



## ISLAND CITY DEVELOPMENT AGENDA

**AGENDA**                    **SPECIAL MEETING OF ISLAND CITY DEVELOPMENT**

**DATE & TIME**            **Wednesday, May 17, 2023 - 5:32 PM**

**LOCATION**

703 Atlantic Avenue, Alameda, CA 94501

**PUBLIC PARTICIPATION**

In person at Independence Plaza Conference Room and Via Zoom

JOIN ZOOM MEETING:

[HTTPS://US06WEB.ZOOM.US/J/83939527392?PWD=QLFKTM04OULKRU5JVLZOCURUULDBDZ09HTTTPS](https://us06web.zoom.us/j/83939527392?pwd=QLFKTM04OULKRU5JVLZOCURUULDBDZ09HTTTPS)

MEETING ID: 839 3952 7392

PASSCODE: 411773

1-669-444-9171, 83939527392#, \*411773# US

1-253-215-8782, 83939527392#, \*411773# US (TACOMA)

FIND YOUR LOCAL NUMBER: [HTTPS://US06WEB.ZOOM.US/U/KBDJR8INLQ](https://us06web.zoom.us/j/83939527392?pwd=QLFKTM04OULKRU5JVLZOCURUULDBDZ09HTTTPS)

1. CALL TO ORDER & ROLL CALL
2. PUBLIC COMMENT (Non-Agenda)
3. CONSENT CALENDAR (Action)
  - A. Approve the ICD Special Meeting Minutes for April 19, 2023
  - B. Accept the Update on the Alameda Affordable Housing Trust Fund - 2023 Application.
  - C. Accept the Quarterly Development Report for Linnet Corner (North Housing Senior Apartments) and Authorize the Use of Reserve Policy Commitment of up to \$3,538,000.
  - D. Accept the Quarterly Development Report for Poppy Studios (Webster Hotel Conversion).
  - E. Accept the Quarterly Development Report for The Estuary I (North Housing PSH I).
  - F. Accept the Quarterly Development Report for The Estuary II (North



Housing PSH II).

G. Accept the Quarterly Development Report for The Poplar (2615 Eagle Avenue) and Withdraw 2022 Reserve Policy Commitment of \$1,100,000.

H. Approve and Authorize the President or Designee to Execute Contract Amendments and/or Additional Service Requests related to the three projects at North Housing Block A from Carlson, Barbee, and Gibson, Inc. for Civil Engineering Services.

4. NEW BUSINESS
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 Jocelyn Layte at (510) 747-4349 (TTY/TRS: 711) or [jlayte@alamedahsg.org](mailto:jlayte@alamedahsg.org). Notification 48 hours prior to the meeting will enable the Island City Development Board of Directors to make reasonable arrangements to ensure accessibility or language assistance.
- 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

Regular Meeting, April 19, 2023

In person at Independence Plaza Community Room

703 Atlantic Ave, Alameda CA 94501, and

Teleconference via Zoom

1. CALL TO ORDER & ROLL CALL

*Director Cooper called the meeting to order at 8:27 PM. The following Board members were present: Director Vanessa Cooper, Director Janet Basta, Director Carly Grob; quorum established. Staff in attendance: Sylvia Martinez, Tony Weng, Jocelyn Layte, Louie So, Janet Lee, Filippo De Luca, Shemika Green, Greg Kats, Steven Zhou, Radha Meta*

2. AB2449 COMPLIANCE - The Chair will confirm that there are 2 members in the same, properly noticed meeting room within the jurisdiction of the City of Alameda. Each board member who is accessing the meeting remotely must disclose verbally whether they are able to be remote under AB2449: (1) just cause (max. 2 per year), or (2) emergency circumstances.” For Emergency Circumstances, the request must be approved by a majority vote of the Board of Directors for the emergency circumstances to be used as a justification to participate remotely. Remote Directors must provide a general description of the circumstances relating to the need to appear remotely at the given meeting. Directors must also publicly disclose at the meeting, prior to any action, whether any other individuals 18 years or older are present in the room with the member at the remote location, and the general nature of the member’s relationship with such individuals. Note: A Director cannot participate in meetings of the Board of Directors solely by teleconference from a remote location for a period of more than 3 consecutive months or 20% of the regular meetings for ICD within a calendar year, or more than 2 meetings if the Board of Directors regularly meets fewer than 10 times per calendar year.

*Director Cooper, Chair of the meeting confirmed that all directors were present at the physical location of the meeting, therefore AB 2449 compliance was established.*

3. DIRECTOR RECUSALS (NONE)

4. PUBLIC COMMENT (Non-Agenda) (NONE)

5. CONSENT CALENDAR (Action)

A. Approve and Ratify the updated State HCD Resolutions Required for the North Housing Senior Apartments and the Webster St. Hotel Conversion projects. Authorize the President or his/her designee to make minor adjustments or changes as needed to comply with State HCD or funder requirements.

B. Approve the March 15th, 2023, ICD Special Meeting Minutes



- C. Accept the transition of the Housing Authority loan commitment of \$2,438,000 to the Alameda Affordable Housing Trust Fund for North Housing Seniors
- D. Accept a loan of \$2,438,000 and a conditional loan of \$609,500 from the Alameda Affordable Housing Trust Fund (AAHTF). Partner with the Alameda Affordable Housing Corporation (AAHC) to apply for Local Housing Trust Fund funds for an amount not to exceed Six Hundred Nine Thousand Five Hundred Dollars; Authorize the President to enter into a Letter of Intent with AAHC for an amount not to exceed Three Million Forty-Seven Thousand Five Hundred Dollars to the North Housing Senior development; Authorize the President to make minor adjustments in documents and to sign all required documents for the LHTF Application.
- E. Accept Project Names for New Housing Developments.
- F. Accept the LIHTC Portfolio Asset Management Fiscal Year to Date Financial Report Through the Month of December 2022.

*Director Grob amended consent item D approving the AAHC to apply for matching funds up to the competitive amount available. Director Cooper addressed consent item E acknowledging that staff will use the names provided to the AHA/AAHC/ICD Boards on 4/19/23 but will continue to respond to public comment given at the AHA/AAHC meeting and move forward with research on how to recognize the historical importance of the site in the proposal of names going forward. Director Grob motioned to accept consent calendar items with amendments and acknowledgements, Director Basta seconded. A call for all in favor, the motion passed unanimously.*

- 6. NEW BUSINESS (None)
- 7. NON-AGENDA (Public Comment) (None)
- 8. WRITTEN COMMUNICATIONS (None)
- 9. ORAL COMMUNICATIONS – BOARD MEMBERS AND STAFF (None)
- 10. ADJOURNMENT

*Director Cooper Adjourned the meeting at 8:31PM*





## ISLAND CITY DEVELOPMENT

Fax (510) 522-7848 | TTY/TRS 711

ITEM 3.B

To: Board of Directors  
Island City Development

From: Sylvia Martinez, Director of Housing Development

Date: May 17, 2023

Re: Accept the Update on the Alameda Affordable Housing Trust Fund -  
2023 Application.

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### **BACKGROUND**

The Local Housing Trust Fund (LHTF) Program is funded by the Veterans and Affordable Housing Bond Act of 2018 (Proposition 1) and administered by the California Department of Housing and Community Development (HCD). The purpose of the LHTF Program is to provide matching funds to local and regional housing trust funds dedicated to the creation, rehabilitation, or preservation of affordable housing, transitional housing, and emergency shelters.

In July 2021, the Housing Authority authorized the Alameda Affordable Housing Corporation (AAHC), which is an affiliate and wholly-owned 501c3 nonprofit corporation, to sponsor a local housing trust fund and apply for matching funds from the LHTF. In July 2021, the Housing Authority made grants to specific project investments as well as a grant to provide ongoing revenue for operations for the Alameda Affordable Housing Trust Fund (AAHTF). In April 2023, the Housing Authority made an additional grant commitment to leverage matching funds from the 2023 Notice of Funding Availability from the LHTF. The Board authorized staff to apply for the maximum amount of state awards that would be competitive, to match the approved grant of \$2,438,000 to the North Housing Seniors development.

### **DISCUSSION**

The 2023 Notice of Funding Availability from HCD is due at 4:00 p.m. on May 17, 2023. Staff has continued its preparation of the application as discussed in April 2023, but would like to highlight changes on matching amount.

#### Apply for the Maximum Competitive LHTF Award

In April 2023, the AHA Board of Commissioners and the AAHC Board of Directors discussed and



authorized staff to apply for the maximum competitive LHTF award. Consequently, staff noted that the LHTF NOFA required a minimum application of \$1,000,000. Thus, the maximum competitive application would be \$1,000,000 to leverage the \$2,438,000 in AHA funding.

- 1) The AHA resolution to grant \$2,438,000 to the AAHTF for North Housing Seniors remains identical to the April version.
- 2) The AAHC resolution to loan funds, including a conditional LHTF award, to Island City Development for North Housing Seniors was amended and is requested to be ratified in a related action on this date, to a total of \$3,438,000, which includes a loan award of \$2,438,000 and a conditional award of \$1,000,000 if LHTF matching funds are received.
- 3) The AAHC resolution to apply to the LHTF was amended to a total of \$3,438,000, which includes a loan award of \$2,438,000 and a conditional award of \$1,000,000 if LHTF matching funds are received.

Copies of the amended resolutions are attached.

### **FISCAL IMPACT**

The grant amount from AHA remains the same, and the potential for additional funding from the State has increased.

### **CEQA**

Not Applicable

### **RECOMMENDATION**

Accept the Update on the Alameda Affordable Housing Trust Fund - 2023 Application.

### **ATTACHMENTS**

1. AAHC RESOLUTION No. 2023-002- AAHC to Apply for Matching Funds (04.19.23)\_
2. AAHC RESOLUTION No. 2023-003- AAHC to ICD Letter of Intent for NH Senior (04.19.23)

Respectfully submitted,



Sylvia Martinez, Director of Housing Development

ALAMEDA AFFORDABLE HOUSING CORPORATION

*Authorizing Resolution No. 2023-002*

All, or A necessary quorum and majority of the Directors of the Alameda Affordable Housing Corporation (“Applicant”) hereby consents to, adopts, and ratifies the following resolution:

WHEREAS the Department of Housing and Community Development (“Department”) is authorized to provide up to \$53 million under the Local Housing Trust Fund (“LHTF”) Program from the Veterans and Affordable Housing Bond Act of 2018 (Proposition 1) (as described in Health and Safety Code section 50842.2 et seq. (Chapter 365, Statutes of 2017 (SB 3)) (“Program”);

WHEREAS the State of California (the “State”), the Department issued a Notice of Funding Availability (“NOFA”) dated 3/7/2023 under the LHTF Program;

WHEREAS Applicant is an eligible Local or Regional Housing Trust Fund applying to the Program to administer one or more eligible activities using Program Funds;

WHEREAS the Department may approve funding allocations for the LHTF Program, subject to the terms and conditions of H&S Code Section 50842.2, the LHTF Program Guidelines, NOFA, Program requirements, the Standard Agreement and other related contracts between the Department and LHTF award recipients;

NOW THEREFORE BE IT RESOLVED THAT:

1. If Applicant receives an award of LHTF funds from the Department pursuant to the above referenced LHTF NOFA, it represents and certifies that it will use all such funds on Eligible Projects in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including, without limitation, all rules and laws regarding the LHTF Program, as well as any and all contracts Applicant may have with the Department (“Eligible Project”).
2. That the Alameda Affordable Housing Corporation is hereby authorized to act as the trustee/manager in connection with the Department’s funds to Eligible Projects pursuant to the above-described Notice of Funding Availability in an amount not to exceed

One Million Dollars (the “LHTF Award”).

3. Applicant hereby agrees to match on a dollar-for-dollar basis the LHTF Award pursuant to Guidelines Section 104. Applicant hereby agrees to utilize matching funds on a dollar-for-dollar basis for the same Eligible Project for which Program Funds are used, as required by HSC Section 50843.5(c).
4. Pursuant to Attachment 1 and the Applicant’s certification in this resolution, the LHTF funds will be expended only for Eligible Projects and consistent with all program requirements.
5. Nonprofit Housing Trust Funds and Native American Tribe Housing Trust Funds agree to use Program Funds only for Eligible Projects located in cities and counties that submitted an adopted Housing Element that was found by the Department to be in compliance and that have submitted their Housing Element Annual Progress Report (APR) for the current year or prior year by the application due date.
6. Applicant shall be subject to the terms and conditions as specified in the Standard Agreement, H&S Section 50842.2 and LHTF Program Guidelines.
7. Vanessa Cooper, Secretary, or her designee, is authorized to execute the LHTF Program Application, the LHTF Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the LHTF Award to Applicant, as the Department may deem appropriate.

[SIGNATURE PAGE FOLLOWS]



**PASSED AND ADOPTED** at a regular meeting of the Alameda Affordable Housing Corporation's Board of Directors this 19<sup>th</sup> day of April, 2023 by the following vote:

AYES: 5 ABSTENTIONS: 0 NOES: 0 ABSENT: 2

DocuSigned by:  
*Carly Grob*  
5410B582CED441E  
Approving Officer: \_\_\_\_\_  
Signature of Approving Officer  
Carly Grob, President

**CERTIFICATE OF SECRETARY**

The undersigned, Vanessa Cooper does hereby attest and certify that the attached Resolution is a true, full, and correct copy of a resolution duly adopted at a meeting of the Alameda Affordable Housing Corporation, which was duly convenes and held on the date state thereon, and that said document has not been amended, modified, repealed, or rescinded since its date of adoption and is in full force and effect as the date hereof.

DocuSigned by:  
*Vanessa Cooper*  
5AE657239EC2484  
ATTEST: \_\_\_\_\_  
Vanessa Cooper  
Secretary

Dated: April 19, 2023

**ATTACHMENT 1 Funding Summary**

The Alameda Affordable Housing Corporation's (AAHC) Alameda Housing Trust Fund funds and awarded Local Housing Trust Fund (LHTF) funds will be committed to a proposed project by Island City Development (ICD): North Housing Senior Apartments. The LHTF Funds and the Matching Funds will be entirely committed to this project. The project is located in Alameda, California and will serve households earning up to 60% of the Area Median Income, with a minimum of 30% of dollars and units serving very low income (30% AMI) households.

	<b>NH Senior</b>
AHA Matching Funds	\$2,438,00
LHTF State Funds	\$1,000,00
<b>Total Conditional AAHTF Commitment</b>	<b>\$3,438,000</b>

ALAMEDA AFFORDABLE HOUSING CORPORATION

*Authorizing Resolution No. 2023-003*

At a duly constituted meeting of the Board of Directors (the "**Board**") of Alameda Affordable Housing Corporation, a California nonprofit public benefit corporation (the "**Corporation**"), held on April 19, 2023, the following resolutions were adopted:

WHEREAS the Department of Housing and Community Development ("Department") is authorized to provide up to \$53 million under the Local Housing Trust Fund ("LHTF") Program from the Veterans and Affordable Housing Bond Act of 2018 (Proposition 1) (as described in Health and Safety Code section 50842.2 et seq. (Chapter 365, Statutes of 2017 (SB 3)) ("Program");

WHEREAS the State of California (the "State"), the Department issued a Notice of Funding Availability ("NOFA") dated March 7, 2023 under the LHTF Program;

WHEREAS the Corporation is an eligible Local or Regional Housing Trust Fund applying to the Program to administer one or more eligible activities using Program Funds;

WHEREAS the NOFA is a competitive process that allocates points to applicants who conditionally award LHTF Program funds to specific projects, pending award from the LHTF Program;

WHEREAS the Corporation wishes to be competitive for the LHTF Program and commit conditional LHTF funds in an amount not to exceed One Million Dollars to the North Housing Senior development.

WHEREAS the Corporation will need to issue and enter a Letter of Intent outlining the terms of the conditional commitment for an amount not to exceed Three Million Four Hundred Thirty Eight Thousand Dollars.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Applicant shall issue and enter a Letter of Intent with Island City Development for the conditional commitment of an amount not to exceed Three Million Four Hundred Thirty Eight

Thousand Dollars in LHTF funds that will be committed to the North Housing Senior development.

- 2 Vanessa Cooper, Secretary, or her designee, is authorized to execute the LHTF Program Application, the LHTF Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the LHTF Award to Applicant, as the Department may deem appropriate.

**[SIGNATURE PAGE FOLLOWS]**

**PASSED AND ADOPTED** at a regular meeting of the Alameda Affordable Housing Corporation's Board of Directors this 19<sup>th</sup> day of April, 2023 by the following vote:

AYES: 5 ABSTENTIONS: 0 NOES: 0 ABSENT: 2

DocuSigned by:  
*Carly Grob*  
5418B582CED441F...  
Approving Officer: \_\_\_\_\_  
Signature of Approving Officer  
Carly Grob, President

**CERTIFICATE OF SECRETARY**

The undersigned, Vanessa Cooper does hereby attest and certify that the attached Resolution is a true, full, and correct copy of a resolution duly adopted at a meeting of the Alameda Affordable Housing Corporation, which was duly convened and held on the date state thereon, and that said document has not been amended, modified, repealed, or rescinded since its date of adoption and is in full force and effect as the date hereof.

DocuSigned by:  
*Vanessa Cooper*  
5AFAS7239EC2484...  
ATTEST: \_\_\_\_\_  
Vanessa Cooper  
Secretary

Dated: April 19, 2023

April 19, 2023

Vanessa Cooper  
President  
Island City Development, Inc.  
701 Atlantic Blvd.  
Alameda, CA 94501

RE: Letter of Intent to Commit Funding

Dear Ms. Cooper,

This Letter of Intent is provided to Island City Development (ICD) as the Alameda Affordable Housing Corporation's (AAHC) commitment to provide funding for the development of an affordable rental housing project located at 2000 Lakehurst Circle, Alameda, California. ICD has prepared a preliminary proposal to develop a phase of senior housing at this site. This phase includes 64 units and is estimated to cost approximately \$50 million. The North Housing Senior development will serve households earning up to 40% of the Area Median Income, and a minimum of 30% of the total funding and units served must support households making 30% of Area Median Income.

AAHC intends to apply for grant funding in the amount of \$1,000,000 from the State of California Local Housing Trust Fund Program (LHTF). To ensure competitiveness of the application, the AAHC is will conditionally commit \$2,438,000. The North Housing Senior development shall receive \$1,000,000 in LHTF Program funds and \$2,438,000 in LHTF Matching Funds. Please see Attachment 1 for loan terms.

Through this Letter of Intent, AAHC is committing to the North Housing Development, contingent on AAHC being awarded LHTF Program funds and the projects securing all the necessary financing and permits to build the projects. We look forward to working with you on bringing much-needed permanent supportive housing to the City of Alameda.

Best Regards,

Carly Grob  
President

## ATTACHMENT 1 – Loan Terms

<b>Terms</b>	<b>North Housing Senior</b>
Maximum Loan	\$3,438,000 Includes: <ul style="list-style-type: none"> <li>- \$1,000,000 in LHTF Program Funds</li> <li>- \$2,438,000 in AAHC AHTF Matching Funds</li> </ul>
Interest Rate	3% Simple Interest
Loan Term	55 years from permanent loan conversion
Loan Pay-off	Loan payments will be deferred through permanent loan conversion. Annual payments on the loan shall be a prorated share of the project's residual cash.
Affordability	<ul style="list-style-type: none"> <li>• 30% of units shall serve households earning no more than 30% of the Area Median Income.</li> <li>• All units will be restricted to 60% AMI and below.</li> </ul>



# ISLAND CITY DEVELOPMENT

Fax (510) 522-7848 | TTY/TRS 711

ITEM 3.C

To: Board of Directors  
Island City Development

From: Tony Weng, Senior Project Manager

Date: May 17, 2023

Re: Accept the Quarterly Development Report for Linnet Corner (North Housing Senior Apartments) and Authorize the Use of Reserve Policy Commitment of up to \$3,538,000.

## **BACKGROUND**

Linnet Corner formerly known as North Housing Senior Apartments is one of the first three projects within North Housing Block A and Block A is the first phase of the larger 12-acre North Housing parcel redevelopment at the former Alameda Naval Air Station (NAS) at the site known as Coast Guard Housing. Linnet Corner is expected to have sixty-four (64) affordable units for seniors aged 62 and over. Twenty-five percent (25%) of the units or sixteen (16) units are expected to serve senior homeless veterans.

The Housing Authority of the City of Alameda (AHA) is leading the development under a homeless accommodation conveyance, alongside partners Alameda Point Collaborative (APC) and Building Futures. Island City Development (ICD) is the developer. On February 21, 2016, the Board authorized acceptance of the Quit Claim deed for conveyance of the property to the Housing Authority. On June 5, 2018, City Council approved the resolution to transfer the North Housing site to the Housing Authority. The North Housing parcel was successfully transferred to Housing Authority ownership on May 30, 2019. The Board approved the Agency’s Vision for the North Housing site at its August 2019 meeting. On August 17, 2020, the Planning Board approved the Development Plan, and on September 15, 2020, the City Council approved the Tentative Map.

Please see previous monthly Board reports for project details before this month’s update. Documentation of the master planning process may be found at [www.northhousing.org](http://www.northhousing.org).

## **DISCUSSION**

### Funding

On February 2, 2023, staff received a Multifamily Super NOFA Conditional Award Commitment in the amount of \$20,635,312 from the California Department of Housing and Community Development (HCD) for this project. Staff is continuing to work with HCD staff on finalizing the project report and the standard agreement.

On February 7, 2023, staff submitted a competitive joint tax-exempted bond and 4 percent tax credit funding application to the California Debt Limit Allocation Committee and the





California Tax Credit Allocation Committee for this project. However, the project did not receive a preliminary funding recommendation for bond allocations. In addition, state tax credits were also expended in the first round of bond allocations. This project was structured to utilize state tax credits and we now have a funding gap of approximately \$1,760,000 from state tax credit proceeds. Staff is seeking Board approval to use an additional Reserve Policy Commitment of up to \$1,100,000 and allow the project to defer up to half of the maximum developer fee, per TCAC regulations or as capped by cash flow. The Board's approval would allow the project to compete for tax-exempted bonds and 4 percent tax credits without state tax credits in the upcoming funding round with applications due on May 23, 2023. If the project is successful with the Local Housing Trust Fund and Affordable Housing Program funding applications noted below, the AHA commitment would be reverted back down to the original commitment of \$2,438,000, with reduced or no deferred fee to the greatest extent possible. The previous Board resolution from May 2022 contemplated the reallocation of Reserve Policy Commitments between the various housing development projects and provided a maximum authority of up to \$4,538,000 for this project, and staff proposes that the Board allow use up to \$3,538,000 for Linnet Corner.

On March 9, 2023, staff submitted an Affordable Housing Program (AHP) funding application to the Federal Home Loan Bank of San Francisco, requesting \$945,000 in AHP funds. Funding awards are expected to be announced in June 2023.

On March 9, 2023, State HCD released the 2023 Local Housing Trust Fund (LHTF) Program NOFA with funding applications due through May 17, 2023. As discussed on a memo to the Board last month, staff is working on a LHTF application for additional state-matching funds for this project. The LHTF awards are expected in August 2023.

On June 1, 2022, staff responded to the Housing Authority of the City of Alameda's Request for Proposals for the Section 8 Project-Based Voucher (PBV) Program. On June 30, 2022, AHA conditionally awarded forty (40) Section 8 PBVs for this project. The initial Housing Assistance Payment (HAP) Contract for a total of forty (40) PBVs over twenty (20) years is expected to be approximately \$10 million. Staff submitted the quarterly report for the period from January 1, 2023 through March 31, 2022 to AHA. On April 19, 2023, AHA approved an extension for the project to enter into an Agreement To Enter Into A Housing Assistance Payment Contract (AHAP) from June 30, 2023 to December 13, 2023. Staff expect this extension would allow the project to secure the necessary financing from the California Debt Limit Allocation Committee and the California Tax Credit Allocation Committee in 2023.

### Permits

On March 3, 2023, the project team resubmitted project plans to the City of Alameda for plan check. The building permit drawings are in the final stages of the review process and are expected to be ready in the coming months. The first phase final map and the associated backbone improvements plan review by Public Works Department is near complete and is expected to be on the City Council's consent calendar on May 16, 2023. Staff is continuing to work with our insurance broker to obtain the surety bonds for the first phase Final Map and the associated backbone improvements.

### Procurement

Staff is working on three active procurements: an Owner's Representative, a Prevailing Wage Consultant, and a Debt and Equity Investor for the project. Staff released the RFQ for debt



and equity investor in February and are reviewing responses received by the deadline of April 20, 2023.

### **FISCAL IMPACT**

The Board previously authorized a predevelopment loan of \$7,500,000 for costs associated with master planning, carrying costs, demolition, and redevelopment work for the first phase of the North Housing project, which includes 155 total units, including Linnet Corner. Funds are disbursed to ICD on an as-needed basis. The current total available predevelopment loan balance is \$1,055,088. Please refer to the attached chart summarizing expenses through April 30, 2023 (Attachment 1).

The Board has made the following financial commitments to this development, per the 2022 Reserve policy: up to \$4,538,000 commitment to Linnet Corner; approved an option to ground lease the property, at a subsidized rate in 2021. The total Reserve Policy use will be \$3,538,000 if the Board approves the use of additional funds discussed in this memo.

AHA has typically structured their ground leases at Fair Market Value rent, pre-paid by a seller carryback note that is a subsidized loan subject only to residual receipts payments. For competitive reasons in the tax-exempted bond competition, as well as for projects with State HCD funding, which only restricts residual receipts payments for related party loans, AHA may choose to utilize a \$1 or \$100/year system on these transactions.

### **CEQA**

Not applicable.

### **RECOMMENDATION**

Accept the Quarterly Development Report for Linnet Corner (North Housing Senior Apartments) and Authorize the Use of Reserve Policy Commitment of up to \$3,538,000.

### **ATTACHMENTS**

1. North Housing Expenses Chart Through April 30, 2023

Respectfully submitted,



Tony Weng, Senior Project Manager



North Housing Predevelopment Expenses Chart Through April 30, 2023.

<u>North Housing</u>	<u>Total</u>
12 Acre Site Pre-Development (includes master planning and demolition)	\$4,156,896
First Phase Pre-Development (Block A, includes all three projects)	\$1,740,775
Carrying Costs (see details below)	\$547,241
Grand Total	\$6,444,912

<u>Carrying Costs-Details</u>	
<i>Predevelopment Category</i>	<u>Total</u>
Administrative Expenses (including postage & advertising)	\$1,092
Furniture and Equipment - Fencing	\$65,043
Insurance	\$4,292
On Site Improvements	\$357,737
Legal Expense	\$23,679
Permit & Fees	\$722
Prepaid - Other	\$30,267
Professional Services (Other)	\$34,624
Survey	\$29,785
Grand Total	\$547,241



**ISLAND CITY DEVELOPMENT**

Fax (510) 522-7848 | TTY/TRS 711

To: Board of Directors  
Island City Development

From: Sylvia Martinez, Director of Housing Development

Date: May 17, 2023

Re: Accept the Quarterly Development Report for Poppy Studios (Webster Hotel Conversion).

**BACKGROUND**

In June 2022, the Housing Authority of the City of Alameda (AHA) approved a purchase and sale agreement and went into escrow with the owner of the Hawthorn Suites, to convert the extended-stay hotel to residential use and an affordable development. The development will be 50 studio units, with private kitchens and baths. Two small retail spaces along Webster Street will be retained. The development will focus on half of the site, allowing the other half to be retained for future development. The purchase and sale agreement requires a firm commitment in first quarter of 2023 to proceed. The development received a commitment of funds from the State of California Super NOFA in February 2023 to allow it to move forward.

**DISCUSSION**

Escrow

The property is currently in escrow with a purchase deadline at the end of September 2023.

Funding

On March 30, 2022, the State of California Department of Housing and Community Development (HCD) published the Super Notice of Funding Availability (Super NOFA) which includes multiple HCD funding programs. In February 2023, staff received notice of an award for its July 2022 Super NOFA Funding Application to the State HCD requesting funds from the Multifamily Housing Program (Non-Tax Credit Set-aside). These funds require that 25% of the units (13) serve a supportive housing population.

Design and Permit

An architect has been selected and a feasibility contract signed to develop scope for the interior renovations (mostly adding cooking facilities, additional accessibility and minor changes to improve functionality). This set of plans will be submitted to the City of Alameda in June 2023.

Procurement

It is anticipated that a general contractor with experience with interior improvements will be selected. Certain trades, such as roofing, solar, and low voltage will be procured directly by AHA. Staff issued a Request for Proposal for construction debt for this development and has



issued a Notice of Intent to Award to the Housing Trust Silicon Valley, a Community Development Financial Institution (CDFI) which makes multifamily loans for affordable housing throughout the Bay Area.

Community Outreach

A press release was issued after escrow was opened, and the AHA website now references a newsletter regarding this development. Staff anticipates community outreach meetings will be held in summer of 2023 as the project moves forward.

**FISCAL IMPACT**

The Board previously authorized a loan of \$8,000,000 for costs associated with acquisition and development. To date, less than \$125,000 has been spent on studies and deposits.

**CEQA**

Not Applicable.

**RECOMMENDATION**

Accept the Quarterly Development Report for Poppy Studios (Webster Hotel Conversion)

**ATTACHMENTS**

None

Respectfully submitted,



Sylvia Martinez, Director of Housing Development



**ISLAND CITY DEVELOPMENT**

Fax (510) 522-7848 | TTY/TRS 711

To: Board of Directors  
Island City Development

From: Tony Weng, Senior Project Manager

Date: May 17, 2023

Re: Accept the Quarterly Development Report for The Estuary I (North Housing PSH I).

**BACKGROUND**

The Estuary I, formerly known as North Housing PSH I, is one of the first three projects within North Housing Block A and Block A is the first phase of the larger 12-acre North Housing parcel redevelopment at the former Alameda Naval Air Station (NAS) at the site known as Coast Guard Housing. The Estuary I project is expected to have 45 units of permanent supportive housing for formerly homeless individuals and households.

The Housing Authority of the City of Alameda (AHA) is leading the development under a homeless accommodation conveyance, alongside partners Alameda Point Collaborative (APC) and Building Futures. Island City Development (ICD) is the developer. On February 21, 2016, the Board authorized acceptance of the Quit Claim deed for conveyance of the property to the Housing Authority. On June 5, 2018, City Council approved the resolution to transfer the North Housing site to the Housing Authority. The North Housing parcel was successfully transferred to Housing Authority ownership on May 30, 2019. The Board approved the Agency’s Vision for the North Housing site at its August 2019 meeting. On August 17, 2020, the Planning Board approved the Development Plan, and on September 15, 2020, the City Council approved the Tentative Map.

Please see previous monthly Board reports for project details before this month’s update. Documentation of the master planning process may be found at [www.northhousing.org](http://www.northhousing.org).

**DISCUSSION**

Funding

On February 10, 2022, staff submitted a Community Development Block Grant (CDBG) and a HOME Investment Partnerships Program (HOME) funding application to the City of Alameda for this project. The project received a funding commitment from the City of Alameda dated June 22, 2022, for approximately \$1.26 million in combined local city loan funds.

On February 9, 2023, staff submitted a CDBG and HOME funding application for FY 2023-2024 CDBG and HOME program funds. Funding awards are expected to be announced by the City of Alameda in June 2023.



On March 10, 2022, staff submitted an Affordable Housing Program (AHP) funding application to the Federal Home Loan Bank of San Francisco. On June 24, 2022, the Federal Home Loan Bank of San Francisco awarded \$660,000 in AHP funds to the project.

On June 1, 2022, staff responded to the Housing Authority of the City of Alameda's Request for Proposals for the Section 8 Project-Based Voucher Program. On June 30, 2022, AHA conditionally awarded twenty (20) Section 8 Project-Based Vouchers (PBV) for this project. The project was previously awarded twenty (20) Section 8 PBV in December 2021. Together, The Estuary I project has a total of forty (40) Section 8 Project-Based Vouchers. The initial Housing Assistance Payment (HAP) Contract for a total of forty (40) PBVs over twenty (20) years is expected to be approximately \$10 million. On April 15, 2023, staff submitted the quarterly report for the period from January 1, 2023 to March 31, 2023 to AHA. On April 19, 2023, AHA approved an extension for the project to enter into an Agreement To Enter Into A Housing Assistance Payment Contract (AHAP) from December 13, 2022 to December 13, 2023. Staff expect this extension would allow the project to secure the necessary financing from the California Tax Credit Allocation Committee in 2023.

On April 25, 2023, staff submitted a competitive 9 percent Low-Income Housing Tax Credit (LIHTC) Application to the California Tax Credit Allocation Committee (CTCAC). CTCAC is scheduled to meet on July 26, 2023 and the preliminary allocation recommendation for this funding round is expected to be available in early July 2023.

#### Permit

On March 3, 2023, the project team resubmitted project plans to the City of Alameda for plan check. The building permit drawings are in the final stages of the review process and are expected to be ready in the coming months. Also, the Public Works Department is near complete with its review of the first phase Final Map and the associated backbone improvements plan. The first phase Final Map is expected to be on the City Council's consent calendar on May 16, 2023. Staff is continuing to work with our insurance broker to obtain the surety bonds for the first phase Final Map and the associated backbone improvements.

#### Procurement

Staff is working on three active procurements: an Owner's Representative, a Prevailing Wage Consultant, and a Debt and Equity Investor for the project. Staff released the RFQ for debt and equity investor in February and are reviewing responses received by the deadline of April 20, 2023.

### **FISCAL IMPACT**

The Board previously authorized a predevelopment loan of \$7,500,000 for costs associated with master planning, carrying costs, demolition, and redevelopment work for the first phase of the North Housing project, which includes 155 units of permanent supportive and senior housing. Funds are disbursed to ICD on an as-needed basis. The current total available predevelopment loan balance is \$1,055,088. Please refer to the attached chart summarizing expenses through April 30, 2023 (Attachment 1).

The Board has made the following financial commitments to this development, per the 2021 Reserve policy and the creation of the Alameda Affordable Housing Trust Fund in 2021: \$7,500,000 commitment to the first two permanent supportive housing phases, totaling 90



units; forward commitment of Local Housing Trust Fund matching grant funds of \$2,500,000, once available; approved an option to ground lease the property, at a subsidized rate in 2021.

**CEQA**

Not Applicable.

**RECOMMENDATION**

Accept the Quarterly Development Report for The Estuary I (North Housing PSH I).

**ATTACHMENTS**

1. North Housing Expenses Chart Through April 30, 2023

Respectfully submitted,



Tony Weng, Senior Project Manager



North Housing Predevelopment Expenses Chart Through April 30, 2023.

<u>North Housing</u>	<u>Total</u>
12 Acre Site Pre-Development (includes master planning and demolition)	\$4,156,896
First Phase Pre-Development (Block A, includes all three projects)	\$1,740,775
Carrying Costs (see details below)	\$547,241
Grand Total	\$6,444,912

<u>Carrying Costs-Details</u>	
<i>Predevelopment Category</i>	<u>Total</u>
Administrative Expenses (including postage & advertising)	\$1,092
Furniture and Equipment - Fencing	\$65,043
Insurance	\$4,292
On Site Improvements	\$357,737
Legal Expense	\$23,679
Permit & Fees	\$722
Prepaid - Other	\$30,267
Professional Services (Other)	\$34,624
Survey	\$29,785
Grand Total	\$547,241



**ISLAND CITY DEVELOPMENT**

Fax (510) 522-7848 | TTY/TRS 711

To: Board of Directors  
Island City Development

From: Tony Weng, Senior Project Manager

Date: May 17, 2023

Re: Accept the Quarterly Development Report for The Estuary II (North Housing PSH II).

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**BACKGROUND**

The Estuary II, formerly known as North Housing PSH II, is one of the first three projects within North Housing Block A and Block A is the first phase of the larger 12-acre North Housing parcel redevelopment at the former Alameda Naval Air Station (NAS) at the site known as Coast Guard Housing. The Estuary II is expected to have 46 units of permanent supportive housing for formerly homeless individuals and households.

The Housing Authority of the City of Alameda (AHA) is leading the development under a homeless accommodation conveyance, alongside partners Alameda Point Collaborative (APC) and Building Futures. Island City Development (ICD) is the developer. On February 21, 2016, the Board authorized acceptance of the Quit Claim deed for conveyance of the property to the Housing Authority. On June 5, 2018, City Council approved the resolution to transfer the North Housing site to the Housing Authority. The North Housing parcel was successfully transferred to Housing Authority ownership on May 30, 2019. The Board approved the Agency’s Vision for the North Housing site at its August 2019 meeting. On August 17, 2020, the Planning Board approved the Development Plan, and on September 15, 2020, the City Council approved the Tentative Map.

Please see previous monthly Board reports for project details before this month’s update. Documentation of the master planning process may be found at [www.northhousing.org](http://www.northhousing.org).

**DISCUSSION**

Funding

On March 9, 2023, staff submitted an Affordable Housing Program (AHP) funding application to the Federal Home Loan Bank of San Francisco, requesting \$690,000 in AHP funds. Funding awards are expected to be announced in June 2023.

On March 30, 2022, the State of California Department of Housing and Community Development (HCD) published the Super Notice of Funding Availability (Super NOFA) which includes multiple HCD funding programs. On July 12, 2022, staff submitted a Super NOFA Funding Application to the State HCD requesting funds from the Multifamily Housing Program



(MHP) and Infill Infrastructure Grant (IIG) Program. On January 18, 2023, HCD notified us that the project passed threshold, but will not be moving forward to feasibility for award considerations based on their ranking analysis. State HCD is expecting to release the 2023 Super NOFA in May with applications due in July 2023. Staff is preparing to reapply for 2023 Super NOFA funds for this project.

On December 13, 2021, the Housing Authority of the City of Alameda (AHA) conditionally awarded forty (40) Section 8 Project-Based Vouchers (PBV) for this project. The initial Housing Assistance Payment (HAP) Contract for a total of forty (40) PBVs over twenty (20) years is expected to be approximately \$10 million. Staff submitted the quarterly report for the period from January 1, 2023 through March 31, 2023 to AHA. On April 19, 2023, AHA approved an extension for the project to enter into an Agreement To Enter Into A Housing Assistance Payment Contract (AHAP) from December 13, 2022 to December 13, 2023.

### Permit

On March 3, 2023, the project team resubmitted project plans to the City of Alameda for plan check. The building permit drawings are in the final stages of the review process and are expected to be ready in the coming months. Also, the Public Works Department is near complete with its review of the first phase Final Map and the associated backbone improvements plan. The first phase Final Map is expected to be on the City Council's consent calendar on May 16, 2023. Staff is continuing to work with our insurance broker to obtain the surety bonds for the first phase Final Map and the associated backbone improvements.

### Procurement

Staff is working on three active procurements: an Owner's Representative, a Prevailing Wage Consultant, and a Debt and Equity Investor for the project. Staff released the RFQ for debt and equity investor in February and are reviewing responses received by the deadline of April 20, 2023.

### **FISCAL IMPACT**

The Board previously authorized a predevelopment loan of \$7,500,000 for costs associated with master planning, carrying costs, demolition, and redevelopment work for the first phase of the North Housing project, which includes 90 units of permanent supportive housing. Funds are disbursed to ICD on an as-needed basis. The current total available predevelopment loan balance is \$1,055,088. Please refer to the attached chart summarizing expenses through April 30, 2023 (Attachment 1).

The Board has made the following financial commitments to this development, per the 2021 Reserve policy and the creation of the Alameda Affordable Housing Trust Fund in 2021: \$7,500,000 commitment to the first two permanent supportive housing phases, totaling 90 units; forward commitment of Local Housing Trust Fund matching grant funds of \$2,500,000, once available; approved an option to ground lease the property, at a subsidized rate in 2021.

### **CEQA**

Not applicable.

### **RECOMMENDATION**

Accept the Quarterly Development Report for The Estuary II (North Housing PSH II).



**ATTACHMENTS**

- 1. North Housing Expenses Chart Through April 30, 2023

Respectfully submitted,



Tony Weng, Senior Project Manager



North Housing Predevelopment Expenses Chart Through April 30, 2023.

<u>North Housing</u>	<u>Total</u>
12 Acre Site Pre-Development (includes master planning and demolition)	\$4,156,896
First Phase Pre-Development (Block A, includes all three projects)	\$1,740,775
Carrying Costs (see details below)	\$547,241
Grand Total	\$6,444,912

<u>Carrying Costs-Details</u>	
<i>Predevelopment Category</i>	<u>Total</u>
Administrative Expenses (including postage & advertising)	\$1,092
Furniture and Equipment - Fencing	\$65,043
Insurance	\$4,292
On Site Improvements	\$357,737
Legal Expense	\$23,679
Permit & Fees	\$722
Prepaid - Other	\$30,267
Professional Services (Other)	\$34,624
Survey	\$29,785
Grand Total	\$547,241



**ISLAND CITY DEVELOPMENT**

Fax (510) 522-7848 | TTY/TRS 711

To: Board of Directors  
Island City Development

From: Sylvia Martinez, Director of Housing Development

Date: May 17, 2023

Re: Accept the Quarterly Development Report for The Poplar (2615 Eagle Avenue) and Withdraw 2022 Reserve Policy Commitment of \$1,100,000.

**BACKGROUND**

The Housing Authority (AHA) purchased the property at 2615 Eagle Avenue in April 2022 in order to develop the site as affordable housing. The Housing Authority anticipates that the site will serve 40-50 families, with up to 25% supportive housing units if required by funding sources.

**DISCUSSION**

Funding

On April 20, 2022, the Housing Authority approved an option to ground lease valued at \$2.5 million to Island City Development (a long-term commitment through the Reserve Policy), and in May 2022, also agreed to \$500,000 in funding for design and development (this is typically a predevelopment, short-term commitment). The Housing Authority has received \$1.4 million from the City of Alameda ROPS funding for this development, which reduced the Reserve Policy commitment to \$1.1 million. It has also applied for a 2023-24 ROPS allocation for this development of \$1.6 million.

In a related action, staff is recommending that the Board withdraw the remaining long term commitment of \$1.1 million so that it can re-purposed for another project. Staff recommends this reallocation for the following reasons:

- 1) The Poplar development is moving more slowly. Additional funding applications for this project require a more established design and development scheme, planned for 2023. It is currently anticipated that The Poplar will not be able to undertake its main funding applications until mid-2024 at the earliest.
- 2) The Poplar development has already attracted ROPS funding because it is able to serve a family demographic, and may be successful again in FY 23-24 and future years.
- 3) Staff is currently discussing a predevelopment loan from Capital Impact Partners, a Community Development Financial Institution, for this development which can provide complete take out of AHA's current and future investments into this development, with any fees and carrying costs to be recovered by the future development. A sample term sheet was provided to the Board in April 2023.



Design and Permit

As part of the application process, staff received confirmation that the development will not require CEQA review and is entitled for the planned use. The site will have to submit drawings for a ministerial design review process on objective design standards, and for offsite public works approvals.

Procurement

Staff has begun procurement for the architect and design team.

Community Outreach

A press release was issued after escrow closed, and the AHA website now references a quarterly newsletter regarding all pipeline developments. Staff anticipates community outreach meetings will be held in the second half of 2023.

**FISCAL IMPACT**

This recommendation, if accompanied with a subsequent award to another pipeline development project, is budget neutral. It is anticipated that the Housing Authority will apply for predevelopment funding for all costs associated with this project by mid-2023, with any fees and carrying costs anticipated to be recovered by the future development.

**CEQA**

Not applicable.

**RECOMMENDATION**

Accept the Quarterly Development Report for The Poplar (2615 Eagle Avenue) and Withdraw 2022 Reserve Policy Commitment of \$1,100,000.

**ATTACHMENTS**

None

Respectfully submitted,



Sylvia Martinez, Director of Housing Development





# ISLAND CITY DEVELOPMENT

Fax (510) 522-7848 | TTY/TRS 711

ITEM 3.H

To: Board of Directors  
Island City Development

From: Tony Weng, Senior Project Manager

Date: May 17, 2023

Re: Approve and Authorize the President or Designee to Execute Contract Amendments and/or Additional Service Requests related to the three projects at North Housing Block A from Carlson, Barbee, and Gibson, Inc. for Civil Engineering Services.

## **BACKGROUND**

Island City Development (ICD) performs real estate development services for the North Housing project.

Carlson, Barbee, and Gibson, Inc. (CBG) is the Civil Engineer for the three projects and the associated backbone infrastructure improvements at North Housing Block A, the first phase of the larger 12-acre North Housing Redevelopment project. The current contracted amount is two hundred twenty-eight thousand and two hundred and sixty dollars and zero cents (\$228,260.00).

Please see previous monthly Housing Authority Board of Commissioners reports for project details. Documentation of the master planning process may be found at [www.northhousing.org](http://www.northhousing.org).

## **DISCUSSION**

### Approve CBG Additional Service Request #02

The three projects at North Housing Block A are currently in the plan check stage with the City of Alameda. There were unforeseen changes and recent comments from Alameda Municipal Power (AMP) that require additional redesigning to the on-site improvements and plan revisions related to the three projects at North Housing Block A. Also, CBG was asked to provide additional pre-construction support during the bidding and permitting stage and provide the Storm Water Pollution Prevention Plan (SWPPP) required for the projects. The additional cost of twenty-five thousand eight hundred dollars (\$25,800.00) will bring the current contract total to two hundred fifty-four thousand and sixty dollars and zero cents (\$254,060.00).

Additionally, staff is requesting the Board to approve up to twenty-five thousand dollars or approximately ten percent of the Civil Engineering contract as a contingency for unforeseen conditions and/or future scope and cost increases. Soft cost contingencies are already included in the proposed projects and this approval would help streamline future contract amendments.

## **FISCAL IMPACT**

The contract amounts and the contingencies discussed above are covered within the budget for the proposed projects at North Housing Block A.

## **CEQA**

Not Applicable.





**RECOMMENDATION**

Approve and Authorize the President or Designee to Execute Contract Amendments and/or Additional Service Requests related to the three projects at North Housing Block A from Carlson, Barbee, and Gibson, Inc. for Civil Engineering Services.

**ATTACHMENTS**

None

Respectfully submitted,



Tony Weng, Senior Project Manager