



ISLAND CITY DEVELOPMENT AGENDA

AGENDA

DATE & TIME

SPECIAL MEETING OF ISLAND CITY DEVELOPMENT

Wednesday, September 20, 2023 - 6:02 PM

LOCATION

Independence Plaza, 703 Atlantic Avenue, Alameda - Ruth Rambeau Memorial Community Room

PUBLIC PARTICIPATION

Public access to this meeting is available as follows:

Join Zoom Meeting:

<https://us06web.zoom.us/j/88946959564?pwd=OVJpYUcya05ROEFTZEI2aENNa24vUT09>

Meeting ID: 889 4695 9564

Passcode: 067149

1. CALL TO ORDER & ROLL CALL
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 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.
3. PUBLIC COMMENT (Non-Agenda)
4. CONSENT CALENDAR (Action)



- B. Accept the Monthly Development Report for Rosefield Village.
 - C. Accept Monthly Development Report on Poppy Place (Webster Street Hotel).
 - D. Accept the Monthly Development Report for The Poplar (2615 Eagle Avenue).
 - E. Accept the Monthly Development Report for The Estuary I.
 - F. Accept the Monthly Development Report for Linnet Corner.
5. NEW BUSINESS
- A. Ratify and Adopt the Resolutions for a State of California Grant and Loans, and Authorize the President or her designee to make necessary Minor Adjustments and Execute all Other Documents Required for the North Housing Senior Apartments Development.
6. NON-AGENDA (Public Comment)
7. WRITTEN COMMUNICATIONS
8. ORAL COMMUNICATIONS – BOARD MEMBERS AND STAFF
9. 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 Sarah Raskin at (510) 747-4360 (TTY/TRS: 711) or sraskin@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

Special Meeting, August 16, 2023

In person at Independence Plaza Community Room,
703 Atlantic Avenue, Alameda Ca 94501, and
Teleconference via Zoom

1. CALL TO ORDER & ROLL CALL

Director Cooper called the meeting to order at 8:21 PM. The following Board members were present: Director Vanessa Cooper, Director Carly Grob; Director Greg Kats absent; quorum established. Staff in attendance: Sylvia Martinez, Tony Weng, Jocelyn Layte, Sarah Raskin, Paris Howze, Jenny Wong, Stephen Zhou, Louie So, Janet Lee, Leon Ko, Richard Yoshida, and Jasmine Polar

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 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 confirmed AB 2449 compliance was established.

3. PUBLIC COMMENT (Non-Agenda) **NONE**

4. CONSENT CALENDAR (Action)

- A. Approve the minutes of the ICD Regular Meeting on July 19, 2023
- B. Accept the Monthly Development Report for Rosefield Village.
- C. Accept Monthly Report on Poppy Place (formerly Hawthorne Suites Hotel)
- D. Accept the Monthly Development Report for The Poplar (2615 Eagle Avenue).
- E. Accept the Monthly Development Report for The Estuary I (North Hosing PSH I).
- F. Accept Monthly Development Report for Linnet Corner (North Housing



Senior Apartments).

- G. Accept the Quarterly Development Report for The Estuary II (North Housing PSH II).
- H. Authorize the President or Designee to negotiate and sign a contract with Aleshire & Wynder, LLP for special counsel services in an amount not to exceed \$150,000 on an as-needed basis.
- I. Accept the Update and Approve use of CELP Cash Flow and short term AHA funding up to \$1,000,000 to close the Conversion.

No Comments. Director Grob motioned to accept consent calendar items 4A – 4I, Director Cooper seconded. A call for all in favor, the motion passed unanimously.

5. NEW BUSINESS

- A. Accept a Predevelopment Loan to Island City Development for the Linnet Corner and Estuary I and Authorize the President or Designee to Negotiate and Execute the Loan Documents.

Staff T. Weng presented Item 5A to the Board of Directors. The Directors had no comments or questions. Director Grob motioned to accept the item. Director Cooper seconded. A call for all in favor, the motion passed unanimously.

- B. Hold a Discussion and Provide Guidance to Staff Regarding Operating and Services Budgets for Estuary I and Estuary II.

Staff S. Martinez led the discussion on the operating services costs for The Estuary I and The Estuary II. Highlights of the discussion emphasized Alameda as a unique location for permanent supportive housing due to its amenities and safety. Sufficient funding for both operations and services were brought to the forefront for discussion. Director Grob highlighted building relationships with residents on the west side of the Island. Director Cooper requested staff present on Permanent Supportive Housing (PSH) and its management needs at the Housing Authority of the City of Alameda's Special BOC meeting on 8/23. Director Cooper and Director Grob agreed there is a need for responsive systems that can mitigate a variety of situations. Importance was placed on strong messaging, setting expectations around PSH, who it serves, and shifting narratives away from negative stereotypes. Staff S. Martinez advised that we cannot prevent every single issue, but we are committed to collaborating with service providers and the community to ensure appropriate actions are taken. Item 5B was a non-action item and no vote was needed.



6. NON-AGENDA (Public Comment) **NONE**
7. WRITTEN COMMUNICATIONS **NONE**
8. ORAL COMMUNICATIONS – BOARD MEMBERS AND STAFF **NONE**
9. ADJOURNMENT

Director Cooper adjourned the meeting at 9:22 PM.



**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: September 20, 2023

Re: Accept the Monthly Development Report for Rosefield Village.

BACKGROUND

The Housing and Community Development Department provides monthly reports on projects under construction where either the Housing Authority of the City of Alameda (AHA) or Island City Development (ICD) is acting as developer and provides performance guarantees.

The Rosefield Village project includes new construction of 78 units and renovation of 14 units, totaling 92 units, located on the 700 block of Buena Vista Avenue. ICD is the developer. The overall project scope included both the rehabilitation of existing structures and the construction of a new building in the middle of the site. In addition to the 78 units, the new central building includes onsite laundry facilities, property management offices, social service coordination offices, a community room, and a central courtyard with recreation areas. Twelve existing units, in five buildings, on the east and west sides of the new building were renovated, and one house was converted into a duplex. Please see previous monthly Board Reports for project details prior to this month's update.

DISCUSSION

The project received its construction completion and Certificate of Occupancy in August 2022.

738 Eagle Fire Service

EBMUD completed its work for this fire service as of June 30, 2023. Staff has signed a contract with JHFitzmaurice (the original general contractors) to complete the remaining connection. The need for an additional permit was identified in June and the review is underway. It is hoped that the work can be completed before the end of September. A tenant has been identified for this unit.

Leasing and Income

The project achieved a 100% lease up of its tax credit units (89 units, including 23 project based voucher units) as of October 31, 2022. The site has one unit on hold (see above). All vacancies are being actively leased from the wait list.

Rent collection at this property has been an issue due to a combination of the eviction moratorium, economic stress on working-class residents, and underperformance by the



former property management firm. Staff and new property management are now reviewing receivables on a weekly basis and have been able to connect directly with most of the affected households to work out payment plans. The payment plans require a significant initial repayment against the household's balance, and also that the household be current on monthly rent and the required monthly payment plan on their balance due. There are a handful of households who have been forwarded to legal review for action.

Stabilization and Conversion

In August, Rosefield met the major milestones of stabilization and conversion to the permanent loan phase before the September 1, 2023 deadline to utilize the interest rate lock. The construction loan has been paid off by investor proceeds and the permanent loan.

Meeting this critical timing took leadership and efforts from many departments at AHA, including HPD's assistance last summer during the lease up phase, Portfolio Management's work in leasing, operations, and the transfer to new property management, and Finance's hands-on efforts to present the financials in an acceptable manner for approval, as well as their guidance and documentation of the cost certification process. AHA and ICD's partners, FPI Management and Lifesteps, have also been instrumental in meeting the requirements.

8609 Milestone

The next milestone for this project is the submittal of the Placed in Service package to the California Tax Credit Allocation Committee for review and issuance of the tax form 8609s. These tax forms allow the investor to receive the tax credits that are expected. The PIS package is scheduled to be submitted by 9/8/23 and the review process is expected to require less than six months.

FISCAL IMPACT

The project remained under budget, despite the extended stabilization period. The benefits have resulted in a lower permanent loan (by approximately \$1 million) and a reduced AHA loan (by \$125,000). ICD and AHA are now eligible to receive up to \$1,890,000 in developer fees, and received \$1,000,000 from the permanent loan closing process. The remaining \$890,000 will be repaid from cash flow or through the end of year cash proceeds distribution, as deferred developer fee is a preferred repayment item. The financial risks of this project have been reduced considerably by this conversion achievement.

CEQA

Not applicable.

RECOMMENDATION

Accept the Monthly Development Report for Rosefield Village.

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: Sylvia Martinez, Director of Housing Development

Date: September 20, 2023

Re: Accept Monthly Development Report on Poppy Place (Webster Street Hotel).

BACKGROUND

In fall 2020, the Housing Authority of the City of Alameda (AHA) was approached by the owner of the Hawthorn Suites on Webster Street, with an opportunity to convert the hotel to residential use. The Board authorized the Executive Director to sign a purchase and sale agreement in June 2022 and provided an \$8 million conditional long term commitment of funding to the project from the agency reserve policy. Staff applied to the State of California Housing and Community Development Department in July 2022 for funding and received an award in February 2023. Staff has accepted due diligence and negotiated an extension to close in mid-November 2023.

DISCUSSION

Staff has continued working on all aspects of design, construction and financing to bring this project to fruition. The construction lender, the Housing Trust of Silicon Valley, is making progress on its due diligence. Staff is proposing that AHA consider postponing the recording of the regular AHA 80% AMI regulatory agreement to coincide with the recording of the HCD agreement at conversion, rather than at the AHA loan closing which will be approximately 9-12 months earlier. The regulatory agreement has an impact on the construction lender's loan to value and the postponement will save project time and costs. In addition, staff is proposing that the land, which is expected to be owned by AHA but 50% of it leased to ICD for Poppy Place, be allowed to be secured by the construction lender for its short term (less than one year) loan. AHA is a co-sponsor of the development and will need to be a guarantor on the construction loan. If AHA can allow the construction lender to secure its short term loan against the land as well, the construction lender has additional security and can possibly make a larger loan. Staff expects to bring back an updated term sheet from the lender regarding these terms and conditions.

It is still the intent that the HCD loan will be secured only against the leasehold, as HCD will have a long-term (55 year) loan.

The State of California Standard Agreement has been drafted and is circulating for signature. Requests for proposals have been issued for the tenant improvements, roof and solar. Property management and services are engaged, and AHA staff are leading the marketing



plan for lease up. AHA staff have also been leading the discussions with the County of Alameda, which will refer formerly homeless tenants from the Coordinated Entry System, provide funding for services, and host the pre-application process on the Alameda County Housing Portal.

AHA is updating its tenant selection criteria and operating and management plans to meet the needs of supportive housing tenants. It is also deepening relationships with the County, service providers, and referral agencies. These documents and relationships will support future supportive housing developments at North Housing as well.

The current timeline for residents to begin to move into the development is January 2024.

FISCAL IMPACT

With the exception of escrow deposits, less than \$150,000 has been spent on consulting fees and reports to date. As the total rises to over \$250,000, staff will request a predevelopment loan from AHA, as part of its \$8,000,000 commitment to purchase and renovate this property.

CEQA

Not applicable

RECOMMENDATION

Accept Monthly Development Report on Poppy Place (Webster Street Hotel).

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: Jenny Wong, Senior Project Manager

Date: September 20, 2023

Re: Accept the Monthly Development Report for The Poplar (2615 Eagle Avenue).

BACKGROUND

The Housing Authority of the City of Alameda (AHA) purchased the property at 2615 Eagle Avenue in April 2022 in order to develop the site as affordable housing. AHA anticipates that the site will serve 40-50 families, with up to 25% supportive housing units if required by funding sources. The development will be required to have a preference for Alameda Unified School District (AUSD) staff due to the City redevelopment funding awarded to the project.

DISCUSSION**Funding**

On April 20, 2022, AHA approved the purchase of the property for \$2.5 million, and an option to ground lease to Island City Development (ICD). In May 2022, the Board agreed to \$500,000 in funding for design and development (this is typically a predevelopment, short-term commitment). AHA has received approximately \$3 million from the City of Alameda redevelopment funding for this development. The current Reserve Policy commitment is zero at this time.

In June 2023, the Board directed staff to pursue a predevelopment loan from Capital Impact Partners, a Community Development Financial Institution, for this development at highly favorable rates. Capital Impact is committing up to \$3,337,000 in acquisition and predevelopment funding to the project. The term sheet has been fully executed. The project has credit approval from Capital Impact and is undergoing due diligence for the loan. Staff anticipates that the funds could be available by the end of October 2023, which is important as the liquidity helps AHA meet its other funding obligations.

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 and will be completed this fall.



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 holding community outreach meetings in early 2024.

Environmental Mitigation

The property was formerly used as a maintenance and storage yard by AUSD to facilitate their daily operations. Additional testing will be required to assess the full extent of the residual impacts in order to determine the appropriate plan for mitigation and/or remediation.

Staff is preparing a grant application for Equitable Community Revitalization Grant (ECRG) funds from the Department of Toxic Substances Control Office of Brownfields. The ECRG grant funds would serve as a potential funding source to offset site investigation and clean-up costs. ECRG Round 2 grant funding applications are due October 9, 2023 and awards are anticipated to be announced in February 2024.

FISCAL IMPACT

The Capital Impact loan will provide predevelopment funding for all costs associated with this project, with any fees and carrying costs anticipated to be recovered by the future development.

CEQA

Not applicable.

RECOMMENDATION

Accept the Monthly Development Report for The Poplar (2615 Eagle Avenue).

ATTACHMENTS

None

Respectfully submitted,



Jenny Wong, Senior Project Manager

**ISLAND CITY DEVELOPMENT**

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

To: Board of Directors
Island City Development

From: Jenny Wong, Senior Project Manager

Date: September 20, 2023

Re: Accept the Monthly Development Report for The Estuary 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 AHA. On June 5, 2018, City Council approved the resolution to transfer the North Housing site to AHA. The North Housing parcel was successfully transferred to AHA 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 Board reports for project details before this month's update. Documentation of the master planning process may be found at www.northhousing.org.

DISCUSSION**Funding**

AHA has made two funding commitments through its Reserve Policy, one for \$3,750,000 which is flowing through the Alameda Affordable Housing Trust Fund (AAHTF), and one for \$3,000,000 in a direct AHA loan. The AAHTF commitment has been awarded matching funds of \$1,250,000 from the State Local Housing Trust Fund program. Together, the AAHTF commitment is \$5,000,000. AHA approved an option to ground lease the property, at a subsidized rate, in 2021.

The project has received combined City of Alameda funding commitments of approximately \$1,858,000 from various federal and local sources.



The Federal Home Loan Bank of San Francisco awarded \$660,000 in AHP funds to the project.

The Estuary I project has a total of forty (40) Section 8 Project-Based Vouchers awards from AHA. The initial Housing Assistance Payment (HAP) Contract for a total of forty (40) PBVs over twenty (20) years is expected to be worth approximately \$10 million. 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 submits quarterly status reports as required by the PBV award.

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). On July 26, 2023, CTCAC approved an allocation recommendation for the project. The Estuary I is required to close on construction financing and begin construction no later than January 22, 2024.

Permit

The building permit is ready to be issued upon payment of building permit fees for the Estuary I project. Also, the Public Works Department completed its review of the first phase Final Map and the associated backbone improvements plan. On May 16, 2023, City Council approved the first phase Final Map. City staff is working on finalizing the documentation necessary to memorialize the land transfer related to the remanent Right of Way (ROW) parcels along Mosley Avenue to AHA as contemplated in the approved Development Plan.

Procurement

Staff is working on three active procurements: a construction management consultant, a prevailing wage consultant, and a Debt and Equity Investor for the project.

Staff released the RFP for a construction manager on August 31, 2023 with a request for responses to be submitted by September 19, 2023.

For the project's prevailing wage consultant, The Scherer Group was selected for this project.

Staff released the RFQ for debt and equity investor in February 2023 and received interest from multiple parties. Staff, together with the Review Panel, are reviewing all the responses to the Debt and Equity RFQ.

FISCAL IMPACT

The Board previously authorized a predevelopment loan to ICD of \$7,500,000 for costs associated with master planning, carrying costs, demolition, and redevelopment work for Block A of the North Housing project, which includes 155 units of permanent supportive and senior housing, including The Estuary I. At the August 2023 meeting, ICD accepted an additional \$2,500,000 predevelopment loan from AHA. This brings the predevelopment loan on the North Housing Block A projects to a total of \$10,000,000. Funds are disbursed to ICD on an as-needed basis.

The current total available predevelopment loan balance is \$2,229,190 net of anticipated soil stabilization costs. Please refer to the attached chart summarizing expenses through August 31, 2023 (Attachment 1).



Note, in June 2023, the Board also directed staff to utilize other funding sources to cover approximately \$4,000,000 in predevelopment costs of the remaining 9 acres at North Housing.

CEQA

Not Applicable.

RECOMMENDATION

Accept the Monthly Development Report for The Estuary I.

ATTACHMENTS

1. North Housing Expenses Chart Through August 31, 2023

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Jenny Wong', is positioned above the printed name.

Jenny Wong, Senior Project Manager

North Housing Block A Predevelopment Expenses Chart Through August 31, 2023.

North Housing Block A	Total
The Estuary I – 45 units (includes predevelopment, pro rata shares of master plan, demolition, and land carrying costs)	\$1,038,198
The Estuary II – 46 units (includes predevelopment, pro rata shares of master plan, demolition, and land carrying costs)	\$1,042,802
Linnet Corner – 64 units (includes predevelopment, pro rata shares of master plan, demolition, and land carrying costs)	\$1,189,810
Grand Total	\$3,270,810
Anticipated Soil Stabilization Costs for Block A	\$4,500,000
Remaining Predevelopment Loan Available for Block A	\$2,229,190

North Housing	Total
Remaining Nine (9) Acre Land Carrying Costs and Site Pre-Development (includes master planning and demolition) *Shown for informational purposes only	\$4,000,000

**ISLAND CITY DEVELOPMENT**

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

To: Board of Directors
Island City Development

From: Paris Howze, Project Manager

Date: September 20, 2023

Re: Accept the Monthly Development Report for Linnet Corner.

BACKGROUND

Linnet Corner, formerly known as North Housing Senior Apartments, is one of 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 Board reports for project details before this month's update. Documentation of the master planning process may be found at www.northhousing.org.

DISCUSSION**Funding**

On August 23, 2023, the California Tax Credit Committee (CTCAC) and the California Debt Allocation Committee (CDLAC) awarded Linnet Corner an allocation of 4 percent Low-Income Housing Tax Credits (LIHTC) and Tax-Exempt Bonds, respectively. The CTCAC and CDLAC awards will enable the project to break ground in the next six months.

The Federal Home Loan Bank of San Francisco awarded \$945,000 in AHP funds to the project.

On March 9, 2023, the California Housing and Community Development Department (HCD)



released the 2023 Local Housing Trust Fund (LHTF) Program Notice of Funding Availability (NOFA) with funding applications due through May 17, 2023. Staff submitted an LHTF application for additional state-matching funds for this project. On August 1, 2023, the Alameda Affordable Housing Corporation received an initial point score letter for its May 17, 2023 application. Award announcements for the 2023 LHTF program are expected in September 2023.

In February 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 working with HCD staff on finalizing the project report and the standard agreement.

In June 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 worth approximately \$10 million. 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.

Permits

The building permit is ready to be issued upon payment of building permit fees for the Linnet Corner project. Also, the Public Works Department completed its review of the first phase Final Map and the associated backbone improvements plan. On May 16, 2023, City Council approved the first phase Final Map. Staff is working with the City on finalizing the documentation necessary to memorialize the land transfer related to the remanent Right of Way (ROW) parcels along Mosley Avenue to AHA as contemplated in the approved Development Plan and the first phase Final Map.

Procurement

Staff is working on three active procurements: a construction management consultant, a Debt and Equity Investor for the project, and a prevailing wage consultant. Staff released the RFP for a construction manager on August 31, 2023 with a request for responses to be submitted by September 19, 2023. For the project's prevailing wage consultant, The Scherer Group was selected for this project. Staff released the RFQ for debt and equity investor in February 2023 and received interest from multiple parties. Staff, together with the Review Panel, are reviewing all the responses to the Debt and Equity RFQ.

FISCAL IMPACT

The Board previously authorized a predevelopment loan to ICD of \$7,500,000 for costs associated with master planning, carrying costs, demolition, and redevelopment work for Block A of the North Housing project, which includes 155 units of permanent supportive and senior housing, including the Linnet Corner project. At the August 2023 Board meeting, the Board authorized an additional \$2,500,000 predevelopment loan to ICD. This brings the predevelopment loan on the North Housing Block A projects to a total of \$10,000,000. Funds are disbursed to ICD on an as-needed basis.

The current total available predevelopment loan balance is \$2,229,190 net of anticipated soil stabilization costs. Please refer to the attached chart summarizing expenses through August 31, 2023 (Attachment 1).



Note, in June 2023, the Board also directed staff to utilize other funding sources to cover approximately \$4,000,000 in predevelopment costs of the remaining 9 acres at North Housing.

CEQA

Not applicable.

RECOMMENDATION

Accept the Monthly Development Report for Linnet Corner.

ATTACHMENTS

1. North Housing Expenses Chart Through August 31, 2023

Respectfully submitted,



Paris Howze, Project Manager

North Housing Block A Predevelopment Expenses Chart Through August 31, 2023.

North Housing Block A	Total
The Estuary I – 45 units (includes predevelopment, pro rata shares of master plan, demolition, and land carrying costs)	\$1,038,198
The Estuary II – 46 units (includes predevelopment, pro rata shares of master plan, demolition, and land carrying costs)	\$1,042,802
Linnet Corner – 64 units (includes predevelopment, pro rata shares of master plan, demolition, and land carrying costs)	\$1,189,810
Grand Total	\$3,270,810
Anticipated Soil Stabilization Costs for Block A	\$4,500,000
Remaining Predevelopment Loan Available for Block A	\$2,229,190

North Housing	Total
Remaining Nine (9) Acre Land Carrying Costs and Site Pre-Development (includes master planning and demolition) *Shown for informational purposes only	\$4,000,000

**ISLAND CITY DEVELOPMENT**

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

To: Board of Directors
Island City Development

From: Paris Howze, Project Manager

Date: September 20, 2023

Re: Ratify and Adopt the Resolutions for a State of California Grant and Loans, and Authorize the President or her designee to make necessary Minor Adjustments and Execute all Other Documents Required for the North Housing Senior Apartments Development.

BACKGROUND

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. North Housing Senior Apartments 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.

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), Infill Infrastructure Grant (IIG) Program, and the Veterans Housing and Homelessness Prevention (VHHP) Program. On February 2, 2023, staff received a Conditional Award Commitment for the North Housing Senior Apartments project.

DISCUSSION

Per State HCD request, the Borrower resolution needs to reflect the following:

1. The last paragraph of the Borrower resolution needs to include the persons who are authorized to execute loan documents.
2. The Borrower resolution to include a Certificate of Secretary.

In addition, staff updated the Resolutions for the General Partner and Island City Development to replace Janet Basta with Gregory Kats, Secretary/Treasurer of Island City Development as an authorized signer.

FISCAL IMPACT

The resolution(s) is a requirement to obtain the HCD financing that will allow this project to go



forward. The HCD grant and loans will support the construction and financing of the project. The HCD loans will be repaid through a share of residual receipts and a required monitoring fee.

CEQA

Not Applicable.

RECOMMENDATION

Ratify and Adopt the Resolutions for a State of California Grant and Loans, and Authorize the President or her designee to make necessary Minor Adjustments and Execute all Other Documents Required for the North Housing Senior Apartments Development.

ATTACHMENTS

1. MGP - Resolution - ICD Mabuhay LLC
2. Sponsor - Resolution - ICD
3. Borrower - Resolution - Mabuhay and Lakehurst LP

Respectfully submitted,
Paris Howze, Project Manager

**RESOLUTION OF THE MEMBERS OF
ICD MABUHAY LLC**

**INFILL INFRASTRUCTURE GRANT PROGRAM (IIG)
MULTIFAMILY HOUSING PROGRAM (MHP)
VETERANS HOUSING AND HOMELESSNESS PREVENTION PROGRAM (VHHP)**

RESOLUTION NO.: _____

North Housing Senior Apartments

WHEREAS, the California Department of Housing and Community Development ("Department"), as authorized by California Assembly Bill 434 ("AB 434") (Chapter 192, Statutes of 2020), has issued a Multifamily Finance Super Notice of Funding Availability, dated March 30, 2022 and amended on June 10, 2022 ("Multifamily Super NOFA"). The Multifamily Super NOFA provides funding under the following programs: the Multifamily Housing Program; the Joe Serna, Jr., Farmworker Housing Grant Fund; the Veterans Housing and Homelessness Prevention Program; the Infill Incentive Grant Program of 2007; and the Infill Infrastructure Grant Program of 2019.

WHEREAS, **ICD Mabuhay LLC**, a California limited liability company ("LLC"), is authorized as active and in good standing to do business in the State of California, and it is in the LLC's best interests to participate in one or more of the foregoing programs (the "Program(s)") on its own behalf and as the Managing General Partner of Mabuhay and Lakehurst LP, a California limited partnership (the "Borrower").

WHEREAS, Island City Development, the sole member and manager of the LLC submitted an application to the Department in response to the Multifamily Super NOFA (the "Application") and in the foregoing capacity, and was determined to be an eligible Sponsor and/or Grant Recipient under the Program(s) pursuant to that certain conditional award letter, dated February 2, 2023 (the "Conditional Award Commitment").

WHEREAS, pursuant to the Conditional Award Commitment, the Department made conditional awards to the LLC as follows:

Program	Award
Multifamily Housing Program	\$13,474,995
Veterans Housing and Homelessness Prevention Program	\$4,867,201

Program	Award
Infill Infrastructure Grant Program of 2019	\$2,293,116
Total:	\$20,635,312

WHEREAS, each and all of the awards expressly identified above will hereinafter be referred to, both individually and collectively, as the “Program Award.”

NOW, THEREFORE, IT IS RESOLVED, that the LLC is hereby authorized and directed to act on its own behalf and as the Managing General Partner of the Borrower in connection with the Program Award.

RESOLVED FURTHER: LLC is hereby authorized and directed to accept and incur an obligation for the Program Award. That in connection with the total amount of the Program Award, the LLC, on its own behalf and as Managing General Partner of the Borrower, is authorized and directed to enter into, execute, and deliver one or more STD 213(s), Standard Agreement(s), and any and all other documents required or deemed necessary or appropriate to secure the Program Award from the Department and to participate in the relevant Program(s), and all amendments thereto (collectively, the “Program Award Documents”).

RESOLVED FURTHER: LLC acknowledges and agrees that it shall be subject to the terms and conditions specified in the STD 213(s), Standard Agreement(s), and that the Multifamily Super NOFA and the Application will be incorporated by reference therein and made a part thereof. LLC also acknowledges and agrees that any and all activities, expenditures, information, and timelines represented and described in the Application are enforceable through the relevant STD 213(s), Standard Agreement(s). LLC also acknowledges and agrees that Program Award funds are to be expended only on the eligible uses and activities identified in the relevant STD 213(s), Standard Agreement(s).

RESOLVED FURTHER: That Vanessa Cooper, President of Island City Development or Gregory Kats, Secretary/Treasurer of Island City Development, the sole member and manager of the LLC are each individually hereby authorized to execute the Program Award Documents on behalf of the LLC for itself and as Managing General Partner of the Borrower.

CERTIFICATE OF THE SECRETARY OF THE SOLE MEMBER AND MANAGER OF
THE LLC

The undersigned, Carly Grob, Vice President of the Sole Member and Manager of the LLC, does hereby attest and certify that the foregoing is a true, full and correct copy of a resolution that was duly adopted by the LLC's members on **September 20, 2023**, and that the resolution has not been altered, amended, modified, repealed, rescinded, or annulled.

DATE: _____

Carly Grob, Vice President of Island City
Development, the Sole Member and
Manager of the LLC

**RESOLUTION OF THE BOARD OF DIRECTORS OF
ISLAND CITY DEVELOPMENT**

**INFILL INFRASTRUCTURE GRANT PROGRAM (IIG)
MULTIFAMILY HOUSING PROGRAM (MHP)
VETERANS HOUSING AND HOMELESSNESS PREVENTION PROGRAM (VHHP)**

RESOLUTION NO.: _____

North Housing Senior Apartments

WHEREAS, the California Department of Housing and Community Development ("Department"), as authorized by California Assembly Bill 434 ("AB 434") (Chapter 192, Statutes of 2020), has issued a Multifamily Finance Super Notice of Funding Availability, dated March 30, 2022 and amended on June 10, 2022 ("Multifamily Super NOFA"). The Multifamily Super NOFA provides funding under the following programs: the Multifamily Housing Program; the Joe Serna, Jr., Farmworker Housing Grant Fund; the Veterans Housing and Homelessness Prevention Program; the Infill Incentive Grant Program of 2007; and the Infill Infrastructure Grant Program of 2019.

WHEREAS, **Island City Development**, a California nonprofit public benefit corporation ("Corporation"), is authorized as active and in good standing to do business in the State of California, and it is in the Corporation's best interests to participate in one or more of the foregoing programs (the "Program(s)") on its own behalf and as the Sole Member Manager of ICD Mabuhay LLC, a California limited liability company (the "LLC"), the Managing General Partner of Mabuhay and Lakehurst LP, a California limited partnership (the "Borrower").

WHEREAS, Corporation submitted an application to the Department in response to the Multifamily Super NOFA (the "Application") and in the foregoing capacity, and was determined to be an eligible Sponsor and/or Grant Recipient under the Program(s) pursuant to that certain conditional award letter, dated February 2, 2023 (the "Conditional Award Commitment").

WHEREAS, pursuant to the Conditional Award Commitment, the Department made conditional awards to the Corporation as follows:

Program	Award
Multifamily Housing Program	\$13,474,995

Program	Award
Veterans Housing and Homelessness Prevention Program	\$4,867,201
Infill Infrastructure Grant Program of 2019	\$2,293,116
Total:	\$20,635,312

WHEREAS, each and all of the awards expressly identified above will hereinafter be referred to, both individually and collectively, as the “Program Award.”

NOW, THEREFORE, IT IS RESOLVED, that the Corporation is hereby authorized and directed to act on its own behalf and as the Sole Member Manager of the LLC as Managing General Partner of the Borrower in connection with the Program Award.

RESOLVED FURTHER: Corporation is hereby authorized and directed to accept and incur an obligation for the Program Award. That in connection with the total amount of the Program Award, the Corporation, on its own behalf and as Sole Member Manager of the LLC as Managing General Partner of the Borrower, is authorized and directed to enter into, execute, and deliver one or more STD 213(s), Standard Agreement(s), and any and all other documents required or deemed necessary or appropriate to secure the Program Award from the Department and to participate in the relevant Program(s), and all amendments thereto (collectively, the “Program Award Documents”).

RESOLVED FURTHER: Corporation acknowledges and agrees that it shall be subject to the terms and conditions specified in the STD 213(s), Standard Agreement(s), and that the Multifamily Super NOFA and the Application will be incorporated by reference therein and made a part thereof. Corporation also acknowledges and agrees that any and all activities, expenditures, information, and timelines represented and described in the Application are enforceable through the relevant STD 213(s), Standard Agreement(s). Corporation also acknowledges and agrees that Program Award funds are to be expended only on the eligible uses and activities identified in the relevant STD 213(s), Standard Agreement(s).

RESOLVED FURTHER: That Vanessa Cooper, President or Gregory Kats, Secretary/Treasurer are each hereby individually authorized to execute the Program Award Documents on behalf of the Corporation for itself and as Sole Member and Manager of the LLC as Managing General Partner of the Borrower.

CERTIFICATE OF THE SECRETARY OF THE CORPORATION

The undersigned, Carly Grob, Vice President of the Corporation, does hereby attest and certify that the foregoing is a true, full and correct copy of a resolution that was duly adopted by the Corporation's governing body on **September 20, 2023**, and that the resolution has not been altered, amended, modified, repealed, rescinded, or annulled.

DATE: _____

Carly Grob, Vice President

**RESOLUTION OF THE
MABUHAY AND LAKEHURST LP**

**INFILL INFRASTRUCTURE GRANT PROGRAM (IIG)
MULTIFAMILY HOUSING PROGRAM (MHP)
VETERANS HOUSING AND HOMELESSNESS PREVENTION PROGRAM (VHHP)**

RESOLUTION NO.: _____

North Housing Senior Apartments

WHEREAS, the California Department of Housing and Community Development ("Department"), as authorized by California Assembly Bill 434 ("AB 434") (Chapter 192, Statutes of 2020), has issued a Multifamily Finance Super Notice of Funding Availability, dated March 30, 2022 and amended on June 10, 2022 ("Multifamily Super NOFA"). The Multifamily Super NOFA provides funding under the following programs: the Multifamily Housing Program; the Joe Serna, Jr., Farmworker Housing Grant Fund; the Veterans Housing and Homelessness Prevention Program; the Infill Incentive Grant Program of 2007; and the Infill Infrastructure Grant Program of 2019.

WHEREAS, **Mabuhay and Lakehurst LP**, a California limited partnership ("LP"), is authorized as active and in good standing to do business in the State of California, and it is in the LP's best interests to participate in one or more of the foregoing loan programs (the "Loan Program(s)") as the Ultimate Borrower.

WHEREAS, the Department has made a conditional commitment of funds to assist North Housing Senior Apartments as Set Forth in the Application and the Caption Above (the "Project"), and such commitment was made pursuant to that certain conditional award letter, dated February 2, 2023 (the "Conditional Award Commitment").

WHEREAS, pursuant to that Conditional Award Commitment, the Department made the following conditional awards to the awardees identified thereon:

Program	Award
Multifamily Housing Program	\$13,474,995
Veterans Housing and Homelessness Prevention Program	\$4,867,201
Infill Infrastructure Grant Program of 2019	\$2,293,116
Total:	\$20,635,312

WHEREAS, in connection with such Project, the LP has either received, or been assigned, an award of Loan Program funds in the total amount of \$20,635,312 and for the following Grant/Loan Programs: Multifamily Housing Program, Infill Infrastructure Grant Program , and Veterans Housing and Homelessness Prevention Program (the “Loan Program Award”).

NOW, THEREFORE, IT IS RESOLVED, that the LP is hereby authorized and directed to act on its own behalf in connection with the Loan Program Award.

RESOLVED FURTHER: LP is hereby authorized and directed to accept and incur an obligation for the Loan Program Award. That in connection with the total amount of the Loan Program Award, the LP is authorized and directed to enter into, execute, and deliver one or more STD 213(s), Standard Agreement(s), and any and all other documents required or deemed necessary or appropriate to secure the Loan Program Award from the Department and to participate in the relevant Loan Program(s), and all amendments thereto (collectively, the “Loan Program Award Documents”).

RESOLVED FURTHER: LP acknowledges and agrees that it shall be subject to the terms and conditions specified in the STD 213(s), Standard Agreement(s), and that the Multifamily Super NOFA, as well as the corresponding and relevant application (the “Application”), will be incorporated by reference therein and made a part thereof. LP also acknowledges and agrees that any and all activities, expenditures, information, and timelines represented and described in the Application are enforceable through the relevant STD 213(s), Standard Agreement(s). LP also acknowledges and agrees that Loan Program Award funds are to be expended only on the eligible uses and activities identified in the relevant STD 213(s), Standard Agreement(s).

RESOLVED FURTHER: That Vanessa Cooper, President of Island City Development or Gregory Kats, Secretary/Treasurer of Island City Development, the Sole Member and Manager of ICD Mabuhay LLC, the Managing General Partner of the LP, are each individually hereby authorized to execute the Loan Program Award Documents on behalf of the LP.

DATED: _____

MABUHAY AND LAKEHURST LP,
a California limited partnership

By: ICD Mabuhay LLC,
a California limited liability company,
its managing general partner

By: Island City Development,
a California nonprofit public benefit corporation,
its sole member and manager

By: _____
Vanessa Cooper, President

CERTIFICATE OF THE SECRETARY OF THE SOLE MEMBER AND MANAGER OF
THE GENERAL PARTNER TO THE LP

The undersigned, Carly Grob, Vice President of Island City Development, Sole Member and Manager of the General Partner to the LP, does hereby attest and certify that the foregoing is a true, full and correct copy of a resolution that was duly adopted by the LLC's members on **September 20, 2023**, and that the resolution has not been altered, amended, modified, repealed, rescinded, or annulled.

DATE: _____

Carly Grob, Vice President of Island City
Development, the Sole Member and
Manager of the General Partner to LP