for this year? <i>If "No" to line 3b, provide an explanation in Schedule O</i>	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	X
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	X
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the sponsoring organization make any taxable distributions under section 4966?	9a	
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
b	If "Yes," has it filed a Form 720 to report these payments? <i>If "No," provide an explanation in Schedule O</i>	14b	
15	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see instructions and file Form 4720, Schedule N.	15	
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.	16	

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 (1024 or 1024-A 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.	244,441.	0.	
(2) JANET BASTA SECRETARY/TREASURER	0.25 36.00	X		X			0.	156,608.	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.	401,649.	0.	
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)							0.	401,649.	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
DAHLLIN GROUP, INC., 5865 OWENS DRIVE, PLEASANTON, CA 94588	BUILDING PLANS	

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 **▶**

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	2a PROFESSIONAL SERVICES		Business Code				
			541640	837,333.	837,333.	0.	
	b -----						
	c -----						
	d -----						
	e -----						
	f All other program service revenue .						
g Total. Add lines 2a-2f ▶			837,333.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		41.	0.	0.	41.	
	4 Income from investment of tax-exempt bond proceeds ▶						
	5 Royalties ▶						
	6a Gross rents	(i) Real	(ii) Personal				
		b Less: rental expenses					
		c Rental income or (loss)					
	d Net rental income or (loss) ▶						
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b 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					
b Less: direct expenses		b					
c Net income or (loss) from gaming activities . . ▶							
10a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold	b					
	c 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 ▶			837,374.	837,333.	0.	41.	

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	8.	0.	8.	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	23,336.	0.	23,336.	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	4,043.	0.	4,043.	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	15,625.	0.	15,625.	0.
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 BANK CHARGES	4,343.	0.	4,343.	0.
b STATE TAXES	75.	0.	75.	0.
c DEVELOPMENT	109,005.	26,105.	82,900.	0.
d UTILITIES	2,635.	0.	2,635.	0.
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	159,070.	26,105.	132,965.	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	657,297.	1	387,595.
	2 Savings and temporary cash investments	51,818.	2	51,859.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	196,464.	4	230,183.
	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	1,143,963.	15	2,152,463.
16 Total assets. Add lines 1 through 15 (must equal line 34)	2,049,542.	16	2,822,100.	
Liabilities	17 Accounts payable and accrued expenses	36,380.	17	47,734.
	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	1,634,600.	25	1,717,500.
	26 Total liabilities. Add lines 17 through 25	1,670,980.	26	1,765,234.
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	378,562.	27	1,056,866.
	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	378,562.	33	1,056,866.	
34 Total liabilities and net assets/fund balances	2,049,542.	34	2,822,100.	

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	837,374.
2	Total expenses (must equal Part IX, column (A), line 25)	2	159,070.
3	Revenue less expenses. Subtract line 2 from line 1	3	678,304.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	378,562.
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	1,056,866.

Part XII Financial Statements and Reporting

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

- 1** Accounting method used to prepare the Form 990: Cash Accrual 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:
 Separate basis Consolidated basis Both consolidated and separate basis
- 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:
 Separate basis Consolidated basis Both consolidated and separate basis
- 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.
- 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?
- 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.

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2018

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
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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		82,900.	0.
(B)							
(C)							
(D)							
(E)							
Total						82,900.	0.

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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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 2018 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2017 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test—2018. 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—2017. 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—2018. 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—2017. 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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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) 2014	(b) 2015	(c) 2016	(d) 2017	(e) 2018	(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 2018 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2017 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2018 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2017 Schedule A, Part III, line 17	18	%
19a 33 1/3% support tests—2018. 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 <input type="checkbox"/>		
b 33 1/3% support tests—2017. 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 <input type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions <input type="checkbox"/>		

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>		
3c 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 (as 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	
		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 2018 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-2018	(iii) Distributable Amount for 2018
1 Distributable amount for 2018 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2018 (reasonable cause required—explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2018			
a From 2013			
b From 2014			
c From 2015			
d From 2016			
e From 2017			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2018 distributable amount			
i Carryover from 2013 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2018 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2018 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2018, 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 2018. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7 Excess distributions carryover to 2019. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2014			
b Excess from 2015			
c Excess from 2016			
d Excess from 2017			
e Excess from 2018			

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Pt I Ln 12g: PROFESSIONAL PROJECT MANAGEMENT SERVICES.

Area with horizontal dashed lines for supplemental information.

DRAFT

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

2018

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 1-4 for values, 5-6 for Yes/No questions.

Part II Conservation Easements.

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

Form for Part II with questions 1-9 regarding conservation easements, including a table for 'Held 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-2 regarding collections of art and historical treasures.

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	627,621.
(2) DEVELOPER FEE RECEIVABLE	1,335,000.
(3) DUE FROM AHA	181,509.
(4) INVESTMENT IN AFFILIATES	8,333.
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ►	2,152,463.

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	167,500.	
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►	1,717,500.	

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	286,672.
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	-550,702.	
e	Add lines 2a through 2d		2e	-550,702.
3	Subtract line 2e from line 1		3	837,374.
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		
c	Add lines 4a and 4b		4c	
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)		5	837,374.

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	791,558.
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	632,488.	
e	Add lines 2a through 2d		2e	632,488.
3	Subtract line 2e from line 1		3	159,070.
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	159,070.

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

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

Part XIII Supplemental Information *(continued)*

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**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

2018

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? | 4a | X |
| b Participate in, or receive payment from, a supplemental nonqualified retirement plan? | 4b | X |
| c Participate in, or receive payment from, an equity-based compensation arrangement? | 4c | X |

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? | 5a | X |
| b Any related organization? | 5b | X |

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? | 6a | X |
| b Any related organization? | 6b | X |

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				
1 VANESSA COOPER PRESIDENT	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	244,441.	0.	0.	0.	0.	244,441.	0.
2 JANET BASTA SECRETARY/TREASURER	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	156,608.	0.	0.	0.	0.	156,608.	0.
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 providing supplemental information.

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

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.

OMB No. 1545-0047

2018

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990 or 990-EZ.

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

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:

Description: NORTH HOUSING-NORTH HOUSING PROJECT INCLUDES THE DEVELOPMENT OF 12 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, 2018.

**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

2018

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	20.	316.	ISLAND CITY DEVELOPMENT
(3) ROSEFIELD LLC 32-0583648 701 ATLANTIC AVE ALAMEDA CA 94501	LOW INCOME HOUSING	CA	0.	0.	ISLAND CITY DEVELOPMENT
(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	8,257.	1,500,659.	X		0.	X		0.01
(2) EVERETT AND EAGLE LP 37-1854574 701 ATLANTIC AVE ALAMEDA CA 94501	LOW INCOME HOUSING	CA	ICD	RELATED	-58.	2,934,174.	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.	5,135.	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.

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
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)
- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)
- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)
- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses
- r** Other transfer of cash or property to related organization(s)
- s** Other transfer of cash or property from related organization(s)

	Yes	No
1a		X
1b		X
1c		X
1d		X
1e	X	
1f		X
1g		X
1h		X
1i		X
1j		X
1k	X	
1l		X
1m		X
1n	X	
1o	X	
1p		X
1q		X
1r		X
1s	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	k, n	3,419,900.	COST
(2) ALAMEDA HOUSING AUTHORITY	e	1,550,000.	COST
(3) ALAMEDA HOUSING AUTHORITY	o	401,649.	COST
(4) ALAMEDA HOUSING AUTHORITY	s	29,437.	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)													

Part VII **Supplemental Information.**

Provide additional information for responses to questions on Schedule R. See instructions.

DRAFT

IRS e-file Signature Authorization for an Exempt Organization

For calendar year 2018, or fiscal year beginning _____, 2018, 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.

2018

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	837,374.
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 2018 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 HOLTHOUSE CARLIN & VAN TRIGT LLP to enter my PIN

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

 as my signature

Enter five numbers, but do not enter all zeros

on the organization's tax year 2018 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 2018 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	5	7	5	9	6	0	0	0	4	5
---	---	---	---	---	---	---	---	---	---	---

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2018 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

California Exempt Organization Annual Information Return

2018

199

Calendar Year 2018 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? (1) 990T (2) 990PF (3) Sch H (990) (4) Other 990 series
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 a public charity exempt under R&TC Section 23701d and meets the filing fee exception, check box. No filing fee is required.
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? Date filed with IRS

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

Table with 4 columns: Description, Line number, Amount, and Balance. Rows include Receipts and Revenues (lines 1-8), Expenses (lines 9-10), and Filing Fee (lines 11-17).

Sign Here section containing signature of officer (PRESIDENT), Title, Date, Telephone (510) 747-4320, Preparer's signature, Date, Check if self-employed, 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 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	837,374	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	837,374	00
	9	Contributions, gifts, grants, and similar amounts paid. Attach schedule	●	9		00
	10	Disbursements to or for members	●	10		00
Expenses and Disbursements	11	Compensation of officers, directors, and trustees. Attach schedule See Stmt	●	11	401,649	00
	12	Other salaries and wages	●	12	8	00
	13	Interest	●	13	15,625	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	143,437	00
	18	Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9	●	18	560,719	00

Schedule L Balance Sheet		Beginning of taxable year		End of taxable year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		709,115	●	439,454
2	Net accounts receivable		196,464	●	230,183
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		1,143,963	●	2,152,463
13	Total assets		2,049,542		2,822,100
Liabilities and net worth					
14	Accounts payable		36,380	●	47,734
15	Contributions, gifts, or grants payable			●	
16	Bonds and notes payable			●	
17	Mortgages payable			●	
18	Other liabilities. Attach schedule SEE STMT		1,634,600		1,717,500
19	Capital stock or principal fund SEE STMT			●	
20	Paid-in or capital surplus. Attach reconciliation		378,562	●	1,056,866
21	Retained earnings or income fund			●	
22	Total liabilities and net worth		2,049,542		2,822,100

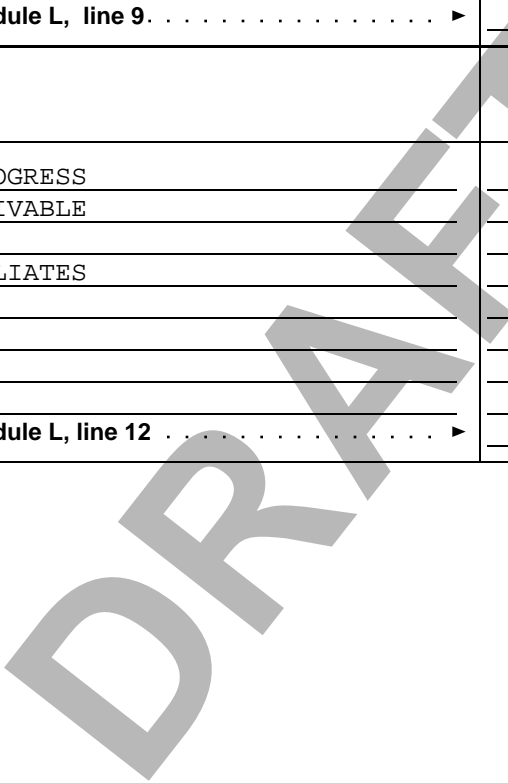
Schedule M-1 Reconciliation of income per books with income per return			
Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$50,000			
1	Net income per books	●	678,304
2	Federal income tax	●	
3	Excess of capital losses over capital gains	●	
4	Income not recorded 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		678,304
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		678,304

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	252,968.	627,621.
DEVELOPER FEE RECEIVABLE	506,000.	1,335,000.
DUE FROM AHA	384,995.	181,509.
INVESTMENT IN AFFILIATES	0.	8,333.
_____	_____	_____
_____	_____	_____
Totals to Form 199, Schedule L, line 12 ▶	1,143,963.	2,152,463.

cacw2901.SCR 01/29/18



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	1,550,000.	1,550,000.
ACCRUED DEVELOPER FEE	84,600.	167,500.
Totals to Form 199, Schedule L, line 18 ▶	1,634,600.	1,717,500.

Paid-in or Capital Surplus:	Beginning of tax year	End of tax year
UNRESTRICTED NET ASSETS	378,562.	1,056,866.
Totals to Form 199, Schedule L, line 20 ▶	378,562.	1,056,866.

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 , FEIN, CA SOS file number and "2018 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.

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.

REV 12/13/18 PRO

TAXABLE YEAR

CALIFORNIA FORM

2018

Payment Voucher for Corporations and Exempt Organizations e-filed Returns

3586 (e-file)

3707008 ISLA 47-2164827 000000000000 18 FORM 3
TYB 01-01-2018 TYE 12-31-2018
ISLAND CITY DEVELOPMENT

701 ATLANTIC AVENUE
ALAMEDA CA 94501

(510) 747-4320

Amount of Payment 10.

051

6181186

FTB 3586 2018

Date Accepted _____

DO NOT MAIL THIS FORM TO THE FTB

TAXABLE YEAR

2018

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	837,374.
2 Total gross income (Form 199, line 8)	2	837,374.
3 Total expenses and disbursements (Form 199, Line 9)	3	560,719.

Part II Settle Your Account Electronically for Taxable Year 2018

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 2018 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, 2018 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 _____

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**

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 _____

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 2018 California Exempt Organization Business

Form 199: CA Exempt Organization Annual Information

Part II, Other Income

Continuation Statement

Description	Amount
PROFESSIONAL SERVICES	837,333
INCOME FROM INVESTMENT OF TAX EXEMPT BOND PROCEEDS	
INCOME FROM FUNDRAISING EVENTS	
INCOME FROM GAMING ACTIVITIES	
INVESTMENT INCOME	41
Total	837,374

Form 199: CA Exempt Organization Annual Information

Part II, Compensation

Continuation Statement

Description	Amount
	0
	0
	0
VANESSA COOPER	244,441
JANET BASTA	156,608
JOHN MCCAHAN	600
Total	401,649

Form 199: CA Exempt Organization Annual Information

Part II, Expenses

Continuation Statement

Description	Amount
ACCOUNTING	23,336
OFFICE EXPENSES	4,043
BANK CHARGES	4,343
STATE TAXES	75
DEVELOPMENT	109,005
UTILITIES	2,635
Total	143,437

Schedule L, Other Liabilities Statement

Line 18 Stmt (1)

Other liabilities, beg.

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	

Schedule L, Other Liabilities Statement

Line 18 Stmt (1)

Other liabilities, beg.

Itemization Statement

Description	Amount
NOTES HAVE VARIOUS MATURITY DATES RANGING FROM	
2022 TO 2074.	
Total	1,550,000.

DRAFT

To: Board of Directors
Island City Development

From: Kathleen Mertz
Director of Housing and Community Development

Date: November 8, 2019

Re: Approve and Adopt the Budget for Fiscal Year 2020

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 2020 includes ICD capital costs related to the Rosefield and North Housing projects during the predevelopment phase as well the administrative operating expenses of the non-profit corporation.

DISCUSSION

ICD has borrowed predevelopment funds from the Housing Authority to develop the Rosefield Village and North Housing projects, \$2 MM and \$3.7 MM respectively. Approximately \$1,531,300 of the Rosefield loan has been used to date. Approximately \$413,700 of the North Housing loan has been used to date. ICD also advanced property tax payments for Littlejohn Commons and Everett Commons in the approximate amount of \$230,500.

Proposed Activity - 2020

The currently approved capital projects included in the 2020 budget are Rosefield Village and North Housing. The Rosefield Village project budget continues to progress, and most of the 2020 predevelopment activity will revolve around the final stage of financing. The North Housing project budget includes predevelopment work related to entitlements and demolition activity on the 12 acre parcel and design work for the Permanent Supportive Housing Project. Carrying activities related to lawn care and security are not included in the ICD budget but rather are paid by the Housing Authority as land owner.

In addition to the capital budget, the operating budget for ICD includes the annual consultant services fee to the Housing Authority, audit and tax return fees, insurance, and



professional services related to feasibility studies.

The attached 2020 budget for ICD follows the format of the past few years. However, the Housing Authority Board of Commissioners has requested more analysis of the developer fee split between AHA and ICD, as it pertains to the existing projects and future projects. Staff intends to come back to the Housing Authority Board by February 2020 with a draft Business Plan for AHA real estate development activity, which is carried out by ICD. This draft Business Plan would address developer fee, staffing, capital needs, pipeline, and overall capitalization of ICD. Depending upon the outcome of this business planning process, staff may come back to the Board with a revised budget.

FINANCIAL IMPACT

In 2020, 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, insurance and professional services expenses of approximately \$75,100. The professional services expenses are significantly higher this year because they include estimated costs for 3 to 5 feasibility studies for new projects.

In 2020, the ICD revenue includes 90% of the developer fee from the final payments at Littlejohn Commons and Everett Commons, which will be released when we receive the IRS Form 8609. Revenue also includes 90% of the first estimated developer fee payment from the Rosefield Village construction loan closing. Finally, other revenue includes the estimated property tax refunds for Littlejohn Commons and Everett Commons net of special assessments. This budget is subject to change by the Housing Authority Board of Commissioners, as discussed above.

RECOMMENDATION

Staff recommends Board approve and adopt the Budget for Fiscal Year 2020.

Respectfully submitted,



Kathleen Mertz

Director of Housing and Community Development

Attachment:

1. Proposed 2020 Budget



Island City Development		FY 2020	
Budget			
		OPERATING	CAPITAL
INCOME			
	Developer Fee*	\$ 531,900	\$ -
	Investment	\$ 100	\$ -
	Loan Balance		
	Predev Loan - Rosefield	\$ -	\$ 2,000,000
	Predev Loan - North Housing	\$ -	\$ 3,700,000
	Working Capital Loan	\$ -	\$ -
	Other	\$ 184,400	\$ -
	Total Income	\$ 716,400	\$ 5,700,000
EXPENSE			
	Administrative	\$ 100,000	\$ -
	Arch/Engineering	\$ -	\$ 1,200,000
	Audit	\$ 23,500	\$ 3,300
	Insurance	\$ 1,500	\$ 72,000
	Lender/Investor Fees	\$ -	\$ 35,000
	Permits and Fees	\$ 100	\$ 75,000
	Professional Services	\$ 50,000	\$ 994,000
	Other	\$ -	\$ 320,700
	Other - Demolition	\$ -	\$ 3,000,000
	Predev Loan Interest	\$ -	\$ -
	Predev Loan Repayment	\$ -	\$ -
	Total Expense	\$ 175,100	\$ 5,700,000
	Net Income	\$ 541,300	\$ -
<p>*Dev Fee includes 90% of the final 8609 payment from Everett Commons and Littlejohn Commons and 90% of 25% of the \$2,000,000 net developer fee projected from Rosefield Village. This is subject to change by the AHA Board.</p>			

To: Board of Directors
Island City Development

From: Kathleen Mertz
Director of Housing and Community Development

Date: November 8, 2019

Re: Authorize the President, or Designee, to Execute A Consultant Services Agreement Amendment with Holthouse, Carlin and Van Trigt LLP Not To Exceed \$260,000.

BACKGROUND

ICD performs real estate development services for a variety of projects which requires large consultant contracts or contract amendments.

In December 2015, ICD published an RFQ for certified public accounting services for affordable housing, LIHTC, and related entities and activities. Five firms responded and the chosen proposer was Holthouse, Carlin, and Van Trigt LLP (HCVT). In August 2016, ICD entered into contract with HCVT for a three year term and not to exceed \$100,000. The scope of work for this contract was the cost certifications, audits and tax returns for ICD, Everett and Eagle LP, and Sherman and Buena Vista LP through the 2018 tax year.

DISCUSSION

Staff have been pleased with the accounting services provided by HCVT and propose to extend their services for all of the project affiliated entities, not including Alameda Affordable Housing Corporation, through the 2019 calendar year. Specifically, the proposed amendment extends the existing contract from March 31, 2016 to November 30, 2020 and increases the not to exceed amount to \$260,000. The additional contract work covers the balance of the 2018 audit and tax year for ICD, Everett and Eagle LP, and Sherman and Buena Vista LP, including unanticipated bookkeeping work during finance staff transitions in 2018, and the 2019 tax year for the following entities: Island City Development, Everett and Eagle LP, Sherman and Buena Vista LP, Constitution and Eagle LP, Del Monte Senior LLC, 2437 Eagle LLC, 2216 Lincoln AH LLC, AHA Islander GP LLC, and Rosefield LLC.

FISCAL IMPACT

The contract work for the limited partnerships and limited liability companies is paid for by the property budgets, either in development or property operations. The costs associated with audit and tax returns for ICD is covered in the annual budget and paid



for by developer fee income.

RECOMMENDATION

Authorize the President, or Designee, to Execute A Consultant Services Agreement Amendment with Holthouse, Carlin and Van Trigt LLP Not To Exceed \$260,000.

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 8, 2019

Re: Approve the Authorizing Resolution Regarding Purchasing Authority and Policies for Island City Development

BACKGROUND

Island City Development (ICD) was established to support the real estate development and housing production efforts of the Housing Authority of the City of Alameda (AHA). To that end, ICD has a Consulting Services Agreement with AHA for the use of staff and resources to carry out the real estate activities because ICD does not have employees. Additionally, ICD relies on AHA policies and procedures, through the use of AHA staff, to implement its programs where an ICD Board adopted policy does not exist. Section 7.3 of ICD's Bylaws establish that the President has contracting authority up to \$250,000 and that anything over that amount must go to the Board. ICD has not yet adopted a purchase authority policy and therefore relies on AHA's policies and procedures for procurement.

DISCUSSION

As part of these real estate activities staff engage consultants to perform a variety of reports and studies for upcoming projects. The majority of consultant agreements and contracts are under \$25,000. The Housing Authority has a Board of Commissioners adopted Procurement Policy that includes purchasing authority that allows Department Directors to enter into contracts up to \$25,000. Although ICD does rely on AHA's policies and procedures, staff recommends that ICD clarify specifically the purchase authority of the corporation. Additionally, staff recommends the purchase authority be the same as the AHA's. The chart below further identifies the proposed purchase and contracting authority.

Dollar Authority	ICD Current	AHA Current	ICD Proposed
<\$25,000	None	Department Directors	Director of Housing and Community Development
\$25,001 - \$250,000	President	Executive Director	No change
>\$250,000	Board of Directors	Board of Commissioners	No change

In addition to adopting a purchase authority, the attached Resolution 2019-02 reaffirms that ICD will continue to follow AHA policies and procedures where no specific policy or procedure has been developed and adopted by the corporation.



FINANCIAL IMPACT

None.

RECOMMENDATION

Approve the Authorizing Resolution Regarding Purchasing Authority and Policies for Island City Development.

Respectfully submitted,



Kathleen Mertz
Director of Housing and Community Development

Attachment:

1. Authorizing Resolution 2019-02



ISLAND CITY DEVELOPMENT

Resolution No. 2019-02

PURCHASING AUTHORITY AND POLICIES

At a duly constituted meeting of the Board of Directors (the “**Board**”) of Island City Development, a California nonprofit public benefit corporation (“**ICD**”), held on November ____, 2019 (the “**Meeting**”), the following resolutions were adopted:

WHEREAS, the Corporation was formed as a public benefit corporation established to operate exclusively to support the Housing Authority of the City of Alameda (“**AHA**”);

WHEREAS, the Corporation has a Consulting Services Agreement with AHA for the use of staff and resources to carry out the real estate development activities of AHA;

WHEREAS, the Board of the Commissioners of AHA have approved a Procurement Policy that includes purchase authority for both Department Directors and the Executive Director;

WHEREAS, the Board of the Commissioners of AHA have approved a Procurement Policy that includes purchase authority of \$25,000 or less for Department Directors; and

WHEREAS, the Board of the Corporation has determined that this AHA purchase authority and similar policies support the Corporation’s business efforts as well.

NOW, THEREFORE, BE IT RESOLVED, that the Corporation authorizes purchase authority for the Director of Housing and Community Development of up to \$25,000 and the President up to \$250,000. Anything above \$250,000 requires Board approval.

BE IT FURTHER RESOLVED, that the Corporation shall continue to follow AHA policies and procedures where no specific policy or procedure has been developed and adopted by the Corporation.

ATTEST:

Vanessa M. Cooper
President

Janet Basta
Secretary

Adopted:

Date