

EXHIBIT A: DEVELOPMENT DESCRIPTION

Developer Experience:

ICD

Island City Development (ICD), the project Developer, is a nonprofit corporation controlled by the Housing Authority of the City of Alameda (AHA). Therefore, ICD and AHA are related parties. All current board members of ICD are either employees or commissioners of AHA.

Island City Development and Alameda Affordable Housing Corporation, both of which are supporting organizations that assist in the implementation of its vision, mission and guiding principles of AHA.

To date, ICD has participated in the development of four properties financed by the Low Income Housing Tax Credit Program (LIHTC), totaling 175 units of affordable housing. These properties include Littlejohn Commons and Everett Commons. Its third tax credit development, Rosefield Village, is a recently completed 92-unit property in 2022.

Furthermore, the AHA and ICD are knowledgeable on the processes that govern development within the city. Over the last three projects, the AHA and ICD partnership has successfully steered projects through the city's entitlement and building permit processes as well as other city-specific services such as Alameda Municipal Power (AMP). In particular, the AHA and ICD pride themselves on providing the local community a chance to view, understand, and provide feedback on the design. The development team's familiarity and experience ensure that quality affordable housing is built to serve the community as efficiently as possible. ICD's experience described above, demonstrate the team's ability to execute and operate proposed developments.

Property Management:

FPI Management, Inc. (FPI) is a leading full-service property management firm and the third-party property management company hired to manage ICD and AHA's properties. FPI Management has been providing professional property management services to multifamily housing owners for over 50 years. Currently, FPI has in its inventory approximately 150,000+ units, located in California, Washington, Oregon, Nevada, Alaska, New Mexico, Texas, Ohio, Virginia, Idaho, Montana, Minnesota, Colorado, Oklahoma, Louisiana, Florida, and Georgia.

Asset Management

The Asset Management department within the Housing Authority has a strong track record managing the development/rehabilitation of buildings in our portfolio and to ensure that we are in compliance with financial and regulatory requirements.

ICD and the Asset Management team at AHA utilizes a hands-on approach to maintain and ensure the long-term management of properties within ICD and AHA's portfolio.

Asset Management at AHA manages assets of over \$210 million and has an annual budget of \$49 million. At the close of the fiscal year 2020, AHA had Unrestricted Net Assets of more than \$30 million. The AHA maintains a cash position covering at least four months of operations and derives its income from a variety of sources and business lines that have enabled AHA to sustain itself, despite the changing nature of government resources.

Adaptive Reuse Narrative

The proposed project is the adaptive reuse of an existing extended stay motel. The building is not currently used for residential purposes; it is only available for short-term stays and the units do not contain full cooking facilities. There are no current resident leases. There are two small retail tenants who will not be displaced.

Description of the Project and Surrounding Area:

The site is improved with a 50-room hotel and retail property constructed circa 2003 on a site of approximately .688 acres. The design is conventional and is typical for newer construction in the neighborhood. The three-story wood-frame building is of average-to-good quality and condition. It has a gross building area of approximately 29,822 square feet. There are on-site parking spaces. Common areas include an office, lobby, restrooms, a breakfast lounge, a meeting room, a guest laundry, a fitness center, a jacuzzi, interior corridors and an elevator. Back of the house areas include a commercial grade laundry room, mechanical rooms, and an employee breakroom.

The site is located in the City of Alameda, which contains approximately 80,000 residents in the East Bay region of the San Francisco Bay Area. Most of the City area is located in a TCAC High or Highest Opportunity area, although the site itself is located in a Moderate resource area. The City prides itself on its excellent schools, ample parks, employment, recreation, and other services. The City is considered relatively safe, has a variety of high quality employers, along with retail and hospitality jobs, that require relatively lower skills. Within one mile of the site, the City is redeveloping the former Naval Air Station with residential, commercial, and public amenities.

Per WalkScore, the area is described as highly walkable, bikeable, and served by good transit. The site is walkable to

1628 Webster Street

West End, Alameda, 94501

Commute to **Downtown Alameda**

9 min 17 min 14 min 47 min View Routes

Favorite

Map

Nearby Apartments on Redfin

Looking for a home for sale in Alameda?

Walk Score
92

Walker's Paradise

Daily errands do not require a car.

Transit Score
50

Good Transit

Many nearby public transportation options.

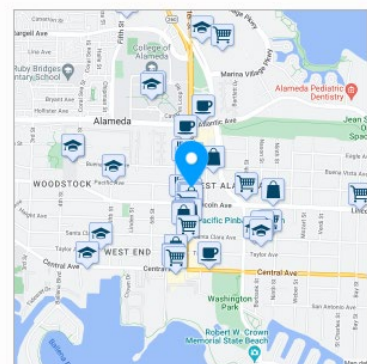
Bike Score
78

Very Bikeable

Biking is convenient for most trips.

About your score

Add scores to your site



grocery, pharmacy, schools, libraries, banking, and less than three miles from medical clinics and hospitals (see Item 65: Amenities Scaled Map).

Public transportation includes local buses to services on the Island, and quick connections to the 12th Street BART in Oakland, the San Francisco Bay Ferry, and the Transbay Express. The available public transportation exceeds the highest TCAC standard for public transportation points.

Census data below shows that the site is in a middle-income tract, with a diverse population, but not a location of racial concentration. The percent of the population below the poverty line was 12.94% in 2021.

Tract Income Level	Middle
Underserved or Distressed Tract	No
2021 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$125,600
2021 Estimated Tract Median Family Income	\$110,729
2015 Tract Median Family Income	\$82,721
Tract Median Family Income %	88.16
Tract Population	5125
Tract Minority %	64.96
Tract Minority Population	3329
Owner-Occupied Units	895
1- to 4- Family Units	1661

Tract Population	5125
Tract Minority %	64.96
Number of Families	1217
Number of Households	1868
Non-Hispanic White Population	1796
Tract Minority Population	3329
American Indian Population	3
Asian/Hawaiian/Pacific Islander Population	1875
Black Population	593
Hispanic Population	614
Other/Two or More Races Population	244

Site located in a developed area served with public infrastructure:

The site is located in a fully-built out urban area and surrounded by urban uses such and residential structures (see photos attached). The site is actively using gas, electricity, water, sewer, sidewalks, street lighting, public transit, schools, parks, a hospital, local community college, and other public infrastructure. Webster Street is fully improved with concrete curbs, gutters and sidewalks. It is a four-lane, asphalt paved arterial street. Pacific Avenue is a fully-improved, two-lane residential street.

Conversion and Construction

ICD plans to acquire a commercial building, currently serving as an extended stay hotel, and convert it to studio units for a multifamily rental development. Plug in-appliances will need to be added, and low voltage/phone upgrades occur for each unit to operate individually. Accessibility improvements will be made to adhere to the requirements of the State of California. The Applicant does not plan to retain the exercise room or spa, and will convert the commercial laundry to a tenant laundry facility. Roofing and mechanical equipment will be replaced and upgraded, and a solar photovoltaic system added to streamline operations. An outdoor recreation area will be added including patio seating/barbeque area and raised-bed resident garden (this work will not penetrate the existing asphalt).

Per the Capital Needs Assessment conducted by Physical Property Analysis LLC in June 2022, the overall condition of the property is acceptable. The C.N.A. notes the following items, which will both be completed as part of the renovation:

- Life/Safety Immediate need – adding contrasting strips to the stairs.
- Deferred Maintenance – New Roof

The Applicant will provide furnishings to the supportive housing units but does not intend to provide furnished apartments to other tenants, as it is expected that they will wish to use their own furnishings.

A sample renovation budget is shown below.

Alameda Adaptive Reuse	
Costs	
Offsite improvements	\$0
Site Work and Utilities	\$0
Structures:	
Add kitchen appliances	\$62,500
Low voltage/phone upgrades	\$62,500
Roof	\$437,500
Unit upgrades	\$387,950
Boiler/laundry upgrades	\$25,000
Community garden/patio	\$56,550
Solar Net Cost	\$215,000
General Requirements	\$87,000
Contractor Insurance & Bond	\$29,000
Contractor Overhead & Profit	\$87,000
Total New Construction Costs	\$1,450,000
Hard Cost contingency	\$145,000
Total Cost of Construction	\$1,595,000

Please see current plans and specification documents in Exhibit H.

Target Population

The primary tenant population are small households earning no more than 60% of area median income. 13 units will serve formerly homeless individuals or households, filled by CES. There are no current project based vouchers, but the development will accept tenant-based voucher holders.

- 34 studio apartments will be targeting individuals or households at or below 60% AMI

- 15 studio apartments will be targeting individuals or households at or below 20% AMI
- 1 one-bedroom manager's unit will be unrestricted.

Unit Type	Unit Count	Unit Size
Studio	39 units	408 SF
One-Bedroom	24 units	594 SF
Two-Bedroom	1 unit (manager)	1,000 SF

The project anticipates a 4.5 month construction period and will be subject to Federal Davis-Bacon wages and or/ State prevailing wage requirements.

Coordinated Entry System (CES)

Residents of thirteen of the units at Webster Street may be referred by Alameda County's Coordinated Entry Systems ("CES" or "County"). CES prioritizes homeless households with the greatest needs. Each homeless or formerly homeless resident that finds a home will receive voluntary wraparound services, as well as intensive case management, that are appropriate to the individual's physical and mental health needs and acuity for the duration of their tenancy.

Property Characteristics

The land will be owned by the Housing Authority of the City of Alameda. ICD will own the buildings and holds the option to enter a ground lease for half of the property. ground lease term is no less than 99 years, currently, with no option to renew. Lease payments are capitalized upfront via a carryback note from AHA, so there is no annual payment.

Please see Exhibit D for the Option Agreement executed between AHA and ICD and sample Ground Lease.

Pertinent studies regarding the development are attached in the exhibits.

Property Operations

ICD will be the sponsor, developer and asset manager through a single asset limited liability company. ICD expect to engage a third-party property manager.

Given that site will be used by both this development and as a land-banking/parking area for the Housing Authority, there may be shared costs for maintenance and insurance. ICD will document site cost sharing and responsibilities in the ground lease

Project Operations.

The operating budget assumptions are developed with inputs from our experienced property manager and the Housing Authority's internal expertise. FPI is expected to manage the property.

Resident Services. LifeSteps is expected to be the primary provider of resident services including a Resident Services Coordinator, case managers, clinical supervision, and overall site manager. Staff will be stationed on-site to provide day-to-day services for all residents.

Supportive services will be provided at no cost to residents. The operating budget includes up to \$50,000 per year for supportive services. Additional supportive services funding may become available through the Alameda County Behavioral Health Care Services.

For more details on operating costs, please see Exhibit K.

Affordability Restrictions. The HCD funding will have restrictions for the units at 20% AMI and 60% AMI. The current financial projections are included with this RFP.

The Housing Authority funding will require an affordability covenant to be recorded against its fee interest. The restriction will be for 55 years with all units affordable to households at or below 80% AMI.