

ISLAND CITY DEVELOPMENT

Resolution No. 2024-_____

The Estuary I (North Housing PSH I) Transaction

At a duly constituted meeting of the Board of Directors (the “**Board**”) of Island City Development, a California nonprofit public benefit corporation (“**ICD**”), held on January 17, 2024 (the “**Meeting**”), the following resolutions were adopted:

WHEREAS, ICD has formed and is the sole member and manager of ICD Lakehurst LLC, a California limited liability company (the “**LLC**”), and the LLC has formed and is the sole general partner of Lakehurst and Mosley LP, a California limited partnership (the “**Partnership**”), with the Housing Authority of the City of Alameda, a public body corporate and politic of the State of California (the “**Authority**”), as the initial sole limited partner of the Partnership.

WHEREAS, the Authority is the owner of that certain land located at 500 Mosley Avenue in the City of Alameda (the “**Land**”), which is commonly referred to as The Estuary I (North Housing PSH I).

WHEREAS, the Authority and the Partnership are parties to that certain Option Agreement effective as of November 17, 2021, by and between the Authority as seller and ICD as buyer, as assigned pursuant to that certain Assignment of Option Agreement dated January 1, 2023, between ICD and the Partnership (as assigned, the “**Option Agreement**”) with respect to the Land.

WHEREAS, the Board deems it to be in the best interests of ICD, the LLC, and the Partnership for the Partnership as lessee, to enter into a ground lease and memorandum of ground lease with the Authority as lessor, with respect to the Land for a term of 99 years, and upon such terms and conditions as deemed necessary or appropriate by an Officer (as defined below) (the “**Ground Lease**”).

WHEREAS, the Board deems it to be in the best interests of ICD, the LLC, and the Partnership for the Partnership to acquire from the Authority, rehabilitate, construct, own and operate 45 units of affordable housing (including one (1) unrestricted manager’s unit) currently and to be located on the Land (the Partnership’s leasehold interest in the Land and fee interest in the improvements, including the affordable housing, now or hereafter located thereon is collectively referred to herein as the “**Project**”).

WHEREAS, the Board deems it to be in the best interests of ICD, the LLC, and the Partnership, for the Partnership to enter into a development agreement with ICD, as developer of the Project (the “**Development Agreement**”).

WHEREAS, the Board deems it to be in the best interests of ICD, the LLC, and the Partnership, for ICD, the LLC and the Partnership to assist in the acquisition, construction and development of the Project by: (i) consenting to the withdrawal of the Authority as the initial limited partner from the Partnership and facilitating the admission of Enterprise Housing Credit Investments, LLC, as nominee, or a substitute investor (“**Investor**”), as a 99.99% limited partner

in the Partnership in exchange for capital contributions to the Partnership of approximately \$24,000,000, (ii) amending and restating the agreement of limited partnership of the Partnership (the “**Partnership Agreement**”) to provide for such other matters as may be required by the Investor, and (iii) entering into the Guaranty Agreement (the “**Guaranty Agreement**”) for the benefit of the Partnership and the Investor (collectively, the “**Syndication**”).

WHEREAS, the Board deems it to be in the best interests of ICD, the LLC, and the Partnership, for ICD or the LLC (as applicable, the “**State Credit Recipient**”) to sell (the “**State Credit Sale**”) certain low income housing tax credits allocated to the State Credit Recipient to Investor or a substitute purchaser for a purchase price of approximately \$5,500,000 (the “**State Credit Proceeds**”).

WHEREAS, the Board deems it to be in the best interests of ICD to obtain a grant or loan from the City of Alameda of Community Development Block Grant Program funds in an amount not to exceed \$694,043 (the “**CDBG Funding Grant**”) and to lend the proceeds thereof to the Partnership.

WHEREAS, the Board deems it to be in the best interests of ICD, the LLC, and the Partnership for the Partnership to obtain the following financings for the Project, which will be secured by liens on the Project (“**Secured Financings**”):

(a) A recourse construction loan from Bank of America, N.A., a national banking association (“**Bank Lender**”), in an amount not to exceed \$26,500,000, which construction loan will convert to a nonrecourse permanent loan in an amount not to exceed \$1,500,000 (collectively, the “**Bank Loan**”).

(b) One or more loans from the City of Alameda (“**City**”) of Community Development Block Grant Program funds, HOME funds, Affordable Housing Unit Fee funds and Permanent Local Housing Allocation funds in an aggregate amount not to exceed \$2,500,000.

(c) A loan from Alameda Affordable Housing Corporation of Local Housing Trust Fund Program funds from the California Department of Housing and Community Development and matching funds in an aggregate amount not to exceed \$5,000,000.

(d) A takeback loan from the Authority in an amount not to exceed \$2,200,000.

(e) A cash loan from the Authority in an amount not to exceed \$3,000,000.

(f) A loan from the State Credit Recipient of the State Credit Proceeds; alternatively, the Partnership may receive the State Credit Proceeds as an equity investment directly from Investor

(g) A loan from ICD of the CDBG Funding Grant; alternatively, the Partnership may borrow the CDBG Funding Grant from the City or the Authority.

(h) A loan from the Authority, Bank of Marin, Bank of America, N.A. a national banking association, or another bank or lender, of Affordable Housing Program funds from the Federal Home Loan Bank in an amount not to exceed \$660,000.

WHEREAS, the Board deems it to be in the best interests of ICD, the LLC, and the Partnership for the Partnership to enter into interest rate swaps, caps, collars, floors (including any option), amendments or supplements thereto, and assignments or terminations thereof, from time to time to hedge or otherwise manage interest rate exposure in relation to assets or liabilities of the Partnership (collectively, the “**Swap Documents**”).

WHEREAS, as a condition of the State Credit Sale, the Secured Financings and the Syndication, the lenders and the Investor may require that ICD, the LLC and/or the Partnership (a) guaranty the payment and performance by the Partnership and/or the LLC of their obligations under the documents evidencing and securing the Secured Financings and the Syndication, and guaranty timely lien-free completion of the Project and make certain indemnities (the “**Guaranties**”), and/or (b) assign any fees from the Partnership or pledge other interests in the Project as security for the Secured Financings and the Syndication (the “**Security Assignments**”), and the Board deems it to be in the best interests for ICD, the LLC and the Partnership, to make and enter into the Guaranties and Security Assignments.

WHEREAS, the Board deems it to be in the best interests of ICD, the LLC, and the Partnership for ICD, the LLC and the Partnership to execute and deliver any and all documents or agreements necessary or advisable for the acquisition, development, financing, construction, rehabilitation, management, operation and maintenance of the Project, including, but not limited to, all grant deeds, deeds of trust, UCC financing statements, regulatory agreements, assignments of rents, leases, income and profits, general assignments, construction contracts, architect agreements, grant agreements, development agreements, sub-development agreements, management agreements, service contracts, housing assistance payments contracts and similar or related agreements for housing subsidies, and any other types of agreements (collectively, the “**Project Documents**”).

WHEREAS, the Board deems it to be in the best interests of ICD, the LLC, and the Partnership for ICD, the LLC and the Partnership, as applicable, to enter into condominium documents and related association documents, to grant any easement and/or a dedication of a portion of the Project, as may be necessary, to the City and/or the County of Alameda, or other public body, and to execute such documents and to perform such actions as may be required in order to obtain all necessary and appropriate entitlements, permits and any other authorization for the acquisition, development, management or operation of the Project and for any waiver of entitlement or similar fees (collectively, the “**Entitlement Documents**”).

WHEREAS, the Board deems it to be in the best interests of ICD, the LLC, and the Partnership for ICD, the LLC and the Partnership to execute such documents (including, without limitation, any indemnities and guaranties) and to perform such actions as may be required in order to obtain all necessary and appropriate title insurance (owner and lender policies) for the Project (collectively, the “**Title Documents**”).

WHEREAS, the Board deems it to be in the best interests of ICD, the LLC, and the Partnership for the Partnership to enter into a housing assistance payments contract, an agreement to enter into a housing assistance payments contract, or such other agreement or document in connection with a project-based voucher assistance with the Authority or such other appropriate party (collectively, the “**HAP Documents**”).

NOW, THEREFORE, BE IT RESOLVED, that ICD for itself, the LLC and the Partnership, does hereby approve and is authorized to enter into the following transactions and documents, as applicable:

1. Ground Lease and memorandum thereof;
2. Development Agreement;
3. Partnership Agreement, the Guaranty Agreement and the Syndication;
4. The State Credit Proceeds;
5. CDBG Funding Grant;
6. Secured Financings;
7. Swap Documents;
8. Guaranties and Security Assignments;
9. Project Documents;
10. Entitlement Documents;
11. Title Documents;
12. HAP Documents; and
13. Such other documents, agreements and contracts deemed necessary or advisable by an Officer in furtherance of these resolutions and/or to assist in the development of the Project (collectively, the “**Transaction Documents**”), using his or her own independent judgment.

BE IT FURTHER RESOLVED, that Board hereby authorizes each of (a) Vanessa Cooper, President of ICD, (b) Gregory Kats, Secretary and Treasurer of ICD, and (c) any other person designated by Vanessa Cooper, President of ICD (each, an “**Officer**”), acting alone to accept the Transaction Documents subject to any minor conforming, technical or clarifying changes approved by an Officer and ICD counsel. Each Officer is hereby further authorized and directed to take such further actions including financial changes to the development budget, including removing or reducing the permanent loan by increasing capital contributions to the Partnership, increasing deferred developer fee, and adjusting costs, up to a limit of \$2,000,000, such that total development costs do not change by \$500,000, and execute and record such documents as are necessary to accept the Transaction Documents, for itself, the LLC and the Partnership.

BE IT FURTHER RESOLVED, that all actions previously taken by ICD, the LLC and the Partnership, and any of their employees, officers and agents, in connection with the Project or the transactions described herein are hereby ratified and approved.

ATTEST:

Vanessa M. Cooper
President

Carly Grob
Vice President

Adopted:

Date