



ISLAND CITY DEVELOPMENT AGENDA

AGENDA **SPECIAL MEETING OF ISLAND CITY DEVELOPMENT**

DATE & TIME **Wednesday, August 21, 2024 - 6:45 PM**

LOCATION

Independence Plaza, 703 Atlantic Avenue, Alameda, CA 94501 - Ruth Rambeau Memorial Community Room

PUBLIC PARTICIPATION

Public access to this meeting is available as follows:

Join Zoom Meeting

<https://us06web.zoom.us/j/83030077310?pwd=fv5xIYAEFr5k4f7GI6KQMDOK4vRw4g.1>

Meeting ID: 830 3007 7310

Passcode: 790402

Persons wishing to address the Board of Directors are asked to submit comments for the public speaking portion of the Agenda as follows:

- Send an email with your comment(s) to sraskin@alamedahsg.org prior to or during the Board of Directors meeting
- Call and leave a message at (510) 571-1700.

When addressing the Board, on agenda items or business introduced by Directors, members of the public may speak for a maximum of three minutes per agenda item when the subject is before the Board.

Persons in need of special assistance to participate in the meetings of the Island City Development Board of Directors, please contact (510) 747-4325 (voice), 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.

1. 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.

2. CALL TO ORDER & ROLL CALL
3. PUBLIC COMMENT (Non-Agenda)
4. CONSENT CALENDAR (Action)
 - A. Approve Minutes of the Regular Board of Directors Meeting held on June 26, 2024.
 - B. Accept the Monthly Construction Report for The Estuary I.
 - C. Accept the Monthly Construction Report for Linnet Corner.
 - D. Accept the Quarterly Overview Report for the Housing Development Department.
 - E. Accept the Quarterly Development Report for The Estuary II.
 - F. Accept the Quarterly Development Report for The Poplar.
 - G. Accept the Quarterly LIHTC Portfolio Asset Management Fiscal Year-to-Date Financial Report through June 30, 2024.
 - H. Accept the Update on the Resolution for the Option Agreement to Ground Lease to Island City Development for the Property at 2615 Eagle Avenue (The Poplar).
 - I. Approve the Quarterly Write-off to June 30, 2024 of Uncollectible Accounts Receivable from Former Residents.
 - J. Approve Contract Amendment No.2 Not to Exceed \$833,631 with HKIT Architects for Estuary I and Approve Contract Amendment No.2 Not to Exceed \$830,723 with HKIT Architects for Linnet Corner.
5. NEW BUSINESS
 - A. Authorize the Creation of ICD Central Avenue LLC, a California limited liability company to enter The Alameda Islander, L.P. as a Substitute Limited Partner, authorized to accept the assignment of the withdrawing Limited Partner's 69.99% limited partner interest and subsequently accept the assignment of the withdrawing Special Limited Partner's 0.01% interest in the partnership; Authorize the Executive Director, or her designee to Negotiate and Execute a Revised Limited Partnership Agreement with a Side Letter outlining Resources for Community Development's continued operations role, effective no earlier than January 1, 2025.



6. NON-AGENDA (Public Comment)
7. WRITTEN COMMUNICATIONS
8. ORAL COMMUNICATIONS – BOARD MEMBERS AND STAFF
9. ADJOURNMENT

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

Regular Meeting, June 26, 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 8:22 PM. The following Board members were present: Director Vanessa Cooper, Director Alicia Southern, and Director Carly Grob; quorum established. Staff in attendance: Sarah Raskin, Jenny Wong, Stephen Zhou, Jasmine Polar, Shanon Lampkins, Tonya Schuler-Cummins, Tony Weng, Greg Kats, Janet Lee, Leon Ko, Paris Howze, Sylvia Martinez, Nancy Gerardin, Trevor Jones, Greg Kats, Jie Liang, Louie So, and Joseph Nagel.

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

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 May 13, 2024.
- B. Accept the Monthly Construction Report for the Estuary I.
- C. Accept the Monthly Construction Report for Linnet Corner.
- D. Accept the Quarterly LIHTC Portfolio Asset Management Fiscal Year-to-Date Financial Report through March 30, 2024.
- E. Ratify the legal services contracts between Gubb and Barshay LLP and each



of the limited partnerships for the three proposed projects at North Housing Block A.

- F. Ratify a Consultant Services Agreement Not to Exceed \$2,309,519.07 between the Housing Authority of the City of Alameda and Lakehurst and Mosley LP and Ratify a Consultant Services Agreement Not to Exceed \$5,439,696.14 between the Housing Authority of the City of Alameda and Mabuhay and Lakehurst LP for North Housing Block A Master Development Work.

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

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

Director Cooper adjourned the meeting at 8:26 PM.





ISLAND CITY DEVELOPMENT

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

To: Board of Directors
Island City Development

From: Jenny Wong, Senior Project Manager

Date: August 21, 2024

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

BACKGROUND

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 Estuary I project is located at 500 Mosley Avenue. ICD is the developer. The project scope includes 45 new construction permanent supportive housing units for homeless or formerly homeless individuals or households, including one manager’s unit. Amenities include property management offices, social service coordination offices, a community room, a mail room, central laundry, central courtyard, and secure bike parking. J.H. Fitzmaurice, Inc. initiated construction on January 30, 2024 and is scheduled to achieve completion on or before August 8, 2025.

Please see previous monthly Board Reports for project details prior to this month’s update.

DISCUSSION

Construction

The overall project completion and billing percentage, through July 31, 2024, is approximately 37%. Rough and structural framing, including shear wall installation and exterior sheathing; rough plumbing; rough electrical; drywall and gypcrete for bathrooms; and the fire sprinkler system are complete on all floors. Installation of the roof and windows has started. CCTV cameras and the live guard, patrolling the site after hours and weekends, provide security at the site as JHF continues to make good construction progress. Currently, the project is on-track to complete on time. This month’s construction activities include rough mechanical, fire alarm installation, low voltage installation, and drywall installation on all floors; completion of roofing and windows; and preparation for exterior siding and plaster.

Change orders over these past two months total \$116,180, bringing the total approved change orders amount to \$201,684. Funds will be used for adding mop sinks to the janitor’s closet, installing a backup battery for the elevator, adjustments to the mechanical vents and louvers, adjustments to the electrical layout, carpet material modifications, addition of cathodic protection design features, and changes to the exterior building signage and addressing. To date, the project has utilized approximately 14% of its hard cost contingency,



in line with its completion percentage.

Staff has explored opportunities for owner upgrades to improve security, the resident experience, sustainability, and maintenance of the future building, which have been or will be implemented at the project. The projected use of contingency for owner upgrades such as improved door access control and camera systems is approximately \$300,100. In addition, a portion of hard cost contingency is reserved for expected soil off-haul costs to be split pro rata between the North Housing Block A projects, with Estuary I responsible for 23% of the costs, although final cost estimates are still being obtained. Owner contingency funds are held separately from the contract and when change orders are approved, the original construction contract value is increased accordingly. Total projected use of owner contingency is 79%.

Operation and Lease Up Activities

Staff is working with cross-agency departments and external partners to prepare the project for leasing in 2025.

FISCAL IMPACT

AHA and ICD have completion and lease up guarantees on this development. The construction is on time and on budget. There is sufficient project contingency to cover estimated soil off-haul costs. Operations and lease up planning activities are meeting project milestones. See attachment for the monthly budget update.

CEQA

Not Applicable.

RECOMMENDATION

Accept the Monthly Construction Report for The Estuary I.

ATTACHMENTS

1. Att1_The Estuary I Budget Tracking Through July 2024
2. Att2_The Estuary I Progress Photos

Respectfully submitted,



Jenny Wong, Senior Project Manager



The Estuary I
Monthly Update - as of July 31, 2024

Total Development Costs to Date				
	\$ Budget	\$ Disbursed	% Disbursed	\$ Balance
Land & Holding Costs	\$2,461,115	\$2,444,510	99%	\$16,605
Hard Costs	\$27,175,843	\$10,041,440	37%	\$17,134,403
Soft Costs	\$13,286,926	\$2,598,982	20%	\$10,687,945
Total	\$42,923,884	\$15,084,932	35%	\$27,838,952

General Contract Status	
Total Contract Value	\$24,898,007
Change Orders	\$201,684
Revised Contract Value	\$25,099,691
Value of Work Completed to Date	\$9,319,399
Retention Withheld	\$880,570
Amount Paid to Date	\$8,438,829
Balance to Finish	\$16,660,862
% Construction Complete	37%

Contingency Utilization		
	Hard Cost	Soft Costs
Total Contingency Approved	\$1,394,525	\$250,000
Approved Change Orders to Date	\$201,684	\$0
Remaining Balance of Contingency	\$1,192,841	\$250,000
% of Contingency Used	14%	0%
Anticipated Soil Off-Haul Costs	\$598,000	
Projected Use of Contingency	\$300,100	
Remaining Balance of Contingency	\$294,741	
% of Contingency Projected	79%	

The Estuary I Progress Photos



Aerial photo of the North Housing Block A site. The Estuary I is located on the top left corner.



Framing progress photo from the southeastern elevation (view from the future parking lot).





Drywall and gypcrete for the bathtub.



Rough plumbing, rough electrical, and fire sprinkler system installed in the hallway.





ISLAND CITY DEVELOPMENT

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

To: Board of Directors
Island City Development

From: Paris Howze, Project Manager

Date: August 21, 2024

Re: Accept the Monthly Construction Report for Linnet Corner.

BACKGROUND

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.

Linnet Corner is located at 2000 Lakehurst Circle, Alameda, CA 94501. The project is the new construction of a single, four (4) story residential building, with 64 units. There will be 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, onsite property management and service provider offices, shared unassigned parking, a laundry room, a resident garden, and roof terrace.

Staff delivered a notice to proceed on March 6, 2024, and J.H. Fitzmaurice (J.H.F), Inc. commenced construction activities on March 14, 2024. The project is expected to achieve completion on or before October 30, 2025.

Please see previous Board reports for project details prior to this month’s update.

DISCUSSION

Construction

The overall project completion and billing percentage, through July 31, 2024, is approximately 27%. June and July’s construction activities included rough framing of the third and fourth floors, structural framing including shear wall installation and exterior sheathing on the first and second floors, and completion of electrical and sprinkler rough-in installation on the first and second floors. Additionally, subfloor and pre-fab wall installation is complete on the second floor. Currently, the project is on track to be completed on time.

The project has approved three change orders to date totaling approximately \$102,000. The current change order #3 includes a back-up battery for the project’s elevator, durability changes to flooring in bathrooms, increased ventilation and relocation of conduits within utility



rooms, and cathodic protection per the project team's recommendation. Through the end of July, the project has utilized approximately 8% of its hard cost contingency, in line with its completion percentage. Staff is considering change orders to expand the low-voltage/access control system to include additional cameras, accessible door operators, and fobbed entry for a total approximate cost of \$280,000 bringing projected contingency use to \$350,400. In addition, a portion of hard cost contingency is reserved for expected soil off-haul costs to be split pro rata between the North Housing Block A projects although final cost estimates are still being obtained. Please refer to the "Monthly Budget Tracking" attachment for contract values.

Owner contingency funds are held separately from the contract and when change orders are approved, the original construction contract value is amended accordingly. Total projected use of owner contingency is 78%.

Operation and Lease-Up Activities

Staff is working with cross-agency departments and external partners to prepare the project for leasing in 2025.

FISCAL IMPACT

AHA and ICD have completion and lease-up guarantees on this development. To date, the construction is on time and on budget.

CEQA

Not applicable.

RECOMMENDATION

Accept the Monthly Construction Report for Linnet Corner.

ATTACHMENTS

1. Linnet Corner - Monthly Budget Tracking (July 2024)
2. Linnet Corner - Monthly Construction Progress Photos (July 2024)

Respectfully submitted,



Paris Howze, Project Manager



Linnet Corner
Monthly Update - as of July 31, 2024

Total Development Costs to Date				
	\$ Budget	\$ Disbursed	% Disbursed	\$ Balance
Land & Holding Costs	\$640,864	\$526,338	82%	\$114,526
Hard Costs	\$36,513,061	\$8,591,422	24%	\$27,921,639
Soft Costs	\$16,118,331	\$2,919,764	18%	\$13,198,567
Total	\$53,272,256	\$12,037,524	23%	\$41,234,732

General Contract Status	
Total Contract Value	\$29,561,507
Change Orders	\$101,889
Revised Contract Value	\$29,663,396
Value of Work Completed to Date	\$8,014,222
Retention Withheld	\$741,591
Amount Paid to Date	\$7,272,631
Balance to Finish	\$22,390,765
% Construction Complete	27%

Contingency Utilization		
	Hard Cost	Soft Costs
Total Contingency Approved	\$1,738,717	\$450,000
Approved Change Orders to Date	\$135,183	\$0
Remaining Balance of Contingency	\$1,253,134	\$450,000
% of Contingency Used	8%	0%
Anticipated Soil Off-Haul Costs	\$520,216	\$0
Projected Use of Contingency	\$350,400	
Remaining Balance of Contingency (w. soils)	\$382,518	\$450,000
% of Contingency Projected	78%	

Linnet Corner
Progress Photos
(July 31, 2024)



Figure 1: Bird's-eye view of Linnet Corner & Estuary I



Figure 2: Bird's-eye view from Lakehurst & Mosley

Linnet Corner
Progress Photos
(July 31, 2024)



Figure 3: View from Lakehurst Circle



Figure 4: View of scaffolding and framing from parking lot to Linnet Corner's front entrance

Linnet Corner
Progress Photos
(July 31, 2024)



Figure 5: View from Mabuhay Street of framing and scaffolding progress



Figure 6: Photo of joists and beam installation

Linnet Corner
Progress Photos
(July 31, 2024)



Figure 7: View of water main installation



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: August 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

Island City Development

Currently, the Housing Authority of the City of Alameda (AHA) has a direct pre-development loan to Island City Development (ICD) for The Poplar, and another loan to Estuary II through its affiliate Alameda Affordable Housing Corporation (AAHC) via the Alameda Affordable Housing Trust Fund (AAHTF). AHA has also provided options for ground leases for ICD pipeline projects (Estuary II, 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 publishes a periodic pipeline newsletter to communicate with interested parties. The most recent newsletter was released in May 2024.

- **Rosefield Village** – Rosefield 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 2024. At that time, a deferred and held back developer fee will be released to ICD and AHA.
- **Estuary I, Linnet Corner** – Estuary I and Linnet Corner are under construction. An update report on these projects is presented as a separate Board item.
- **Estuary II** – Staff submitted seven major funding applications this year for Estuary II. The limiting factors in terms of competitiveness have been twofold: (1) Not being in a high opportunity area, and (2) reliance on the state tax credits, which are very limited. Staff was successful in obtaining a nearly \$10 million award from the National Housing



Trust Fund and also an award of local funds from the City of Alameda.

- **North Master Plan** – AHA has contracted offsite work to support Block A. There is an update on this work in the Construction in Progress (CIP) Report. Additional soil disposal will be needed and is contemplated in the reports of the projects in construction. Additional detail on the timing and cost of this disposal will be provided at a future meeting.
- **The Poplar (2615 Eagle)** – An updated report on the project is presented as a separate Board item.
- **Feasibility Studies** – Housing Development (HD) and Data and Policy staff continue to collaborate to utilize the AHA's Faircloth voucher allocation. An update is presented as a separate Board Item.

Acquisitions

Staff continues to evaluate potential real estate development and acquisition opportunities throughout Alameda as they become available. Staff has been approached recently by infill developers in Alameda who are working on small sites. Such smaller sites would only work on a "scattered site" approach, which is more complex to finance. AHA's typical affordable housing financing tools do not typically work with developments of small units, or few units, or ground floor retail requirements.

New Funding Opportunities

The City of Alameda made two awards of redevelopment funds to AHA projects in June 2024. Independence Plaza received \$2.5 million to subsidize its affordable units under a 12-year contract due to expire in January 2027. The Poplar received \$2 million in permanent financing for its affordable housing development.

The outlook for funding opportunities for new construction in the State of California is increasingly constrained. The approved bond Proposition 1 had limited dollars for new construction, and typically serves a special needs population that is limited to 25% of the total units in a development. The State of California legislature declined to place a new statewide \$10 billion bond (AB 1657, Wicks) on the ballot. A new Bay Area-specific \$20 billion bond measure is on the November 2024 ballot. Voters must pass funding measures by a 2/3 vote, unless another concurrent proposition reduces the standard to 55%. Without these bonds, nearly all the new construction pipeline in California will see severe slowdowns.

AHA is relatively fortunate to have two projects under construction now. Estuary II is vulnerable to losing existing financing commitments if not funded this year. The Poplar will not come online for a few more years, allowing this funding slowdown to clear. On the other hand, major renovations can still be funded, as they typically do not rely on state funding.

EV Charging:

- Independence Plaza has been the subject of a pilot feasibility program with Alameda Municipal Power to add EV car charging stations. The goal is to add at least two charging stations that would be available for residents and staff. The locations would not need to be available to the public. The engineering feasibility has been conducted and now staff is discussing leasing opportunities that would potentially offset the cost of installation.



- Staff is working with the City of Alameda and a selected EV car charging vendor, It's Electric (see attached overview). It's Electric is looking to phase in car charging sites on public streets, with an emphasis on underserved areas of Alameda. The AHA portfolio of properties, which are located throughout the main island, can potentially be a host for these chargers. This system benefits the community and AHA residents, without requiring parking spaces on private property. AHA is evaluating the host participation agreement and proposed locations, which will be brought to the Board for approval.

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. Housing Development, Asset Management, and Property Management staff will bring an update on overall CIP to the Board in September.

Community Relations

In June, Director Martinez joined the Mayor of Alameda Marilyn Ezzy Ashcraft on a panel sponsored by Alameda High School students and the League of Women Voters on Housing Accessibility. The purchase of 18 new homes at Bay 37 by Pulte won a NAHRO Award of Merit. Senior Project Manager Jenny Wong was nominated to join the Northern California chapter of the Women's Affordable Housing Network.

Staffing

The Housing Development Department is fully staffed and seeks to add a new Construction Project Manager this summer. Housing Development has sponsored an intern this summer who has been working on analysis and description of AHA's renewable portfolio.

FISCAL IMPACT

Not applicable.

CEQA

Not applicable.

RECOMMENDATION

Accept the Monthly Overview Report for Housing Development.

ATTACHMENTS

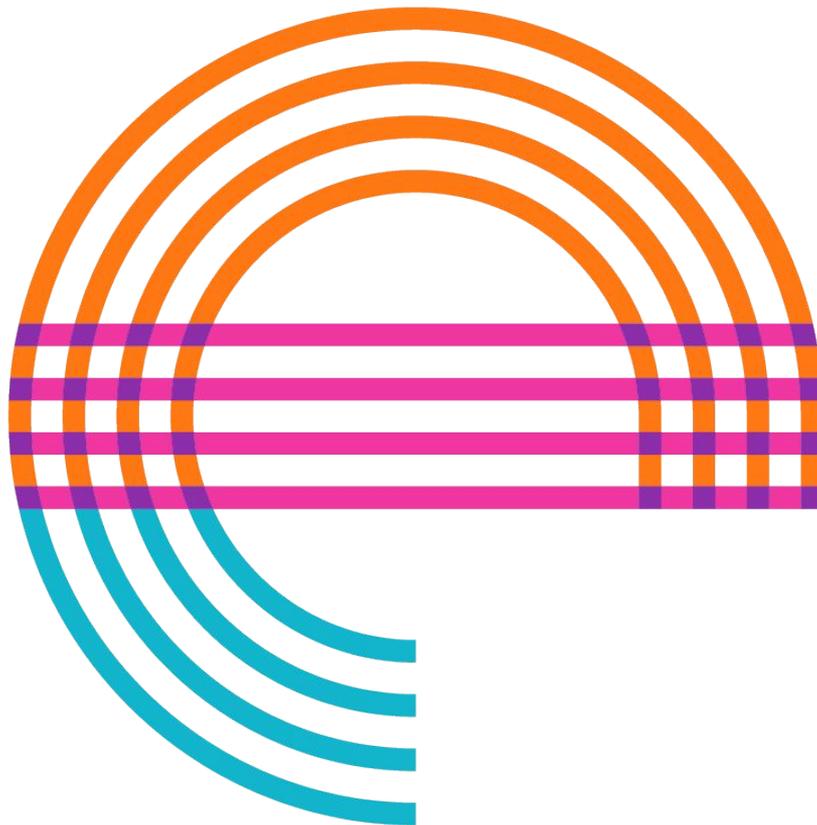
1. itselectric_INTRO

Respectfully submitted,



Sylvia Martinez, Director of Housing Development





Solving the biggest barriers cities face in the deployment of public EV charging

SARAH MARSHALL | MATT SIMON | BUSINESS | JAN 24, 2022 7:00 AM

Wait, So Where Will Urbanites Charge Their EVs?

Homeowners with garages can easily charge their electric cars, but not apartment dwellers. Here's what it'll take to get plugs everywhere in cities.



'Charger Desert' in Big Cities Keeps Electric Cars From Mainstream

For city dwellers who would love an E.V., the biggest hurdle might be keeping it juiced up without a garage or other convenient charging stations.



1M public L2 chargers are needed in the US by 2030

For the 48 million EVs expected
on the road by the same date

(Currently the US has 126,000 chargers)

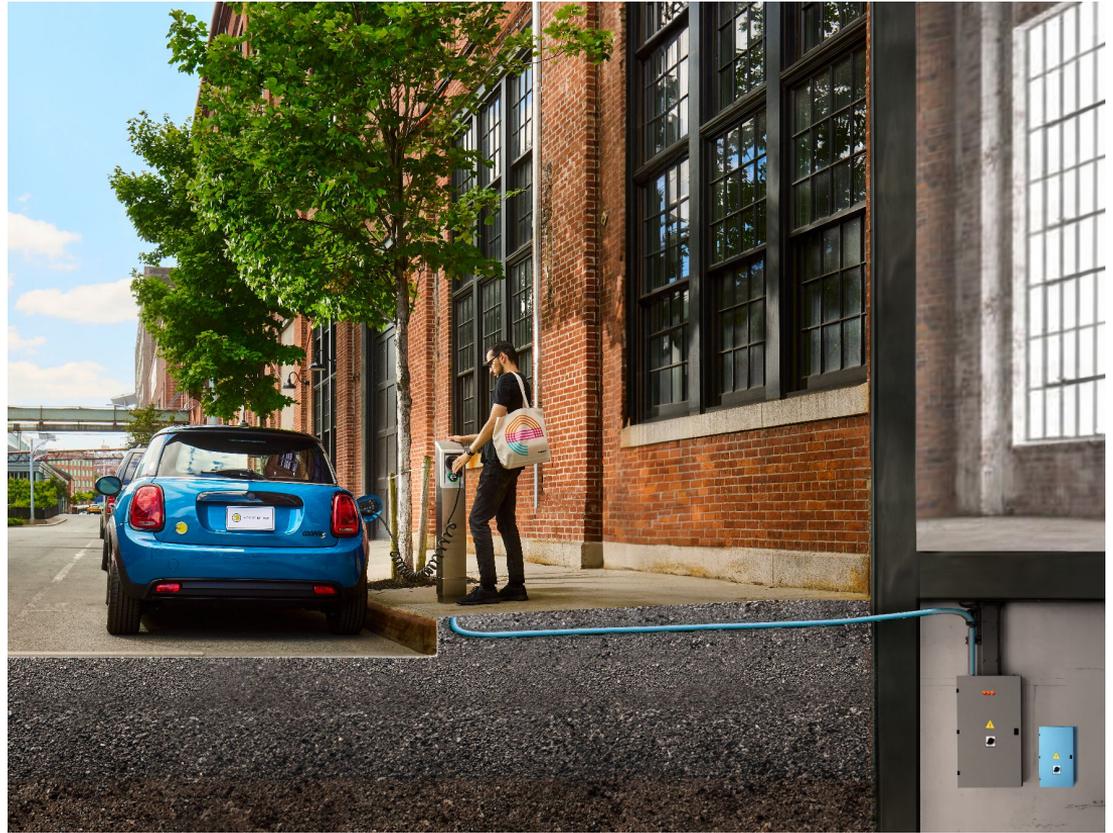
itselectric is the
world's first public
charging system
powered by
buildings

Solving the
biggest barrier
cities face in the
deployment of
chargers



We utilize existing residential and commercial infrastructure to power our chargers

We simply run a shallow conduit from the building's panel to the curb to power a public charger



We are also the first US company to offer a detachable cable



Keeping streets free of cables when a car is not charging



There are **no hardware or installation costs** for cities or for property owners

We are the only curbside charging company with **revenue share**



Forbes

FORBES > INNOVATION > TRANSPORTATION

Hyundai And Itslectric Pilot Curbside EV Charging In Brooklyn

U.S. News & WORLD REPORT

New York to Pilot Revenue-Sharing EV Charging

The U.S. has many "charging deserts" where EV owners have no place to plug in. itslectric is proposing an urban model where property owners gain revenue from free chargers installed at their locations. New York City has a pilot program.

A simple but revolutionary idea



CRAIN'S
NEW YORK BUSINESS

The Atlantic

Forbes



MONOCLE

THE
WALL STREET
JOURNAL

Clear⊗Technica

U.S. News
& WORLD REPORT

Grist

n p r

The future
it's electric

hello@itselectric.us





ISLAND CITY DEVELOPMENT

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

ITEM 4.E

To: Board of Directors
Island City Development

From: Tony Weng, Senior Project Manager

Date: August 21, 2024

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

BACKGROUND

The Estuary II is one of the first three projects within North Housing Block A. Block A is the first phase of the larger 12-acre North Housing parcel redevelopment at the former Alameda Naval Air Station (NAS) 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 and Building Futures. Island City Development (ICD) is the developer.

The North Housing parcel was successfully transferred to AHA ownership on May 30, 2019. The AHA Board of Commissioners approved the Agency's Vision for the North Housing site at its August 2019 meeting. All entitlements were approved in 2020. In October 2023, the first phase Final Map was recorded to create the parcels and the streets within Block A. Estuary II was designed and planned as a condominium project for vertical construction on vacant land. The building permit is ready to be issued upon payment of the building permit fees. Once issued the permit is good for 12 months or 12 months from the last approved inspection by the Building Department.

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 for \$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. Per the Standard Agreement, the final disbursement request for this funding is due by March 31, 2031. The Board also approved an option to ground lease the land, at a subsidized rate in 2021. If and when State of California Department of Housing and Community Development (HCD) funding is awarded to this project that requires a below



market land lease or land donation the ground lease for up to the Fair Market Value (FMV) evidenced by the seller carryback financing may be converted to land contribution to the project for a nominal fee of \$1 per year for 99 years. This similar financing structure was used on the Linnet Corner project with HCD funding.

On June 23, 2023, the Federal Home Loan Bank of San Francisco awarded \$690,000 in Affordable Housing Program (AHP) funds to the project. Projects with an AHP award have 4 years from the award to use the AHP funds, and our AHP award will expire on or about June 23, 2027.

On April 4, 2024, the California Department of Housing and Community Development (HCD) awarded \$9,761,541 from the National Housing Trust Fund program for this project. Staff is working with HCD on the Standard Agreement and the Conditional Award Commitment Letter. Per the terms of the commitment, this HCD award is valid for 12 months from the award, and our NHTF award will expire on or about April 4, 2025, unless extended by written agreement.

On June 10, 2024, the City of Alameda awarded approximately \$550,000 in Permanent Local Housing Allocation (PLHA) funding to this project. This commitment from the City is valid through June 30, 2025.

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 17, 2024, AHA approved an extension for the project to enter into an Agreement To Enter Into A Housing Assistance Payment Contract (AHAP) to December 31, 2024.

On June 28, 2024, staff submitted an Apple Affordable Housing Fund application for \$3,050,000, and on August 12, 2024, staff received notification that the Estuary II project was not selected to progress to underwriting.

Estuary II continues to need its final tax credits and/or bonds. On April 23, 2024, staff submitted a joint tax-exempt bond and 4 percent tax credit application to the California Debt Limit Allocation Committee (CDLAC) and the California Tax Credit Allocation Committee (CTCAC). CTCAC staff informed AHA staff that Estuary II was not being considered for bonds and tax credit allocations. Hence, staff withdrew the 4 percent coupled with the tax-exempted bonds application, and submitted the 9 percent tax credit application on July 2, 2024, with awards expected by October 2, 2024. However, the project does not appear to have a high enough tiebreaker to win an award for that round. There is one more potential tax credit/bond round in late August 2024. The July 9% application will need to be withdrawn to attempt the 4% August round.

Timing

This development will not start construction until 2025 at the earliest, as it is still waiting for its final financing commitments.

As shown in the applications submitted and the awards received to date, staff is actively pursuing all viable options. However, some of the current awards/commitments are expiring as noted above, unless extended by written agreements from the awarding agency. In



addition, the State of California is facing a budget deficit in the coming 2024-25 fiscal year. The final state budget includes cuts of over \$1 billion of funding related to affordable housing and homelessness programs. At the time of this memo, the Bay Area Housing Finance Authority (BAHFA) Board decided to withdraw the \$20 billion general obligation bond measure for the production and preservation of affordable housing from the upcoming 2024 general election ballot in all nine Bay Area counties. The BAHFA bond measure was a potential regional approach toward solving the Bay Area's housing crisis, and the withdrawal of this bond measure, coupled with the state budget shortfall makes future affordable housing projects, including Estuary II more challenging to fund.

The Estuary II project has an estimated gap of approximately \$20 million necessary to start construction and hopes to fill this gap with one remaining option for 2024. In 2022, projects located in zip code 94501, which is the majority of the City of Alameda, lost the difficult to development area (DDA) and qualified census tracts (QCT) designation as determined by HUD every year. In December 2022, staff submitted several DDA preservation applications to CDLAC, including Estuary II. Projects like Estuary II with a DDA/QCT preservation status have two years from the time the DDA/QCT preservation application was submitted to secure a bond allocation and issue the bond, typically at construction loan closing. The last chance to take advantage of the DDA/QCT preservation status was the 4% tax credit and bond application submitted in April 2024, but it was unsuccessful due to the scarcity of state tax credits. The loss of DDA/QCT designation translates to a financing gap of approximately \$4 million. This gap may be filled with additional state tax credit requests in the 4% and bond option discussed below, although additional reliance on the state tax credit reduces a project's tiebreaker.

The project could be funded by \$20 million in tax credits and bond financing from CTCAC/CDLAC. Staff plans to apply for 4 percent tax credits and bond financing on August 27, 2024, with an allocation date scheduled for December 11, 2024, and if awarded, the project will start construction in June 2025 and complete construction in June 2027. The Board should be aware that the chances of being funded in those two rounds are low relative to prior projects, due to the state funding outlook and other changes outlined above. It is very possible that development may need to wait several years.

The Estuary II project has sufficient pre-development funding for the expected soil off-haul costs to be split pro rata between the North Housing Block A projects, with Estuary II responsible for 17% of the costs. These costs will be built into the proforma budget.

FISCAL IMPACT

The Board previously authorized a pre-development loan of \$7,500,000 for costs associated with master planning, carrying costs, demolition, and redevelopment work for the first phase of the North Housing project, which includes 155 units, including Estuary II. Please see separate monthly reports for The Estuary I and Linnet Corner projects. The total pre-development loan available for the Estuary II project is \$3,750,000 of which \$1,333,703 is spent. Funds are disbursed to ICD on an as-needed basis. The Board previously approved \$1,500,000 in AHA funding commitment for the pro rata share of the site preparation and offsites costs for this project. Please refer to the attached chart summarizing expenses through July 31, 2024 (Attachment 1).

CEQA



RECOMMENDATION

Accept the Quarterly Development Report for The Estuary II.

ATTACHMENTS

1. Att1_North Housing Block A Estuary II Expenses Chart

Respectfully submitted,



Tony Weng, Senior Project Manager

Predevelopment Expenses Chart Through July 31, 2024

The Estuary II	Amount	Amount
Predevelopment loan funds (AAHTF) available for the Estuary II project	\$3,750,000	\$3,750,000
Predevelopment expenses to-date includes predevelopment costs, pro rata shares of master plan, demolition, and land carrying costs)	\$1,333,703	
Anticipated Soil Off Haul Costs - Estuary II's Pro Rata Share	\$510,000	
Predevelopment Funds Remaining	\$1,906,297	
The Estuary II	Amount	
AHA funded site preparation costs as the master developer for the pro rata share costs of ground improvement and offsite improvement for Estuary II. *Shown for informational purposes only	\$1,500,000	\$1,500,000
Cumulative Total AHA Funds for Estuary II		\$5,250,000



ISLAND CITY DEVELOPMENT

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

ITEM 4.F

To: Board of Directors
Island City Development

From: Jenny Wong, Senior Project Manager

Date: August 21, 2024

Re: Accept the Quarterly Development Report for The Poplar.

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 to 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 and work preference for Alamedans.

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

In February 2024, the Board accepted a \$2.1 million pre-development loan from the AHA Reserve Policy for upfront costs through readiness for financing applications that exceed the CIP loan amount.

In March 2024, the Board accepted an option to ground lease with a 20-year term from AHA. New requirements on the ground lease include biannual pre-development progress reporting and limitations on transfers to only ICD-controlled entities.

Please see previous monthly Board Reports for project details prior to this month’s update.

DISCUSSION

Funding

AHA has received an additional \$2 million from the City of Alameda redevelopment funding totaling approximately \$5 million for this development (ROPS FY 22-23, FY 23-24, FY 24-25). The redevelopment funding is available on a reimbursement basis and will remain as permanent financing for the development.

Design and Permit

The development will not require a 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

Rincon Consultants, Inc. was selected as the highest-ranking proposal for the Environmental Consulting Services RFP solicitation. The environmental consultant will provide environmental consulting services necessary for the site investigation and cleanup of The Poplar project site.

Luk and Associates was selected as the highest-ranking proposal for the Civil Engineering Services RFP solicitation. The civil engineer will provide services necessary for the project feasibility, entitlements submittal, permitting, and construction phase and serve as the Civil Engineer of Record for The Poplar.

Proposals received from the Architectural Services RFP solicitation were deemed very expensive. Staff anticipates republishing the Architectural Services RFP to obtain additional proposals. Staff plans to bring a recommendation for Architectural Services back to the AHA Board for approval and begin services in October 2024.

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 early 2025.

Environmental Mitigation

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

In March 2024, the project was awarded \$534,565 in Equitable Community Revitalization Grant (ECRG) funds from the Department of Toxic Substances Control Office of Brownfields. The grant has a two-year term. Grant funds are disbursed on a reimbursement basis and can only be used for environmental site investigation activities.

FISCAL IMPACT

Predevelopment expenses at the Poplar are currently being funded by a short-term AHA Reserve Policy commitment and the Capital Impact loan. Environmental specific costs can be reimbursed through the ECRG grant.

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 for The Poplar (2615 Eagle Avenue).

ATTACHMENTS

1. Att1_The Poplar Predevelopment Budget



Island City Development
August 21, 2024

Page 3

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 July 31, 2024	\$277,132	\$2,645,457
Remaining Loan Available	\$1,822,868	\$691,543



ISLAND CITY DEVELOPMENT

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

To: Board of Directors
Island City Development

From: Trevor Jones, Asset Manager

Date: August 21, 2024

Re: Accept the Quarterly LIHTC Portfolio Asset Management Fiscal Year-to-Date Financial Report through June 30, 2024.

BACKGROUND

The portfolio includes eight Low Income Housing Tax Credit (LIHTC) Partnership properties: Breakers at Bayport, Shinsei Gardens, Park Alameda, Jack Capon Villa, Littlejohn Commons, Stargell Commons, Rosefield Village, and Everett Commons. The projects were placed in service between 2006 and 2022 with a cumulative unit count of 347 units (85.5% family, 9% senior, and 5.5% for persons with disabilities), of which, 41% of the units are supported by a combination of various rental subsidy programs (Project-Based Voucher and Veterans Affairs Supportive Housing Project-Based Voucher).

The Housing Authority of the City of Alameda (AHA) owns all the land except for Park Alameda; thus, all partnerships include a land lease, and AHA's role varies from Co-General Partner (Co-GP), General Partner (GP), to Special Limited Partner (SLP). Island City Development (ICD) is the developer for Rosefield Village, Littlejohn Commons, and Everett Commons and co-developer for Stargell Commons.

DISCUSSION

This memo provides an overview of the Low-Income Housing Tax Credit (LIHTC) partnership properties' Year-to-Date financial report through June 30, 2024. These properties run on a fiscal year ending December 31st. This report tracks performance per the budget and includes achievements, items of note, and upcoming events or changes. Please note the figures used in this report may change and not match the audit.

Statements that apply to all properties:

- Operating Revenue- Includes tenant rent, rental subsidy, vacancy loss, laundry income, and interest on accounts. This is accounted for on a cash basis.
- Tenant Receivables- Property Management and Resident Services assist residents with applying for assistance and repayment agreements.
- Operating Expense- Includes marketing, administrative, property management fees, salaries and benefits, utilities, operating and maintenance, taxes and insurance, and resident services. This is accounted for on an accrual basis.
- Net Operating Income (NOI) Operating Revenue minus Operating Expense



- Debt Service Coverage Ratio will be denoted by DSCR. DSCR is calculated by dividing (NOI-Operating Expenses-Replacement Reserves) by Debt Service.
- Total Surplus Cash Flow will be distributed per the waterfall in accordance with the LPA, lender, and regulatory agreements.
- Conservice is a utility management provider that will be employing at select properties in Q2 2024.

Breakers at Bayport- 459 Neptune Gardens Avenue

Breakers at Bayport is a 52-unit Low Income Housing Tax Credit (LIHTC) development for families. Resources for Community Development (RCD) is the General Partner (GP) and The Breakers at Bayport L.P. is the Limited Partner (LP). The Housing Authority of the City of Alameda (AHA) owns the land. The Housing Authority of the City of Alameda (AHA) provided an original loan of \$2,015,000 and has a current balance of \$1,408,790, that bears no interest and matures in January 2059. John Stewart Company (JSCo) provides property management services. Operation Dignity provides resident services. The project was placed in service on March 29, 2006.

Unit matrix: 2Bed- 34 units, 3Bed- 18 units (1 Manager Unit)

Section 8 PBV: 15 units

Income and rent limits: 50%-60% AMI

- Operating Revenue is \$571,962, which is 3% (\$19,329) higher than budget.
- Occupancy is 98.6% (averaging less than 1 vacant unit over the first Two Quarters). As of June 30th, the property was 100% occupied.
- Tenant Revenue is \$303,489 and Subsidy Revenue is \$273,319.
- Tenant Accounts Receivable are \$40,687. No tenants are currently facing termination for nonpayment. This includes residents with balances over 6 months delinquent.
- Operating Expenses are \$310,166, which is 2% (\$4,615) higher than budget due to collection loss being coded as an expense. \$2,030 was written off in the first Two Quarters.
- Net Operating Income is \$261,796, which is 6% (\$14,714) higher than budget due to occupancy being higher than budget and low turnover.
- Replacement Reserve deposit requirement is \$15,500 annually.
- Mandatory hard debt service is \$139,152 annually.
- Total Net Cash Flow is \$184,470, which is \$14,714 higher than budget.
- DSCR is 3.64x.
- Asset Management Fee of \$3,460 is paid annually to AHA.

Shinsei Gardens- 401 Willie Stargell Avenue

Shinsei Gardens is a 39-unit Low Income Housing Tax Credit (LIHTC) development for families. RCD is the GP, and ICD is in the LP. AHA owns the land, and has a continuing operating agreement with RCD to manage the property along with AHA. AHA has closed on the investor Limited Partner buyout in March 2024 and has an option to buyout the GP within the next five years. JSCo provides property management services. Operation Dignity provides resident services. There is a loan of \$2,129,336 from AHA/CIC that bears no



interest and matures on March 23, 2063. The project was placed in service on September 03, 2009.

Unit matrix: 1Bed- 6 units, 2Bed- 18 units, 3Bed- 12 units (1 Manager Unit), 4Bed- 3 units
Section 8 PBV: 21 units
Income and rent limits: 20%-60% AMI

- Operating Revenue is \$488,121, which is 6% (\$33,276) lower than budget due to occupancy being lower than budget.
- Occupancy averaged 95% (2> vacant units).
- Tenant Revenue is \$206,810 and Subsidy Revenue is \$301,695.
- Tenant Accounts receivable are \$12,723. No tenants are currently facing termination for non-payment.
- Operating Expenses are \$262,150, which is 11% (\$31,948) lower than budget due to low turnover and payroll being allocated correctly.
- Net Operating Income is \$225,971, which is 1% (\$1,328) lower than budget due to lower than budgeted occupancy.
- Replacement Reserve deposit requirement is \$23,400 annually.
- No mandatory hard debt service.
- Total Net Cash Flow is \$214,271, which is \$1,328 under budget.
- DSCR is N/A due to no hard loans.

Park Alameda- 2428 Central Avenue

Park Alameda is a 62-unit Low Income Housing Tax Credit (LIHTC) development for families. RCD is the managing Co-GP, AHA is the Co-GP, and Union Bank (UB) is the LP. AHA holds an Option to exercise the Right of First Refusal (ROFR) which can be executed on or after January 2025. AHA will be starting shortly on this and expects to make a similar arrangement as was done at Shinsei. RCD, the GP, owns both the land and the property. There is a loan of \$8,600,000 from AHA/CIC that bears no interest and matures September 2068. JSCo provides property management services. Operation Dignity provides resident services. The project was placed in service on December 27, 2012.

Unit matrix: 0Bed- 61 units, 2Bed- 1 unit (manager unit)
Section 8 PBV: 15 units
Income and rent limits: 50%-120% AMI

- Operating Revenue is \$410,099, which is 4% (\$17,007) lower than budget as a result of loss to lease being higher than budget.
- Occupancy averaged 93% (5 Vacant Units) during the first Two Quarters and ended the Quarter with only 2 unrented units.
- Tenant Revenue is \$252,488 and Subsidy Revenue is \$188,488.
- Tenant Accounts Receivable are \$127,069. No tenants are currently facing termination for nonpayment.
- Operating Expenses are \$359,049, which is 9% (\$29,867) higher than budget. The primary reasons for expenses being over budget are legal expenses and unplanned plumbing issues.
- Net Operating Income is \$51,050, which is 48% (\$46,874) lower than budget.



However, we budgeted aggressively to get this project back on track and this Quarter does reflect significant improvements over 2023.

- Replacement Reserve deposit requirement \$31,932 annually.
- No Mandatory Hard Debt Service.
- Total Net Cash Flow is \$35,085.

Stargell Commons- 2700 Bette Street

Stargell Commons is a 32-unit Low Income Housing Tax Credit (LIHTC) development for families. RCD is the GP, Wells Fargo Bank (WFB) is the LP, and ICD is the SLP. AHA owns the land and also provided a loan of \$2,000,000 at 3% interest payable through excess/distributable cash with a maturity date of December 2072. As of December 2023, no principal payments have been made and \$238,298 of interest has accrued. AHA holds an Option to exercise the Right of First Refusal (ROFR), which can be exercised on or after December 31, 2031. JSCo provides property management services. Operation Dignity provides resident services. The project was built in May 2017.

Unit matrix: 1Bed- 5 units, 2Bed- 17 units (1 Manager Unit), 3Bed- 10 units

Section 8 PBV: 7 units

Income and rent limits: 30%-60% AMI

- Operating Revenue is \$280,020, which is 11% (\$35,268) lower than budget as a result of higher vacancy.
- Occupancy averaged 91.6% (Less than 3 vacant units) over the Quarter. A number of residents chose to move-out instead of agreeing to a payment plan.
- Tenant Revenue is \$212,673 and Subsidy Revenue is \$90,956.
- Tenant Accounts Receivable are \$29,279. No tenants are currently facing termination for nonpayment.
- Operating Expenses are \$225,385, which is 9% (18,508) higher than budget due higher than budgeted fire protection expenses and HVAC maintenance. -Net Operating Income is \$54,635 which is 49% (\$53,774) lower than budget due to unanticipated expenses and lower than budgeted occupancy.
- Replacement Reserve deposit requirement is \$19,200 annually.
- Mandatory hard debt service is \$69,156 annually.
- Total Net Cash Flow is \$10,457.
- DSCR is 1.3.

Jack Capon Villa- 2216 Lincoln Avenue

Jack Capon Villa is a 19-unit Low Income Housing Tax Credit (LIHTC) development for persons with developmental disabilities. Satellite Affordable Housing Associates (SAHA) is the managing Co-GP, AHA is the Co-GP, and Bank of America (BoFA) is the LP. AHA owns the land and also holds an Option to exercise the Right of First Refusal (ROFR), which can be executed on or after December 31, 2028. AHA has 3 current loans secured by the property. The first loan was for \$225,000 with an interest rate of 5% and current balance of \$52,238 with a maturity of November 1, 2024. The second AHA/CIC loan was for \$1,400,000 with an interest rate of 3% and December 2023 balance of \$1,400,000 excluding accrued



interest of \$331,285. The third AHA loan was for \$200,000 with an interest rate of 3% and deferred payments until 2070. SAHA Property Management provides property management services. Housing Consortium of East Bay (HCEB) provides resident services. The project was placed in service on January 09, 2014.

Unit matrix: 1Bed- 16 units, 2Bed- 3 units (1 Manager Unit)
Section 8 PBV: 18 units
Income and rent limits: 50% AMI

- Operating Revenue is \$272,953 which is 16% (\$37,897) higher than budget due to the property being 100% occupied over the first Two Quarters.
- Occupancy averaged 100% (0 vacant units) over the first Two Quarters. Vacancy appears positive due to a reclass.
- Tenant Revenue is \$53,527 and Subsidy Revenue is \$204,228.
- Tenant Accounts Receivable are \$2,850.
- Operating Expenses are \$172,189, which is 14% (\$29,149) lower than budget due to conservative budgeting.
- Total Net Operating Income is \$100,764, which is 199% (\$) higher than budget.
- Replacement Reserve deposit requirement is \$11,400 annually.
- Mandatory hard debt service is \$28,632 annually.
- DSCR is 6.64.
- Total Net Cash Flow is \$80,748.
- The property ended 2023 fully occupied and maintained 100% occupancy over the first Two Quarters. This allowed the property to save on expenses that would normally accompany turning units.

Littlejohn Commons- 1301 Buena Vista Avenue

Littlejohn Commons is a 31-unit Low Income Housing Tax Credit (LIHTC) development for seniors. ICD is the GP and NEF is the LP. ICD also holds an Option/ Right of First Refusal which can be executed on or after August 1, 2030. The Partnership entered a ground lease with the landowner, AHA, which expires December 31, 2115. FPI Management provides property management services. LifeSTEPS provides resident services. The project was placed in service on July 31, 2018.

Unit matrix: 1Bed- 30 units, 2Bed- 1 unit (manager's unit)
Section 8 PBV: 25 units
Income and rent limits: 30%-50% AMI

- Operating Revenue is \$339,276, which is 3% (\$8,639) higher than budget as a result of budgeting for \$38,432 in bad debt, but not writing anything off in the first Two Quarters.
- Occupancy is 92% (2.3 vacant units) and there were 3 vacant units at the end of the second Quarter after 2 evictions.
- Tenant Revenue is \$82,357 and Subsidy Revenue is \$272,810.
- Tenant Accounts receivable are \$55,664. Nonpayment is being actively addressed.
- Operating Expenses are \$165,444, which is 11% (20,016), lower than budget due to lower payroll as we hired two new office staff. Additionally, some large budgeted items,



- such as Auditing Expenses, were budgeted in Q2, but have not been paid for yet.
- Net Operating Income is \$173,832, which is 20% (\$28,655) higher than budget due to high occupancy and lower than budgeted expenses.
 - Replacement Reserve deposit requirement is \$15,500 annually.
 - Mandatory hard debt service is \$236,508 annually.
 - Total Net Cash Flow is \$47,828.
 - DSCR is 1.4 and will be monitored closely.

Everett Commons- 2437 Eagle Avenue

Everett Commons is a 20-unit Low Income Housing Tax Credit (LIHTC) development project for families. ICD is the GP and Enterprise is the LP. ICD also holds an Option to exercise the Right of First Refusal (ROFR) which can be executed on or after the end of the compliance period in 2033. The Partnership entered a ground lease with the landowner, AHA, which expires June 1, 2116. FPI Management provides property management services. LifeSTEPS provides resident services. The project was placed in service on December 17, 2018.

Unit matrix: 1Bed- 4 units, 2Bed- 11 units (1 Manager Unit), 3Bed- 5 units

Section 8 PBV: 12 units

VASH PBV: 5 units

Income and rent limits: 30%-60% AMI

- Operating Revenue is \$287,866, which is 0% (\$1,304) higher than budget. This is primarily due to budgeting for \$15,875 of bad debt, but not writing anything off in the first Two Quarters.
- Occupancy averaged 96.6% (Less than 1 vacant unit) over the first Two Quarters.
- Tenant Revenue is \$69,242 and Subsidy Revenue is \$227,206.
- Tenant Accounts Receivables are \$18,244 with \$13,509 occurring during the moratorium. Nonpayment is being actively addressed.
- Operating Expenses are \$147,146, which is 2% (7,104) lower than budget due to the timing of garbage and sewer being paid. This will largely be addressed with the introduction of Conservice.
- Net Operating Income is \$140,720, which is 3% (\$4,347) higher than budget due to the timing of expenses and bad debt write-offs. .
- Replacement Reserve deposit requirement is \$13,508 annually.
- Mandatory hard debt service is \$215,916.
- Total Net Cash Flow is \$26,009.
- DSCR is 1.24. AHA will continue to monitor this property closely due to the low DSCR.

Rosefield Village – 727 Buena Vista Avenue

Rosefield Village is a 92-unit Low Income Housing Tax Credit (LIHTC) development project for families. ICD also holds an Option to exercise the Right of First Refusal (ROFR) which can be executed on or after the end of the compliance period in 2033. The Partnership entered a ground lease with the land owner, AHA, which expires December 31, 2115. FPI Management provides property management services . LifeSTEPS provides resident



services. The project was placed in service in 2022. Please note 2024 is the first full year of operating so some numbers are skewed by the 2023 conversion to permanent financing.

Unit matrix: Studio- 8 units, 1Bed- 35 units, 2Bed- 26 units (1 Manager Unit), 3Bed- 23 units

Section 8 PBV: 23 units

Income and rent limits: 20%-80% AMI

- Operating Revenue is \$863,911, which is 8% (\$71,639) lower than budget.
- Occupancy averaged 90.5% (9 vacant units) over the first Two Quarters. Rosefield was affected significantly by the moratorium. While property management could not serve notices during the COVID Moratorium, residents let their delinquency build-up and many opted to move-out with large outstanding balances instead of going through the court process or working with LifeSTEPS. Staff have payment plans with those who are willing to work with LifeSTEPS and AHA. FPI and AHA are working hard to lease those units that vacated. Staff are holding weekly meetings with FPI. Leasing is ongoing and is expected to improve in 2024. As of June 30th, 2024, there were 2 unrented vacant units.
- Tenant Revenue is \$611,386 and Subsidy Revenue is \$353,858.
- Tenant Accounts receivable are \$194,882. Nonpayment is being actively addressed.
- Operating Expenses are \$578,149, which is 22% (175,466) higher than budget due to a number of invoices incurred in 2023 being paid in the first Two Quarters. The property has been covered by a regional manager as well as temporary labor that contributed to overages in Payroll. Additionally, the property utilized third party cleaners and temporary maintenance to help turn 10 units so they would be ready for move-ins. A new Community Manager is starting in July and the site will be fully staffed.
- Net Operating Income is \$285,149, which is 38% (\$175,466) lower than budget due to higher than budgeted expenses and an enhanced focus on leasing units back up.
- Replacement Reserve deposit requirement is \$55,200 annually.
- Mandatory hard debt service is \$724,692 annually.
- Total Net Cash Flow is 90,176.
- DSCR is 1.5. AHA will continue to monitor this property closely due to the low DSCR.

Overall, the portfolio is performing strongly and AHA has established watch lists with FPI and JSCO to address issues stemming from issues with tenant balances from the moratoriums put in place during the pandemic. As these moratoriums are peeled back, AHA is working creatively with LifeSTEPS, legal, and FPI to create payment plans and keep our units occupied and in good standing. All the assets are able to fulfill mandatory hard debt service and deposit reserves with a debt service coverage ratio averaging at 2.62, ranging from 1.24 to 6.64. Also, most assets produce surplus cash/ residual receipts for distribution. Reserve balances are attached.

FISCAL IMPACT

None

CEQA



RECOMMENDATION

Accept the LIHTC Portfolio Asset Management Fiscal Year to Date Financial Report through the Month of June 2024.

ATTACHMENTS

1. AHA LIHTC Q2 2024 Graphs
2. Q2 LIHTC Quarterly Reports Final

Respectfully submitted,
Trevor Jones
Trevor Jones, Asset Manager



LIHTC Q2 2024 REPORT

Income is on an Accrual Basis
 Expenses are on an Accrual Basis
 Income Variance is calculated Actual-Budget
 Expense Variance is calculated Actual-Budget
 PUPY refers to Per Unit Per Year to Date

TREVOR JONES
 ASSET MANAGER

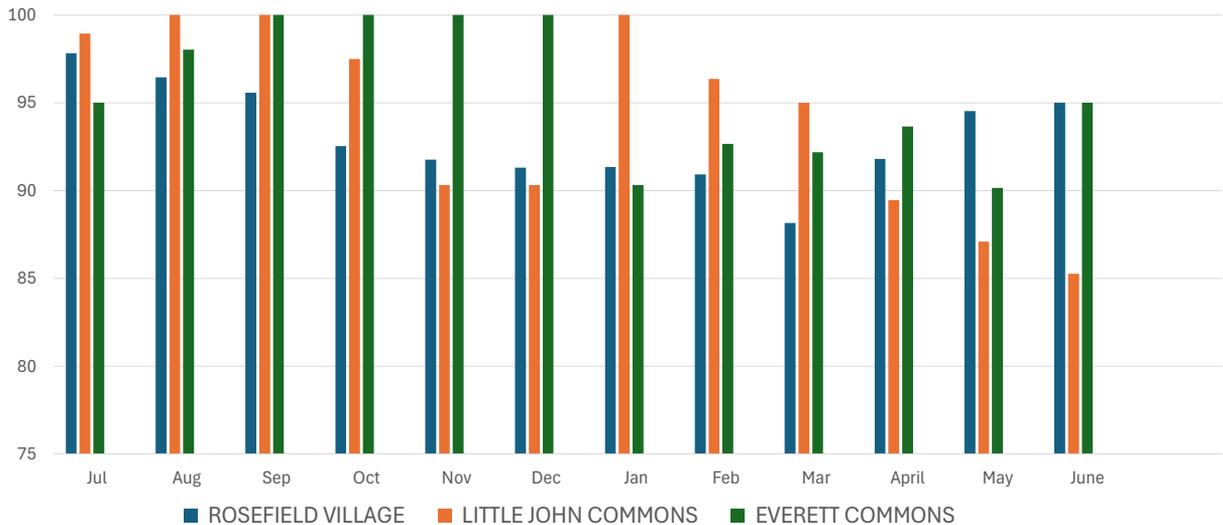


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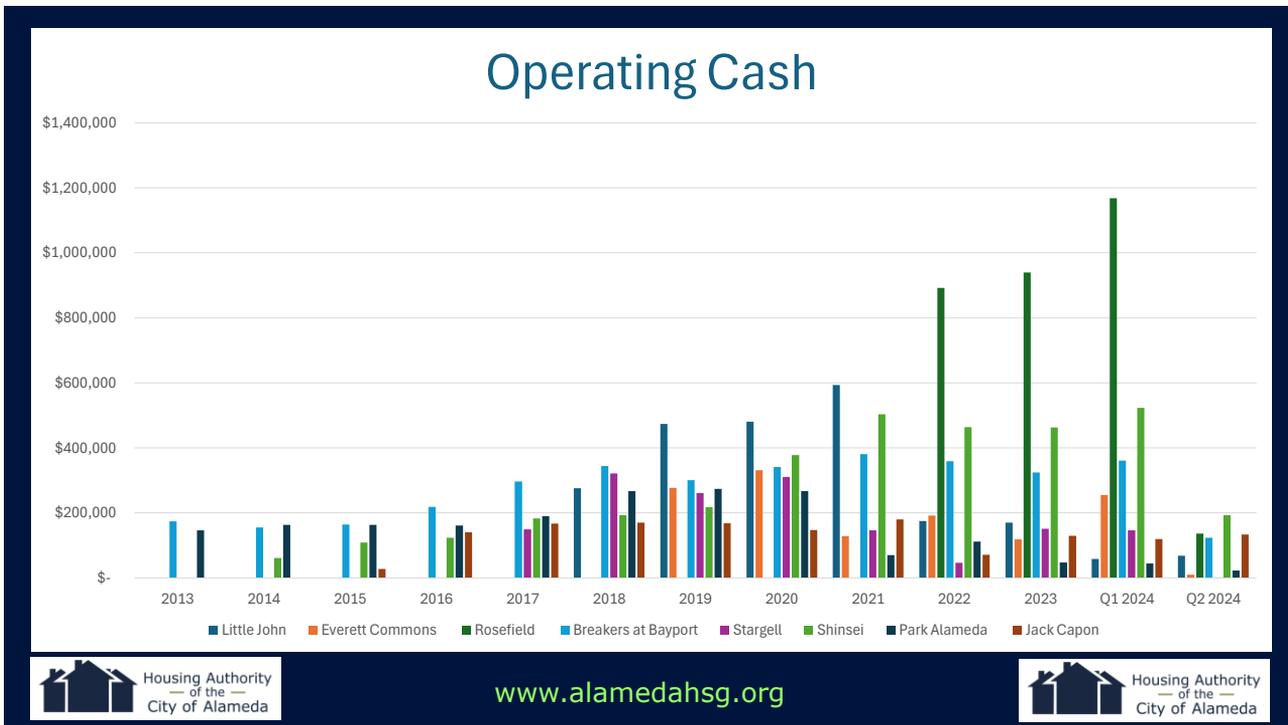
Occupancy



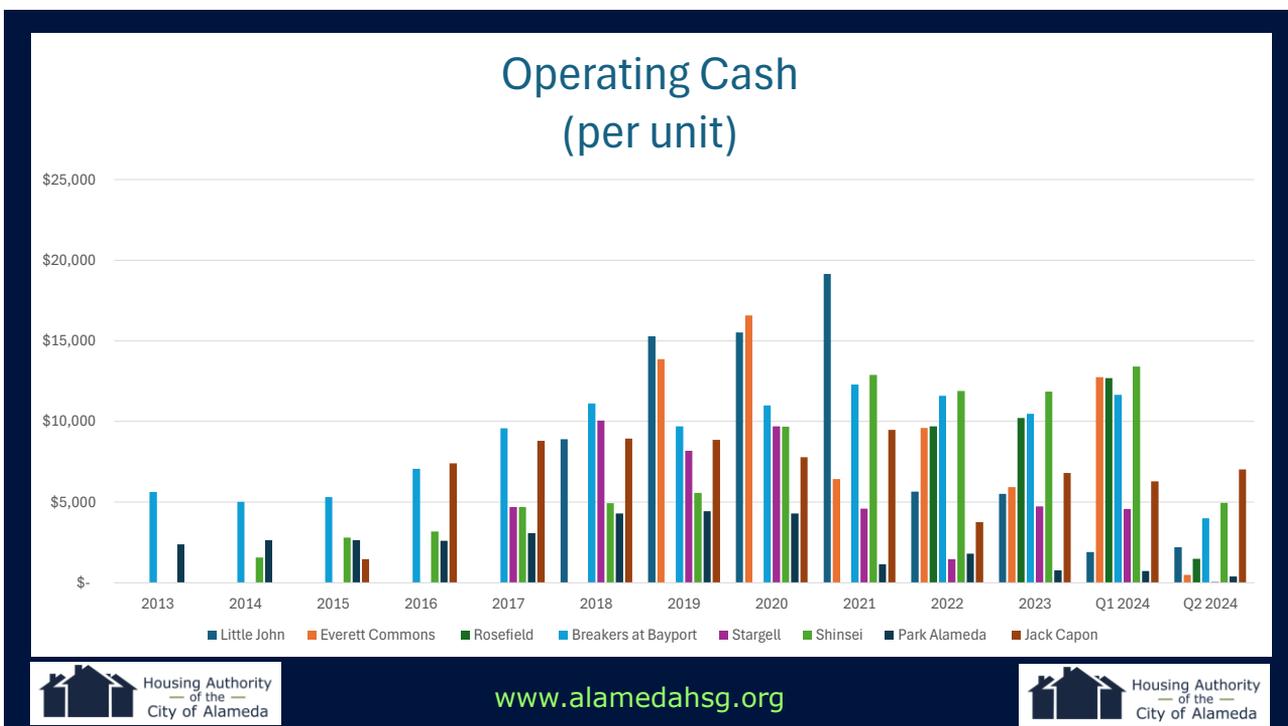
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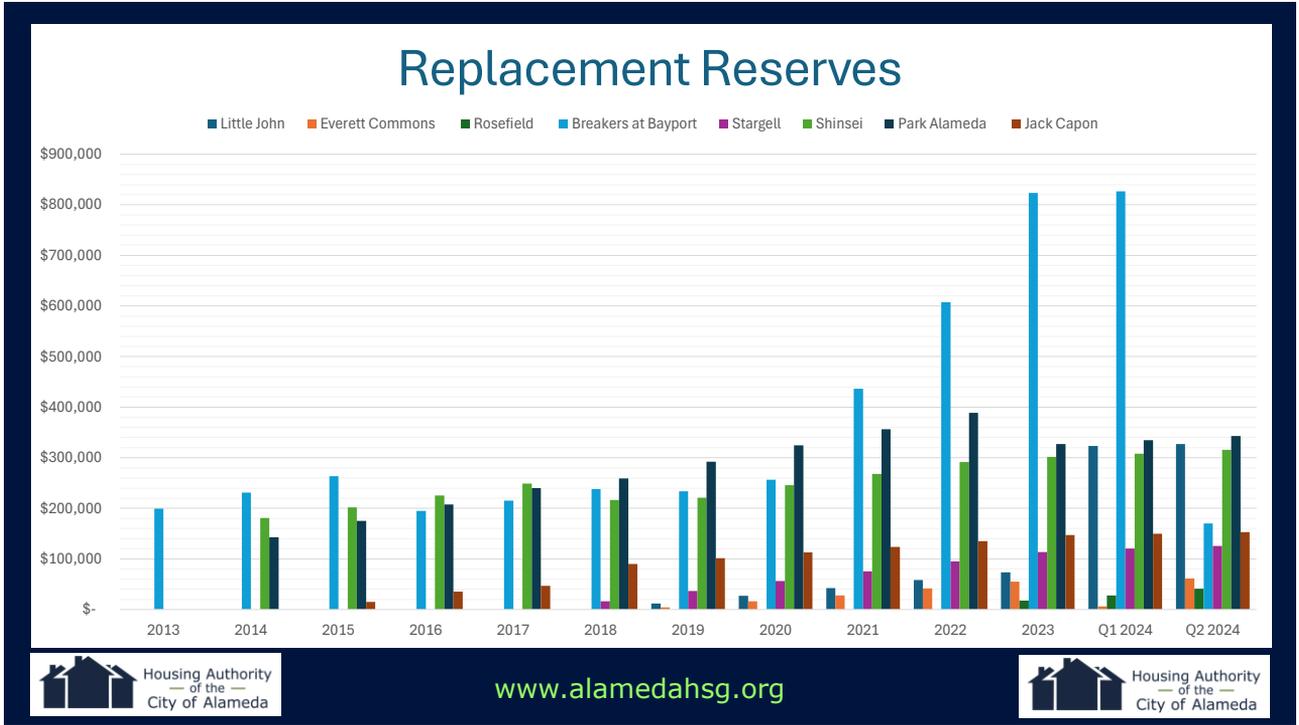
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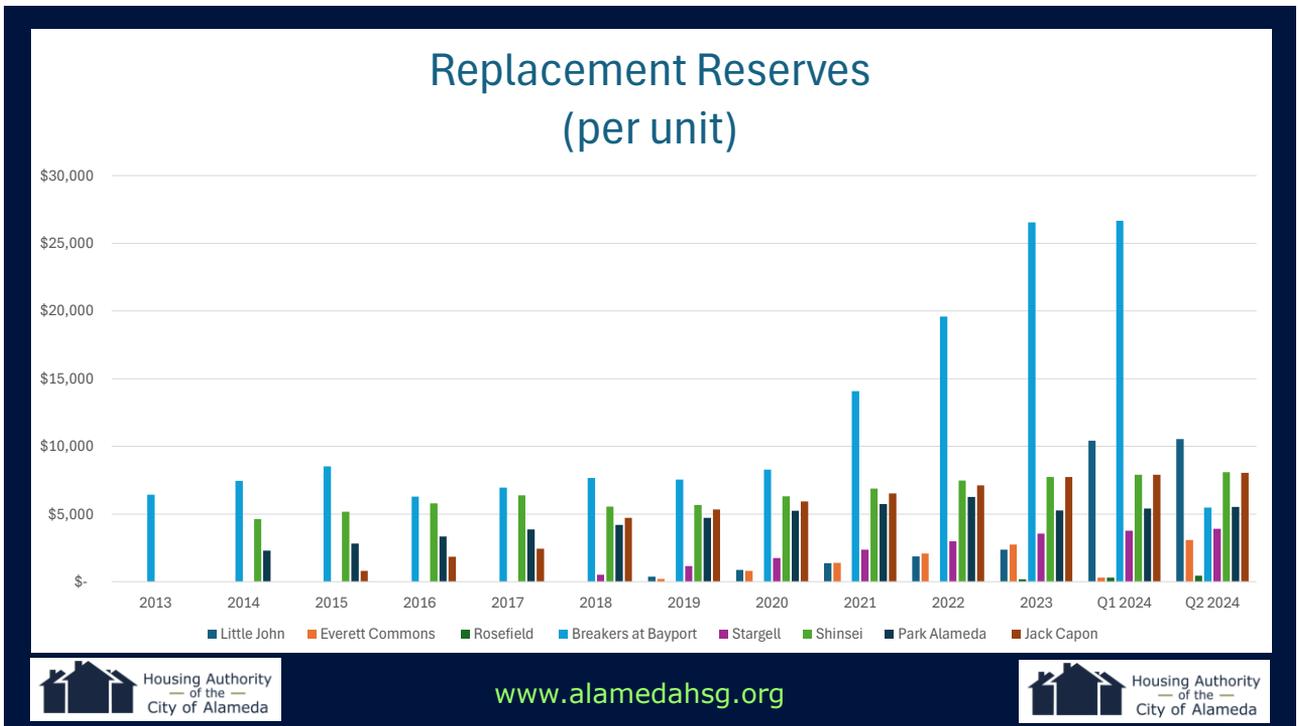
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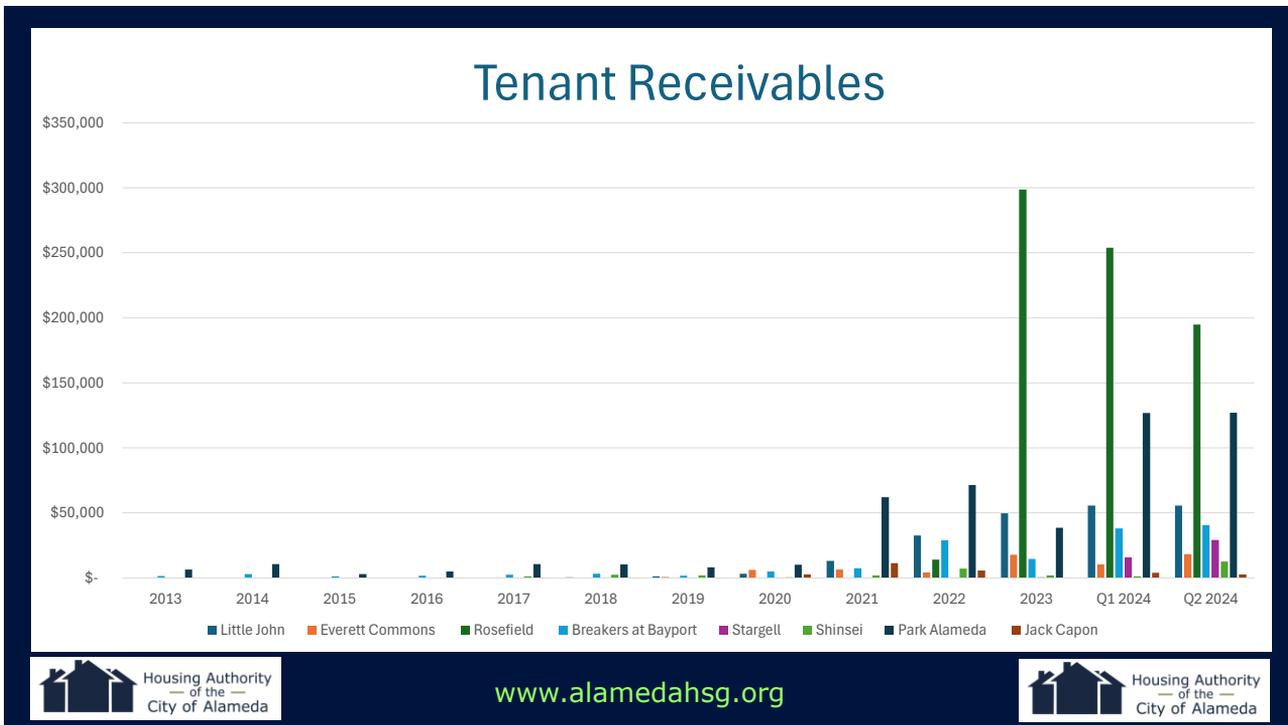
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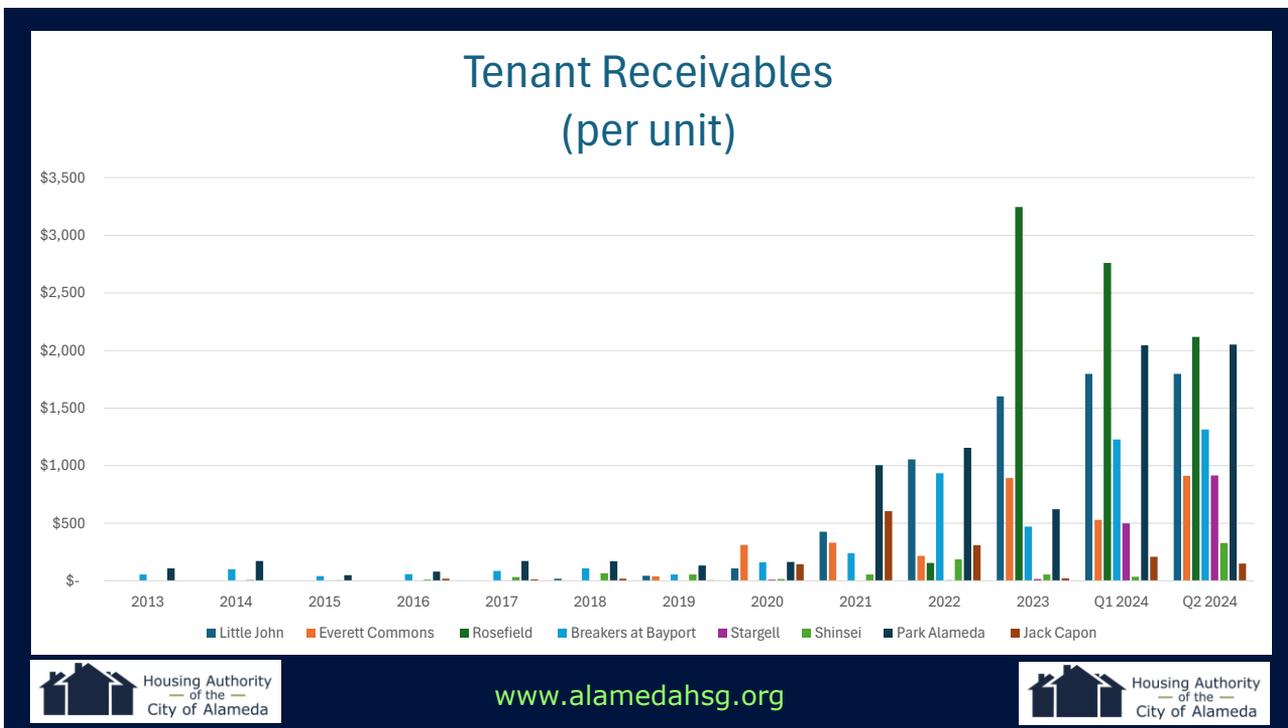
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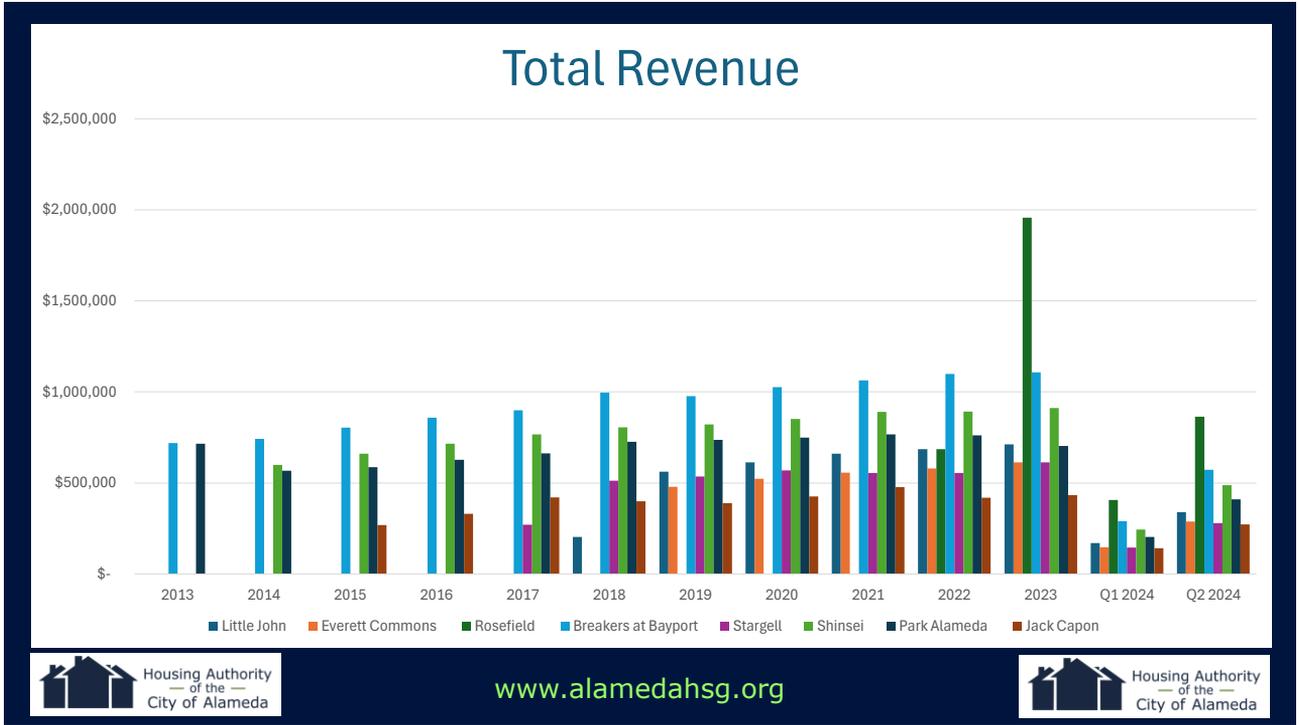
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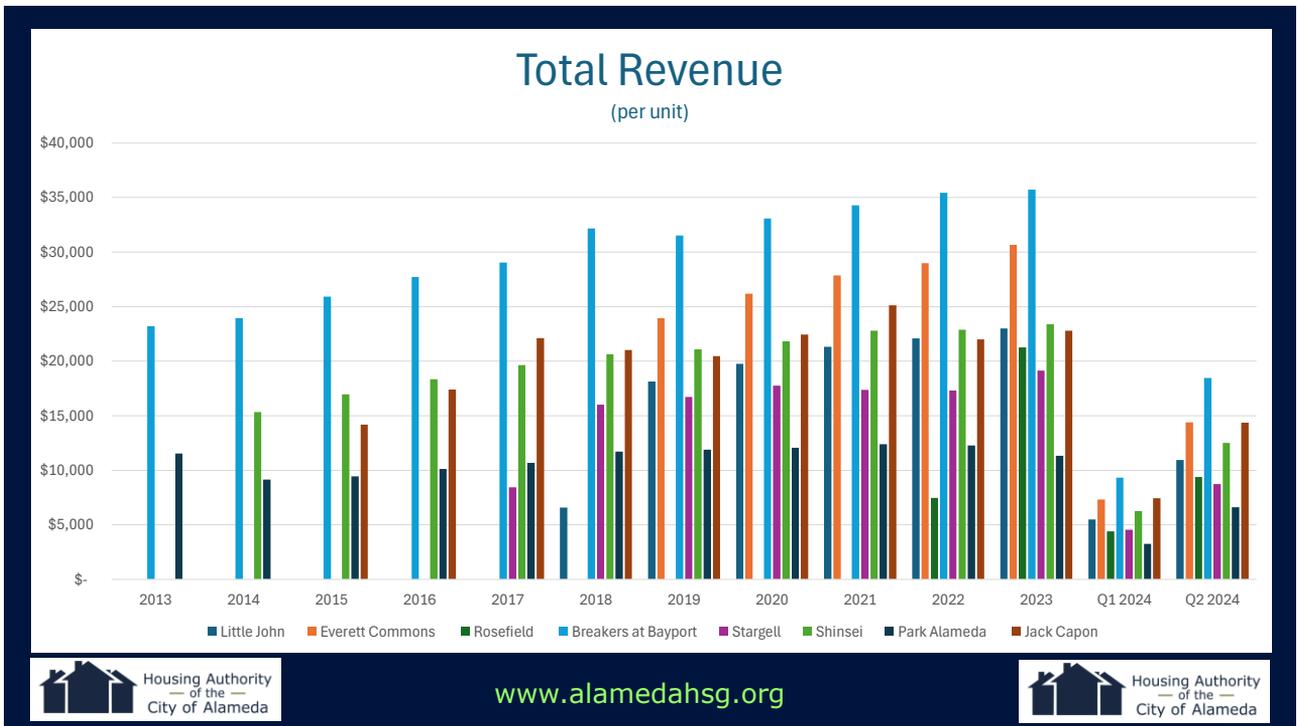
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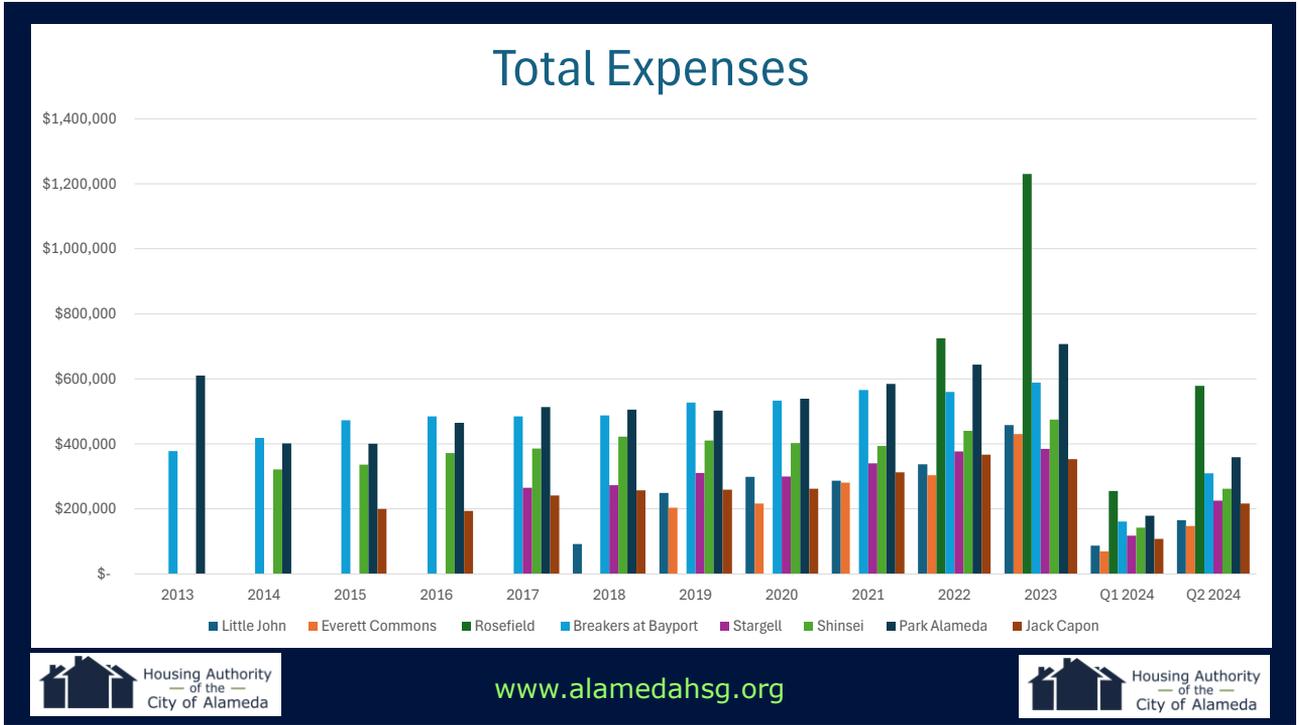
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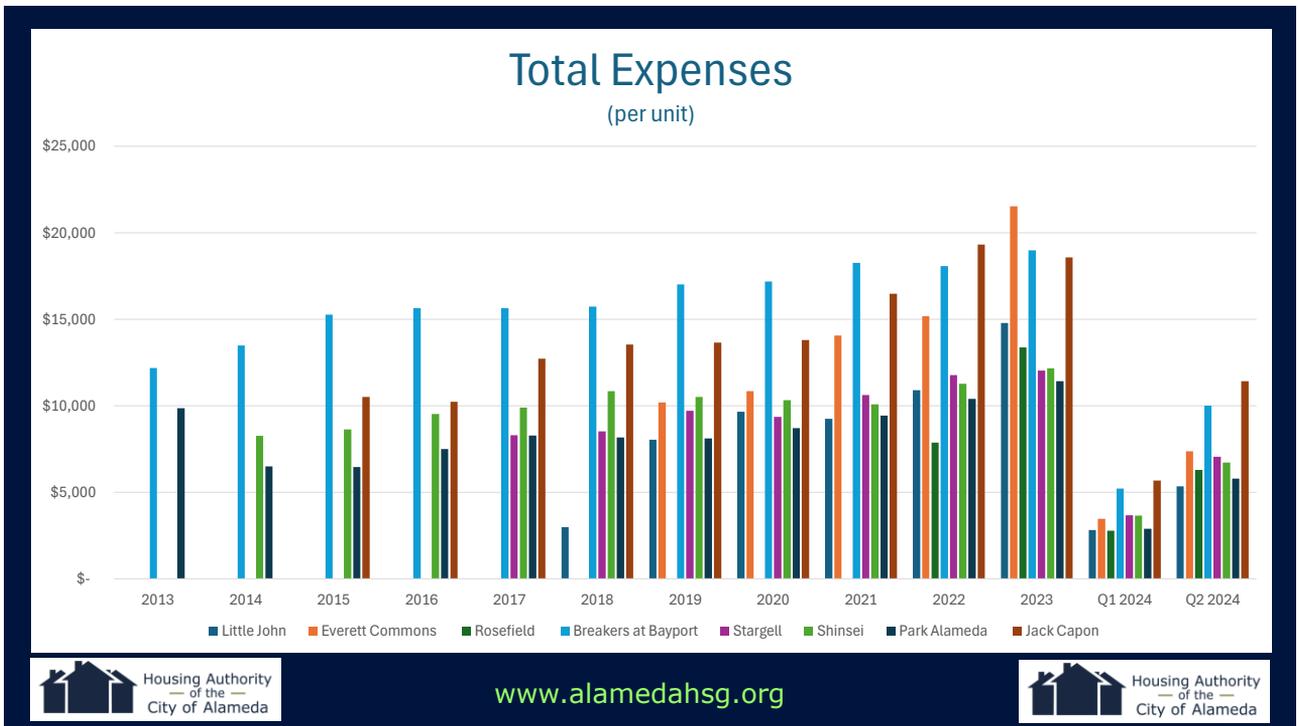
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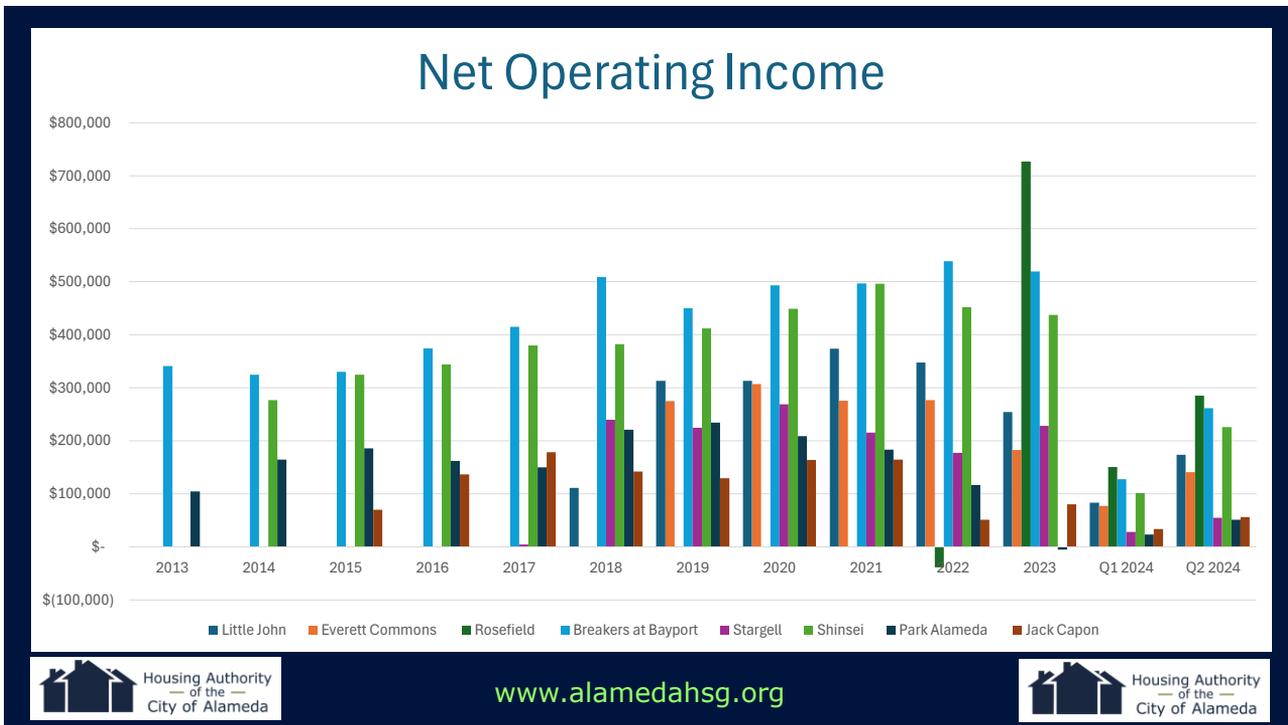
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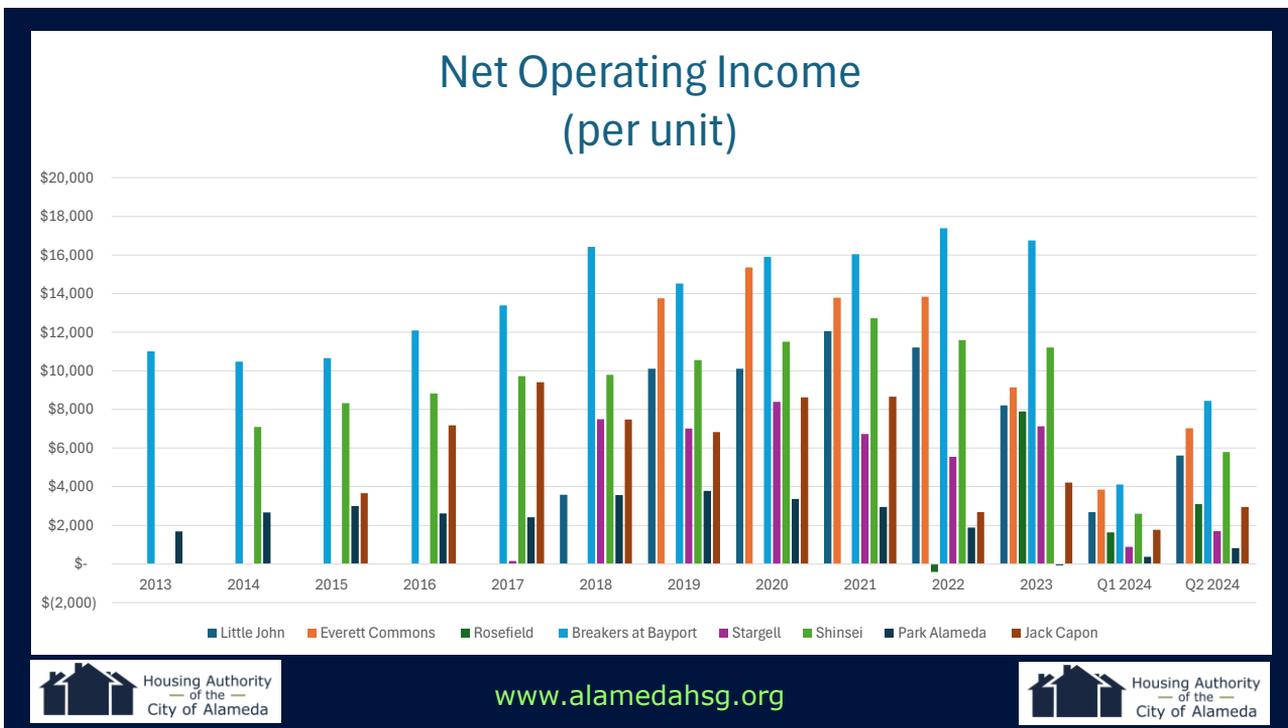
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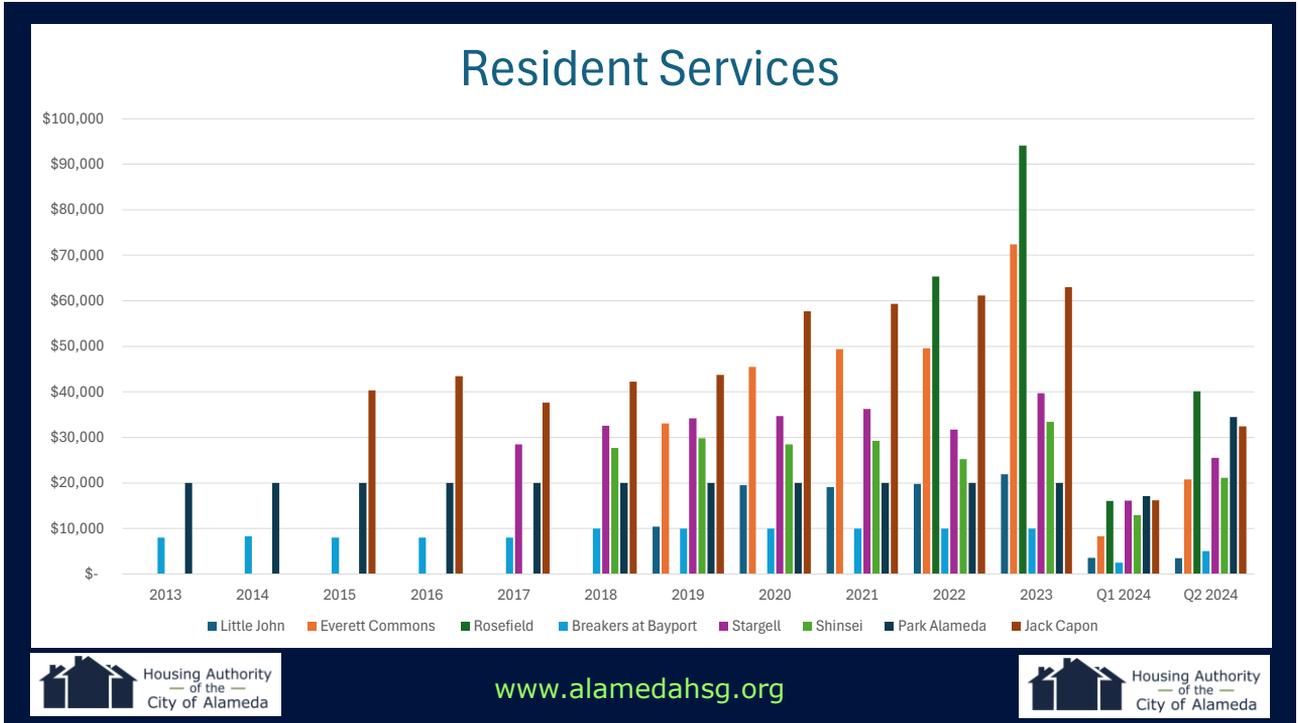
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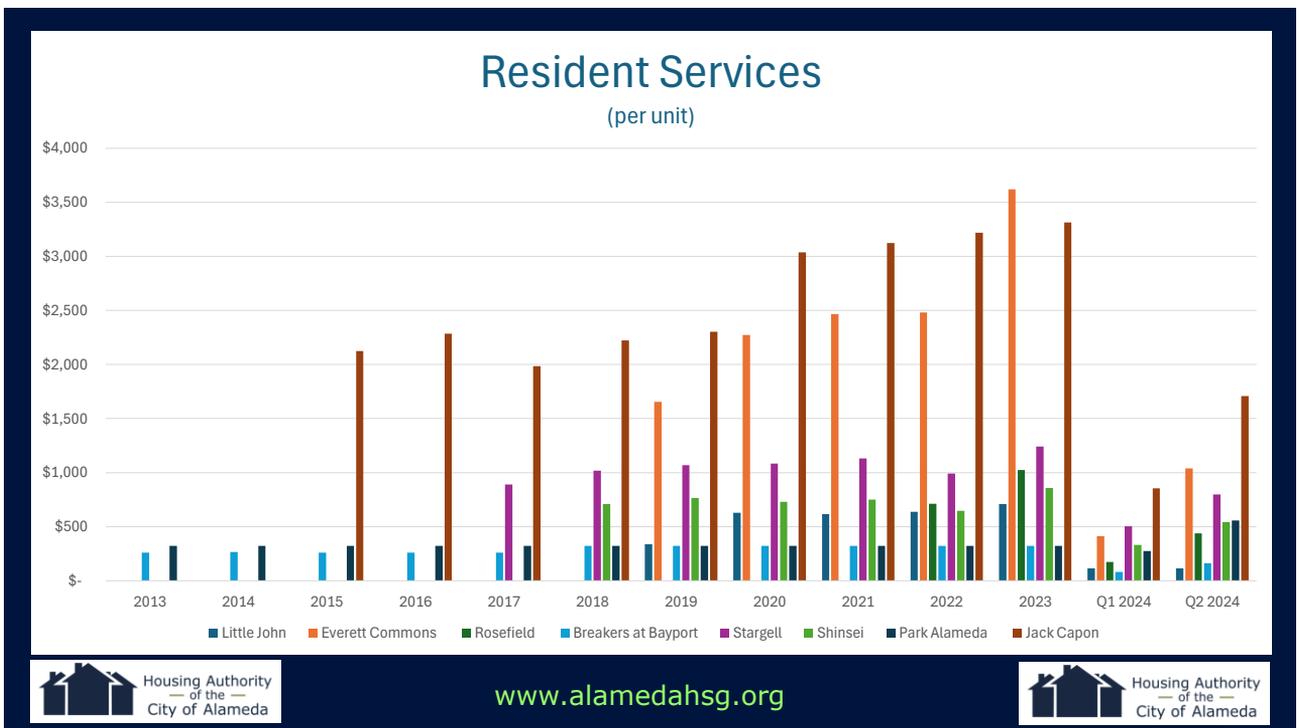
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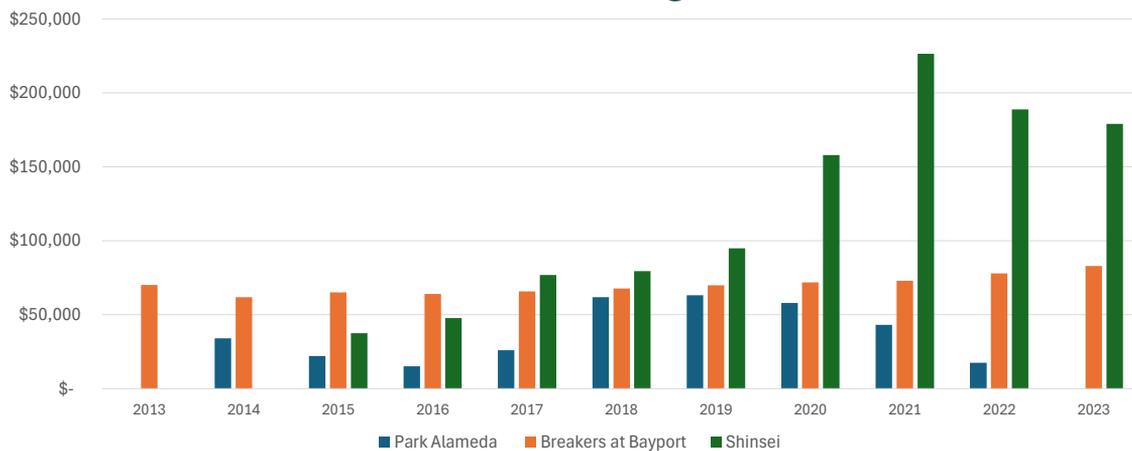


15



16

Incentive Management Fee



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Breakers at Bayport

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 303,489	\$ 345,246	\$ (41,757)	-12%	\$ 11,673
Subsidy Revenue	\$ 273,319	\$ 213,360	\$ 59,959	28%	\$ 10,512
Vacancy Loss	\$ (8,265)	\$ (6,043)	\$ (2,222)	37%	\$ (318)
Other Income	\$ 3,419	\$ 70	\$ 3,349	N/A	\$ 132
Total Operating Revenue	\$ 571,962	\$ 552,633	\$ 19,329	3%	\$ 21,999
Administrative Expenses	\$ 106,999	\$ 90,466	\$ 16,533	18%	\$ 4,115
Utilities Expense	\$ 48,445	\$ 47,334	\$ 1,111	2%	\$ 1,863
Operating and Maintenance	\$ 88,364	\$ 102,671	\$ (14,307)	-14%	\$ 3,399
Taxes and Insurance	\$ 61,358	\$ 60,078	\$ 1,280	2%	\$ 2,360
Resident Services	\$ 5,000	\$ 5,002	\$ (2)	0%	\$ 192
Total Operating Expenses	\$ 310,166	\$ 305,551	\$ 4,615	2%	\$ 11,929
Net Operating Income	\$ 261,796	\$ 247,082	\$ 14,714	6%	\$ 10,069
Replacement Reserves	\$ 7,750	\$ 7,750			
Debt Service	\$ 69,576	\$ 69,576			
Net Cash Flow	\$ 184,470	\$ 169,756	\$ 14,714	9%	\$ 7,095
Debt Service Coverage Ratio	3.65	3.44			
Operating Expense PUPY	\$ 11,929	\$ 11,752			
Operating Expense PUPM	\$ 1,988	\$ 1,959			
Number of Units	52				
Months In YTD	6				

Shinsei Gardens

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 206,810	\$ 191,608	\$ 15,202	8%	\$ 10,606
Subsidy Revenue	\$ 301,695	\$ 339,595	\$ (37,900)	-11%	\$ 15,472
Vacancy Loss	\$ (24,140)	\$ (12,010)	\$ (12,130)	101%	\$ (1,238)
Other Income	\$ 3,756	\$ 2,204	\$ 1,552	70%	\$ 193
Total Operating Revenue	\$ 488,121	\$ 521,397	\$ (33,276)	-6%	\$ 25,032
Administrative Expenses	\$ 78,861	\$ 71,056	\$ 7,805	11%	\$ 4,044
Utilities Expense	\$ 45,207	\$ 36,361	\$ 8,846	24%	\$ 2,318
Operating and Maintenance	\$ 74,890	\$ 122,476	\$ (47,586)	-39%	\$ 3,841
Taxes and Insurance	\$ 42,080	\$ 46,534	\$ (4,454)	-10%	\$ 2,158
Resident Services	\$ 21,112	\$ 17,671	\$ 3,441	19%	\$ 1,083
Total Operating Expenses	\$ 262,150	\$ 294,098	\$ (31,948)	-11%	\$ 13,444
Net Operating Income	\$ 225,971	\$ 227,299	\$ (1,328)	-1%	\$ 11,588
Replacement Reserves	\$ 11,700	\$ 11,700			
Debt Service	None	None			
Net Cash Flow	\$ 214,271	\$ 215,599	\$ (1,328)	-1%	\$ 10,988
Debt Service Coverage Ratio	None	None			
Operating Expense PUPY	\$ 13,444	\$ 15,082			
Operating Expense PUPM	\$ 2,241	\$ 2,514			
Number of Units	39				
Months In YTD	6				

Park Alameda

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 252,488	\$ 292,223	\$ (39,735)	-14%	\$ 8,145
Subsidy Revenue	\$ 188,488	\$ 178,860	\$ 9,628	5%	\$ 6,080
Vacancy Loss	\$ (32,285)	\$ (49,086)	\$ 16,801	-34%	\$ (1,041)
Other Income	\$ 1,408	\$ 5,109	\$ (3,701)	-72%	\$ 45
Total Operating Revenue	\$ 410,099	\$ 427,106	\$ (17,007)	-4%	\$ 13,229
Administrative Expenses	\$ 109,420	\$ 110,625	\$ (1,205)	-1%	\$ 3,530
Utilities Expense	\$ 52,678	\$ 35,594	\$ 17,084	48%	\$ 1,699
Operating and Maintenance	\$ 98,092	\$ 86,557	\$ 11,535	13%	\$ 3,164
Taxes and Insurance	\$ 64,415	\$ 61,307	\$ 3,108	5%	\$ 2,078
Resident Services	\$ 34,444	\$ 35,099	\$ (655)	-2%	\$ 1,111
Total Operating Expenses	\$ 359,049	\$ 329,182	\$ 29,867	9%	\$ 11,582
Net Operating Income	\$ 51,050	\$ 97,924	\$ (46,874)	-48%	\$ 1,647
Replacement Reserves	\$ 15,965	\$ 15,965			
Debt Service	None	None			
Net Cash Flow	\$ 35,085	\$ 81,959	\$ (46,874)	-57%	\$ 1,132
Debt Service Coverage Ratio	None	None			
Operating Expense PUPY	\$ 11,582	\$ 10,619			
Operating Expense PUPM	\$ 1,930	\$ 1,770			
Number of Units	62				
Months In YTD	6				

Stargell Commons

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 212,673	\$ 190,010	\$ 22,663	12%	\$ 13,292
Subsidy Revenue	\$ 90,956	\$ 127,655	\$ (36,699)	-29%	\$ 5,685
Vacancy Loss	\$ (25,583)	\$ (4,879)	\$ (20,704)	424%	\$ (1,599)
Other Income	\$ 1,974	\$ 2,502	\$ (528)	-21%	\$ 123
Total Operating Revenue	\$ 280,020	\$ 315,288	\$ (35,268)	-11%	\$ 17,501
Administrative Expenses	\$ 65,162	\$ 61,344	\$ 3,818	6%	\$ 4,073
Utilities Expense	\$ 31,590	\$ 29,373	\$ 2,217	8%	\$ 1,974
Operating and Maintenance	\$ 57,942	\$ 50,610	\$ 7,332	14%	\$ 3,621
Taxes and Insurance	\$ 45,174	\$ 44,745	\$ 429	1%	\$ 2,823
Resident Services	\$ 25,517	\$ 20,805	\$ 4,712	23%	\$ 1,595
Total Operating Expenses	\$ 225,385	\$ 206,877	\$ 18,508	9%	\$ 14,087
Net Operating Income	\$ 54,635	\$ 108,411	\$ (53,776)	-50%	\$ 3,415
Replacement Reserves	\$ 9,600	\$ 9,600			
Debt Service	\$ 34,578	\$ 34,578			
Net Cash Flow	\$ 10,457	\$ 64,233	\$ (53,776)	-84%	\$ 654
Debt Service Coverage Ratio	1.30	2.86			
Operating Expense PUPY	\$ 14,087	\$ 12,930			
Operating Expense PUPM	\$ 2,348	\$ 2,155			
Number of Units	32				
Months In YTD	6				

Jack Capon Villas

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 53,527	\$ 48,930	\$ 4,597	9%	\$ 5,634
Subsidy Revenue	\$ 204,228	\$ 210,708	\$ (6,480)	-3%	\$ 21,498
Vacancy Loss	\$ 2,912	\$ (25,964)	\$ 28,876	-111%	\$ 307
Other Income	\$ 12,286	\$ 1,382	\$ 10,904	789%	\$ 1,293
Total Operating Revenue	\$ 272,953	\$ 235,056	\$ 37,897	16%	\$ 28,732
Administrative Expenses	\$ 48,919	\$ 53,523	\$ (4,604)	-9%	\$ 5,149
Utilities Expense	\$ 15,808	\$ 16,264	\$ (456)	-3%	\$ 1,664
Operating and Maintenance	\$ 56,923	\$ 77,744	\$ (20,821)	-27%	\$ 5,992
Taxes and Insurance	\$ 18,104	\$ 21,372	\$ (3,268)	-15%	\$ 1,906
Resident Services	\$ 32,435	\$ 32,435	\$ -	0%	\$ 3,414
Total Operating Expenses	\$ 172,189	\$ 201,338	\$ (29,149)	-14%	\$ 18,125
Net Operating Income	\$ 100,764	\$ 33,718	\$ 67,046	199%	\$ 10,607
Replacement Reserves	\$ 5,700	\$ 5,700			
Debt Service	\$ 14,316	\$ 14,316			
Net Cash Flow	\$ 80,748	\$ 13,702	\$ 67,046	489%	\$ 8,500
Debt Service Coverage Ratio	6.64	1.96			
Operating Expense PUPY	\$ 18,125	\$ 21,193			
Operating Expense PUPM	\$ 3,021	\$ 3,532			
Number of Units	19				
Months In YTD	6				

Littlejohn Commons

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 82,357	\$ 62,562	\$ 19,795	32%	\$ 5,313
Subsidy Revenue	\$ 272,810	\$ 328,440	\$ (55,630)	-17%	\$ 17,601
Vacancy Loss	\$ (27,332)	\$ (7,820)	\$ (19,512)	250%	\$ (1,763)
Other Gain/Loss	\$ 14,141	\$ (6,685)	\$ 20,826	NA	\$ 912
Other Income	\$ (2,700)	\$ (45,860)	\$ 43,160	-94%	\$ (174)
Total Operating Revenue	\$ 339,276	\$ 330,637	\$ 8,639	3%	\$ 21,889
Administrative Expenses	\$ 44,654	\$ 61,497	\$ (16,843)	-27%	\$ 2,881
Utilities Expense	\$ 27,153	\$ 27,554	\$ (401)	-1%	\$ 1,752
Operating and Maintenance	\$ 50,745	\$ 47,990	\$ 2,755	6%	\$ 3,274
Taxes and Insurance	\$ 37,607	\$ 37,523	\$ 84	0%	\$ 2,426
Resident Services	\$ 5,285	\$ 10,896	\$ (5,611)	-51%	\$ 341
Total Operating Expenses	\$ 165,444	\$ 185,460	\$ (20,016)	-11%	\$ 10,674
Net Operating Income	\$ 173,832	\$ 145,177	\$ 28,655	20%	\$ 11,215
Replacement Reserves	\$ 7,750	\$ 7,750			
Debt Service	\$ 118,254	\$ 118,254			
Net Cash Flow	\$ 47,828	\$ 19,173	\$ 28,655	149%	\$ 3,086
Debt Service Coverage Ratio	1.40	1.16			
Operating Expense PUPY	\$ 10,674	\$ 11,965			
Operating Expense PUPM	\$ 1,779	\$ 1,994			
Number of Units	31				
Months In YTD	6				

Everett Commons

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 69,242	\$ 89,364	\$ (20,122)	-23%	\$ 6,924
Subsidy Revenue	\$ 227,206	\$ 233,826	\$ (6,620)	-3%	\$ 22,721
Vacancy Loss	\$ (10,063)	\$ (6,463)	\$ (3,600)	56%	\$ (1,006)
Other Gain/Loss	\$ 363	\$ (5,678)	\$ 6,041	NA	\$ 36
Other Income	\$ 1,118	\$ (24,487)	\$ 25,605	-105%	\$ 112
Total Operating Revenue	\$ 287,866	\$ 286,562	\$ 1,304	0%	\$ 28,787
Administrative Expenses	\$ 45,449	\$ 39,915	\$ 5,534	14%	\$ 4,545
Utilities Expense	\$ 12,916	\$ 30,850	\$ (17,934)	-58%	\$ 1,292
Operating and Maintenance	\$ 35,879	\$ 28,579	\$ 7,300	26%	\$ 3,588
Taxes and Insurance	\$ 32,154	\$ 26,032	\$ 6,122	24%	\$ 3,215
Resident Services	\$ 20,748	\$ 24,813	\$ (4,065)	-16%	\$ 2,075
Total Operating Expenses	\$ 147,146	\$ 150,189	\$ (3,043)	-2%	\$ 14,715
Net Operating Income	\$ 140,720	\$ 136,373	\$ 4,347	3%	\$ 14,072
Replacement Reserves	\$ 6,753	\$ 6,753			
Debt Service	\$ 107,958	\$ 107,958			
Net Cash Flow	\$ 26,009	\$ 21,662	\$ 4,347	20%	\$ 2,601
Debt Service Coverage Ratio	1.24	1.20			
Operating Expense PUPY	\$ 14,715	\$ 15,019			
Operating Expense PUPM	\$ 2,452	\$ 2,503			
Number of Units	20				
Months In YTD	6				

Rosefield Village

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 611,386	\$ 725,694	\$ (114,308)	-16%	\$ 26,582
Subsidy Revenue	\$ 353,858	\$ 355,608	\$ (1,750)	0%	\$ 15,385
Vacancy Loss	\$ (91,466)	\$ (37,845)	\$ (53,621)	142%	\$ (3,977)
Other Gain/Loss	\$ 88,955	\$ (794)	\$ 89,749	NA	\$ 3,868
Other Income	\$ (98,822)	\$ (107,113)	\$ 8,291	-8%	\$ (4,297)
Total Operating Revenue	\$ 863,911	\$ 935,550	\$ (71,639)	-8%	\$ 37,561
Administrative Expenses	\$ 241,091	\$ 154,061	\$ 87,030	56%	\$ 10,482
Utilities Expense	\$ 76,811	\$ 111,020	\$ (34,209)	-31%	\$ 3,340
Operating and Maintenance	\$ 130,504	\$ 68,215	\$ 62,289	91%	\$ 5,674
Taxes and Insurance	\$ 90,193	\$ 94,951	\$ (4,758)	-5%	\$ 3,921
Resident Services	\$ 40,163	\$ 46,688	\$ (6,525)	-14%	\$ 1,746
Total Operating Expenses	\$ 578,762	\$ 474,935	\$ 103,827	22%	\$ 25,164
Net Operating Income	\$ 285,149	\$ 460,615	\$ (175,466)	-38%	\$ 12,398
Replacement Reserves	\$ 13,800	\$ 13,800			
Debt Service	\$ 181,173	\$ 181,173			
Net Cash Flow	\$ 90,176	\$ 265,642	\$ (175,466)	-66%	\$ 3,921
Debt Service Coverage Ratio	1.50	2.47			
Operating Expense PUPY	\$ 25,164	\$ 20,649			
Operating Expense PUPM	\$ 8,388	\$ 6,883			
Number of Units	92				
Months In YTD	3				



ISLAND CITY DEVELOPMENT

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

To: Board of Directors
Island City Development

From: Jenny Wong, Senior Project Manager

Date: August 21, 2024

Re: Accept the Update on the Resolution for the Option Agreement to Ground Lease to Island City Development for the Property at 2615 Eagle Avenue (The Poplar).

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 to 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 and work preference for Alamedans.

In May 2022, the Board accepted an option to ground lease to Island City Development (ICD) which expired in December 2023. In March 2024, the Board accepted a new option to ground lease, but the Resolution was not previously published with the AHA Board memo. Please refer to the March 2024 Board memo for additional details.

DISCUSSION

The March 2024 Board memo related to this item included a redlined Option Agreement, but did not include the associated Resolution in the AHA BOC agenda packet. This item is to retroactively share the Resolution for public record. Please refer to Attachment 1 for the Resolution and Attachment 2 for the final Option Agreement.

FISCAL IMPACT

None.

CEQA

Not applicable.

RECOMMENDATION

Accept the Update on the Resolution for the Option Agreement to Ground Lease to Island City Development for the Property at 2615 Eagle Avenue (The Poplar).

ATTACHMENTS

1. Att1_The Poplar_Resolution Ground Lease



2. Att2_The Poplar_Option Agreement

Respectfully submitted,



Jenny Wong, Senior Project Manager

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

*Resolution No.*_____

THE POPLAR

WHEREAS, the Housing Authority of the City of Alameda (the “**Housing Authority**”) is the owner of that certain real property located at 2615 Eagle Avenue in the City of Alameda (the “**Property**”);

WHEREAS, the Housing Authority and Island City Development, a California nonprofit public benefit corporation (“**ICD**”), are parties to that certain Option Agreement, dated effective as of March 20, 2024 (the “**Option Agreement**”), pursuant to which the Housing Authority has granted an option to ICD to ground lease the Property in connection with the development and construction of an affordable housing development with up to fifty (50) units, including one (1) unrestricted manager’s unit, on the Property to be commonly known as The Poplar (the “**Project**”);

WHEREAS, pursuant to the terms of the Option Agreement, the Housing Authority desires to enter into a ground lease with Island City Development with respect to the Land for a term of 99 years and upon such other terms and conditions, including rent, as deemed necessary or appropriate by the Executive Director or the Director of Housing Development of the Housing Authority (the “**Ground Lease**”);

WHEREAS, the Housing Authority has provided a pre-development loan to ICD in the amount of \$2,100,000 (the “**Housing Authority Loan**”), which will be repaid at the time of the construction loan closing and evidenced by a Promissory Note;

WHEREAS, the Board of Commissioners of the Housing Authority (the “**Board**”) deemed it to be in the best interest of the Housing Authority to provide the Housing Authority Loan to ICD;

WHEREAS, the Housing Authority desires to act as the developer of the Project, and desires to enter into a Development Services Agreement with ICD (the “**Development Agreement**”);

WHEREAS, the Board deems it to be in the best interests of the Housing Authority to assist in the acquisition, construction and development of the Project;

WHEREAS, in connection with the construction and development of the Project, the Housing Authority entered into several service contracts and agreements for professional services with various vendors and professionals and intends to assign its right, title and interest in and obligations under the various service contracts and agreements to the Partnership pursuant to an assignment and assumption of service contracts (the “**Assignment of Contracts**”);

WHEREAS, the Board deems it to be in the best interest of the Housing Authority 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 in connection with the Housing Authority's fee interest in the Property and the Housing Authority Loan (owner and lender policies) for the Project and for any waiver of entitlement or similar fees (collectively, the "**Title Documents**"); and

WHEREAS, the Board deems it to be in the best interests of the Housing Authority to execute and deliver, and to perform its obligations under, any and all documents or agreements necessary or advisable in furtherance of ICD's acquisition, development, financing, construction, operation, management and maintenance of the Project, including, but not limited to, the Option Agreement, the Ground Lease, all grant deeds and any other document required to transfer the leasehold interest in the Property and the fee interest in the Improvements to ICD, the Housing Authority Loan Documents, and any and all other agreements, documents or instruments, necessary to allow ICD to consummate the Housing Authority Loan, the Development Agreement, the Title Documents, and any resolution required by any lender or Investor, with the advice counsel, deemed to be consistent with the resolutions contained herein (collectively, the "**Project Documents**").

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves and is authorized to enter into the following transactions and documents, as applicable:

1. Project Documents; and
2. Such other agreements, certificates, contracts, documents, and instruments deemed necessary or advisable by an officer of the Housing Authority in furtherance of these resolutions and/or to assist in the development of the Project (collectively, the "**Transaction Documents**"), using its own independent judgment.

BE IT FURTHER RESOLVED, that the Board hereby authorizes each of (a) the Executive Director, (b) the Director of Housing Development, or (c) any designee of the foregoing to accept the Transaction Documents subject to any minor conforming, technical or clarifying changes approved by the Executive Director or her designee and Housing Authority counsel. The Executive Director, the Director of Housing Development, any designee of the foregoing and the Secretary of the Housing Authority are hereby further authorized and directed to take such further actions and execute and record such documents as are necessary to accept the Transaction Documents.

BE IT FURTHER RESOLVED, that all actions previously taken by the Housing Authority, or its employees, officers and agents in connection with the Project or the transactions described herein are hereby ratified and approved.

ATTEST:

Vanessa M. Cooper
Executive Director

Carly Grob, Chair
Board of Commissioners

Adopted:

Date

OPTION AGREEMENT

THIS OPTION AGREEMENT (this “**Agreement**”) is effective as of March 20, 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**” or “**ICD**”).

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) Predevelopment Progress. The Purchaser shall provide a proposed development schedule to the Seller within one month of the effective date of this agreement. Furthermore, the Purchaser shall provide an update and progress report biannually and shall show sufficient progress on the entitlement, design, and financing applications for the development. If the Seller does not believe sufficient progress is being made, the option will be reviewed by the Board of Commissioners and may be rescinded. However, if sufficient progress is made and the bylaws of the Purchaser have not changed, the Seller will agree to annual extensions, such that the option can show site control for 20 years on an ongoing basis.

(b) 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.

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

(d) 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 to an ICD-controlled entity or to nominate another ICD-controlled person (including, without limitation, a limited partnership controlled by Purchaser) to take title to the Property without Seller's consent.

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

(f) 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.

(g) 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.

(h) 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.

Att 2 Final Draft Option Agreement

(i) 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.

(j) 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 $34^{\circ} 23' 02''$ 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 $76^{\circ} 29' 26''$ 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 $55^{\circ} 38' 17''$ East 29.63 feet;

Thence South $34^{\circ} 23' 02''$ 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

ITEM 4.1

To: Board of Directors
Island City Development

From: Nancy Gerardin, Director of Property Operations

Date: August 21, 2024

Re: Approve the Quarterly Write-off to June 30, 2024 of Uncollectible Accounts Receivable from Former Residents.

BACKGROUND

Periodically, the Housing Authority of the City of Alameda (AHA) or its affiliates, Alameda Affordable Housing Corporation (AAHC) and Island City Development (ICD), writes-off uncollectible rent and miscellaneous charges from its resident ledgers. The term "write-off" indicates a procedure where past due amounts from residents, who are no longer residents in an AHA, AAHC, or ICD community, are removed from the resident ledgers after the usual means of collection have been exhausted. This procedure does not preclude the AHA, AAHC, or ICD from continuing to pursue collection through a collection agency or other legal actions. Future collection of amounts previously written-off will reduce these expenses.

DISCUSSION

This request is to write-off accounts receivable for residents who have voluntarily vacated, passed, or were evicted and had outstanding balances due to AAHC and ICD. A final notice will be sent to the respective resident(s) before the outstanding balance is written off. The total amount to be written off is \$74,153.56 and presented in the attachment to this memorandum. This amount is a combination of past rents due, late fees, damages, and miscellaneous maintenance charges.

FISCAL IMPACT

This resident account write-off will result in an expense to AAHC of \$5,900.56 and ICD of \$68,253.00.

CEQA

N/A

RECOMMENDATION

Approve to write-off uncollectible accounts receivable from former residents.

ATTACHMENTS

1. BOC Attachment Item 10.S Q2 2024 Write Off08082024v2



Island City Development
August 21, 2024

Page 2

Respectfully submitted,
Nancy Gerardin
Nancy Gerardin, Director of Property Operations



Legal Entity	Property Name	Reason for Move Out	Move Out Date	Amount of Bad Debt per reconciliation
AAHC	Esperanza Apartments	Eviction	4/16/2024	\$5,767.56
AAHC	Independence Plaza	Assisted Living	6/21/2024	\$133.00
			TOTAL AAHC	\$5,900.56
ICD	Little John Commons	Eviction	4/23/2024	\$14,485.00
ICD	Little John Commons	Eviction	3/26/2024	\$40,729.00
ICD	Everett Commons	Relocating	2/4/2024	\$975.00
ICD	Rosefield Village	Eviction	5/15/2024	\$12,064.00
			TOTAL ICD	\$68,253.00
			TOTAL	\$74,153.56



ISLAND CITY DEVELOPMENT

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

ITEM 4.J

To: Board of Directors
Island City Development

From: Jenny Wong, Senior Project Manager

Date: August 21, 2024

Re: Approve Contract Amendment No.2 Not to Exceed \$833,631 with HKIT Architects for Estuary I and Approve Contract Amendment No.2 Not to Exceed \$830,723 with HKIT Architects for Linnet Corner.

BACKGROUND

On April 17, 2024, the Board ratified the executed architectural contracts with HKIT Architects (HKIT) in an amount not to exceed \$775,911 for the Estuary I, \$775,911 for the Estuary II, and \$775,911 for Linnet Corner. On May 13, 2024, the Board ratified a contract amendment in an amount not to exceed \$788,831 for The Estuary I and ratified a contract amendment in an amount not to exceed \$790,873 for Linnet Corner.

Please see previous monthly Housing Authority Board of Commissioners and Island City Development Board of Director reports for project details.

DISCUSSION

Staff is seeking the Board's approval to increase the HKIT contract by approximately \$19,800 on Estuary I and \$14,850 on Linnet Corner for water penetration testing services for building waterproofing purposes and to replenish the contingency budget to \$25,000 per project. The water penetration testing is a typical and useful method to ensure durability of the construction and is recommended by the architect, general contractor, and ICD's construction manager. With the Board's approval, the not-to-exceed contract amount with HKIT would be up to \$833,631 for Estuary I and \$830,723 for Linnet Corner. The draft Contract Amendment No.2 for both projects are attached to this memo.

	Estuary I	Linnet Corner
Initial Contract	\$775,911	\$775,911
Contract Amendment No.1	\$12,920	\$14,962
Contract Amendment No.2	\$19,800	\$14,850
Amended Contract Total	\$808,631	\$805,723
Additional Contingency	\$25,000	\$25,000
Total Budget	\$833,631	\$830,723

FISCAL IMPACT

The cost of these amendments and additional contingencies requested is covered within the overall Board approved project budget at Estuary I and Linnet Corner using the soft cost



CEQA

Not Applicable.

RECOMMENDATION

Approve Contract Amendment No.2 Not to Exceed \$833,631 with HKIT Architects for Estuary I and Approve Contract Amendment No.2 Not to Exceed \$830,723 with HKIT Architects for Linnet Corner.

ATTACHMENTS

1. Att1_Estuary I Contract Amendment No.2_DRAFT
2. Att2_Linnet Corner Contract Amendment No.2_DRAFT

Respectfully submitted,



Jenny Wong, Senior Project Manager

AMENDMENT NO.2 TO CONSULTANT SERVICES CONTRACT

This Amendment of a Consultant Services Contract ("Amendment"), entered into this 21st day of August, 2024 ("Effective Date"), by and between LAKEHURST AND MOSLEY LP, a California limited partnership and HKIT ARCHITECTS, a California corporation whose address is 538 Ninth Street, Suite 240, Oakland, CA 94607, (hereinafter referred to as "Consultant"), is made with reference to the following:

RECITALS:

A. On January 4, 2024, an Amended and Superseded Consultant Services Contract ("Contract") was entered into between LAKEHURST AND MOSLEY LP and Consultant.

B. The effective date of this amendment shall be August 21, 2024.

C. The initial Contract limited the Compensation to Consultant to a not exceed amount of seven hundred seventy-five thousand, nine hundred eleven dollars and zero cents (\$775,911.00) for the term of the contract which ends on December 31, 2026 unless extended or terminated.

D. Contract Amendment No.1 increased the total compensation from seven hundred seventy-five thousand, nine hundred eleven dollars and zero cents (\$775,911.00) to seven hundred eighty-eight thousand, eight hundred thirty-one dollars and zero cents (\$788,831.00).

E. All conditions of the Contract will remain the same except as amended below.

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

The not to exceed amount for the entire Contract shall be amended from seven hundred eighty-eight thousand eight hundred thirty-one dollars and zero cents (\$788,831.00) to eight hundred eight thousand, six hundred thirty-one dollars and zero cents (\$808,631.00).

The scope of services is expanded to include water penetration window testing. Please see Exhibit A for additional detail.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[SIGNATURES ON FOLLOWING PAGE]

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

“CONSULTANT”

HKIT Architects, a California corporation

By: _____

Name: Paul McElwee

Its: Principal

OWNER

Lakehurst and Mosley LP, a California limited partnership

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

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

By: _____
Vanessa Cooper,
President

EXHIBIT A
SCOPE OF SERVICES & FEE BREAKDOWN

Please see attached ASR for the additional scope of \$19,800.

AMENDMENT NO.2 TO CONSULTANT SERVICES CONTRACT

This Amendment of a Consultant Services Contract ("Amendment"), entered into this 21st day of August, 2024 ("Effective Date"), by and between MABUHAY AND LAKEHURST LP, a California limited partnership and HKIT ARCHITECTS, a California corporation whose address is 538 Ninth Street, Suite 240, Oakland, CA 94607, (hereinafter referred to as "Consultant"), is made with reference to the following:

RECITALS:

A. On January 4, 2024, an Amended and Superseded Consultant Services Contract ("Contract") was entered into between MABUHAY AND LAKEHURST LP and Consultant.

B. The effective date of this amendment shall be August 21, 2024.

C. The initial Contract limited the Compensation to Consultant to a not exceed amount of seven hundred seventy five thousand nine hundred eleven dollars and zero cents (\$775,911.00) for the term of the contract which ends on December 31, 2026 unless extended or terminated.

D. Contract Amendment No.1 increased the total compensation from seven hundred seventy five thousand nine hundred eleven dollars and zero cents (\$775,911.00) to seven hundred ninety thousand eight hundred seventy-three dollars and zero cents (\$790,873.00).

E. All conditions of the Contract will remain the same except as amended below.

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

The not to exceed amount for the entire Contract shall be amended seven hundred ninety thousand eight hundred seventy-three dollars and zero cents (\$790,873.00) to eight hundred five thousand, seven hundred twenty-three dollars and zero cents (\$805,723).

The scope of services is expanded to include water penetration window testing. Please see Exhibit A for additional detail.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[SIGNATURES ON FOLLOWING PAGE]

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

“CONSULTANT”

HKIT Architects, a California corporation

By: _____

Name: Paul McElwee

Its: Principal

OWNER

Mabuhay and Lakehurst LP, a California limited partnership

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

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

By: _____
Vanessa Cooper,
President

EXHIBIT A
SCOPE OF SERVICES & FEE BREAKDOWN

Please see attached ASR for the additional scope of \$14,850.



ISLAND CITY DEVELOPMENT

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

ITEM 5.A

To: Board of Directors
Island City Development

From: Trevor Jones, Asset Manager

Date: August 21, 2024

Re: Authorize the Creation of ICD Central Avenue LLC, a California limited liability company to enter The Alameda Islander, L.P. as a Substitute Limited Partner, authorized to accept the assignment of the withdrawing Limited Partner's 69.99% limited partner interest and subsequently accept the assignment of the withdrawing Special Limited Partner's 0.01% interest in the partnership; Authorize the Executive Director, or her designee to Negotiate and Execute a Revised Limited Partnership Agreement with a Side Letter outlining Resources for Community Development's continued operations role, effective no earlier than January 1, 2025.

BACKGROUND

Park Alameda is a 62-unit housing development for adults with disabilities, which was a motel that was redeveloped. The development is owned by The Alameda Islander, L.P. (Limited Partnership). The Housing Authority of the City of Alameda (AHA) is a co-General Partner (29.995% ownership). Resources for Community Development (RCD) is the developer and RCD's affiliate is the Managing General Partner (0.005% ownership). U.S. Bank is the Limited Partner (69.999% ownership), and Operation Dignity is the Special Limited Partner (0.001% ownership) and the resident services provider. Property Management is contracted by RCD to the John Stewart Company. RCD is also the asset manager in this case.

The property is a converted motel with 61 studios and 1 two-bedroom one-bathroom manager's unit. It has 15 Project Based Vouchers, the contract for which expires on December 26th, 2027. The project serves adults with disabilities whose incomes are at 30%-50% AMI. The project is funded by low-income housing tax credits (LIHTC) and loans from City HOME loan (balance \$1,420,000), County HOME loan (balance \$732,733 and requires lender approval), a HOPWA loan (balance \$556,925 and requires lender approval) and a loan from AHA (balance \$8,600,000 and requires lender approval). RCD will lead the efforts for required approvals from investors. All units that are for rent are studios and the Limited Partnership owns the land. This affordable housing project features an array of amenities, including green design elements and on-site property management. These spacious studio apartments are tastefully appointed and include built-in kitchen islands, Energy Star appliances and efficient hydronic heating.

In 2023, Park Alameda posted a net loss in Net Operating Income (NOI) of \$5,020 as a result of a number of contributing factors that have since been addressed. The most significant



factor was that the property operated at 82% occupancy for the year. Through a close working relationship between RCD and AHA, the property is currently occupied at 97% and stabilized. Another significant contributor to the negative NOI in 2023 were overages in payroll as a result of high vacancy. The property was booking large overtime balances and utilizing leasing specialists. Additionally, the maintenance payroll was not being allocated properly to another sister property RCD manages.

These issues have been retroactively addressed and an action plan has been created for the future. RCD began a payment plan program for tenants to address the industry-wide delinquency issue that is improving cash flow as the property moves further away from the eviction moratorium. The culminating result of AHA and RCD's efforts is a net positive NOI of \$51,050 from January to June 2024 and a projected year-end NOI of \$102,100. The property does not have any hard loans, but a portion of the distributable cash this year will go toward refilling the cash reserves that were drawn on in 2023.

AHA was granted a purchase option and a right of first refusal by the Partnership pursuant to a Purchase Option and Right of First Refusal Agreement dated as of December 14, 2011.

The option for the Alameda Housing Authority commences on January 1, 2025, and expires on December 31st, 2028.

DISCUSSION

AHA has the right to acquire Park Alameda Apartments, which is owned by the legal entity The Alameda Islander, L.P. (Limited Partnership). Staff is seeking authorization to form the ICD Central Avenue LLC to act as an affiliate of Island City Development to acquire all the partnership interests of The Alameda Islander, L.P. Once formed, ICD Central Avenue LLC will execute an amendment to the Limited Partnership Agreement (LPA) to enter the Limited Partnership.

First, ICD Central Avenue LLC will accept the interests and execute withdrawal agreements with the Limited Partnership. Then the Special Limited Partner withdrawal will occur.

The LPA amendments and withdrawal agreements are expected to be executed in January 2025 and take effect as early as December 31, 2024. After ICD Central Avenue LLC acquires the Limited Partner and Special Limited Partner interest, the Continuing Property Operations Agreement (CPOA) between AHA and the co-General Partner outlines the terms for the General Partner to continue to operate the property until ICD Central Avenue LLC chooses to acquire the GP requests to withdraw from the Limited Partnership. After ICD Central Avenue LLC acquires the Limited Partner and Special Limited Partner interest, the CPOA between AHA and the GP outlines the terms for the General Partner to continue to operate the Park Alameda property until ICD Central Avenue LLC chooses to acquire the General Partner's interest or the General Partner requests to withdraw from the Limited Partnership. This arrangement will be for a maximum of 5 years, starting from January 1, 2025.

FISCAL IMPACT

The Acquisition Plan for Park Alameda was designed to minimize the partnership interest acquisition costs that AHA needs to fund and uses project reserves, cash in the operating account and owner's surplus to address deferred maintenance. Ownership of the property at any level (General Partner, Limited Partner, co-ownership) offers all the financial benefits and



liabilities of ownership. In general, this is a stable, well-performing property that is in good condition and thus should be a financial asset, as well as an opportunity to continue providing stable, quality housing for the community. The co-General Partner RCD will receive a \$25,000 Partnership Management Fee but no added distributions.

CEQA

Not Applicable

RECOMMENDATION

Authorize the creation of ICD Central Avenue LLC, a California limited liability company to enter The Alameda Islander, L.P. as a Substitute Limited Partner, authorized to accept the assignment of the withdrawing Limited Partner's 69.999% limited partner interest and subsequently accept the assignment of the withdrawing Special Limited Partner's 0.001% interest in the partnership; Authorize the Executive Director, or her designee to Negotiate and Execute a Revised Limited Partnership Agreement with a Side Letter outlining Resources for Community Development's continued operations role, effective no earlier than January 1, 2025.

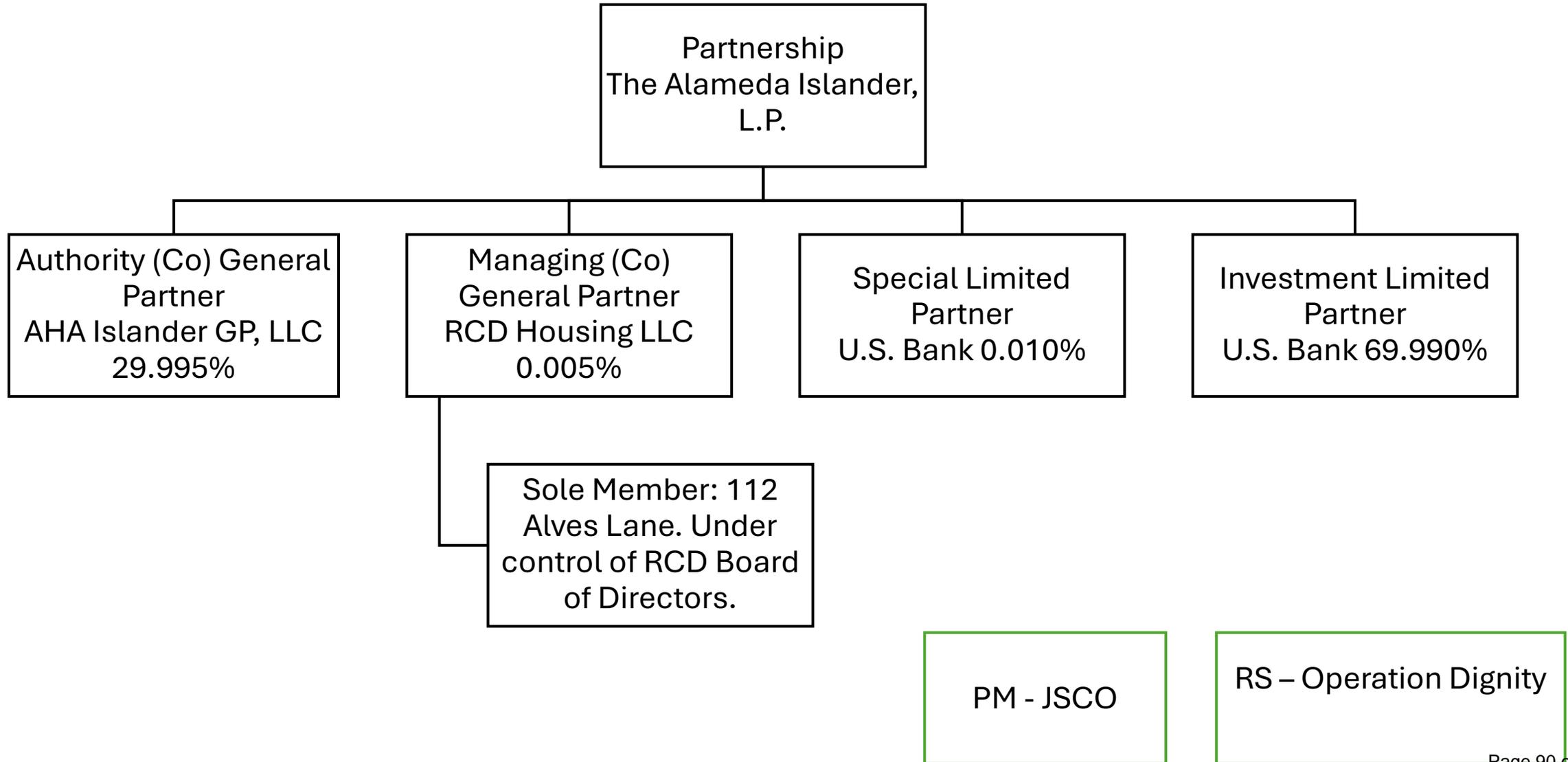
ATTACHMENTS

1. Park Alameda Partnership Structure

Respectfully submitted,
Trevor Jones
Trevor Jones, Asset Manager



The Park Alameda



Park Alameda After Year 15

