



701 Atlantic Avenue | Alameda, CA 94501

RFP for Construction-term Debt Webster Street Hotel Conversion – 3/2/23 Questions and Answers

- Q. What deposit requirement is acceptable for a lender that requires deposits in order to lend?
- R. Typically, a construction bank account would be established with the lender. If there are longer term deposit or bank account requirements, the lender should specify this in their response.
- Q. Is there a future pipeline of projects from Island City Development and the Housing Authority of the City of Alameda?
- R. Yes, the Housing Authority has a pipeline of 700 units, all on land which is already secured. It has five active projects, including the Hotel Conversion, that encompass family, senior, PSH and other types of affordable housing. There is a concurrent RFP for Debt/Equity for North Housing Senior, 64 units of senior affordable housing on our website.
- S. Is the Webster property currently occupied and requires relocation for either residential or commercial?
- T. The property is not currently residential. There are two retail tenants that are not required to relocate.
- Q. Please clarify the lease up reserve is almost \$300k:
- R. The project is anticipated to be fully staffed and operational for both property management, maintenance and resident services during construction, as lease up will be underway and rolling lease up will occur. The reserve is to fund these costs while the project is not fully leased.
- Q. Is the renovation period to conversion just under 11 months – short term acquisition rehab bridge loan?
- R. Yes, the construction loan is an acquisition rehab bridge loan that will cover 4.5 months of renovation/gradual lease up and 5 months of stabilized occupancy and conversion.
- Q. Are you seeking a floating rate for construction or fixed rate?
- R. We anticipate a floating rate, but we would be interested in pricing for a rate cap if available.



Q: Would Lenders with pricing outside of an index be acceptable? Would an explanation of the lender's capital structure and spread suffice?

R: Lenders with pricing outside of an index are acceptable. Our goal is to understand the pricing stack, so the spread is important. If your capital structure fluctuates but is not based on an index, a description will be required.

Q: Could AHA make available the 3rd party appraisal?

R: Yes, please email the executed letter in Attachment 1 to this Q and A to Sylvia Martinez (smartinez@alamedahsg.org).

Q: Would it be possible to post-pone the execution of the ground lease until conversion?

R: The ground lease payments are calculated and paid on an annual basis from residual receipts. Monthly payments during construction would not be required. The Housing Authority would prefer a construction loan guarantee to postponing the execution of the ground lease but will accept proposals that include a deferred ground lease for consideration.

Q: Is the labeling on Exhibit L and N correct?

R: No. With apologies, the labelling for Exhibit N Proposed Fee Schedule and Costs should be Exhibit L Proposed Fee Schedule and Costs.

ATTACHMENT 1 TO WEBST RFP FOR CONSTRUCTION TERM DEBT Q AND A

[PLEASE PUT PLACE ON LETTERHEAD AND RETURN VIA EMAIL ONCE EXECUTED BY AN AUTHORIZED OFFICIAL OF THE INSTITUTION]

[DATE]

Vanessa Cooper, Executive Director
Housing Authority of the City of Alameda
701 Atlantic Avenue
Alameda, CA 94591

**RE: WEBST RFP FOR CONSTRUCTION TERM DEBT
Non-Disclosure Agreement (NDA)**

Dear Ms. Cooper:

[Name of institution] has requested the third party appraisal of the property at 1628 Webster Street.

By signing this document, [Name of Institution] acknowledges that this document is provided for information only, and neither the Housing Authority of the City of Alameda, its staff, Board, or related entities can be held liable for its contents. In addition, [Name of Institution] acknowledges that the appraisal is backdated and that the lender does not have the right to disseminate all or any portion of the report beyond their own internal use, that the appraiser is not subject to review questions and that the parties acknowledge the report was not prepared for their use or to their standards, so no requests for changes to the original report will be accepted. Lastly, the lender acknowledges that the document stands as it is as of the date of effective value – October 13, 2022.

I certify that I am an authorized signor for [Name of Institution] and that I have the authority to bind [Name of Institution] to this Non-Disclosure Agreement.

Sincerely,

NAME
Title