



ISLAND CITY DEVELOPMENT AGENDA

AGENDA

DATE & TIME

REGULAR MEETING OF ISLAND CITY DEVELOPMENT

Wednesday, February 21, 2024 - 6:32 PM

LOCATION

Independence Plaza, 703 Atlantic Avenue, Alameda, CA 94501

PUBLIC PARTICIPATION

Public access to this meeting is available through the Zoom link below:

Join Zoom Meeting

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

Meeting ID: 889 4695 9564

Passcode: 067149

One tap mobile

+16694449171,,88946959564#,,,,*067149# US

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1. CALL TO ORDER & ROLL CALL
2. PUBLIC COMMENT (Non-Agenda)
3. 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.

4. CONSENT CALENDAR (Action)

- A. Approve Minutes of the Special ICD Meeting held on January 17, 2024.
- B. Accept the Monthly Update on Construction in Progress (CIP).
- C. Accept the Monthly Development Report for The Estuary I.
- D. Accept the Quarterly Overview Report for the Housing Development Department.
- E. Accept the Quarterly Development Report for The Estuary II.
- F. Adopt Revisions to the ICD Procurement Policy
- G. Authorize the Executive Director to approve a contract between the Housing Authority of the City of Alameda and affiliates, Alameda Affordable Housing Corporation and Island City Development, and Transystems Corporation for Relocation Services for a not to exceed amount of Five Hundred Thousand dollars and Zero cents (\$500,000.00) until February 28, 2027.
- H. Authorize the President to Negotiate and Execute a Contract between Concore Development Group, Inc. Not To Exceed \$300,000 for Construction Management Services for North Housing Block A Projects.

5. NEW BUSINESS

- A. Accept the Quarterly Development Report; Accept a \$2,100,000 Predevelopment Loan and 20 year Option to Ground Lease from the Housing Authority of the City of Alameda; Authorize the President or Designee to Negotiate and Execute the Predevelopment Loan and Option Agreement for The Poplar (2615 Eagle Avenue).
- B. Accept the Monthly Development Report for Linnet Corner and Adopt the Authorizing Resolution No. 2024-03 for the Ground Lease and Cash Loans and Approve the Financing and Ownership Structure for Linnet Corner

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, January 17, 2024

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 7:51 PM. The following Board members were present: Director Vanessa Cooper, Director Carly Grob, and Director Greg Kats; quorum established. Staff in attendance: Louie So, Joseph Nagel, Sarah Raskin, Paris Howze, Jenny Wong, Stephen Zhou, Tony Weng, 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, Chair of the meeting confirmed that three directors were present at the physical location of the meeting, therefore AB 2449 compliance was established.

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

4. CONSENT CALENDAR (Action)

- A. Approve Minutes of the Regular Annual Board of Directors Meeting held on December 20, 2023.
- B. Accept the Monthly Update on Construction in Progress (CIP) and Authorize the Executive Director to Sign Amendment 7 to the North



Housing contract with Engeo for soil management related environmental services in the amount of \$36,800.

- C. Accept the Monthly Development Report for The Estuary I.
- D. Approve to Write-off of Uncollectible Accounts Receivable from Former Tenants
- E. Authorize the Creation of ICD Shinsei LLC, a California limited liability company to enter Shinsei Gardens Apartments, L.P. as a Substitute Limited Partner, authorized to accept the assignment of the withdrawing Limited Partner's 99.99% limited partner interest and subsequently accept the assignment of the withdrawing Special Limited Partner's 0.001% interest in the partnership and Authorize the President, or her assigns, to Negotiate and Execute a Revised Limited Partnership Agreement to align with the Continued Operating Agreement with Resources for Community Development effective July 1, 2023.
- F. Authorize the Executive Director to Execute Contracts Totaling Up to \$324,710 to the Carlson, Barbee, and Gibson, Inc. for Civil Engineering Services for the Three Separate Contracts for The Estuary I, The Estuary II, and Linnet Corner.

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

5. NEW BUSINESS

- A. Adopt the Authorizing Resolution No. 2024-2 for the Ground Lease, Seller and Cash Loans and Approve Financing Structure for The Estuary I. Authorize the President to Negotiate and Execute all Documents to Create The Estuary Owners Association, a California nonprofit mutual benefit corporation, to serve as the Condominium Association for The Estuary I and Estuary II projects.

Staff J. Wong presented the item and described the modifications to the previously passed resolution. The first of the modifications is changing the recipient of the CDBG grant from the partnership, Lakehurst and Mosley LP, to ICD. The funds will be transferred as a loan from ICD to Lakehurst and Mosley LP. Secondly, the resolution allows for up to \$2 million in potential adjustments to the development budget, such as increasing the deferred developer fee amount or lowering the operating reserve and additional operating reserve. Lastly, the resolution now authorizes the President to create a California nonprofit mutual benefit corporation, The Estuary Owners Association, for the Estuary I and Estuary II projects.

Director Kats asked for clarification about a potential decrease in the deferred developer fee. Director Cooper asked whether we are reducing



the overall development budget, and staff J. Wong explained that the budgeted amount will not be changing, but rather, there may need to be adjustments to the specific amounts of items such as LIHTC pricing within the budget. Additionally, Director Cooper asked if staff are requesting signatures on the CDBG Grant Agreement, the CDBG Loan Agreement, and the Ownership Association documents, and staff J. Wong answered yes.

Director Kats moved to accept the resolution, as amended; Director Grob seconded. A roll call for all in favor, the motion passed unanimously.

- B. Adopt the Authorizing Resolution No. 2024-01 for the Ground Lease and Cash Loans, Approve the Financing and Ownership Structure for Linnet Corner, and Approve and Authorize the President to Negotiate and Execute a Contract Not to Exceed \$31,305,183.75 with J.H. Fitzmaurice for General Contractor Services.

Staff P. Howze previously presented Item 5B to the AHA Board of Commissioners, and all Board members were in attendance for the presentation.

Director Cooper asked if this is a separate resolution from the AHA item and if it will need a signature, and Staff P. Howze answered yes.

Director Grob moved to accept the resolution; Director Kats seconded. A roll call for all in favor, the motion passed unanimously.

6. NON-AGENDA (Public Comment)

Director Kats thanked AHA staff for their hard work on the North Housing projects, and Directors Grob and Cooper seconded.

7. WRITTEN COMMUNICATIONS

A. Rosefield Village Inquiries

There was no public comment for the Rosefield Village Inquiries.

8. ORAL COMMUNICATIONS – BOARD MEMBERS AND STAFF

9. ADJOURNMENT

Director Cooper adjourned the meeting at 8:08 PM.



**ISLAND CITY DEVELOPMENT**

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

To: Board of Directors
Island City Development

From: Joseph Nagel, Construction Project Manager, Bridget Galka, Project Manager

Date: February 21, 2024

Re: Accept the Monthly Update on Construction in Progress (CIP).

BACKGROUND

The Housing Authority of the City of Alameda (AHA) and its affiliate, the Alameda Affordable Housing Authority (AAHC), own and operate multifamily property throughout Alameda.

Periodically, work is scheduled to maintain and upgrade existing buildings, or to improve property that is anticipated to be redeveloped in the future. In 2022, AHA and AAHC obtained Physical Needs Assessments on all properties over 5 years old. These assessments delineated capital needs over a 15-year period, but also highlighted any health/safety needs and items for short-term attention. AHA and AAHC have completed or begun all health/safety items, and plan to address short-term needs through the annual budgeting process for every property.

In addition, three properties (China Clipper, Independence Plaza and Esperanza) were targeted as having substantial long-term needs, and staff is beginning to study how these investments might be funded. There are multiple sizeable projects being planned or underway at this time. Staff prioritizes work that is health and safety-related, lender-required, or provide risk mitigation. This report serves to provide updates on this work. A formal update to the Board is expected in 2024.

DISCUSSION

The following construction projects are in progress as of this Board Meeting.

1. North Housing Master-Plan Site Preparation

Block A of Site: North Housing, 501 Mosley Ave

Purpose: Prepare site for future development of affordable housing

Timeline: October 2023 to March 2024

Status: Notice to proceed issued on 10/4/2023. The contractor began site mobilization on 10/10/2023. By the end of January, site preparation was 95% complete. The rains have caused delays and made scheduling the completion of the work unpredictable. The construction contract may need to be extended if weather continues to cause delays in completion beyond 2/12/24. Staff extended the Builder's Risk Insurance in anticipation of a contract extension for time due to weather delays. At the time of this report, no cost increases to the contract are anticipated for time extension.



2. North Housing Block A - Offsite Improvements

Site: North Housing Block A, 501 Mosley Ave

Purpose: In addition to the soil stabilization work being completed at North Housing Block A to serve the future housing developments. AHA contracted with J.H. Fitzmarice, Inc. (JHF) for offsite improvements such as the realignment of Lakehurst Circle, the new water main extension, and the new Mabuhay Street. Offsite improvements work is expected to take approximately ten months to complete and is on a parallel track to the two upcoming housing development projects (Estuary I and Linnet Corner). Costs for the work are budgeted in each of the housing developments at Block A and funding was previously approved by the Board of Commissioners in December 2023.

Timeline: February 2024 to February 2025

Status: A Notice to proceed was issued on 1/31/2024 and the contractor is expected to mobilize on or before 2/14/2024. Construction completion is at 0%.

3. Below Market Rent unit renovation

Site: 410 Tucker Ave.

Purpose: Renovate this recently-purchased affordable home so that it can be rented.

Timeline: Complete.

Status: The renovation is complete. The HQS inspection was performed and passed on 1/25/2024. Keys were turned over to FPI for lease-up on 2/6/2024.

4. Parrot Village Siding/Paint Repairs

Site: Parrot Village

Purpose: Lender required exterior repairs and new exterior paint

Timeline: Work is expected to take 3–4 Months (Weather Permitting).

Status: The siding is complete, the painting has experienced weather delays and is scheduled to begin the week of 2/26/2024.

5. Eagle Village Siding/Paint Repairs.

Site: Eagle Village

Purpose: Lender required exterior repairs and new exterior paint

Timeline: Work is expected to take 4-5 Months (Weather Permitting).

Status: The work has experienced weather delays and is scheduled to begin the week of 2/26/2024 and be completed by July 2024.

6. Guardrail and Stair Handrail Renovations

Sites: Esperanza, China Clipper, Lincoln House, Anne B. Diament, Stanford House and Parrot Gardens

Purpose: Upgrade guard rails and handrails for safety reasons as noted in the 2022 Physical Needs Assessments (PNAs).

Timeline: The work should take 8–10 weeks to complete.

Status: An RFP was issued on 8/28/2023 and a bid walk conducted 9/26/2023. AHA received (1) proposal for the work at these (6) properties and AHA has hired a consultant, Leland Saylor Associates, to perform a cost analysis of the sole proposal that was received.



7. China Clipper Electrical Upgrade

Site: China Clipper

Purpose: Upgrade electrical panels for safety reasons as noted in 2022 PNA.

Timeline: The work is expected to take 6–8 weeks.

Status: The permit for this work was approved on 1/25/2024 and work is expected to begin in February 2024.

8. Anne B. Diamant Balcony Repairs

Site: Anne B. Diamant

Purpose: Repair balconies in compliance with Senate Bill 721.

Timeline: This scope of work is expected to take 6 months to complete.

Status: The permit was approved by the City of Alameda Building Department on 2/5/2024, and the work is expected to begin in early March 2024.

9. Wayfinding Signage Installation at Parrot Garden, Parrot Village, and Eagle Village

Sites: Parrot Garden, Parrot Village, and Eagle Village

Purpose: Install wayfinding, "YOU ARE HERE" signs to assist emergency services and visitors.

Timeline: Complete.

Status: This work was completed on 1/4/2024.

10. Independence Plaza Balcony Repairs/Sewer Study

Site: Independence Plaza

Purpose: Balconies were repaired in 2022-23 in accordance with Senate Bill 721. To finalize the permits, the private sewer laterals must be pressure/vacuum tested by East Bay Municipal Utility District (EBMUD).

Timeline: This work is expected to take 2–3 weeks to complete. (Weather Permitting)

Status: This work is scheduled to begin in the middle of November 2023. (Weather Permitting).

11. Wayfinding Signage Installation at Everett Commons and Littlejohn Commons.

Sites: Everett Commons and Littlejohn Commons

Purpose: Complete.

Status: Signage has been installed

12. SB 721 Inspections

Sites: Lincoln House, China Clipper, Stanford House, Esperanza, LittleJohn Commons, Everett Commons, Independence Plaza

Purpose: Senate Bill 721 enacted 9/17/2018 requires all properties with 3 or more multifamily dwelling units have all exterior elevated elements and associated waterproofing assemblies



be inspected every 6 years.

Timeline: Inspections to be completed and reports received by July 2024.

Status: An RFP was issued on 12/5/2023 and (5) proposals were received. Interviews for the (5) respondents have been completed, and an intent to award decision is expected by 2/15/2024.

FISCAL IMPACT

Funding for the North Housing Master Plan was approved by the Board of Commissioners in August 2023. Funding for the North Housing Block A Offsite Improvements was approved by the Board of Commissioners in December 2023. Funding for repairs and maintenance on existing properties owned by either AHA or the AAHC is from either project reserves or the 2022 Reserve Policy Preservation Budget, as adopted by the AHA Board of Commissioners.

Funding for the Independence Plaza Balcony repair is also being supported by redevelopment funds from the City of Alameda.

CEQA

None

RECOMMENDATION

Accept the Monthly Update on Construction in Progress (CIP).

ATTACHMENTS

None

Respectfully submitted,



Joseph Nagel, Construction Project Manager, Bridget Galka, 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: February 21, 2024

Re: Accept the Monthly Development Report for The Estuary I.

BACKGROUND

The Estuary I, formerly known as North Housing PSH I, is the first 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. As of May 30, 2019, The North Housing parcel is under the Housing Authority of the City of Alameda (AHA) ownership.

The Estuary I project, located at 500 Mosley Avenue, includes the new construction of 45 units permanent supportive housing for formerly homeless individuals and households. AHA is leading the development under a homeless accommodation conveyance, alongside providers Alameda Point Collaborative (APC) and Building Futures. Island City Development (ICD) is the developer. The overall project scope includes construction of a new building featuring onsite laundry, property management offices, social services coordination offices, a community room, bicycle parking, and ground improvements to Lakehurst Circle and Mabuhay Street.

Please see previous Board reports for project details prior to this report.

DISCUSSION**Funding**

The project was awarded Section 8 Project-Based Vouchers (PBVs) for 40 of the 45 total units. The Partnership and AHA executed the Agreement to Enter into a Housing Assistance Payment contract (AHAP) in October 2023.

In January 2024, the Board approved Authorizing Resolution No. 2024-2 and the financing and ownership structure for The Estuary I project. Project financing includes investor equity through the sale of 9% Low Income Housing Tax Credits and California State Tax Credits; two soft loans (repaid by cash flow) from AHA, one for sponsor takeback financing and one from AHA cash reserves; Alameda Affordable Housing Trust Fund (AAHTF) loan from Alameda Affordable Housing Corporation (AAHC); PLHA loan, CDBG funds, HOME funds, and waived development impact fees from the City of Alameda; Affordable Housing Program (AHP) loan from AHA as the Sponsor through the Federal Home Loan Bank of San Francisco



February 21, 2024

(FHLB); and General Partner (GP) equity.

Staff are working on the disbursement requests for the City CDBG funds, FHLB AHP funds, and matching funds from the state Local Housing Trust Fund committed to the project.

Bank of America (construction lender) credit approval requires a lien-free construction completion milestone of November 30, 2025 in their loan documents. This item was brought to AHA attention, because it was missed in the original loan documents and is now requested to be added. This milestone may be challenging to meet given the planned timelines of the project and the offsite work. If there is a possibility the metric may be missed, Bank of America allows a request for a loan modification to revise the dates 60 days prior to the deadline. However, the risks to ownership include lack of compliance with loan covenants, filing an early notice of completion, requirement to indemnify title and the Bank against liens and other considerations. Staff will remain diligent to monitor progress on meeting all the funder-required timelines on this project.

Construction

The Estuary I closed on its financing and began construction at the end of January 2024. Construction of The Estuary I will take approximately 18 months. The overall project completion and billing percentage through January 31, 2024 is 0%.

Related Agreements and Development Items

Staff is working with legal counsel and design consultants to prepare a document to be recorded against the land demonstrating the condo air space division of the parcel shared between The Estuary I and The Estuary II projects. This condo will be the legal parcel for The Estuary II, which is adjacent to The Estuary I and on the same parcel. Staff is also working to prepare a reciprocal access easement between The Estuary I partnership, The Estuary II partnership, and Linnet Corner partnership that will outline shared amenities and utilities, including but not limited to, common areas, car and bicycle parking, lighting, sidewalks, and utility infrastructure, as needed to support the operations of each project. The condo division and reciprocal access easement are contemplated as part of the master plan for the Block A site.

The North Housing Site has an existing Reciprocal Easement Agreement between AHA and the neighboring property owner of Admirals Cove Apartments, CP VI Admirals Cove, LLC for the use of Lakehurst Circle. The approved first phase parcel map made adjustments to Lakehurst Circle, a private street located on the western portion of the site. Staff is working with the neighbor on a street maintenance and lien agreement for Lakehurst Circle.

The three agreements referenced above will be brought back to the Board for ratification in 2024.

FISCAL IMPACT

The AHA Board authorized a pre-development loan to ICD totaling \$10,000,000 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 Estuary I. Funds are disbursed to ICD on an as-needed basis. Please refer to the attached chart summarizing expenses through January 31, 2024. (Attachment 1)



At the closing, a portion of the outstanding balance of \$1,958,597 on the predevelopment loan net of anticipated soil stabilization costs and predevelopment costs was recast to the permanent loan by the AAHTF loan. The remaining costs will be recast in the next month's construction loan draw. Staff is drafting a reimbursement agreement to document recasting all expenses paid through the predevelopment loan to the AAHTF funds, and to cover all future master plan costs undertaken by AHA. All prior and future costs incurred by the project through conversion will be paid by financing committed to the Partnership through a monthly draw request to the construction and soft lenders.

CEQA

Not Applicable.

RECOMMENDATION

Accept the Monthly Development Report for The Estuary I.

ATTACHMENTS

1. North Housing Expenses Chart Through January 31, 2024

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 January 31, 2024

North Housing Block A	Total
The Estuary I - 45 units (includes predevelopment, pro rata shares of master plan, demolition, and land carrying costs), \$1,958,598 has been reclass to permanent sources at loan closing. The remaining costs will be reclass by the next construction loan draw.	\$71,330
The Estuary II - 46 units (includes predevelopment, pro rata shares of master plan, demolition, and land carrying costs)	\$1,209,665
Linnet Corner - 64 units (includes predevelopment, pro rata shares of master plan, demolition, and land carrying costs)	\$1,502,340
Grand Total	\$2,783,335
Anticipated Soil Stabilization Costs	\$5,003,993
Predevelopment Funds Remaining	\$254,074

North Housing	Total
Remaining Nine (9) Acre Land Carrying Costs and Site Predevelopment (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: Sylvia Martinez, Director of Housing Development

Date: February 21, 2024

Re: Accept the Quarterly Overview Report for the Housing Development Department.

BACKGROUND

This memo provides an overview of the Housing Development departmental activities for the prior quarter.

DISCUSSION**Reserve Policy**

The 2022 Reserve Policy allowed for funding to 'spring back' to various projects if the development at 1628 Webster Street did not move forward. Staff proposes to utilize the \$1,500,000 available under this provision to improve the competitiveness of the project in the February 13, 2024, nine percent (9%) tax credit funding application to the California Tax Credit Allocation Committee. Staff also proposes to utilize part of the spring back commitment to The Poplar as a pre-development loan. Please see the respective agenda items and requests for more detail. The 2022 Reserve Policy is attached for reference (Attachment 1). An update to the Reserve Policy will be brought to the Board before mid-2024.

Challenges to Development

The recent closings for Estuary I and Linnet Corner have highlighted an issue for the Housing Authority of the City of Alameda (AHA) regarding the contingent liabilities of HAP loss, or the loss of Housing Assistance Payments. Contingent liabilities are guarantees that the AHA needs to disclose that are not currently active, but may be triggered by some sort of event in the future. An example is the operating deficit guarantee. If the project is operating well, this guarantee is silent. However, if the property starts running into operating deficits, a lender will typically invoke a financial provision that AHA or Island City Development (ICD) will loan the project funds to continue operations. That loan amount is usually defined up to a certain amount, and can be a priority repayment if the project stabilizes. All of ICD's developments have permanent lenders or investors that require operating deficit guarantees, as do the four properties owned by the Alameda Affordable Housing Corporation (AAHC) that have mortgages.

HAP loss is a special kind of operating deficit guarantee. Since projects rely on the income from a project based rental assistance contract from AHA, the potential loss or substantial delay of housing assistance payments are a serious issue for the project's solvency. For



Estuary II, the lender and investor are requiring a separate HAP loss guaranty of up to \$3.4 million in the event that HAP is lost during the first 15 years of operations. This is in addition to the operating deficit guarantee of \$487,000, which is triggered during the initial two years if a certain debt service coverage is not maintained. The guarantees are also in addition to any actual reserves at the properties. In past transactions, the investor and lender have been satisfied with the operating deficit guarantees, which are much lower. However, with the increased reliance on HAP payments, the lenders and investors are requiring these longer term and more significant HAP loss guarantees. It is anticipated that Linnet Corner, and also Estuary II will have similar contingent liability guarantees. As AHA shifts from owning many of its properties free and clear of debt, to partnering with outside investors and lending institutions to support its projects, these guarantees will be an additional requirement of operations.

Island City Development

AHA does not have an outstanding pre-development loan to ICD on behalf of North Housing, as that loan was transferred to AAHC in order to leverage state funds to the Alameda Affordable Housing Trust Fund (AAHTF). In July 2021, the AAHTF awarded \$7,500,000 and a Letter of Intent for \$2,500,000 (contingent on an award from the Local Housing Trust Fund program of the State of California). The total of \$10,000,000 are committed to Estuary I and Estuary II. In May 2023, the AAHTF awarded \$2,438,000 and a Letter of Intent for an additional \$1,000,000 (contingent on an award from the Local Housing Trust Fund). The total of \$3,438,000 are committed to Linnet Corner. AHA, has also provided options to ground lease for the four ICD pipeline projects (Estuary I and II, Linnet Corner, and The Poplar). The loan balance and project details are discussed in the subsequent project specific Board reports.

In September 2023, ICD signed two Agreements of Housing Assistance Payment Contract (AHAP) with the AHA for eighty vouchers at Estuary I and Linnet Corner. There is an outstanding voucher commitment to Estuary II for forty vouchers as well, pending full financing of the projects.

Affordable Housing Project Pipeline

Staff has now implemented a periodic pipeline newsletter system to communicate with interested parties. The most recent newsletter was released in February 2024.

- **Rosefield Village** – Rosefield converted to permanent financing in August 2023. It has submitted its Placed in Service package to the California Tax Credit Allocation Committee and is waiting for its final tax forms (IRS 8609) to be able to deliver tax credits to its investor. This should occur by the end of first quarter 2024.
- **Estuary I, Estuary II, Linnet Corner** – Estuary I closed on 1/30/24. Linnet Corner is planning to close the week of February 26, 2024. An update report on these projects is presented as a separate Board item.
- **North Master Plan** - The Board approved the contract for site stabilization work at North Housing Block A in July 2023, and work is nearly complete. There is an update on this work in the CIP Report.
- **The Poplar (2615 Eagle)** - An updated report on the project is presented as a separate Board item.
- **Feasibility Studies** – Utilizing data from recent PNAs, appraisals, and accessibility



studies, staff is conducting financial feasibility analysis on three portfolio projects (Independence Plaza, China Clipper, and Esperanza) regarding needs and opportunities for renovation. Staff continues to explore avenues to utilize the AHA's Faircloth voucher allocation.

Acquisitions

Staff continues to evaluate potential real estate development and acquisition opportunities throughout Alameda as they become available.

New Funding Opportunities

Staff is working on the 3rd and 4th major funding applications of the year. From earlier applications, ICD projects are still waiting for results from the State of California SuperNOFA for Estuary II and the National Housing Trust Fund.

Construction in Progress

A separate report to the Board tracks the many different activities that are underway to improve the portfolio and prepare sites for development.

Staffing

The Housing Development Department is fully staffed and has benefited from part-time work from Richard Yoshida and Bridget Galka to assist in covering staff leave and providing support for the two North Housing closings. The Finance department has provided significant support to the HD department for the two North Housing closings. Staff is also transitioning tasks to the new Asset Management Department.

FISCAL IMPACT

N/A

CEQA

N/A

RECOMMENDATION

Accept the Monthly Overview Report for Housing Development.

ATTACHMENTS

1. Att 1 2022 Reserve Policy Calculations and Background_May BOC (3)
2. Housing Development Newsletter Q1 Final

Respectfully submitted,



Sylvia Martinez, Director of Housing Development



ment 1 - Calculations and Background Numbers
g Authority of the City of Alameda
026 Reserve Policy - May 2022 Update

Cash as of 2/29/22		\$34,140,472
	Rounded	\$34,140,000

Operating and Liquidity Reserve		
a. One Month operations (per approved 22-23 budget)		\$4,362,624
b. One Month housing assistance payments (per approved 22-23 budget)		\$3,048,165
		\$7,410,789
	Rounded	\$7,500,000

Preservation - Construction in Progress 2021-2026		\$9,000,000
---------------------------------------------------	--	-------------

Production - Previously made commitments/Proposed Commitments	2021 awards	2022 Proposed	Maximum		
Project	Amount	Amount	Authority	Type	Notes:
1. North Housing - Phase I and II (PSH units)	\$700,000	\$1,262,000	\$1,262,000	Perm	BOC awarded \$7.5 mm; \$6.238 mm utilized in a predev loan
2. Bay 37/Pulte	\$1,340,000	\$1,340,000	\$1,340,000	Perm	BOC awarded \$3.75 mm; \$1.4 mm already utilized for 11 acquisitions
3. Tilden Commons (2615 Eagle)	\$2,500,000	\$1,100,000	\$1,100,000	Acq	BOC awarded \$2.5 mm; ROPS will repay \$1.4 million in FY22-23
4. North Housing PSH I * unused funds spring to NH Senior	\$0	\$3,000,000	\$3,000,000	Perm	Predevelopment to 55-year loan
5. North Housing PSH II			\$1,500,000	Perm	Predevelopment to 55-year loan
6. North Housing Senior	\$0	\$2,438,000	\$4,538,000	Perm	Predevelopment to 55-year loan
7. Tilden Commons (2615 Eagle)	\$0	\$500,000	\$4,400,000	Perm	Predevelopment to 55-year loan
8. Portfolio refi and syndication	\$0	\$0	\$500,000	Predev	Up to 5 years
9. Acquisition Adaptive Reuse - 50 units *unused springs to others	\$0	\$ 8,000,000	\$ 8,000,000	Perm	Predevelopment to 55-year loan
		\$17,640,000	\$25,640,000		
Uncommitted		\$0			
TOTAL RESERVE USES					\$34,140,000

* unused funds will snap back to NH PSHI or NH Senior

* unused funds will snap back to AUSD, NH and renovations

AUSD	\$ 3,900,000
Renov	\$ 500,000
NH PSH2	\$ 1,500,000
NH Sr	\$ 2,100,000
	\$ 8,000,000

Elements and Percentages

AHA RESERVE POLICY OVERVIEW			Proposed	
	2021		2022	
	Funding	Pct	Funding	Pct
Operating Reserve	\$6,000,000	20%	\$7,500,000	22%
Preservation Fund	\$9,000,000	30%	\$9,000,000	26%
Production Fund	\$15,000,000	50%	\$17,640,000	52%
	\$30,000,000		\$34,140,000	

Housing Development



DEVELOPMENT PIPELINE QUARTERLY UPDATE

Housing Development Under construction:

The first phase of construction on 155 units of affordable housing is west Alameda at North Housing Block A started in mid-October. The first phases of activity focused on site grading and preparations to pour foundations. The soil stabilization work is currently progressing toward completion expected in early 2024 and the lightweight cellular concrete foundations have been installed for all three buildings. Offsite work and vertical construction are expected to begin in the coming months for Linnet Corner and The Estuary I.



On December 5, 2023, The City of Alameda city council held its Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing and approved the issuance of the California Municipal Finance Authority's multifamily housing revenue bonds in an aggregate amount not to exceed \$35,000,000" for the purposes of developing Linnet Corner, also known as North Housing Seniors. This is great news for AHA and its affiliates as it contributes to the success of Linnet corner completing its closing and beginning vertical construction.

The Estuary II continues to apply for financing with a recent application submitted to the National Housing Trust Fund and an upcoming due date for Tax Credit Allocation Committees 9% round in February. AHA anticipates that construction will begin in late 2024 or early 2025 for The Estuary II.



The Poplar closed on a predevelopment loan at the end of 2023 and applied for additional funding to assist in the demolition and improvement of the site. Award announcements are expected in the coming months. The success of this predevelopment loan comes in the form of partnership with Capital Impact Partners, a mission driven team of lenders who work

to ensure that affordable housing projects get the financing they need. This partnership strengthens AHA's mission in providing safe affordable housing by bringing a focus on economic opportunities that spring from stable neighborhoods and increased local spending, assist our families in maintaining health, education, and other services, and allows AHA to continue to support families from a broad spectrum of economic backgrounds. In the meantime, the development department continues to plan and procure services entwined with the work of demolishing the existing structures. Leasing for this property is not open at this time, but you may sign up for updates on The Poplar via our newsletter.

Groundbreaking!

To celebrate this momentous success of building new affordable housing, AHA and its affiliates are hosting a Groundbreaking on April 24th, 2024, for The Estuary I and Linnet Corner. These new developments will provide housing for seniors 62+, homeless and formerly homeless individuals, and military veterans. Construction for these developments is expected to be completed in late 2025. Visit our project pages for information on each. <https://www.islandcitydevelopment.org/properties/>



Construction In Progress:

AHA has been busy procuring various services and consultants to complete much anticipated improvements across its portfolio. One vein of work being done is focused on the assessment and repair of balconies at our Anne B. Diamant senior apartment homes. Other work completed around the properties includes siding repairs and painting, Way finding signage installation, steel guardrail work, electrical upgrades, sanitary sewer certification, and renovation of a newly acquired scattered site home. The Housing Development Department has published multiple Request for Proposals (RFP) that are open for bidding and can be located on our website's procurement vendor page.

Sign up for our e-newsletter to receive project updates and news from the comfort of home or on the go! <https://www.alamedahsg.org/about-us/news/>

Contact Us: 510-747-4300 (x 4321), Joshua Altieri, Community Relations Manager & Press/Media Contact, jaltieri@alamedahsg.org

**ISLAND CITY DEVELOPMENT**

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

To: Board of Directors
Island City Development

From: Sylvia Martinez, Director of Housing Development, Tony Weng, Senior Project Manager

Date: February 21, 2024

Re: Accept the Quarterly Development Report for The Estuary II.

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/or 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.

DISCUSSION**Funding**

AHA has made a funding commitment through its Reserve Policy in the amount of \$3,750,000 which is flowing through the Alameda Affordable Housing Trust Fund (AAHTF) administered by the Alameda Affordable Housing Corporation (AAHC). The AAHTF commitment has been awarded matching funds from the State Local Housing Trust Fund (LHTF) Program with \$1,250,000 of the matching funds committed to the Estuary II project. Together, the AAHTF commitment is \$5,000,000. AHA has also approved an option to ground lease the property, at a subsidized rate in 2021.

The 2022 Reserve Policy allowed for funding to 'spring back' to various projects if the development at 1628 Webster Street did not move forward. Staff included the \$1,500,000



available under this provision to improve the competitiveness of the project in the February 13, 2024, nine percent (9%) tax credit funding application to the California Tax Credit Allocation Committee. Please see agenda item 10I Quarterly Overview Report for the Housing Development Department for an overview of the 2023 Reserve Policy.

On June 23, 2023, the Federal Home Loan Bank of San Francisco awarded \$690,000 in Affordable Housing Program (AHP) funds to the project.

On May 18, 2023, 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, 2023, staff submitted a Super NOFA Funding Application to the State HCD requesting funds from the Multifamily Housing Program (MHP). Awards for the Super NOFA are expected in February 2024. If the development receives a Super NOFA award in February 2024, it will apply for four percent (4%) tax credits and tax-exempt bonds in April 2024.

On January 5, 2024, staff applied to the National Housing Trust Fund program for funding. Funding awards are expected in May 2024, and a 9% tax credit application will be made in July 2024 if necessary.

On January 15, 2024, staff submitted a Letter of Intent to the Bay Area Housing Finance Agency (BAHFA) for funding for Estuary II. An invitation to submit a full application is expected by April 2024. A 9% tax credit application will be made in July 2024 if necessary.

On December 13, 2021, 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. 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) to April 2024.

Permit

The building permit is ready to be issued upon payment of building permit fees.

Procurement

Staff is working on two active procurements: an Owner's Representative/Construction Management Consultant, and a Materials Testing/Special Inspections Consultant.

Timing

This development will not start construction until the end of 2024 at the earliest, as it is still waiting for its final financing commitments.

FISCAL IMPACT

The Board previously authorized a pre-development loan of \$10,000,000 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, including Estuary II. Funds are disbursed to ICD on an as-needed basis. Please refer to the attached chart summarizing expenses through January 31, 2024 (Attachment 1).

CEQA



RECOMMENDATION

Accept the Quarterly Development Report for The Estuary II.

ATTACHMENTS

1. 24_0131_North Housing Block A Expenses Chart

Respectfully submitted,

Tony Weng

Sylvia Martinez, Director of Housing Development, Tony Weng, Senior Project Manager

North Housing Block A Predevelopment Expenses Chart Through January 31, 2024

North Housing Block A	Total
The Estuary I - 45 units (includes predevelopment, pro rata shares of master plan, demolition, and land carrying costs), \$1,958,598 has been reclass to permanent sources at loan closing. The remaining costs will be reclass by the next construction loan draw.	\$71,330
The Estuary II - 46 units (includes predevelopment, pro rata shares of master plan, demolition, and land carrying costs)	\$1,209,665
Linnet Corner - 64 units (includes predevelopment, pro rata shares of master plan, demolition, and land carrying costs)	\$1,502,340
Grand Total	\$2,783,335
Anticipated Soil Stabilization Costs	\$5,003,993
Predevelopment Funds Remaining	\$254,074

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



ISLAND CITY DEVELOPMENT

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

ITEM 4.F

To: Board of Directors
Island City Development

From: Sean Prevette, Asst. Director of Administrative Services

Date: February 21, 2024

Re: Adopt Revisions to the ICD Procurement Policy

BACKGROUND

The Procurement Policy outlines methods by which ICD will obtain goods and services. It was last revised in 2020. Since that revision, ICD has worked to optimize processes and practices that should be reflected in the Procurement Policy.

DISCUSSION

The revision to the policy outlines the updated monetary thresholds for small purchases, as well as the threshold for participating in competitive negotiations with vendors.

FISCAL IMPACT

There is no direct financial impact of these policy revisions, but the policy revisions will change how ICD will procure services and materials in the future.

CEQA

N/A

RECOMMENDATION

Accept the revised Island City Development Procurement Policy.

ATTACHMENTS

1. ICD Procurement Policy Revised February 2024

Respectfully submitted,

Sean Prevette, Asst. Director of Administrative Services



AMENDED ISLAND CITY DEVELOPMENT PROCUREMENT POLICY

All procurements made by ISLAND CITY DEVELOPMENT (ICD) will be made in accordance with the procurement standards detailed below.

Procurement transactions will maximize open and free competition while ensuring the financial stability of ICD. ICD shall not engage in procurement practices that may be considered arbitrary or restrictive.

I. GENERAL

ICD will:

- Provide a procurement system of quality and integrity;
- Make all feasible efforts to ensure that small and minority-owned businesses, women's business enterprises, and disabled veteran businesses are used when possible;
- Provide for the fair and equitable treatment of persons or firms involved in ICD procurements;
- Ensure that supplies and services (including construction) are procured efficiently, effectively, and at the most favorable prices available to ICD;
- Promote competition in contracting; and
- Assure that ICD purchasing actions are in compliance with all applicable federal, state, local laws, and any other applicable funding programs assisting a particular project or activity.

II. METHODS FOR PROCUREMENT

Procurements shall be made using one of the following methods: (a) small purchase procedures, (b) competitive negotiations, and (c) non-competitive negotiation.

A. Small Purchases

1. Micro purchases. For purchases up to \$~~210~~0,000 a minimum of only one quote is required provided that the quote is considered reasonable. The reasonableness may be determined based on catalog price, market research, experience or past purchase. To the greatest extent feasible and to promote competition, requests for quotes for small purchases should be distributed among qualified sources. Quotation for small purchases could be obtained by fax, email, or mailed correspondence.

2. Small purchase dollar limits. Purchases of supplies, equipment, and services that cost between \$~~102~~,001 and \$~~215~~0,000 require written estimates. ICD will solicit written responses from at least three vendors and, if no such responses are available, a statement explaining the procurement will be prepared and filed.

B. Competitive Negotiations

ICD will use competitive negotiations when the supplies, equipment, or services have a budget exceeding \$1~~50~~0,000.

1. Request for Proposal

A Request for Proposal (RFP) will be prepared and posted on ICD's and/or the Housing Authority's website. It may also be emailed to at least three (3) potential vendors. The RFP will describe services needed and identify the factors to be considered in the evaluation of proposals. Requests for proposals will always include cost as one of the evaluation criteria for selection.

Award must be made to the vendor whose written proposal is determined by the ICD to be the most advantageous to ICD. Evaluations must be based on the factors set forth in the Request for Proposal and an evaluation of each response must be prepared. The review committee, approved by the President or their designee, may contact the firms regarding their proposals for the purpose of clarification and record in writing the nature of the clarification. If it is determined that no acceptable proposal has been submitted, the received proposals may be rejected, and the RFP may be cancelled and reissued. New proposals may be solicited on the same or revised terms, or the procurement may be abandoned.

2. Request for Qualifications

For the procurement of certain professional services, a Request for Qualifications (RFQ) may be used. RFQs are handled in a similar method to RFPs with the exception that cost is not a factor in the initial evaluation. An RFQ will be prepared and posted on the Housing Authority's website. It may also be emailed to at least three (3) potential vendors. The RFQ will describe services needed and identify the factors to be considered in the evaluation of proposals. The review committee, approved by the President or their designee, will evaluate the responses and rank them by comparative qualifications. The highest scoring person or firm will be contacted to negotiate cost. If the President, or their designee, is unable to negotiate a satisfactory cost arrangement, the second highest scoring person or firm will be invited to negotiate. The President, or their designee, will maintain a written record of all such negotiations.

3. General Contractor Selection for Contracts over \$500,000

ICD will use an RFQ to select General Contractors to provide pre- construction and general contracting services for construction projects with a budget exceeding \$500,000.

The General Contractor competitive selection process will take place in two phases:

Phase I:

A review panel approved by the President, or their designee, will evaluate all

submissions of qualifications based on scoring criteria that will be included in the RFQ. Scoring will take into account the General Contractor's experience and the experience of individual staff assigned to the Project. After verification of scoring a "short list" will be announced naming three or fewer applicants who will proceed to Phase II of the selection process. References can be checked to help inform the selection of firms for the short list.

Phase II:

Short-listed General Contractors will be interviewed by the selection panel. Short-listed General Contractors will be provided with the interview questions and interview scoring criteria prior to the interviews. Short-listed General Contractors will also be required to submit for evaluation a proposed fee including general condition costs, overhead and profit, and documentation supporting their experience with plan review and cost estimating.

The selected General Contractor will be the highest scoring applicant from Phase I and II combined, based on qualifications submitted, reference calls, and interviews. This General Contractor will be selected to join the design/construction team, provide pre-construction services, and conditionally enter into a negotiated construction contract.

C. Noncompetitive Negotiations

Noncompetitive negotiations may be used for procurements when competitive negotiations are not feasible. ICD may purchase goods and services through non-competitive negotiations when it is determined in writing by the President, or their designee, that competitive negotiation or bidding is not feasible and that:

1. An emergency exists that threatens the health, welfare, or safety, or endangers property, or would otherwise cause serious injury to the ICD, as may arise by reason of a flood, earthquake, epidemic, riot, equipment failure, or similar event. In such cases, there must be an immediate need for supplies, services, or construction such that the need cannot be met through any other procurement methods, and the emergency procurement shall be limited to those supplies or services necessary to meet the emergency, or
2. The product or service can be obtained only from one source, or
3. The contract is for the purchase of perishable items purchased on a weekly or more frequent basis, or
4. Only one satisfactory proposal is received through RFP or RFQ.
5. The President or their designee determines it is in the best business interest of ICD and/or its residents.

Procurement by noncompetitive negotiation requires the strictest attention to the observation of impartiality toward all suppliers. The President must approve all procurements by non-competitive negotiation when only one supplier is involved or only one bid or response to an RFP/RFQ is received.

ICD may negotiate a contract with a vendor who has been competitively selected through a Housing Authority procurement process, or another competitive procurement process, without having to undergo a duplicate competitive selection process.

III. CONTRACTS

ICD shall require assurance that, before entering into a contract, the price is reasonable. A comparison with other offers shall generally be sufficient determination of the reasonableness of price and no further analysis is required. If a reasonable number of quotes are not obtained to establish reasonableness through price competition, the President or their designee shall document price reasonableness through other means, such as prior purchases of this nature, catalog prices, the personal knowledge at the time of purchase, comparison to the budget, or any other reasonable basis.

Generally, all procurements in excess of \$2,000 will be memorialized and supported by a written contract. Where it is not feasible, inapplicable, or is impractical to prepare a contract, a written finding to this effect will be prepared and some form of documentation regarding the transaction will also be prepared.

All contracts will contain language that allows ICD the opportunity to cancel any contract for convenience or for cause. . Said cause shall include (but not be limited to) demonstrated lack of ability to perform the work specified, unwillingness to complete the work in a timely fashion, cancellation of liability insurance or worker's compensation, failure to pay suppliers or workers, unsafe working conditions caused by the contractor, failure to comply with federal, state, or local wage laws (where applicable), failure to keep accurate and timely records of the job, or failure to make those records available to ICD's associate or partner (on request) or any other documented matter which could cause a hardship for the ICD if a claim should arise or the work not be completed on schedule at the specified cost.

The President is authorized to approve contract modifications (i.e., change orders, addendums) not to exceed the cumulative authorization limit. A contract modification that raises the cumulative total of the procurement to an amount exceeding the President's authorization limit, requires approval by the Board of Directors.

See ICD's Purchase Authority Policy for details about approval limits to enter into contracts.

ICD purchasing and contracting will comply with local, state and federal regulations applicable to recipients of Section 8 Project-based Voucher assistance, and any other applicable funding programs assisting a particular project or activity.

IV. DOCUMENTATION

All source documents supporting any given transaction and outreach activities

(receipts, purchase orders, invoices, RFP/RFQ data and bid materials) will be retained and filed in an appropriate manner. At a minimum, source document data must be sufficient to establish the basis for selection, basis for cost, (including the issue of reasonableness of cost), rationale for method of procurement and selection of contract type, and basis for payment.

V. LOCALLY OWNED, MINORITY-OWNED, FEMALE-OWNED AND SMALL BUSINESSES

Efforts will be taken to identify and solicit participation of locally owned, minority-owned, female-owned and small businesses; however, it will not be the determining evaluating criteria when selecting a vendor to provide services or materials.

VI. CODE OF CONDUCT

No ICD director, officer, consultant, or designated agent of ICD will take part or have an interest in the award of any procurement transaction if a conflict of interest, real or apparent, exists. A conflict of interest occurs when the official, employee or designated agent of ICD, partners of such individuals, immediate family members, or an organization which employs or intends to employ any of the above has a financial or other interest in any of the competing firms. ICD directors and officers are subject to a conflict of interest policy.

No ICD director, officer, consultant or designated agent of ICD may acquire a financial interest in or benefit in any way from any activity which uses any portion of ICD funding, nor shall they have any interest in any contract, subcontract or agreement for themselves or any family members.

VII. APPEALS AND REMEDIES

Vendors wishing to contest the selection process or results will have five (5) business days from the date of notice of the final selection to submit written complaints to the President. Thereafter, The President has 10 business days to respond in writing to the complaint.

Adopted by the Board of Directors on February 19, 2020.
Revised by the Board of Directors on February 21, 2024

**ISLAND CITY DEVELOPMENT**

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

To: Board of Directors
Island City Development

From: Radha Mehta, Management Analyst

Date: February 21, 2024

Re: Authorize the Executive Director to approve a contract between the Housing Authority of the City of Alameda and affiliates, Alameda Affordable Housing Corporation and Island City Development, and Transystems Corporation for Relocation Services for a not to exceed amount of Five Hundred Thousand dollars and Zero cents (\$500,000.00) until February 28, 2027.

BACKGROUND

In May 2023, the Housing Authority of the City of Alameda (AHA) presented its Faircloth-to-RAD approach to the Board of Commissioners and received approval to expend its 120-unit Faircloth limit and undergo the Faircloth-to-RAD process at Independence Plaza. On June 21, 2023, the Board of Commissioners approved the necessary steps to complete Faircloth-to-RAD application process, including procurement of specialized relocation services.

On August 21, 2023, the AHA released a Request for Proposals (RFP) seeking an experienced consultant to serve as Relocation Specialist and Move Coordinator to assist AHA and Property Managers. The procurement included services at Independence Plaza and also other AHA property portfolio on an as-needed basis. The services requires consultants to provide necessary and required relocation assistance to impacted tenants and households.

DISCUSSION

On September 28, 2023, AHA received proposals from four firms; 360 Relocation Consultants, Transystems, Autotemp, and RSG. The firms were reviewed based on experience, approach to the project, quality of services and cost proposal. The evaluation committee reviewed the proposals and determined three of the firms to have satisfactorily met the RFP requirements. Three firms were invited to an interview with the evaluation committee in November, 2023 to discuss approach to the project, relevant experience, and any clarifying questions the committee still had after reviewing the proposals. Based on the evaluation of proposals and the interviews, staff recommends awarding the relocation services contract to Transystems Corporation of an amount not to exceed \$500,000.

The cost proposal from Transystems charges between \$3,300 to \$3,820 per household for relocation and coordination services. The services would include:

- Project management and consulting hours related to individual cases



- Initial tenant interview
- Needs assessment
- Identification and coordination of temporary housing
- Assistance with moving and storage
- Payment of relocation assistance benefits

The \$500,000 contract amount would be sufficient to cover the relocation services required at Independence Plaza, as well as other AHA properties on an as-needed basis. Per the AHA's Procurement Policy, any contract greater than \$250,000 or any firm whose cumulative contracts are greater than \$250,000 must receive Board approval.

FISCAL IMPACT

It is intended that all costs under this contract will be recouped through other sources. Reimbursement for relocation costs will be requested of insurance, individual properties, or from recapitalization proceeds as available.

CEQA

Not applicable.

RECOMMENDATION

Authorize the Executive Director to approve a contract between the Housing Authority of the City of Alameda and affiliates, Alameda Affordable Housing Corporation and Island City Development, and Transystems Corporation for Relocation Services for a not to exceed amount of Five Hundred Thousand dollars and Zero cents (\$500,000.00) until February 28, 2027.

ATTACHMENTS

1. Transystems Consultant Services Agreement

Respectfully submitted,



Radha Mehta, Management Analyst

CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT, entered into this ____ day of ____ 2024, by and between HOUSING AUTHORITY OF THE CITY OF ALAMEDA, its affiliates Alameda Affordable Housing Corporation and Island City Development, a nonprofit public body corporate and politic (hereinafter referred to as "AHA"), and Overland, Pacific and Cutler, LLC, a Division of TranSystems (a California corporation) whose address is 5000 Airport Plaza Drive, Suite 250, Long Beach, CA 90815 (hereinafter referred to as Consultant), is made with reference to the following:

RECITALS:

A. AHA is a public body, corporate and politic, duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California.

B. Consultant is specially trained, experienced and competent to perform the special services which will be required by this Agreement; and

C. Consultant possesses the skill, experience, ability, background, applicable certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.

D. AHA and Consultant desire to enter into an agreement for Relocation Specialist and Move Coordinator services.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. TERM:

The time for Completion shall be by February 28, 2027, (the "Completion Date"), unless terminated earlier as set forth herein.

2. SERVICES TO BE PERFORMED:

Consultant shall perform services according to the schedule set forth in Exhibit "A" which is attached hereto and incorporated herein by this reference.

3. COMPENSATION TO CONSULTANT:

AHA agrees to compensate Consultant pursuant to the terms and conditions of this Agreement only for the performance, to the reasonable satisfaction of AHA, of those tasks which take place during the term of this Agreement. AHA will not be obligated to compensate Consultant for any work, services, or functions performed by Consultant which do not arise directly from the performance of tasks relating to the Scope of Services as outlined in Exhibit A, and according to the Fee Schedule set forth in Exhibit B. AHA shall pay Consultant within thirty (30) days receipt of Consultant's properly submitted invoice.

Total compensation under this contract will not exceed \$500,000.

Relocation Services Agreement
Transsystems Corporation
AHA, AAHC, and ICD

Page 2

4. **TIME IS OF THE ESSENCE:**

Consultant and AHA agree that time is of the essence regarding the performance of this Agreement.

5. **STANDARD OF CARE:**

Consultant agrees to perform all services hereunder in a manner commensurate with the prevailing standards of like professionals in the San Francisco Bay Area and agrees that all services shall be performed by qualified and experienced personnel who are not employed by the AHA nor have any contractual relationship with AHA.

6. **INDEPENDENT PARTIES:**

AHA and Consultant intend that the relationship between them created by this Agreement is that of employer-independent contractor. The manner and means of conducting the work are under the control of Consultant, except to the extent they are limited by statute, rule or regulation and the express terms of this Agreement. No right of employment will be acquired by virtue of Consultant's services. None of the benefits provided by AHA to its employees, including but not limited to unemployment insurance, workers' compensation coverage, vacation and sick leave are available from AHA to Consultant, its employees or agents. Deductions shall not be made for any state or federal taxes, FICA payments, PERS payments, or other purposes normally associated with an employer-employee relationship from any fees due Consultant. Payments of the above items, if required, are the responsibility of Consultant.

AHA and Consultant agree that during the term of this Agreement and for a period of one year after termination, the parties shall not solicit for employment, hire, or retain, whether as an employee or independent contractor, any person who is or has been employed by the other without written agreement by the other party.

7. **IMMIGRATION REFORM AND CONTROL ACT (IRCA):**

Consultant assumes any and all responsibility for verifying the identity and employment authorization of all of its employees performing work hereunder, pursuant to all applicable IRCA or other federal or state rules and regulations. Consultant shall indemnify and hold AHA harmless from and against any loss, damage, liability, costs or expenses arising from any noncompliance of this provision by Consultant.

8. **NON-DISCRIMINATION:**

Consistent with AHA's policy that harassment and discrimination are unacceptable employer/employee conduct, Consultant agrees that harassment or discrimination directed toward a job applicant, an AHA employee, or a citizen by Consultant or Consultant's employee on the basis of race, religious creed, color, national origin, ancestry, handicap, disability, marital status, pregnancy, sex, age, gender identity or sexual orientation will not be tolerated. Consultant agrees that any and all violations of this provision shall constitute a breach of this Agreement.

9. **INDEMNIFICATION/HOLD HARMLESS:**

Consultant shall indemnify, defend, and hold harmless AHA, its Board of Commissioners officials, employees and designated volunteers ("Indemnitees") from and against any and all loss, damages, liability, claims, suits, costs and expenses whatsoever, including reasonable attorneys' fees ("Claims"), arising from or in any manner connected to negligent act or omission, whether alleged or actual, regarding performance of services or work conducted or performed pursuant to this Agreement. If Claims are filed against Indemnitees which allege negligence on behalf of the Consultant, Consultant shall have no right of reimbursement against Indemnitees for the costs of defense even if negligence is not found on the part of Consultant. However, Consultant shall not be

Relocation Services Agreement

Page 3

Transystems Corporation

AHA, AAHC, and ICD

obligated to indemnify Indemnitees from Claims arising from the sole or active negligence or willful misconduct of Indemnitees.

10. INSURANCE:

On or before the commencement of the terms of this Agreement, Consultant shall furnish AHA with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with paragraphs 10A, B, C, D and E. Such certificates, which do not limit Consultant's indemnification, shall also contain substantially the following statement:

"Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance written notice to the Housing Authority of the City of Alameda by certified mail."

It is agreed that Consultant shall maintain in force at all times during the performance of the Agreement all appropriate coverage of insurance acceptable to AHA and licensed to do insurance business in the State of California.

An endorsement naming the AHA as additional insured shall be submitted with the insurance certificates.

A. COVERAGE:

Consultant shall maintain the following insurance coverage:

(1) Workers' Compensation:

Statutory coverage as required by the State of California.

(2) Liability:

Commercial general liability coverage in the following minimum limits:

Bodily Injury:	\$1,000,000	each occurrence
	\$2,000,000	aggregate – all other
Property Damage:	\$1,000,000	each occurrence
	\$2,000,000	aggregate

If submitted, combined single limit policy with aggregate limits in the amounts of \$1,000,000 will be considered equivalent to the required minimum limits shown above.

(3) Automotive:

Comprehensive automobile liability coverage in the following minimum limits:

Bodily Injury:	\$1,000,000	per accident
	\$2,000,000	aggregate
Property Damage:	\$1,000,000	per accident
	\$2,000,000	aggregate

OR

Combined Single Limit:	\$1,000,000	per accident
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(4) Professional Liability:

Professional liability insurance which includes coverage for the negligent professional acts, errors and omissions of Consultant in the amount of at least \$1,000,000.

B. SUBROGATION WAIVER:

Consultant agrees that in the event of loss due to any of the perils for which it has agreed to provide comprehensive general and automotive liability insurance that Consultant shall look solely to its insurance for recovery. Consultant hereby grants to AHA, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or AHA with respect to the services of Consultant herein, a waiver of any right to subrogation which any such

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insurer of said Consultant may acquire against AHA by virtue of the payment of any loss under such insurance.

C. FAILURE TO SECURE:

If Consultant, at any time during the term hereof, should fail to secure or maintain the foregoing insurance, AHA shall be permitted to obtain such insurance in the Consultant's name or as an agent of the Consultant and shall be compensated by the Consultant for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

D. ADDITIONAL INSURED:

AHA, its Board of Commissioners, officers, employees and designated volunteers shall be named as an additional insured under all insurance coverage's, except any professional liability insurance or worker's compensation insurance, required by this Agreement. The naming of an insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof.

Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy.

E. SUFFICIENCY OF INSURANCE:

The insurance limits required by AHA are not represented as being sufficient to protect Consultant. Consultant is advised to consult Consultant's insurance broker to determine adequate coverage for Consultant.

11. CONFLICT OF INTEREST:

Consultant warrants that it is not a conflict of interest for Consultant to perform the services required by this Agreement. Consultant may be required to fill out a conflict of interest form if the services provided under this Agreement require Consultant to make certain governmental decisions or serve in a staff capacity as defined in Title 2, Division 6, Section 18700 of the California Code of Regulations.

12. PROHIBITION AGAINST ASSIGNMENTS:

Consultant shall not assign, sublease, hypothecate, or transfer this Agreement or any interest therein directly or indirectly, by operation of law or otherwise without prior written consent of AHA. Any attempt to do so without said consent shall be null and void, and any assignee, sub lessee, hypothecate or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. However, claims for money by Consultant from AHA under this Agreement may be assigned to a bank, trust company or other financial institution without prior written consent, but written notice of such assignment shall be promptly furnished to AHA by Consultant.

The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or joint venturer or syndicate member or cotenant if Consultant is a partnership or joint venture or syndicate or co tenancy, which shall result in changing the control of Consultant, shall be construed as an assignment of this Agreement. Control means fifty percent (50%) or more of the voting power of the corporation.

13. SUBCONTRACTOR APPROVAL:

Unless prior written consent from AHA is obtained, only those people and subcontractors whose names are attached to this Agreement shall be used in the performance of this Agreement.

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In the event that Consultant employs subcontractors, such subcontractors shall be required to furnish proof of worker's compensation insurance and shall also be required to carry general, automobile and professional liability insurance in reasonable conformity to the insurance carried by Consultant. In addition, any work or services subcontracted hereunder shall be subject to each provision of this Agreement.

14. **PERMITS AND LICENSES:**

Consultant, at its sole expense, shall obtain and maintain during the term of this Agreement, all appropriate permits, certificates and licenses, including, but not limited to, a City of Alameda business license, that may be required in connection with the performance of services hereunder.

15. **REPORTS:**

A. Each and every report, draft, work product, map, record and other document, hereinafter collectively referred to as "Report" reproduced, prepared or caused to be prepared by Consultant pursuant to or in connection with this Agreement shall be the exclusive property of AHA. Consultant shall not copyright any Report required by this Agreement and shall execute appropriate documents to assign to AHA the copyright to Reports created pursuant to this Agreement. Any Report, information and data acquired or required by this Agreement shall become the property of AHA, and all publication rights are reserved to AHA.

B. All Reports prepared by Consultant may be used by AHA in execution or implementation of:

- (1) The original Project for which Consultant was hired;
- (2) Completion of the original Project by others;
- (3) Subsequent additions to the original project; and/or
- (4) Other AHA projects as appropriate.

C. Consultant shall, at such time and in such form as AHA may require, furnish reports concerning the status of services required under this Agreement.

D. All Reports required to be provided by this Agreement shall be printed on recycled paper. All Reports shall be copied on to both sides of the paper except for one original which shall be single sided.

E. No Report, information nor other data given to or prepared or assembled by Consultant pursuant to this Agreement shall be made available to any individual or organization by Consultant without prior approval by AHA

F. Consultant shall not be held liable for reuse of "Reports" for any purpose other than the original intent of this Agreement.

16. **RECORDS:**

Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts and other such information required by AHA that relate to the performance of services under this Agreement.

Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of AHA or its designees to such books and records at proper times; and gives AHA the right to examine and audit same, and to make transcripts there from as necessary, and to allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be kept separate from other documents and records and shall be maintained for a period of three (3) years after receipt of final payment.

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17. **NOTICES:**

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the second business day after the deposit thereof in the United States mail, postage prepaid, registered or certified, addressed as hereinafter provided.

All notices, demands, requests or approvals from Consultant to AHA shall be addressed to AHA at:

Housing Authority of the City of Alameda
701 Atlantic Avenue
Alameda, CA 94501-2161
Attention: Sylvia Martinez
Email: smartinez@alamedahsg.org

All notices, demands, requests, or approvals from AHA to Consultant shall be addressed to Consultant at:

Transsystems
5000 Airport Plaza Drive, Suite 250
Long Beach, CA 90815
Attention: Liz O'Neil
Phone: 213-793-5477 Email: eoneil@transsystems.com

18. **NO SMOKING, DRINKING OR RADIO USE:**

Consultant agrees and acknowledges that smoking of tobacco products, drinking alcoholic beverages, and listening to radios is prohibited at any AHA site, including individual units, common areas, and every building and adjoining grounds. Consultant shall ensure that his/her employees and suppliers comply with these prohibitions.

19. **TERMINATION:**

In the event Consultant hereto fails or refuses to perform any of the provisions hereof at the time and in the manner required hereunder, Consultant shall be deemed in default in the performance of this Agreement. If such default is not cured within a period of two (2) days after receipt by Consultant from AHA of written notice of default, specifying the nature of such default and the steps necessary to cure such default, AHA may terminate the Agreement forthwith by giving to the Consultant written notice thereof. Consultant will not be held responsible for failure to perform in the event such failure is due to delay caused by the AHA. AHA shall have the option, at its sole discretion and without cause, of terminating this Agreement by giving seven (7) days' prior written notice to Consultant as provided herein. Upon termination of this Agreement, each party shall pay to the other party that portion of compensation specified in this Agreement that is earned and unpaid prior to the effective date of termination.

20. **COMPLIANCES:**

Consultant shall comply with all state and federal laws, all City of Alameda ordinances, and all rules and regulations enacted or issued by AHA. In the event that the Consultant encounters a potential conflict between state, federal or local law, Consultant shall inform AHA and AHA shall direct Consultant on proper course of action.

21. **GOVERNING LAW:**

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This Agreement shall be interpreted under, and enforced by the laws of the State of California excepting any choice of law rules which may direct the application of laws of another jurisdiction. The Agreement and obligations of the parties are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successors of those authorities.)

Any suits brought pursuant to this Agreement shall be filed with the Courts of the County of Alameda, the State of California.

22. **ADVERTISEMENT:**

Consultant shall not post, exhibit, display or allow to be posted, exhibited, displayed any signs, advertising, show bills, lithographs, posters or cards of any kind pertaining to the services performed under this Agreement unless prior written approval has been secured from AHA to do otherwise.

23. **CONFIDENTIALITY:**

A. **Definition.** Confidential Information, as used in this Agreement, shall mean any AHA Client data.

B. **Nondisclosure and Nonuse Obligation.** Consultant agrees that it will not use, disseminate, or in any way disclose any Confidential Information to any person, firm or business, except that Consultant may use Confidential Information to the extent necessary to perform its obligations under this Agreement. Consultant agrees that it shall treat all Confidential Information with the same degree of care as the Consultant accords to its own Confidential Information, but in no case less than reasonable care. Consultant agrees that it shall disclose Confidential Information only to those of its employees who need to know such information, and the Consultant certifies that such employees have previously agreed, as a condition of employment, to be bound by terms and conditions applicable to Consultant under this Agreement. Consultant shall immediately give notice to AHA of any unauthorized use or disclosure of Confidential Information.

C. **Exclusions from Nondisclosure and Nonuse Obligations.** The obligations under 23B ("Nondisclosure and Nonuse Obligation") shall not apply to such portion that Consultant can document was i) in the public domain at the time such portion was disclosed or used, or ii) was disclosed in response to a valid court order.

D. **Ownership and Return of Confidential Information and Other Materials.** All Confidential Information shall remain the property of the AHA. At AHA's request and no later than five (5) business days after such request, Consultant shall promptly destroy or deliver to AHA, at AHA's option, i) all materials furnished to Consultant, ii) all tangible media of expression in Consultant's possession or control to the extent that such tangible media incorporate any of the Confidential Information, and iii) written certification of the Consultant's compliance with such obligations under this sentence.

24. **WAIVER:**

A waiver by AHA of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein whether of the same or a different character.

25. **INTEGRATED CONTRACT:**

This Agreement represents the full and complete understanding of every kind or nature whatsoever between the parties hereto and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be

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held to vary the provisions hereof. Any modification of this Agreement will be effective only by written execution signed by both AHA and Consultant.

26. **CAPTIONS:**

The captions in this Agreement are for convenience only, are not a part of the Agreement and in no way affect, limit or amplify the terms or provisions of this Agreement.

27. **EXHIBITS.** The following exhibits are attached hereto and incorporated herein by this reference:

- i. Exhibit A – Scope of Services
- ii. Exhibit B – Fee Schedule
- iii. Exhibit C – Insurance Requirements for Consultants
- iv. Exhibit D – Conflict of Interest Certification

IN WITNESS WHEREOF, the parties have caused the Agreement to be executed on the day and year first above written.

Overland, Pacific and Cutler, LLC,
a Division of TranSystems

HOUSING AUTHORITY
OF THE CITY OF ALAMEDA

DocuSigned by:

Brian Everett

Brian Everett
President

Vanessa M. Cooper
Executive Director

EXHIBIT A **SCOPE OF SERVICES**

All services must be developed and implemented in accordance with both State and Federal laws; specifically, California Relocation Assistance Law, California Government Code, Section 7260 et.seq; the California Code of Regulations, Title 25, Chapter 6, the Federal Uniform Relocation Assistance and Real property Acquisition Policies Act of 1970, as well as any funding source Guidelines.

The successful bidder(s) must have a track record of relocating low-income tenants both in place temporary rehab and offsite temporary or permanent relocation in California as well as experience in handling LEP and reasonable accommodation requests during the relocation process. Experience with Section 8 Housing Choice Voucher subsidies and/or working with a Public Housing Authority is preferred. Experience with a diverse tenant base is required.

The scope of services for the Relocation Service Provider and the Move Coordinator contract(s) include but are not limited to the following:

Relocation Specialist:

Planning Services:

- Facilitate a kick-off meeting with the project team to discuss the relocation process, timeline, and initiate gathering of all pertinent information and documentation.
- Create a resident outreach and communications plan that will ensure that all residents, specifically those who do not speak English as their first language, are well informed and clear about the relocation program.
- Provide drafts of the General Information Notice (GIN) and all other relocation documents including temporary housing agreements, utility agreements. Advise and assist in the development and implementation of a relocation plan, any internal administrative policies, procedures and forms necessary for the support of an effective program.
- Prepare relocation waiver documents for voluntary termination of leases, train property management on the use of the waiver documents, and monitor voluntary termination of leases to assure that the documents are signed and collected.
- Pre-planning services for relocation project, including but not limited to providing an estimate of total relocation costs.
- Monthly meetings with owner

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Information and Documentation Services:

- Project initiation activities, including preparing and sending of required notices to all occupants.
- Relocation plan preparation, including the drafting of a sample settlement agreement for each temporary relocating occupant.
- Prepare draft and final relocation plans in compliance with all state and federal requirements for financing and required agency review purposes.
- Draft and final settlement agreements with each occupant undergoing permanent relocation.
- Biweekly meetings with owner and management company

Additional Services:

- Ensure compliance with state and federal relocation laws as well as any HUD requirements
- On-going project planning, budget analysis and preparation to minimize potential legal, financial, and administrative difficulties.
- Provide data as requested.
- Provide Relocation Appeals support as needed.
- Provide a project close-out report including total costs, number of relocations, average time out of unit, average cost etc.

Location of Work:

- Consultant shall provide services for identified residents at AHA's Senior Apartment Complex - Independence Plaza: 703 Atlantic Avenue, Alameda CA 94501, but may be assigned to provide relocation services at any property within AHA's portfolio located within the City of Alameda on an as-needed basis.

Move Coordinator:

Information and Documentation Services:

- Conduct community meetings and workshops.
- Conduct individual relocation meetings with each tenant and document needs.

Relocation Services:

- Serve as point of contact for residents throughout their relocation.
- Prepare and distribute written notices to residents.

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- Create and maintain a schedule of moves for the property.
- Coordinate all preparation for a resident move, including but not limited to:
 - Unit inspections including HQS
 - Completion of relocation and claim forms.
 - Facilitating utility disconnections and reconnections
 - Working with contracted property management company, FPI, to coordinate unit moves.
- Coordinate pre-move inspections with moving vendors and accompany the vendor if necessary.
- Manage reimbursement to tenant and payment to vendors.
- Ensure weekly tracking of tenant moves and maintenance of tenants' files including documentation of all conversations with tenants.
- Work with owner and property management company to address all reasonable accommodation and LEP requests.
- Monitor moving company and other vendors for compliance with contract and safety precautions during the moving process.
- Weekly meeting with owner and property management company.

Additional Services:

- Ensure compliance with state and federal relocation laws.
- Provide data as requested.
- Provide Relocation Appeals support as needed.

Location of Work:

- Consultant shall provide in-person services for identified residents at AHA's Senior Apartment Complex - Independence Plaza: 703 Atlantic Avenue, Alameda CA 94501, but may be assigned to provide relocation services at any property within AHA's portfolio located within the City of Alameda on an as-needed basis.
- It is expected that the Move Coordinator will be located within one hour's travel time to the City of Alameda in order to address and facilitate resolution of resident issues during the relocation process.

EXHIBIT B
FEE SCHEDULE

Relocation Specialist	2023	2024	2025	2026
Per Household Rate for Full Services	\$3,300	\$3,465	\$3,638	\$3,820

Move Coordinator	2023	2024	2025	2026
Per Household Rate for Full Services	\$3,300	\$3,465	\$3,638	\$3,820

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Itemized Budget and Detailed Explanation



Relocation Fee per move: \$3,300.00

This fee covers all costs associated with relocating one household, including:

- Project Management and consulting hours related to individual cases
- Initial tenant interview
- Needs assessment
- Identification and coordination of temporary housing
- Assistance with moving and storage
- Payment of relocation assistance benefits
- Project Management and consulting hours unrelated to individual cases:
 - These services may include:
 - * Meetings and communications with AHA
 - * Group resident meetings
 - * Weekly status reports
 - * Vendor bid procurement
 - * Development of forms and notice formats
 - * Budgetary reports
 - * General staff management
 - * Quality assurance/quality control

Start-Up Costs:
There are no start-up costs associated with the primary services provided by Transsystems

\$3,300 per case	Relocation Milestone
\$825.00	Complete Interview (25% complete)
\$990.00	Issue Notice to Vacate (55% complete)
\$495.00	Move Out (70% complete)
\$825.00	Move Back (95% complete)
\$165.00	Closeout (100% complete)
Other Direct Costs	Billed when Cost Incurred Received

Relocation Plan Preparation: \$4,000

A relocation plan is a crucial document that outlines the process of moving people and businesses when a project displaces them. The plan must be fair, equitable, and developed in consultation with all affected parties. The relocation plan helps to:

- Understand the needs of displaced people and businesses
- Identify suitable new housing or business locations
- Estimate the cost of the relocation
- Coordinate the relocation process

Having a relocation plan in place ensures that the relocation process is smooth and efficient. It also ensures that displaced people and businesses are treated fairly. By working together, the client and the relocation team can ensure the entire process is executed seamlessly.

EXHIBIT C
INSURANCE REQUIREMENTS FOR CONSULTANTS
(Cyber/tech optional, not to be used for construction contracts)

Consultant shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Consultant, its agents, representatives, employees, or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

- **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury, and personal and advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit. For consultants interacting with the public or with tenants, coverage must include coverage for discrimination, harassment, and fair housing claims under DFEH and HUD.
- **Automobile Liability:** ISO Form Number CA 00 01 coverage any auto (Code 1), or if Consultant has no owned autos, hired (Code 8) and non-owned autos (Code 9) with limit no less than \$1 million for bodily injury and property damage. This requirement does not apply if no motor vehicles are used in providing services under the contract.
- **Workers' Compensation,** as required by the State of California, with Statutory Limits and Employers' Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. This requirement does not apply to sole proprietors.
- **Professional Liability (Errors and Omissions):** Insurance appropriate to the Consultant's profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 in the aggregate. For consultants interacting with the public or with tenants, coverage must include coverage against discrimination, harassment, and fair housing claims under DFEH and HUD. If coverage is provided on a claims-made basis, the retroactive date must be shown and must be before the date of the contract or the beginning of the contract work; insurance must be maintained, and evidence of coverage must be provided for at least five (5) years after completion of the contract of work. If coverage is cancelled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.
- **IF APPLICABLE: Cyber Liability Insurance:** Coverage is required if the vendor/consultant is accessing, collecting, storing, or transferring Personally identifiable Information or medical information on staff, tenant, applicants etc.). Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Vendor in this agreement and shall include, but not be limited to, claims involving security breach, system failure, data recovery, business interruption, cyber extortion, social engineering, infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of

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electronic information, release of private information, and alteration of electronic information. The policy shall provide coverage for breach response costs, regulatory fines, and penalties as well as credit monitoring expenses with limits not less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate. This requirement does not apply if the consultant will not be accessing or storing AHA data subject to privacy regulations under Federal or state law, including but not limited to PII, PCI, and PHI, providing software, or accessing AHA information technology systems.

- **IF APPLICABLE: Technology Professional Liability:** Coverage is required if the vendor/consultant is providing software or a technology services (data storage, website design, etc.). Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Consultant in this agreement and shall include, but not be limited to, claims involving media liability and infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, security and privacy liability that include invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations. Limits no less than \$2,000,000 per occurrence or claim, \$4,000,000 in the aggregate. For consultants interacting with the public or with tenants, coverage must include coverage against discrimination, harassment, and fair housing claims under DFEH and HUD. If coverage is provided on a claims-made basis, the retroactive date must be shown and must be before the date of the contract or the beginning of the contract work; insurance must be maintained, and evidence of coverage must be provided for at least five (5) years after completion of the contract of work. If coverage is cancelled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.
 - The Policy shall include or be endorsed to include property damage liability coverage for damage to, alteration of, loss of, or destruction of the electronic data and/or information "property" of the AHA in the care, custody, or control of the Consultant. If not covered under the Consultant's liability policy, such "property coverage of the AHA may be endorsed onto the Consultants Cyber Liability Policy as follows:
 - Cyber Liability coverage in an amount sufficient to cover the full replacement value of damage to, alteration of, loss of, destruction of electronic data and/or information "property" of the AHA that will be in the Care, custody, or control of Consultant.

If the consultant maintains broader coverage and/or higher limits than the minimums shown above, AHA requires and shall be entitled to the broader coverage and/or the higher limits maintained by the consultant. The insurance limits required by AHA are not represented as being sufficient to protect Consultant. Consultant is advised to consult Consultant's insurance broker to determine adequate coverage for Consultant.

OTHER INSURANCE REQUIREMENTS:

The insurance policies are to contain, or be endorsed to contain, the following provisions:

- **Additional Insured Status:** : The Housing Authority of the City of Alameda and its affiliates, Alameda Affordable Housing Corporation and Island City Development and its Subsidiaries, and their departments, their respective directors, officers, Boards of Commissioners, employees, designated volunteers,

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elected or appointed officials, (AHA), are to be covered as additional insured on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used.

- **Primary Coverage:** For any claims related to this contract, the Consultant's insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 as respects AHA, its officers, officials, Board of Commissioners, employees, and volunteers. Any insurance or self-insurance maintained by AHA, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute to it.
- **Notice of Cancellation:** Each insurance policy required above shall provide that coverage shall not be canceled, except with 30 days' notice to AHA.
- **Self-Insured Retentions:** Self-insured retentions must be declared and approved by AHA. AHA may require the Consultant to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or AHA.
- **Acceptability of Insurers:** Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to AHA.
- **Verification of Coverage:** Consultant shall furnish AHA with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause, and a copy of the Declarations and Endorsement page of the CGL policy listing all policy endorsements before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. AHA reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
- **Subcontractors:** Consultant shall pass down the insurance obligations contained herein to all tiers of subcontractors working under the contract.
- **Notification of claims:** The Proposer agrees to notify AHA in writing of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of the contract as soon as practicable, but no later than three (3) business days after their first knowledge of such claim or event.
- **Special Risks or Circumstance:** AHA reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstance.

**ISLAND CITY DEVELOPMENT**

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

To: Board of Directors
Island City Development

From: Jenny Wong, Senior Project Manager

Date: February 21, 2024

Re: Authorize the President to Negotiate and Execute a Contract between
Concore Development Group, Inc. Not To Exceed \$300,000 for
Construction Management Services for North Housing Block A Projects.

BACKGROUND

The Housing Authority of the City of Alameda (AHA) is leading the development of the 12-acre North Housing parcel redevelopment at the former Alameda Naval Air Station (NAS), formerly known as Coast Guard Housing. AHA has supported Island City Development (ICD) in its active development of approximately 3 acres (Block A), which is the first phase of North Housing, with a total of 155 apartments, to be built as three separate projects. ICD is the developer of the three projects and has received options to ground lease for the three projects: The Estuary I, The Estuary II, and Linnet Corner.

The Estuary I has commenced construction, Linnet Corner will commence construction in March 2024, and The Estuary II is anticipated to commence construction in January 2025.

Please see previous Board reports and related items on this agenda for project details.

DISCUSSION

Staff have received eight proposals in response to the Construction Manager Services RFP solicitation. The construction manager is the owner's representative on the site and helps the design and construction team problem solve and keep the development on task. They also help evaluate change order requests, value engineering opportunities, and other issues that arise during construction. Staff, together with the Review Panel, reviewed and ranked all the responses to the RFP and selected the highest-ranking proposal from CONCORE Development Group, Inc.

The total cost for all three projects at North Housing Block A is approximately \$250,000.

Staff is seeking approval from the Board to authorize the President to negotiate and execute a contract with Concore Development Group up to \$300,000, including contingency. The consultant is expected to remain working on the project through final completion of each building, including offsites.

The Consultant contract will be between each project partnership entity and the selected



consultant, for three separate contracts. The contract will be executed using a standard contract format.

For clarity, the projects and associated limited partnerships are:

The Estuary I - Lakehurst and Mosley LP

The Estuary II - Mosley and Mabuhay LP

Linnet Corner - Mabuhay and Lakehurst LP.

FISCAL IMPACT

Each project has allocated funds in the project budget to cover their respective costs. The consultant will submit monthly invoices for work completed per project. Payments will be made through monthly draw requests to the construction and soft lenders.

CEQA

Not Applicable.

RECOMMENDATION

Authorize the President to Negotiate and Execute a Contract between Concore Development Group, Inc. Not To Exceed \$300,000 for Construction Management Services for North Housing Block A Projects.

ATTACHMENTS

None

Respectfully submitted,

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

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: February 21, 2024

Re: Accept the Quarterly Development Report; Accept a \$2,100,000 Predevelopment Loan and 20 year Option to Ground Lease from the Housing Authority of the City of Alameda; Authorize the President or Designee to Negotiate and Execute the Predevelopment Loan and Option Agreement for The Poplar (2615 Eagle Avenue).

BACKGROUND

The Housing Authority of the City of Alameda (AHA) purchased the property at 2615 Eagle Avenue for \$2,500,000 in March 2022 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 have a preference for Alameda Unified School District (AUSD) staff, as well as a live/work preference for Alamedans.

In December 2023, the AHA Board agreed to enter into a \$3.4 million predevelopment loan from Capital Impact Partners to fund the acquisition and predevelopment of this site for up to four years.

DISCUSSION**Funding**

AHA has received approximately \$3 million from the City of Alameda redevelopment funding for this development. The redevelopment funding is available on a reimbursement basis and will remain as permanent financing to the development.

In October 2021, the AHA Board approved a Reserve Policy commitment for site acquisition costs. The funds have been utilized and subsequently repaid by the Capital Impact redevelopment loan.

In May 2022, the Board accepted an option to ground lease from AHA which expired in December 2023. A draft of the new Option Agreement is attached. The terms will remain the same except for the expiration date will be the end of February 2044. Additionally, the AHA Board approved a short-term commitment of \$500,000 with the ability to loan up to \$4,400,000, if funds were not used for other developments. Please see AHA Board meeting agenda item 10I Quarterly Overview Report for the Housing Development Department for an overview of the 2023 Reserve Policy.



Staff requests that the Board accept a \$2,100,000 predevelopment loan from AHA sourced from the \$4,400,000 permanent commitment to be used for project costs to reach readiness for financing applications. The proceeds will be spent on entitlement activities, studies, and drawings up to 50% completion. A detailed predevelopment budget is attached and shows the uses of the Capital Impact predevelopment loan, as well as AHA funds. It is anticipated that the AHA predevelopment loan will be reimbursed by permanent commitments available for use during predevelopment and any outstanding balance to be reimbursed or rolled into permanent commitments once the project begins construction.

The table below summarizes the previous actions by the Board for predevelopment and permanent commitments to The Poplar (formerly Tilden Commons).

AHA Predevelopment and Permanent Commitments to The Poplar – Previous Actions			
Date	Action	Follow up	Current AHA commitment
10/2021 Reserve Policy Commitment	Site purchase for \$2.5 million using AHA funds.	Property purchased March 2022. Funds repaid by other predevelopment sources.	\$0
5/2022 Reserve Policy Commitment	\$500,000, with a springback up to \$4.4 million. Option to ground lease.	\$500,000 not utilized.	Up to \$4.4 million available for <u>permanent</u> financing. ICD requesting use of up to \$2.1 million of this for predevelopment (2/2024).

Design and Permit

The development will not require CEQA review and is zoned 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, civil engineer, demolition and abatement, and environmental consultant.

Community Outreach

A press release was issued after escrow closed and a quarterly newsletter regarding all pipeline developments is posted on the AHA website. Staff anticipates holding community outreach meetings in 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 submitted a grant application for Equitable Community Revitalization Grant (ECRG) funds from the Department of Toxic Substances Control Office of Brownfields in October 2023. ECRG awards are anticipated to be announced in late February 2024. If awarded grant funds, Staff anticipates conducting additional site testing this spring 2024.

FISCAL IMPACT

The current AHA Reserve Policy commitment is zero. The City redevelopment funding, Capital Impact predevelopment loan, and potential ECRG grant are all available on a reimbursement basis. The project needs access to capital to move the project forward and demonstrate that costs have been expended for outside sources of funding to be disbursed. This request is for a \$2,100,000 predevelopment loan for upfront costs associated with design, demolition, entitlement and permitting, environmental testing and mitigation, and any additional fees and carrying costs. It is anticipated that the AHA predevelopment loan will be reimbursed or may be rolled into a permanent commitment as the project begins construction.

The Capital Impact loan provides up to \$3,337,000 in predevelopment funding to replenish the funds previously used by AHA on site due diligence and acquisition, and to be used on future work to prepare the site for the new development. \$691,543.56 in Capital Impact loan proceeds are remaining as of January 31, 2024.

Please refer to the attached predevelopment budget summarizing the sources and uses for the project through financing readiness and remaining loan proceeds (Attachment 1).

CEQA

Not applicable.

RECOMMENDATION

Accept the Quarterly Development Report; Accept a \$2,100,000 Predevelopment Loan and 20 year Option to Ground Lease from the Housing Authority of the City of Alameda; Authorize the President or Designee to Negotiate and Execute the Predevelopment Loan and Option Agreement for The Poplar (2615 Eagle Avenue).

ATTACHMENTS

1. Att1_The Poplar Predevelopment Budget
2. Att2_The Poplar Ground Lease Option Agreement

Respectfully submitted,



Jenny Wong, Senior Project Manager



The Poplar – Predevelopment Budget

Uses	Costs	AHA Loan	Capital Impact Loan
Acquisition	\$2,500,000	\$0	\$2,500,000
Carrying Costs	\$733,700	\$343,700	\$0
Design Consultants	\$800,000	\$229,960	\$570,040
Entitlements & Permitting	\$175,000	\$175,000	\$0
LIHTC and Financing Fees	\$446,960	\$180,000	\$266,960
Environmental Costs	\$600,000	\$600,000	\$0
<u>Contingency</u>	<u>\$181,340</u>	<u>\$181,340</u>	<u>\$0</u>
Total	\$5,437,000	\$2,100,000	\$3,337,000

	AHA Loan	Capital Impact Loan
Amount Expensed through January 31, 2024		\$2,645,456.44
Remaining Loan Available		\$691,543.56

OPTION AGREEMENT

THIS OPTION AGREEMENT (this “**Agreement**”) is effective as of March 1, 2024, by and between Housing Authority of the City of Alameda (“**Seller**”) and Island City Development, a California nonprofit public benefit corporation, or its assigns (“**Purchaser**”).

RECITALS

A. Seller is the owner of the land located in the City of Alameda, CA 94501, and described as 2615 Eagle Avenue further described in Exhibit A attached hereto and incorporated herein by reference (the “**Land**”). The site currently includes improvements (the “**Improvements**”) situated on the Land.

B. Purchaser desires to procure, and Seller desires to grant, an option to enter into a ground lease with respect to the Land upon the terms and provisions as hereinafter set forth. The leasehold interest in the Land and the fee interest in any Improvements to be developed on the Land are referred to collectively herein as the “**Property**”.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, the parties hereto agree as follows:

AGREEMENT

1. Grant of Option. For One Dollar (\$1.00) and other good and valuable consideration, receipt of which is hereby acknowledged, Seller does hereby grant to Purchaser the exclusive right and option to acquire the Property (the “**Option**”).

2. Exercise of Option. Purchaser may exercise its Option at any time during the period commencing on the date hereof and expiring on December 31, 2044 (the “**Option Term**”), by giving written notice thereof to Seller. In the event the Purchaser does not exercise its Option during the Option Term, this Agreement shall become null and void and neither party hereto shall have any other liability, obligation or duty hereunder.

3. Contract For Ground Lease. In the event that the Purchaser exercises the Option, unless otherwise mutually agreed, both parties agree to execute a contract in accordance with the following terms and conditions:

(a) Ground Lease. The ground lease for the Land shall have the following terms: (a) have a term of no less than 99 years; (b) have base rent equal to the appraised fair market value of the Land, and (c) such other terms and conditions agreed upon by Seller and Purchaser.

(b) Financing. Seller agrees to provide seller takeback financing for up to 100% of the ground lease base rent; bearing interest at the applicable federal rate; with a term of 55 years (or a lesser term if elected by Purchaser); secured by a mortgage against the Property; subordinate to a senior construction to permanent bank loan and any other loans from governmental agencies; repaid from residual receipts (after payment of developer fee, general partner management fee of

\$25,000 per year with an annual increase of 3%, and an investor asset management fee of \$5,000 per year with an annual increase of 3%); and subject to commercially reasonable terms, including those in favor of an investor, for low income housing tax credit projects.

(c) Closing Date. The closing date shall be on any date during the Option Term as may be selected by Purchaser, provided that Purchaser shall make good faith efforts to provide 30 days prior notice of the closing date.

(d) Closing Costs. The Purchaser and Seller shall each pay their respective costs of closing the purchase in accordance with custom in the city in which the Property is located.

(e) As Is. Except as specifically provided in writing by Seller, Purchaser shall acquire the Property in an "as-is" condition with an ALTA owner's title policy with such endorsements as Purchaser shall reasonably require, subject only to those monetary encumbrances recorded against the Property as agreed to in writing by Purchaser.

(f) Subdivision. Seller and Purchaser shall cooperate in causing the Land to be a separate legal parcel under applicable law, which shall be a condition precedent to closing under this Agreement. At the election of Purchaser, Purchaser may cause the Land to be further subdivided into 2 separate legal parcels or converted to a condominium with 2 condo units, in which case (1) Seller shall reasonably cooperate with such subdivision or conversion efforts, and (2) this Agreement shall be replaced with 2 separate option agreements for the 2 parcels or units, each with the same terms and conditions as in this Agreement.

(g) Representations, Warranties and Covenants. Seller hereby represents, warrants and covenants as follows:

(i) Except as otherwise permitted by Purchaser in writing in its sole discretion, Seller shall (A) maintain and operate the Property in its current condition and operation; (B) not enter into any lease, agreement or contract or a modification thereof (including existing loans or liens on the Property) affecting the Property unless such lease, agreement or contract shall terminate upon transfer of the Property or is approved by Purchaser in its sole discretion; (C) comply with all material contracts, agreements and obligations with respect to the Property; (D) maintain current amounts of fire, extended coverage, hazard and other insurance for the Property; and (E) not sell, assign, dispose of or further encumber the Property.

(ii) Seller shall not commit or permit any act that would diminish or devalue the Property or Purchaser's rights under this Agreement.

(iii) Seller shall within 20 days of the date hereof provide to Purchaser all documents, contracts, agreements and other information regarding the Property that is within the possession or control of Seller.

(iv) During the Option Term, Purchaser and its agents shall have the right, upon reasonable notice and during reasonable times and without unreasonably interfering with the normal operation of the Property, to enter upon the Property to conduct inspections and testing (including surveying and environmental assessments), and to inspect and copy Seller's books and records with respect to the Property. Seller shall reasonably cooperate with Purchaser

in inspecting and evaluating the Property, applying for or obtaining financing for the Property and obtaining entitlements or permits with respect to the Property.

4. General Provisions.

(a) Entire Agreement. This Agreement contains the entire agreement between the parties, and supersedes all prior negotiations, drafts, and other understandings which the parties may have had concerning the subject matter hereof.

(b) Time. Time is of the essence of this Agreement.

(c) Successors. The provisions of this Agreement shall inure to the benefit of, and shall be binding upon, the heirs, successors, executors, administrators and assigns of the parties hereto. Seller agrees that Purchaser shall have the right to assign this Agreement or to nominate another person (including, without limitation, a limited partnership controlled by Purchaser) to take title to the Property without Seller's consent.

(d) Amendments. This Agreement may not be amended or modified except by written documents signed by all parties hereto.

(e) Severability. Whenever possible, each provision of this Agreement shall be interpreted so as to be effective and valid under applicable law. If any provision of this Agreement is held to be prohibited by, or invalid under, applicable law, the remainder of this Agreement and any other application of such provision shall not be affected thereby.

(f) Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart shall be deemed to be an original instrument. All such counterparts together shall constitute one and the same Agreement.

(g) Notice. Any notice, demand, request, consent or other communication which either party desires or is required to give to any other party shall be in writing and shall be deemed to have been given when either: (a) delivered in person or by facsimile transfer, or (b) sent by overnight courier or first-class registered or certified mail, postage pre-paid, return receipt requested, addressed to such party at the address set forth following each party's signature to this Agreement. Either party may designate another address for itself at any time upon written notice to the other party.

(h) Headings. The titles and headings of the various sections of this Agreement have been inserted only for convenience of reference. They are not part of this Agreement and may not be used to construe or interpret any of the terms hereof.

(i) Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of California.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

SELLER:

Housing Authority of the City of Alameda,
a public body corporate and politic

By: _____
Vanessa Cooper
Executive Director

Address:

Housing Authority of the City of Alameda
701 Atlantic Avenue
Alameda, CA 94501
Attn: Executive Director

PURCHASER:

Island City Development,
a California nonprofit public benefit corporation

By: _____
Vanessa Cooper
President

Address:

Island City Development
c/o Housing Authority of the City of Alameda
701 Atlantic Avenue
Alameda, CA 94501
Attn: Executive Director

EXHIBIT A

Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF ALAMEDA, IN THE COUNTY OF ALAMEDA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

Commencing at a point on the Northeasterly line of Eagle Avenue, distant thereon Southeasterly 140 feet, 3 inches from the point of intersection thereof with the Southeasterly line of Broadway, said point being the intersection of said line of Eagle Avenue, with the Northwesterly line of land conveyed by Charles D. Bates to Mary Tregloan, wife of John Tregloan, by Deed Dated August 2nd, 1880, and Recorded August 10th, 1880 in Liber 206 of Deeds, at Page 65, Alameda County Records, running thence Southeasterly along said line of Eagle Avenue, 126.57 feet; more or less, to the Northwesterly line of land conveyed by Julia Frothingham to Elisa Kelly, by Deed dated December 28th, 1906, and recorded July 27th, 1908, in Liber 1476 of Deeds, at Page 411, Alameda County Records; thence Northeasterly along said last named line 294, feet more or less, to the Southerly line of land conveyed by John R. Tregloan to Southern Pacific Company, a corporation, by Deed dated October 1st, 1909 and Recorded October 2nd 1909, in Liber 1616 of Deeds, at Page 459, Alameda County Records, thence Westerly along said last named line, 164 feet, 2 in more or less, to a point on the Northwesterly line of land conveyed by Charles D. Bates to Mary Tregloan as aforesaid, distant 192.35 feet Northeasterly measured at right angle from the Northeasterly line of Eagle Avenue, through the point of beginning. Thence Southwesterly along said Northwesterly line of land conveyed to Mary Tregloan, 192.35 feet, to the point of commencement,

PARCEL 2:

Commencing at the intersection of the Northeasterly line of Eagle Avenue with the Southeasterly line of the Pancoast Tract as said line and avenue are shown on "Plat of the Pancoast Tract, Alameda", Recorded May 13, 1876 at Page 2, in Map Book 4 of Official Records of Alameda County, said intersection being also the most Southerly corner of the parcel of land described in Deed from Lovinah B. Jones and George C. Jones, her husband, to the Southern Pacific Company, Recorded February 23, 1907 at Page 17, in Book 1340 of Deeds, Alameda County Records;

Thence along the Southeasterly of last said parcel of land North 34° 23' 02" East 192.50 feet to a point on the South line of Tilden Way, 70 feet in width, as said way is shown on Drawing 3939, Case 51, Sheet 4, Alameda City Engineer's Files, said point having coordinates of y-466,107.33 feet and x-1,499,005.93 feet based on the California Coordinate System, Zone III, as are all bearings, distances and coordinates in this description, said point being the True Point of Beginning;

Thence along said South line of Tilden Way North 76 ° 29' 26" East 144.57 feet to the direct extension Northwesterly of the Southwesterly line of the parcel of land described in deed from the Southern Pacific Company to Sidney Traver, recorded August 27, 1941 at Page 150, in Book 4115, of Official Records of Alameda County;

Thence along said direct extension and said Southwesterly line South 55° 38' 17" East 29.63 feet;

Thence South 34° 23' 02" West 6.02 feet to the Southeasterly corner of the parcel of land described in deed from John Tregloan to the Southern Pacific Company, recorded October , 1909, at Page 459 in book 1616 of Deeds, Alameda County Records;

Thence along the Southerly line of last said parcel of land South 85° 41' 08" West 162.17 feet to said Southeasterly line of the parcel of land described in deed from Lovinah B. Jones, et vir, to the Southern Pacific Company;

Thence along last said Southeasterly line North 34° 23' 02" East 0.15 feet to the true point of beginning.

Excepting therefrom all oil, gas, minerals and other hydrocarbon substances as reserved in the Deed from Central Pacific Railway Company, et al, Recorded July 11, 1957, in Book 8412, Page 501, of Official Records.

PARCEL 3:

Beginning at a point on the exterior line of the parcel of land described as Parcel 5 in the deed from Central Pacific Railway Company, et al., to City of Alameda, dated January 3, 1957, recorded July 11, 1957 in Book 8412 of Official Records of Alameda County, Page 501, (AM-68327), said point being the most Eastern corner of the parcel of land described in the deed from Southern Pacific Company to Daniel G. Becknell et ux., dated October 3, 1940, recorded October 30, 1940 in Book 3965, of Official Records of Alameda County, Page 378 (MM-59014); running thence along the exterior boundary line of the parcel of land described as Parcel 5 in said first mentioned deed the two following courses and distances; North 55° 38' 17" West 115.27 feet and North 76° 29' 26" East 171.92 feet to a line drawn North 34° 23' 02" East from the point of beginning; and thence along said line so drawn South 34° 23' 02" West 127.50 feet to the point of beginning.

Excepting therefrom all oil, gas, minerals and other hydrocarbon substances as reserved in the Deed from Central Pacific Railway Company et al, Recorded July 11, 1957, in Book 8412, Page 501, of Official Records,

APN: 070-0161-055-02

**ISLAND CITY DEVELOPMENT**

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

To: Board of Directors
Island City Development

From: Paris Howze, Project Manager

Date: February 21, 2024

Re: Accept the Monthly Development Report for Linnet Corner and Adopt the Authorizing Resolution No. 2024-03 for the Ground Lease and Cash Loans and Approve the Financing and Ownership Structure for Linnet Corner

BACKGROUND

Linnet Corner, also referred to as North Housing Senior Apartments, is the proposed new construction of a single, four (4) story residential building, with 64 units. The 64 units will include 40 studio units and 23 one-bedroom units targeting seniors aged 62 and over. There will also be one two-bedroom dedicated as a manager's unit. Affordability levels will range between 30% and 40% of the Area Median Income (AMI). The project will also have 25% or 16 units serving formerly homeless/homeless senior veterans. Amenities will include a community room, dedicated property management and service provider offices, shared parking, a laundry room, a resident garden, and a roof terrace.

The Housing 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 project is expected to close construction financing on February 29, 2024.

Please see previous Board reports for project details before this month's update.

DISCUSSION**Permit**

The City of Alameda issued the project's building permit on February 1, 2024.

January 2024 Actions

In January 2024, the Board adopted Resolution No. 2024-01 authorizing the ground lease, cash loans, and approving the financing structure for Linnet Corner. Staff are working with lenders and investors for all the underwriting and due diligence approvals necessary to close construction financing on or around February 29, 2024. The TCAC and CDLAC readiness deadline is March 4, 2024, and staff is seeking a five (5)-day hardship extension for an updated readiness deadline of March 11, 2024, due to the change in permanent lender which is required to deliver the needed permanent mortgage with more favorable terms. The



permanent lender will be California Community Reinvestment Corporation (CCRC). CCRC is a financial partner with ICD at Littlejohn Commons and is a well-recognized transaction partner in the affordable community. Updated sources are included as an attachment.

Ground Lease Structure

The Partnership will serve as the owner of the improvements and AHA will remain as the owner and lessor of the land; the Board approved an option to ground lease the property. To meet investor requirements, the ground lease will be structured as an operating lease with an appraised restricted value of \$1,540,000 with 4.25% of that to be annual soft rent accruing at the Applicable Federal Rate (AFR). There may be a hard annual payment of up to \$15,000, and any unpaid rent due will be subject to net cash flow with a lease term of at least 99 years. Staff are working with all lenders to confirm the structure is amenable to all parties and can be supported by the project.

Timing on the State of California Funds

Linnet Corner received state financing from the Department of Housing and Community Development (HCD) in Multifamily Housing Program Funds (MHP), Veterans and Homelessness Prevention Program (VHHP) Funds, and Infill Infrastructure Grant (IIG) Funds for a total commitment of \$20,635,312. Only the IIG funds will be available during construction. Additionally, per the 2022 Reserve policy, AHA provided a \$2,438,000 commitment to the project which was matched by an award of \$1,000,000 in HCD Local Housing Trust Funds for a total commitment of \$3,438,000 through the Alameda Affordable Housing Trust Fund (AAHTF), which is administered by the Alameda Affordable Housing Corporation (AAHC). AAHC has already made the \$2.4 million funding available as a pre-development loan. It is expected that final approval to utilize the Local Housing Trust Funds will not be available until June 2024. Thus, the project will continue to rely on the unsecured pre-development loan from AAHC until it can convert to the permanent AAHTF loan of \$3.4 million.

Unchanged Deal Terms

A sole member LLC (ICD Mabuhay LLC) serves as the general partner of the tax credit partnership, Mabuhay and Lakehurst LP (Partnership). Island City Development is the sole member of the general partner LLC. AHA is the initial limited partner and will be replaced by Enterprise as the investor. Project financing for Linnet Corner includes investor equity through the sale of 4% Low Income Housing Tax Credits. Additionally, the project received \$945,000 from the Federal Home Loan Bank of San Francisco (FHLB) in Affordable Housing Program (AHP) funds. Financing also includes General Partner Equity, projected contribution of \$301,000 in developer fee, and an estimated deferred developer fee of \$1,500,000. The Partnership and the Housing Authority executed the Agreement to Enter into a Housing Assistance Payment Contract (AHAP) in October 2023 for 40 of the 64 total units. There are no updates on the operation terms for this development.

The Housing Development Department Report on this agenda discusses ongoing guarantees. AHA will be required to provide construction completion, tax credit delivery, and operating guarantees, along with ICD, for the life of the permanent mortgage and through the 15-year initial tax credit compliance period. The financial guarantees will be reflected in AHA's financial statements as "contingent liabilities". The construction guarantee will be released at construction completion and conversion to permanent financing.



FISCAL IMPACT

The Board previously authorized a pre-development loan to ICD of \$10,000,000 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. Funds are disbursed to ICD on an as-needed basis. This pre-development loan will be separated into four parts, for the three projects at Block A, and the remainder of North Housing. For the Block A projects, the pre-development loan will convert into the expected permanent financing that have been approved by the Board.

Please refer to the attached chart summarizing pre-development expenses through January 31, 2024 (Attachment 1).

The Board previously approved a permanent loan of \$2,438,000 in AAHTF funds for the project.

CEQA

Not applicable.

RECOMMENDATION

Accept the Monthly Development Report for Linnet Corner and Adopt the Authorizing Resolution No. 2024-03 for the Ground Lease and Cash Loans and Approve the Financing and Ownership Structure for Linnet Corner

ATTACHMENTS

1. North Housing Expenses Chart Through January 31, 2024
2. Linnet Corner - Updated Proposed Sources
3. Linnet Corner - Summary of Resolution Revisions
4. Linnet Corner - Authorizing Resolution No. 2024-03
5. Linnet Corner - Authorizing Resolution - Redline 2024-01 vs. 2024-03

Respectfully submitted,



Paris Howze, Project Manager

North Housing Block A Predevelopment Expenses Chart Through January 31, 2024

North Housing Block A	Total
The Estuary I - 45 units (includes predevelopment, pro rata shares of master plan, demolition, and land carrying costs), \$1,958,598 has been reclass to permanent sources at loan closing. The remaining costs will be reclass by the next construction loan draw.	\$71,330
The Estuary II - 46 units (includes predevelopment, pro rata shares of master plan, demolition, and land carrying costs)	\$1,209,665
Linnet Corner - 64 units (includes predevelopment, pro rata shares of master plan, demolition, and land carrying costs)	\$1,502,340
Grand Total	\$2,783,335
Anticipated Soil Stabilization Costs	\$5,003,993
Predevelopment Funds Remaining	\$254,074

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

Updated Proposed Sources

Total Development Cost	\$53,273,562 (~\$832,399 PU)
CCRC - Tax-Exempt Perm Loan	\$4,235,900
HCD - MHP	\$13,474,995
HCD - VHHP	\$4,867,201
HCD – IIG (via Sponsor Loan)	\$2,293,116
FHLSB – AHP (via Bank of Marin)	\$945,000
AAHC – AHHTF & LHTF	\$3,438,000
Deferred Developer Fee	\$1,284,653
GP Equity	\$1,000
Tax Credit Equity – Federal	\$22,733,697





Linnet Corner (NH Senior Housing) | City of Alameda, Alameda County, CA



Housing Authority
of the
City of Alameda

www.alamedahsg.org



Housing Authority
of the
City of Alameda

Resolution Updates

- Updated permanent lender to reflect California Community Reinvestment Corporation (CCRC) as the new permanent lender replacing Bank of America
- Updated resolution to include taxable tail amount which was always part of the financing structure but not previously detailed within prior resolution
- Clarified authority for changes to development budget



RECOMMENDATION

- **Accept the Monthly Update and Adopt Authorizing Resolution No. 2024-03 for the Ground Lease and Cash Loans, Approve the Financing and Ownership Structure for Linnet Corner**



ISLAND CITY DEVELOPMENT

Resolution No. 2024-03

Linnet Corner (North Housing Seniors) 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 February 21, 2024 (the “**Meeting**”), the following resolutions were adopted:

WHEREAS, ICD has formed and is the sole member and manager of ICD Mabuhay LLC, a California limited liability company (the “**LLC**”), and the LLC has formed and is the sole general partner of Mabuhay and Lakehurst 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 2000 Lakehurst Circle in the City of Alameda (the “**Land**”), which is commonly referred to as Linnet Corner (North Housing Seniors).

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 64 units of affordable housing (including one (1) 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 \$23,000,000, (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 to obtain a grant from the California Department of Housing and Community Development (“**HCD**”) of IIG funds in an amount not to exceed \$2,293,116 (the “**IIG 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 (the “**Senior Loan**”), from California Municipal Finance Authority, a joint exercise of powers agency duly organized and existing under the laws of the State of California (“**Governmental Lender**”), in the approximate tax-exempt amount of \$27,184,366 and in the approximate taxable amount of \$4,583,222, which Senior Loan is anticipated to convert to a nonrecourse permanent loan in the approximate amount of \$4,300,000 following stabilization of the Project and certain other conditions. The Senior Loan is anticipated to be funded by the proceeds of a loan (the “**Funding Loan**”) made to Governmental Lender from Bank of America, N.A., a national banking association (in such capacity, the “**Initial Funding Lender**”), in the approximate tax-exempt amount of \$27,184,366 and in the approximate taxable amount of \$4,583,222, which Funding Loan is anticipated to be secured by an assignment of Governmental Lender’s rights, title, and interests in and to the Senior Loan, and which Funding Loan is anticipated to be purchased by California Community Reinvestment Corporation or another permanent lender (in such capacity, the “**Permanent Funding Lender**”) in the approximate amount of \$4,300,000, in connection with the conversion of the Senior Loan.

(b) A loan from HCD of MHP funds in an amount not to exceed \$13,474,995.

(c) A loan from HCD of VHHP funds in an amount not to exceed \$4,867,201.

(d) A loan from ICD of the proceeds of the IIG Grant.

(e) A loan from Alameda Affordable Housing Corporation of Local Housing Trust Fund Program funds from HCD and matching funds in an aggregate amount not to exceed \$3,438,000.

(f) 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 in an amount not to exceed \$945,000.

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 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. IIG Grant;
5. Secured Financings;
6. Swap Documents;
7. Guaranties and Security Assignments;
8. Project Documents;
9. Entitlement Documents;
10. Title Documents;
11. HAP Documents; and
12. 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, (c) Carly Grob, Vice President of ICD, and (d) 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 \$1,500,000, 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

Gregory Kats
Secretary

Adopted:

Date

ISLAND CITY DEVELOPMENT

Resolution No. 2024-01-

Linnet Corner (North Housing Seniors) 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, February, 2024 (the “**Meeting**”), the following resolutions were adopted:

WHEREAS, ICD has formed and is the sole member and manager of ICD Mabuhay LLC, a California limited liability company (the “**LLC**”), and the LLC has formed and is the sole general partner of Mabuhay and Lakehurst 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 2000 Lakehurst Circle in the City of Alameda (the “**Land**”), which is commonly referred to as Linnet Corner (North Housing Seniors).

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 64 units of affordable housing (including one (1) 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 \$2223,000,000, (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 to obtain a grant from the California Department of Housing and Community Development (“**HCD**”) of IIG funds in an amount not to exceed \$2,293,116 (the “**IIG 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 (the “**Senior Tax-Exempt Loan**”), from California Municipal Finance Authority, a joint exercise of powers agency duly organized and existing under the laws of the State of California (“**Governmental Lender**”), in the approximate tax-exempt amount of \$27,184,366 and in the approximate taxable amount of \$4,583,222, which Senior ~~Tax-Exempt~~ Loan is anticipated to convert to a nonrecourse permanent loan in the approximate amount of \$4,300,000 following stabilization of the Project and certain other conditions. The Senior ~~Tax-Exempt~~ Loan is anticipated to be funded by the proceeds of a loan (the “**Funding Loan**”) made to Governmental Lender from Bank of America, N.A., a national banking association (in such capacity, the “**Initial Funding Lender**”), in the approximate tax-exempt amount of \$27,184,366 and in the approximate taxable amount of \$4,583,222, which Funding Loan is anticipated to be secured by an assignment of Governmental Lender’s rights, title, and interests in and to the Senior ~~Tax-Exempt~~ Loan, and which Funding Loan is anticipated to be purchased underby California Community Reinvestment Corporation or another permanent lender (in such capacity, the “**Permanent Funding Lender**”) in the approximate amount of \$4,300,000, in connection with the conversion of the Senior ~~Tax-Exempt~~ Loan.

(b) A loan from HCD of MHP funds in an amount not to exceed \$13,474,995.

(c) A loan from HCD of VHHP funds in an amount not to exceed \$4,867,201.

(d) A loan from ICD of the proceeds of the IIG Grant.

(e) A loan from Alameda Affordable Housing Corporation of Local Housing Trust Fund Program funds from HCD and matching funds in an aggregate amount not to exceed \$3,438,000.

(f) 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 in an amount not to exceed \$945,000.

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 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. IIG Grant;
5. Secured Financings;
6. Swap Documents;
7. Guaranties and Security Assignments;
8. Project Documents;
9. Entitlement Documents;
10. Title Documents;
11. HAP Documents; and
12. 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) Carly Grob, Vice President of ICD,~~ and (d) 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 ~~up to a limit of \$1,500,000 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 \$1,500,000,~~ 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

Gregory Kats
Secretary

Adopted:

Date