ISLAND CITY DEVELOPMENT
AGENDA

AGENDA **REGULAR MEETING OF ISLAND CITY DEVELOPMENT**
DATE & TIME **Wednesday, June 18, 2025 - 6:45 PM**
LOCATION
703 Atlantic Avenue, Alameda, CA 94501 - Ruth Rambeau Memorial Community Room

PUBLIC PARTICIPATION
Public access to this meeting is available as follows:

To Attend In-Person -
Independence Plaza, 703 Atlantic Avenue, Alameda - Ruth Rambeau Memorial Community Room

To Join Zoom Meeting -

https://us06web.zoom.us/j/82617583123?pwd=BM3TenEVxEayocip8V0NHIZ9Qi0nYb.1

Meeting ID: 826 1758 3123
Passcode: 406791

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. CALL TO ORDER & ROLL CALL
2. AB2449 COMPLIANCE - The Chair will confirm that there are 2 members in the same, properly noticed meeting room within the jurisdiction of the City of

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

3. PUBLIC COMMENT (Non-Agenda)
4. CONSENT CALENDAR (Action)
   A. Approve Minutes of the Special Board of Directors Meeting held on May 21, 2025.
   B. Accept the Monthly Construction Report for The Estuary I.
   C. Accept the Monthly Construction Report for Linnet Corner.
   D. Accept the Monthly Report for North Housing Offsites.
   E. Accept Low-Income Housing Tax Credit Partnerships Audited Financial Statements, in which Island City Development or an Affiliate of Island City Development is an Equity Partner
   F. Accept the Quarterly LIHTC Portfolio Asset Management Fiscal Year-to-Date Financial Report through March 31, 2025.
   G. Approve Agreement between Eagle and Everett Limited Partnership and ItsElectric.
   H. Approve Contract Amendment No.5 Not to Exceed $195,032.33 with Gubb and Barshay for Linnet Corner, Approve Contract Amendment No.5 Not to Exceed $185,032.34 with Gubb and Barshay for Estuary I, and Approve Contract Amendment No.5 Not to Exceed $195,032.33 with Gubb and Barshay for Estuary II.
   I. Accept a Loan from the Housing Authority of the City of Alameda of up to $500,000 for Future Funding Applications for Estuary II, with the Stipulation to Seek Other Local Funding
5. NEW BUSINESS
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
Special Meeting, May 21, 2025
In person at Independence Plaza Community Room, 703 Atlantic Avenue, Alameda CA 94501, and Teleconference via Zoom

1. CALL TO ORDER & ROLL CALL

    Director Grob called the meeting to order at 6:45 PM. The following Board members were present: Director Alicia Southern and Director Carly Grob, Director Vanessa Cooper was absent; quorum established. Staff in attendance: Jasmine Polar, Sarah Raskin, Steven Zhao, Sylvia Martinez, Ron Babiera, Greg Kats, Tonya Schuler-Cummins, Louie So, Nancy Gerardin, and Janet Lee.

2. PUBLIC COMMENT (Non-Agenda) ***NONE***
3. AB2449 COMPLIANCE - The Chair confirmed that there were 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 the Minutes of the Special ICD Board Meeting on April 16, 2025.
    B. Accept the Monthly Construction Report for The Estuary I.
    C. Accept the Monthly Construction Report for Linnet Corner Accept a $200,000 grant from The Home Depot Foundation, Ratify the Grant Agreement, and Approve the President to sign all documents.
    D. Accept the Monthly Report for North Housing Offsites.
    E. Accept the Quarterly Development Report for The Estuary II.
    F. Accept the Quarterly Overview Report for the Housing Development

Department.

G. Approve the Quarterly Write-off to March 31, 2025, of Uncollectible Accounts Receivable from Former Residents.
H. Accept an Update on Camera Systems at North Housing.
I. Approve Contract Amendment No.4 Not to Exceed $176,699 with Gubb and Barshay for Linnet Corner, Approve Contract Amendment No.4 Not to Exceed $166,699 with Gubb and Barshay for Estuary I, and Approve Contract Amendment No.4 Not to Exceed $176,699 with Gubb and Barshay for Estuary II.
J. Ratify Three Contract Amendments No.3 Totaling Up to $35,090 to Carlson, Barbee, & Gibson for Additional Civil Engineering Services for The Estuary I, The Estuary II, and Linnet Corner
K. Authorize the President to approve and sign the Second Amended and Restated Limited Partnership Agreement of Shinsei Gardens Apartments, L.P. (an ICD Affiliate).

Director Southern motioned to accept Consent Calendar items 4A-4K; Director Grob 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 Grob adjourned the meeting at 6:46 PM.

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

To:	Board of Directors Island City Development
From:	Jocelyn Layte, Acting Associate Project Manager
Date:	June 18, 2025
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. (JHF) 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 April 30, 2025, is approximately 96%. All units have been completed and are completing final back punch and sign offs. The city has passed units on the 2-4th floor. The AHA team and the General Contractor, JH Fitzmaurice (JHF), completed 1st-4th floor corridor punch walks that identified common fixes in preparation for sign offs.

The lobby and common areas have lighting and ceiling finishes going in. Office spaces have complete finishes and doors with hardware installed. Paver and cement work is complete, and land scaping continues to move ahead. Closed Circuit Television (CCTV) cameras and the live guard, patrolling the site after hours and on weekends, provide security at the site as JH Fitzmaurice (JHF) continues to make good construction progress. The balancing and testing of mechanical systems is under way and final inspections are getting scheduled for June. Currently, there are 27 rain days which were used due to the rain's impact on site work and offsite items. This means an additional 17 days were taken from the overall schedule on top of the original contract budgeted 10 rain delay days. At this time, the GC still anticipates early completion despite the rain delays, so long as electrical, landscape, and elevator trades move forward on time. Staff are tracking this and continue to monitor delays, weather, and project schedule to consider if acceleration would be needed to finish on time. There is an allowance reserved for site work acceleration if needed. Temporary certificate of occupancy (TCO) is dependent on the completion of specific offsite scopes which staff are tracking.

May's active construction activities include: installation of stair well flooring, remaining door hardware, electrical lighting fixtures, punch walk corrections on interior units and corridors, appliance installation, continuing landscape planting and installation of irrigation, exterior fencing at the courtyard and pathway work on the south and north elevations, pet relief area fencing installation, and topsoil delivery. The AHA team will have final sign offs of units and corridors in early June. Interior and exterior work this month is moving forward according to schedule.

A change order was approved over the past month for $100,028.45, increasing the total approved change orders to $597,583. An Owner's hard cost contingency and a General Contractor's contingency (already budgeted within the GC contract) are available for upgrades, master-plan cost overruns, as well as unexpected costs detailed below. Owner contingency funds are held separately from the contract. Executed change orders have utilized 50% of the Owner's hard cost contingency and a General Contractor's contingency combined.

The total projected use of owner contingency (including General Contractor's Contingency and soft cost savings) is 64%. Only the Executive Director can approve additional costs to the contract and staff closely review all prospective change orders at the site. All supplies needed to finish the project have been bought out so there is not expected to be a significant impact from the recently announced tariffs.

Supportive Services

The Housing Authority and Island City Development has acknowledged the request of Building Futures to withdraw from the role of providing supportive services at Estuary I. All contracts and supportive services materials are being transferred to LifeSTEPS, Inc. The other service provider, Alameda Point Collaborative, has also acknowledged this transition. The services and construction funders have all been contacted about this transition. LifeSTEPS, Inc. is a qualified service provider that was identified in the most recent procurement process that AHA and ICD held for supportive services at tax credit properties. They currently serve permanent supportive housing developments with a breadth of services, including mental health services throughout the State of California. They are a current County of Alameda approved contractor for intensive case management services, such as are expected to be provided in-kind at Estuary I.

Operation and Lease Up Activities

Staff are working with cross-agency departments and external partners to prepare the project for leasing and operations in 2025. Weekly all-hands meetings and task coordination have begun and will continue throughout the projects lease up and transition to property operations. This month, the team walked through the office spaces identifying any needs for lease up and operations of the building and focused on finalizing contracts for the first year of operations.

All units will be filled from referrals – there are no units open to the general public at Estuary I and 40 of the 44 units will also receive Project-based vouchers (PBV). FPI Management staff are on board working on lease-up reviews as of 4/1/2025. As of May 29th, 2025, AHA has approved forty-one applicants who were referred from the Alameda County Coordinated Entry System (CES). Property Management is working to approve referrals on their end with five approved and twenty-one pending approval for the LIHTC compliance requirements. Focus continues to be on finalizing the Memorandum of Understanding with the County of Alameda for referrals from the CES, finalizing lease-up and operating budgets, and executing contracts with property management (FPI) and services (Building Futures). All units are leased fully furnished. Furnishings for units have been ordered, and model units will be set up for viewing during pre-leasing activities and move-ins.

FISCAL IMPACT

AHA and ICD have completion and lease up guarantees on this development. The construction is currently trending a few weeks early and is on budget. 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. Att_1 Estuary I Photo updates from May 2025
2. Att 2_Est I monthly Budget

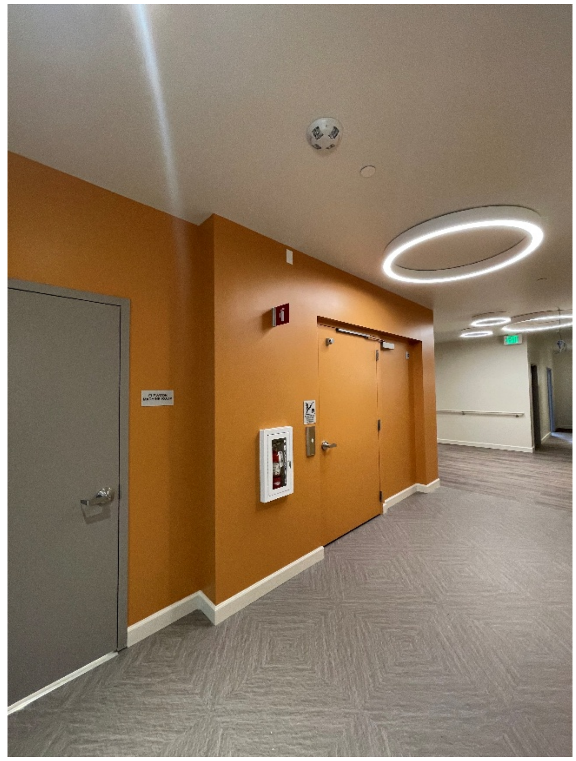
Respectfully submitted,

With support from Neil Saxby, Renew Urban, Consultant
Jocelyn Layte, Acting Associate Project Manager

The Estuary I Progress Photos May 2025

Aerial photo looking south showing the northern and western elevation exterior walls.

Southern side of Estuary I Landscaping and bioretention area complete



Mail boxes have been installed in the Lobby

Corridor Punch walks started in May

Landscaping at the Courtyard is complete. Astro turf will be completed early June.

The Estuary I

Monthly Update - as of May 30, 2025

Total Development Costs to Date				
	$ Budget	$ Disbursed	% Disbursed	$ Balance
Land & Holding Costs	$ 2,444,509.90	$ 2,444,510.00	100%	$ (0)
Hard Costs	$ 28,987,749.14	$ 23,349,984.14	81%	$ 5,637,765.00
Soft Costs	$ 11,516,406.96	$ 4,310,257.61	37%	$ 7,206,149.35
Total	$ 42,948,666.00	$ 30,104,751.75	70%	$ 12,843,914.25

General Contract Status	
Total Contract Value	$ 24,898,007.00
Change Orders	$ 597,583.16
Revised Contract Value	$ 25,495,590.16
Value of Work Completed to Date	$ 24,459,855.60
Retention Withheld	$ 2,394,615.93
Amount Paid to Date	$ 22,065,239.67
Balance to Finish less retention	$ 1,035,734.56
% Construction Complete	96%

Contingency Utilization		
	Hard Cost	Soft Costs
Total Contingency Approved	$ 1,394,525.00	$ 250,000.00
Approved Change Orders to Date	$ 597,583.16	$ 125,000.00
Projected Use of Contingency	$ 298,713.00	
Remaining Balance of Contingency	$ 498,228.84	$ 375,000.00
% of Contingency Projected Use	64%	

ITEM 4.C

ISLAND CITY DEVELOPMENT

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

To: Board of Directors
Island City Development

From: Paris Howze, Project Manager

Date: June 18, 2025

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 unit 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 or currently 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 a roof terrace.

Staff delivered a notice to proceed on March 6, 2024, and J.H. Fitzmaurice, Inc. (JHF), commenced construction activities on March 14, 2024. The project is expected to achieve completion ahead of schedule in September 2025.

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

DISCUSSION

Construction:

The overall project completion and billing percentage, through May 31, 2025, is approximately 91%. This month's construction activities included installation of flooring within units and corridors on the third and second floors, commencement of appliance delivery with installation ongoing through the month of June. Continued landscaping activities included installation of wood pavers on the third-floor roof terrace, tree planting in frontage of the exterior patio areas and parking lot, and fence installation in theresident garden area. The team also began painting and striping within the parking lot. Additionally, JHF and their team of subcontractors completed soil off-haul activities ahead of schedule.

The project currently has 20 rain delays, attributable to the rain's impact on site work and offsite items. The interiors are on or ahead of schedule. At this time, the GC still anticipates early completion despite the rain delays so long as electrical and elevator trades move forward on time. Staff are reserving an allowance for site work acceleration if needed.

Change orders over the past month totaled $126,455.63 increasing the total approved change orders to $614,922. Owner contingency funds are held separately from the contract. Executed change orders have utilized 35% of the available hard cost contingency, and the anticipated overall use is estimated at 50%. Only the Executive Director can approve additional costs to the contract, within the planned contingency amounts, and staff closely review all prospective change orders at the site. Staff are also tracking soft cost savings and the use of contingencies, which can also be applied to hard cost uses later in the project's cycle.

Linnet Corner and Estuary I's project partners including the projects' lender and investor, property management and service providers teams as well as the general contractor joined AHA staff on a tour of North Housing to view progress of the properties just a year after the groundbreaking ceremony in April 2024.

Additional funding update:
The Home Depot Foundation (THDF) awarded the project a $200,000 grant to be used towards construction costs which will help offset overall project costs. Staff are working with our partners at Bank of America and Enterprise to memorialize the $200,000 grant in respective loan documents. The City of Alameda is also proposing to invest a $250,000 award from their Prohousing Incentive Fee funds to create a reserve for supportive services to be used by the end of 2026.

Deferred Developer Fee:
Staff was previously tracking a gap due to Linnet Corner's portion of estimated soil off-haul costs in addition to the anticipated savings in interest, permit and impact fees, as well as savings in both soft and hard cost contingencies. The worst case scenario projected additional deferred fees and a possible additional infusion of funds as equity from AHA in 2026.

The soil offhaul activities have been completed at the site, which reduces uncertainty and the costs have come in substantially lower than the maximum authority provided by the Board. In addition, after ongoing conversations with our internal Finance team and Novogradac, staff is confident that most soil-off haul costs will be basis eligible and preserve equity, thus reducing the funding gap. The current gap is expected to be covered by deferred fees only. Staff continues to watch as the project nears construction completion for variables that could impact the gap, such as lease-up timing and income from operations. Staff continues to work diligently to reduce any need for extra deferred fees but is much more positive about the final position of this project.

Operation and Lease-Up Activities:
Starting in January 2025, staff across different agency departments and external partners worked to prepare Linnet Corner for lease-up commencement in April 2025. The team has initiated a weekly all-hands meeting to coordinate the deliverables required for a smooth lease-up and transition to property management upon commencement of operations. Linnet Corner's lease-up will utilize a combination of three different sources to lease its 63 units

(excluding the manager's unit):

1. Coordinated Entry System (CES) units: 16 one-bedroom and studio units are reserved for un-housed, disabled senior veterans referred by Alameda County Health Services Agency's (HCSA) Coordinated Entry System (CES) or through other social services agencies. These units all have Project-Based Vouchers (PBVs). Referrals from CES are expected soon. An interest list has also been stated in case CES is unable to provide 16 referrals.
2. PBV units: 24 one-bedroom and studio units will be filled through AHA's existing Project-Based Voucher (PBV) waiting list; lease-up will begin in May 2025 for these units, and
3. Lottery Units: 23 studio units will be filled through a public lottery for the units not tied to PBV subsidy or CES. In April 2025, staff ran a two-week application period and received over 1,700 applications. At the beginning of May 2025, staff conducted a public lottery and throughout the month will continue to work with property management to identify eligible applicants. Additional project information on Linnet Corner can be found on Linnet Corner's new leasing website at www.linnetcorner.com.

Newly-hired property management and service provider staff continue to partner with AHA's Housing Programs Departments staff to identify and review applicants both from AHA's existing PBV list and continue to process eligible live work applicants for the lottery. Eligibility and compliance verification will be ongoing through the start of move-ins with all eligible residents anticipated to be identified upon receipt of a temporary certificate of occupancy (TCO) at the end of September 2025.

Staff also continue to work closely with agency departments on the finalization of first-year operating budgets, lease-up agreements, property operations contracts, and supportive services contracts.

FISCAL IMPACT

The Home Depot grant will provide additional funds to the Linnet project and potentially allow it to defer less developer fee. The grant to ICD will be lent to the Linnet Corner partnership.

AHA and ICD have completion and lease-up guarantees on this development. To date, the construction is on time, and may deliver one month early, weather permitting. At this time, any cost overruns are covered by contingencies, savings, and deferred developer fees. Linnet Corner is a 4% tax-credit project which is reliant on basis-eligible costs for part of its financing. Changes during construction (including the soil offhaul cost, basis-eligible cost savings, and interest savings due to lower interest rates) will result in some equity loss. This loss will be covered by cost savings, and also by an additional deferred developer fees. The project has a $3,000,000 developer fee in total of which $1,295,000 was deferred at closing. The maximum additional deferred fee is $1,705,000. Staff will continue to review and come back to the Board if additional ICD or AHA funding is needed.

CEQA

Not applicable.

RECOMMENDATION

ATTACHMENTS

1. 25_06_Linnet Corner - Budget Tracking
2. 25_06_ Linnet Corner - Progress Photos

Respectfully submitted,

Paris Howze, Project Manager

Linnet Corner

Monthly Update - as of May 31, 2025

Total Development Costs to Date				
	$ Budget	$ Disbursed	% Disbursed	$ Balance
Land & Holding Costs	$640,864	$526,338	82%	$114,526
Hard Costs	$36,513,061	$28,551,102	78%	$7,961,959
Soft Costs	$16,118,331	$5,180,342	32%	$10,937,989
Total	$53,272,256	$34,257,782	64%	$19,014,474

General Contract Status	
Total Contract Value	$29,561,507
Change Orders	$597,901
Revised Contract Value	$30,159,408
Value of Work Completed to Date	$27,489,052
Retention Withheld	$2,689,074
Amount Paid to Date	$24,799,979
Balance to Finish	$5,359,429
% Construction Complete	91%

Contingency Utilization		
	Hard Cost	Soft Costs
Total Contingency Approved	$1,738,717	$450,000
Approved Change Orders to Date	$614,922	($36,863)
Remaining Balance of Contingency	$1,123,795	$486,863
% of Contingency Used	35%	108%
Anticipated Master Plan Costs	$0	
Projected Use of Contingency	$199,686	
Remaining Balance of Contingency	$924,109	
% of Contingency Projected	47%	

Linnet Corner
Progress Photos
(May 31, 2025)

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

Figure 2: Bird's-eye view from Lakehurst Circle

Linnet Corner
Progress Photos
(May 31, 2025)

Figure 3: View from Mosley and Mabuhay Avenue

Figure 4: View from corner of Lakehurst Circle & Mabuhay Street

Linnet Corner
Progress Photos
(May 31, 2025)

Figure 5: Corridor flooring installation

Figure 6: Commencement of appliance delivery and installation on 4th floor

Linnet Corner
Progress Photos
(May 31, 2025)

Figure 7: Tree planting in landscape areas

Figure 8: Painting and striping within parking lot areas

Figure 9: Installation of wood pedestals on 3rd floor roof terrace

Figure 10: Site Tour Photo with North Housing Partners including representatives from AHA, Enterprise, Bank of America, FPI Property Management, LifeSTEPS, Elevation Consulting, and J.H. Fitzmaurice

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

To:	Board of Directors Island City Development
From:	Jocelyn Layte, Acting Associate Project Manager
Date:	June 18, 2025
Re:	Accept the Monthly Report for North Housing Offsites.

BACKGROUND

The Housing Development Department provides monthly reports on projects under construction. The Housing Authority of the City of Alameda (AHA) is leading the North Housing Master-Plan work to prepare the sites and provide infrastructure for Linnet Corner and Estuary I. This report provides updates on the North Housing Block A offsite work.

DISCUSSION

Site: North Housing Block A Offsite Improvements, 501 Mosley Avenue, Alameda, CA 94501

Total cost: $6,386,830.16. This is an increase of $2,156,456.18 for Change Order 4 (dated April 29, 2025) which reflects the soil offhaul scope, and Change Order 5 for $214,627.20 (dated May 22, 2025).

Source of funds: Budgeted within the North Housing Block A projects, with Estuary I covering 23%, Linnet Corner covering 60%, and Estuary II covering 17% of the offsite improvement costs.

Purpose: AHA contracted with J.H. Fitzmaurice, Inc. (JHF) for offsite improvements for North Housing Block A, such as the realignment of Lakehurst Circle, the new water main extension, and the new Mabuhay Street. Offsite improvement work is expected to be on a parallel track to the two active housing development projects (Estuary I and Linnet Corner). Therefore, the contract end date is October 2025, which aligns with the later of the two housing projects' expected completion date. The contracted value for the offsite improvements is budgeted for each of the housing developments in Block A and funding was approved by the Board of Commissioners in December 2023. There is a 'contractor's contingency' of $150,000 in the contract that is 99% used. To project for the completion, staff have added $450,000 in owner's contingency that is held outside the construction contract. Pro rata shares of all costs are planned for in the contingency trackers of Estuary I, Linnet Corner, and Estuary II.

Soil Off haul: In March 2025, the Board of Commissioners approved $3,000,000 for soil off haul costs, and change orders were signed up to $2,156,000. All soils have been off hauled as of May 23rd, and the costs are trending well under the maximum change order allowances. The site is undergoing final cleanup and hydroseeding to maintain compliance with the soils management plan.

Offsite completion tied to Estuary I:
The City of Alameda has approved a phasing plan so that appropriate levels of offsites are delivered with Estuary I and the remainder completed concurrent with Linnet Corner so that there is no hold up on certificates of completion for the earlier project. As Estuary I is to be completed first, staff have continued diligently pursuing the required offsite work completion, which includes site fencing, egress to public sidewalks, and grading of the adjacent U.S. Navy -held parcel.

Timeline: February 2024 to October 2025.

Status: As of May 30th, 2025, offsite improvement work has gone from 68% complete to 60% complete because of the addition of the soil off haul work as part of the overall contract. Contractor billing for May 2025 is $121,771 and consists of landscape, irrigation, earthwork, erosion control, and contractor fees. As of May 30th, 2025, there have been twenty-three rain delay days that affected site work. This means that there were an additional thirteen days of weather delays taken on top of the ten contract budgeted days. The project is on schedule and staff are monitoring the project schedule closely. Details on the contract status and contingency used are attached

FISCAL IMPACT

The Board of Commissioners approved the funding for the North Housing Master-Plan in August and December 2023, and for the soil offhaul in April 2025.

CEQA

Not Applicable

RECOMMENDATION

Accept the Monthly Report for North Housing Offsites.

ATTACHMENTS

1. Att1_OFFSITE Monthly Budget Report
2. Att 2_Offsite Soil Off Haul Photos

Respectfully submitted,

With support from Sylvia Martinez, Director of Housing Development
Jocelyn Layte, Acting Associate Project Manager

North Housing Block A - Offsite Improvements Contract Tracking Update - as of May 30 2025

General Contract Status	
Total Contract Value	$4,015,747
Change Orders	$2,371,083
Revised Contract Value	$6,386,830
Value of Work Completed to Date	$3,821,594
Retention Withheld	$372,601
Amount Paid to Date	$3,448,992
Balance to Finish	$2,937,838
% Construction Complete	60%

Contract Contingency Utilization	
	Hard Cost
Total Contract Contingency	$150,000
Approved Contract Contingency Usage To Date	$148,457
Remaining Balance of Contract Contingency	$1,543
% of Contract Contingency Used	99%

Owner Contingency Utilization	
Total Owner Contingency Outside of Contract	$450,000
Approved Owner Contingency Usage To Date	$214,627
Remaining Balance of Owner Contingency	$235,373
% of Owner Contingency Used	48%

North Housing Offsite: Soil Off haul

Offsites Soil stockpiles as of March 2025 prior to off hauling.

Offsites Soil stockpiles location as of Mid-May 2025.

A truck loaded for off haul delivery from excavator.


Overview of stockpiles showing progress of week one.


Excavator moving soil to load trucks form stockpile.

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

To:	Board of Directors Island City Development
From:	Leon Ko, Development Accounting Officer
Date:	June 18, 2025
Re:	Accept Low-Income Housing Tax Credit Partnerships Audited Financial Statements, in which Island City Development or an Affiliate of Island City Development is an Equity Partner

BACKGROUND

Accept Low-Income Housing Tax Credit Partnerships Audited Financial Statements, in which Island City Development or an Affiliate of Island City Development is an Equity Partner

DISCUSSION

This memo presents the final audited financial statements of the limited partnership that owns an interest in the real estate projects:
(1) Everett and Eagle, L.P. (owner of Everett Commons) - Island City Development's legal affiliate owns a general partner's interest in this limited partnership.
(2) Sherman and Buena Vista, L.P. (owner of Littlejohn Commons) - Island City Development's legal affiliate owns a general partner's interest in this limited partnership.
(3) Constitution and Eagle, L.P. (owner of Rosefield Village) - Island City Development's legal affiliate owns a general partner's interest in this limited partnership.
(4) Shinsei Gardens Apartments, L.P. (owner of Shinsei Gardens) - Island City Development's legal affiliates owns an investor limited partner's interest in this limited partnership.
(5) Stargell Commons, L.P. (Stargell Commons) - Island City Development owns a special limited partner's interest in this limited partnership.

The financial statements showcases an unqualified audit opinion which means that the audited financial statements are free of material misstatements for the 2024 year.

FISCAL IMPACT

For reporting purposes only. The LIHTC financial statements will be consolidated with the corporate financial statement of Island City Development (which will be presented in a Board of Directors meeting later in 2025).

CEQA

N/A

RECOMMENDATION

Accept Low-Income Housing Tax Credit Partnerships Audited Financial Statements, in which Island City Development or an Affiliate of Island City Development is an Equity Partner

ATTACHMENTS

1. Everett & Eagle FS 2024 Final Audit
2. Sherman & Buena Vista FS 2024 Final Audit
3. Constitution & Eagle FS 2024 Final Audit
4. Shinsei Gardens Apartments FS 2024 Final Audit
5. Stargell Commons FS 2024 Final Audit

Respectfully submitted,

Leon Ko

Leon Ko, Development Accounting Officer

EVERETT AND EAGLE L.P.

(A CALIFORNIA LIMITED PARTNERSHIP)
FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2024 AND 2023

HCVT
HOLTHOUSE | CARLIN | VAN TRIGT LLP

EVERETT AND EAGLE L.P.
(A CALIFORNIA LIMITED PARTNERSHIP)
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DECEMBER 31, 2024 AND 2023

HOLTHOUSE | CARLIN | VAN TRIGT LLP

INDEPENDENT AUDITOR'S REPORT

To the Partners of
Everett and Eagle L.P.:

Opinion

We have audited the accompanying financial statements of Everett and Eagle L.P., a California limited partnership (the Partnership), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, changes in partners' capital (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Partnership as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Partnership and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

HOLTHOUSE | CARLIN | VAN TRIGT LLP

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on the Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information in Schedules I and II is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Holthouse Carlin & Van Trigt LLP

Encino, California
March 20, 2025

EVERETT AND EAGLE L.P.
(A CALIFORNIA LIMITED PARTNERSHIP)
BALANCE SHEETS

AS OF DECEMBER 31,	**2024**	**2023**
Assets		
Property, at cost		
Leasehold land improvements	$ 653,457	$ 653,457
Offsite improvements	58,032	58,032
Buildings and improvements	13,419,660	13,419,660
Site work	737,313	737,313
Personal property	223,867	223,867
Total property	15,092,329	15,092,329
Less: accumulated depreciation	(2,559,796)	(2,133,164)
Property, net	12,532,533	12,959,165
Cash and cash equivalents	27,852	118,411
Tenant and subsidy accounts receivable, net	3,398	17,846
Prepaid expenses and other assets	39,945	45,547
Due from Limited Partner	7,452	-
Right of use asset	14,873	15,033
Restricted cash:		
Operating reserve	105,506	55,080
Transition reserve	151,096	150,000
Replacement reserve	23,166	54,957
Impounds - taxes and insurance	9,882	55,561
Tenant security deposits	15,900	21,000
TCAC fees, net	26,244	29,101
Total assets	$ 12,957,847	$ 13,521,701
Liabilities and Partners' Capital (Deficit)		
Notes payable, net	$ 8,454,019	$ 8,486,211
Accounts payable and accrued expenses	95,270	97,838
Accrued interest	1,141,757	971,927
Accrued investor services fees	-	5,796
Accrued partnership administration fees	22,848	10,955
Prepaid rents	328	3,143
Tenant security deposits liability	15,450	20,250
Total liabilities	9,729,672	9,596,120
Commitments and contingencies (See Notes)		
Partners' capital (deficit)	3,228,175	3,925,581
Total liabilities and partners' capital (deficit)	$ 12,957,847	$ 13,521,701

See accompanying notes to financial statements.

EVERETT AND EAGLE L.P.
(A CALIFORNIA LIMITED PARTNERSHIP)
STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31,	2024	2023
Revenues		
Tenant rents	$ 192,777	$ 153,555
Rental subsidies	441,262	450,928
Less: vacancies	(36,462)	(14,527)
Total rental revenues	597,577	589,956
Miscellaneous tenant charges	20,753	4,352
Other revenue	5,888	19,226
Total revenues	624,218	613,534
Operating expenses (Schedule I)		
Administrative	229,285	160,157
Utilities	21,101	22,289
Operating and maintenance	211,790	208,465
Ground lease expense	160	160
Taxes and insurance	60,327	39,578
Total operating expenses	522,663	430,649
Operating income before partnership and financial (income) expenses	101,555	182,885
Partnership and financial (income) expenses		
Interest expense	353,551	351,545
Interest income	(1,943)	(38)
Investor services fee	5,970	5,796
Partnership administration fee	11,893	10,955
Total partnership and financial (income) expenses	369,471	368,258
Loss before depreciation and amortization	(267,916)	(185,373)
Depreciation	426,633	426,633
Amortization of TCAC fees	2,857	2,976
Net loss	$ (697,406)	$ (614,982)

See accompanying notes to financial statements.

EVERETT AND EAGLE L.P.
(A CALIFORNIA LIMITED PARTNERSHIP)
STATEMENTS OF CHANGES IN PARTNERS' CAPITAL (DEFICIT)

	General Partner	Limited Partner	Total
Balance, December 31, 2022	$ (129)	$ 4,540,692	$ 4,540,563
Net loss	(61)	(614,921)	(614,982)
Balance, December 31, 2023	(190)	3,925,771	3,925,581
Net loss	(70)	(697,336)	(697,406)
Balance, December 31, 2024	$ (260)	$ 3,228,435	$ 3,228,175

See accompanying notes to financial statements.

EVERETT AND EAGLE L.P.
(A CALIFORNIA LIMITED PARTNERSHIP)
STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,	**2024**	**2023**
Operating activities		
Net loss	$ (697,406)	$ (614,982)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	426,633	426,633
Amortization of TCAC fees	2,857	2,976
Ground lease expense	160	160
Amortization of debt discounts and issuance costs	4,586	4,586
Changes in operating assets and liabilities:		
Tenant and subsidy accounts receivable	14,448	(13,524)
Prepaid expenses and other assets	5,602	(45,521)
Due from Limited Partner	(7,452)	-
Accounts payable and accrued expenses	(2,569)	73,661
Accrued interest	169,830	166,301
Accrued investor services fees	(5,796)	5,796
Accrued partnership administration fees	11,893	(30,881)
Prepaid rents	(2,815)	(9,352)
Tenant security deposits liability	(4,800)	750
Net cash used in operating activities	(84,829)	(33,397)
Investing activities		
Payments of developer fee payable	-	(13,564)
Cash used in investing activities	-	(13,564)
Financing activities		
Payments on notes payable	(36,778)	(35,255)
Cash used in financing activities	(36,778)	(35,255)
Net change in cash, cash equivalents, and restricted cash	(121,607)	(82,216)
Cash, cash equivalents, and restricted cash at beginning of year	455,009	537,225
Cash, cash equivalents, and restricted cash at end of year	$ 333,402	$ 455,009

See accompanying notes to financial statements.

EVERETT AND EAGLE L.P.

(A CALIFORNIA LIMITED PARTNERSHIP)
STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,	2024	2023
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 179,135	$ 180,658
Supplemental disclosure of cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	$ 27,852	$ 118,411
Restricted cash:		
Operating reserve	105,506	55,080
Transition reserve	151,096	150,000
Replacement reserve	23,166	54,957
Impounds - taxes and insurance	9,882	55,561
Tenant security deposits	15,900	21,000
Cash, cash equivalents, and restricted cash	$ 333,402	$ 455,009

See accompanying notes to financial statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization Everett and Eagle L.P. is a California limited partnership (the Partnership), which was formed on November 22, 2016 and subsequently amended and restated on June 27, 2017. The original partners were as follows: 2437 Eagle Avenue, LLC, a California limited liability company (the General Partner) and the Housing Authority of the City of Alameda, a public body corporate and politic (the Initial Limited Partner). Effective June 27, 2017, the Initial Limited Partner withdrew from the Partnership and Wincopin Circle LLLP, a Maryland limited liability limited partnership, was admitted as the Limited Partner. Effective July 14, 2017, Wincopin Circle LLLP assigned its Limited Partner Interest to Enterprise Neighborhood Impact Fund II, LLC, a Delaware limited liability company (the Limited Partner).

The Partnership is involved in the acquisition, construction, financing, leasing, and operation of a 20-unit multifamily affordable rental housing project located in Alameda, California (the Project), that was placed-in-service on December 17, 2018.

The Partnership has entered into regulatory agreements with the California Tax Credit Allocation Committee (TCAC), The Housing Authority of the City of Alameda (HACA), the County of Alameda and the City of Alameda, which will govern the ownership, occupancy, tenant income and rents, and management of the Project.

The First Amended and Restated Agreement of Limited Partnership (Partnership Agreement) has various provisions which determine, among other things, allocations of profits, losses and distributions to partners, the ability to sell or refinance the Project, loans and guarantees, the rights and duties of the General Partner, and other Partnership matters.

The General Partner and Limited Partner's percentage of interest in profits and losses is generally .01% and 99.99%, respectively.

Basis of Accounting The Partnership's financial statements are presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Revenue Recognition Rental revenues are recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the Partnership and its tenants are operating leases. Rental revenues reflect the gross potential rent that may be earned. Vacancies are shown separately as a reduction in rental revenue. Non-rental revenue consists of other income from laundry vending, and miscellaneous charges to tenants. Such other revenue is recognized when earned.

Tenant Accounts Receivable Tenant accounts receivable are reported net of an allowance for doubtful accounts. Management's estimate of the allowance account is based on historical collection data and analysis of the current status of accounts receivable. It is reasonably possible that management's estimate of the allowance will change. The allowance for doubtful accounts was $30,436 and $4,249 as of December 31, 2024 and 2023, respectively.

Property Management Fee The Partnership entered into a property management agreement with an unrelated entity. The property management agreement provides for a monthly fee equal to $49 per unit. Property management fees were $11,760 and $14,760 for the years ended December 31, 2024 and 2023, respectively.

Cash and Cash Equivalents For purposes of the balance sheets and statements of cash flows, cash and cash equivalents consist of cash and highly liquid unrestricted investments with an original maturity of three months or less when purchased.

Property Property is stated at cost. Depreciation will be provided using the straight-line method over the following estimated useful lives:

Description	Life
Leasehold land improvements	99 years
Offsite improvements	20 years
Buildings and improvements	40 years
Site work	20 years
Personal property	5 years

The Partnership capitalizes expenditures or betterments that materially increase asset lives and charges ordinary repairs and maintenance to operations as incurred. When assets are sold or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in operations.

The Partnership reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. When evaluating recoverability, management considers future undiscounted cash flows estimated to be generated by the property, including the low-income housing tax credits and any estimated proceeds from the eventual disposition. In the event these accumulated cash flows are less than the carrying amount of the property, the Partnership recognizes an impairment loss equal to the excess of the carrying amount over the estimated fair value of the property. No impairment losses were recognized in 2024 and 2023.

Debt Discounts and Issuance Costs Debt discounts and issuance costs are reported as a direct reduction of the obligation to which such costs relate. Amortization of debt discounts and issuance costs is reported as a component of interest expense and is calculated using a method that approximates the effective interest method.

Tenant Services Agreement The Partnership entered into an agreement with an unrelated entity to provide tenant services monthly. Tenant services fees of $81,137 and $72,420 were incurred in 2024 and 2023, respectively.

Concentrations of Business and Credit Risk The Partnership may have exposure to credit risk to the extent that its cash, cash equivalents, and restricted cash exceed amounts covered by federal deposit insurance. The Partnership believes that its credit risk is not significant.

The Partnership was granted an exemption from real property taxes with the Alameda County Assessor, which must be renewed annually. In the event the County Assessor does not grant the exemption, the Partnership's cash flow would be adversely impacted.

The Partnership rents to people with qualifying levels of income who work primarily in Alameda, California. The Partnership is subject to business risks associated with the future funding of governmental public assistance, which affects occupancy as well as tenant's ability to make rental payments.

Estimates The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates.

2. RESERVES

Operating Reserve The Partnership Agreement and loan agreements require an initial funding of an operating reserve of $105,080 to be funded upon payment of the Third and Fifth Installments of the Limited Partner’s Capital Contribution of $50,000 and $55,080, respectively. During 2020, $50,000 of the operating reserve was funded from the Third Installment of the Limited Partner’s capital contribution. During 2022, $50,080 of the operating reserve was funded from the Fifth Installment of the Limited Partner’s capital contribution. Thereafter, deposits to the operating reserve will be made from Cash Flow in order to maintain a balance of $105,800. During 2023, $50,098 of the operating reserve was transferred to the operating account with the intention of opening a separate reserve account. Due to concerns with depositing funds with certain financial institutions due to FDIC insured limits in the aggregate, there was a delay in transferring into the separate reserve account. The $50,098 remained in the operating account as of December 31, 2023, and was tracked by management until it was redeposited to the operating reserve account in 2024. As of 2024, the total amount resides in a banking institution that is FDIC insured up to $250,000 in the aggregate. Additionally, the banking institution is providing collateralized securities in excess of the FDIC insured accounts.

Transition Reserve The Partnership Agreement and loan agreements require an initial funding of a transition reserve of $675,000 the Limited Partner’s Fifth, Sixth, and Seventh Installments of the Limited Partner’s Capital Contribution of $150,000, $216,000, and $309,000, respectively. During 2022, $150,000 of the transition reserve was funded from the Fifth Installment of the Limited Partner’s capital contribution

Replacement Reserve The Partnership Agreement and loan agreements require an annual replacement reserve of $600 per unit, increasing 3% annually.

Impounds – Taxes and Insurance The Partnership is required to make monthly impound deposits to cover insurance premiums and property taxes.

The following describes the activity in the reserve accounts during 2024 and 2023:

	Balance 1/1/24	Deposits	Withdrawals/ Fees	Interest Earned	Balance 12/31/24
Operating reserve	$ 55,080	$ 49,840	$ -	$ 586	$ 105,506
Transition reserve	150,000	-	-	1,096	151,096
Replacement reserve	54,957	12,549	(44,340)	-	23,166
Impounds – taxes and insurance	55,561	29,919	(75,598)	-	9,882
Total	$ 315,598	$ 92,308	$ (119,938)	$ 1,682	$ 289,650

	Balance 1/1/23	Deposits	Withdrawals/ Fees	Interest Earned	Balance 12/31/23
Operating reserve	$ 105,178	$ -	$ (50,098)	$ -	$ 55,080
Transition reserve	150,000	-	-	-	150,000
Replacement reserve	41,647	13,310	-	-	54,957
Impounds – taxes and insurance	28,891	26,670	-	-	55,561
Total	$ 325,716	$ 39,980	$ (50,098)	$ -	$ 315,598

3. GROUND LEASE AGREEMENT – HACA

On June 1, 2017, the Partnership entered into a Ground Lease Agreement (the Agreement) to lease land owned by HACA. The Agreement, which expires June 1, 2116, provided for a prepaid ground lease payment of $9,900. The prepaid ground lease was being amortized over the life of the Agreement, commencing in January 2020. In accordance with U.S. GAAP, the prepaid ground lease and related deferred costs – ground lease are reflected as a right of use asset in the accompanying balance sheets and amortized over the remaining lease term of the Agreement. The Partnership incurred ground lease expense of $160 for the year ended December 31, 2024 and 2023.

4. TCAC FEES

TCAC fees are amortized over 15 years, commencing in January 2019. TCAC fees are as follows:

As of December 31,	2024	2023
TCAC fees	$ 43,741	$ 43,741
Less: accumulated amortization	(17,497)	(14,640)
Total TCAC fees, net	$ 26,244	$ 29,101

5. NOTES PAYABLE

As of December 31,	2024	2023
Note payable to JPMorgan Chase Bank, N.A. (Chase Loan), a national banking association, in the maximum amount of $3,330,168. The note is secured by a Permanent Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, bears simple interest at 5.55% and requires monthly payments of principal and interest of $17,993; unpaid principal and interest are due on September 21, 2039.	$ 3,154,609	$ 3,191,387

5. NOTES PAYABLE

As of December 31,	**2024**	**2023**
Note payable to the City of Alameda (HOME Loan), secured by a subordinated Leasehold Deed of Trust, Assignment of Rents, and Security Agreement and Fixture Filing, borrowings up to $153,282, simple interest at 3.00% per annum, payable from Residual Receipts; unpaid principal and interest are due on December 31, 2074.	153,282	153,282
Note payable to HACA (HACA Loan), in the original amount of $4,250,000, secured by a Leasehold Deed of Trust, Assignment of Rents, and Security Agreement and Fixture Filing, interest at 2.68%, compounded annually; principal and interest payable annually from Residual Receipts; unpaid principal and interest is due December 31, 2074.	4,250,000	4,250,000
Note payable to County of Alameda (County Loan), in the maximum amount of $1,000,000, secured by a subordinated Leasehold Deed of Trust, Assignment of Rents, and Security Agreement and Fixture Filing, simple interest at 3.00%, payable from Residual Receipts and unpaid principal and interest are due on December 31, 2074.	1,000,000	1,000,000
Total notes payable	8,557,891	8,594,669
Less: unamortized debt discounts and issuance costs	(103,872)	(108,458)
Total notes payable, net	$ 8,454,019	$ 8,486,211

At December 31, 2024, anticipated principal repayments of notes payable are as follows:

For the Year Ending December 31,	**Amount**
2025	$ 39,414
2026	41,690
2027	44,098
2028	46,158
2029	49,310
Thereafter	8,337,221
Total	$ 8,557,891

The HOME Loan, HACA Loan, and County Loan are payable based on available Residual Receipts, as defined in the respective loan agreements. The percentage of Residual Receipts shall be paid as follows: 2.84% to the HOME Loan, 78.65% to the HACA Loan, and 18.51% to the County Loan.

An analysis of accrued interest for 2024 and 2023 is as follows:

	Accrued Interest 1/1/24	Interest Expense	Interest Paid	Accrued Interest 12/31/24
Chase Loan	$ 15,871	$ 179,135	$ (179,135)	$ 15,871
HOME Loan	23,129	4,598	-	27,727
HACA Loan	795,964	135,232	-	931,196
County Loan	136,963	30,000	-	166,963
	$ 971,927	348,965	$ (179,135)	$ 1,141,757
Amortization of debt discounts and issuance costs		4,586		
Total interest expense		$ 353,551		

	Accrued Interest 1/1/23	Interest Expense	Interest Paid	Accrued Interest 12/31/23
Chase Loan	$ 15,870	$ 180,659	$ (180,658)	$ 15,871
HOME Loan	18,531	4,598	-	23,129
HACA Loan	664,262	131,702	-	795,964
County Loan	106,963	30,000	-	136,963
	$ 805,626	346,959	$ (180,658)	$ 971,927
Amortization of debt discounts and issuance costs		4,586		
Total interest expense		$ 351,545		

6. RELATED PARTY TRANSACTIONS

Developer Fee The Partnership has entered into a joint developer fee agreement with HACA and an affiliate of the General Partner (collectively, the Developer) to receive a fee of $875,000 for its development services. The unpaid developer fee was expected to be paid from future Limited Partner capital contributions and Cash Flow. The developer fee shall be paid in full on or before December 31, 2032. During 2023, the developer fee was repaid.

Investor Services Fee In accordance with Partnership Agreement, the Limited Partner, is to receive an annual investor services fee of $5,000 for the promotion of efficient communications and favorable relationships between the Partnership and Limited Partner. The fee shall increase by 3% per year and will be payable from Cash Flow. Investor services fees of $5,970 were incurred and paid in 2024. During 2023, investor services fees of $5,796 were incurred, all of which were unpaid as of December 31, 2023. During 2024, 2023 and 2024 investor services fees paid in excess of Cash Flow of $7,452 are reflected as due from Limited Partner in the accompanying balance sheets.

Partnership Administration Fee In accordance with the Partnership Agreement, the General Partner is to receive an annual partnership administration fee of $10,000 for supervisory services to cause the Project to operate efficiently, among other things. The fee shall increase by 3% per year and will be payable from Cash Flow. Partnership administration fees of $11,893 and $10,955 were incurred in 2024 and 2023, respectively; of which $22,848 and $10,955 was unpaid as of December 31, 2024 and 2023, respectively.

Rental Subsidies The Project has entered into a Housing Assistance Payment (HAP) contract with HACA, which includes 12 units designated for supportive housing subsidy and 5 units for supportive housing under VASH. The current term of the HAP contract is for the period commencing December 2018 and shall run for a period of twenty years. The contract is subject to renewal when it expires. In accordance with the HAP contract, the amount of each tenant's subsidy varies depending on the income of each tenant. The aggregate amount earned under the HAP contract was $441,262 and $450,928 for the years ended December 31, 2024 and 2023, respectively.

7. CAPITAL CONTRIBUTIONS

Pursuant to the Partnership Agreement, the General Partner will make capital contributions of $100. Subject to certain adjustments as defined in the Partnership Agreement, the Limited Partner anticipates making capital contributions of $7,496,000. Through December 31, 2024, the Partnership has received $6,975,251 in Limited Partner capital contributions and anticipates receiving the balance through 2031 as follows:

- Sixth Installment – anticipated in 2028; and
- Seventh Installment – anticipated in 2031.

8. INCOME TAXES AND LOW-INCOME HOUSING TAX CREDITS

The Partnership is a pass-through entity for income tax purposes and all items of income and losses of the Partnership are reported by the partners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a partnership. The Partnership is required to file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Partnership has no other tax positions which must be considered for disclosure. With few exceptions, the Partnership is subject to income tax examinations by tax authorities for years before 2020. There are no tax examinations currently pending.

The Partnership has received an allocation of federal low-income housing tax credits from TCAC, which are available only to the extent the Partnership complies with the Internal Revenue Service's tax credit regulations. The General Partner is responsible to ensure that the Partnership satisfies such requirements and has made certain guarantees to the Limited Partner, which are defined in the Partnership Agreement.

9. PURCHASE OPTION AND RIGHT OF FIRST REFUSAL

The Partnership has granted its General Partner a buyout option and right of first refusal to purchase the Project or the Limited Partner's interest. The buyout option shall become available following the end of the Compliance Period and only if the General Partner has satisfied all obligations under the Partnership Agreement. The purchase price under this option is the greater of the fair market value of the Limited Partner's interest or the Project as of the date of the Buyout Notice or $1 plus all federal, state, and local taxes attributable to such sale, plus all unpaid amounts due to the Limited Partner pursuant to the terms of the Partnership Agreement. The right of first refusal shall be granted to the General Partner for a period of 90 days before the Partnership can transfer, sell, alienate, assign, give, bequeath, or otherwise dispose of the Project. The purchase price under the right of first refusal is equal to the sum of the principal amount of all outstanding indebtedness secured by the Project, all other loans from the General Partner or its Affiliates, and any accrued interest on any of such debt; all federal, state, and local taxes attributable to such sale; and all unpaid amounts to the Limited Partner pursuant to the terms of the Partnership Agreement.

10. GENERAL PARTNER GUARANTEES

In connection with the development and operations of the Project, the General Partner and an affiliate have made certain guarantees, including an obligation to perform the General Partner’s Partnership management duties, complete development of the Project, and provide Operating Deficit Loans, as defined in the Partnership Agreement.

11. CASH FLOW PAYMENT PRIORITIES

Payment of fees and other expenses contingent on Cash Flow, as defined by the Partnership Agreement, and distributions to partners from Cash Flow shall be disbursed as follows:

- First, to the Limited Partner, an amount equal to the Credit Deficiency;
- Second, to the Limited Partner, an amount sufficient to pay federal income taxes on taxable income allocated to the Limited Partner for such Fiscal Year by the Partnership, assuming the Limited Partner is subject to the maximum corporate federal income tax rate then in effect;
- Third, to pay the investor services fee;
- Fourth, from and after the Fifth Installment of the Limited Partner's capital contribution, to fund the operating reserve up to the operating reserve amount;
- Fifth, to the Developer to pay any unpaid balance on the deferred developer fee;
- Sixth, to the General Partner to repay any Operating Deficit Loan;
- Seventh, to pay the partnership administration fee;
- Eighth, to make payments on the HOME Loan, HACA Loan, and County Loan to the extent then due thereon; and
- Then, to the Partners in accordance with their Percentage Interests.

12. SUBSEQUENT EVENTS

The Partnership has evaluated subsequent events that have occurred through the date of the independent auditor’s report, which is the date that the financial statements were available to be issued, and determined that there were no subsequent events or transactions that required recognition or disclosure in the financial statements.

EVERETT AND EAGLE L.P.

(A CALIFORNIA LIMITED PARTNERSHIP)
SCHEDULES OF OPERATING EXPENSES

FOR THE YEARS ENDED DECEMBER 31,		2024		2023
Administrative expenses				
Advertising		$ 1,912		$ 709
Bad debts		26,187		357
Manager's unit		28,596		28,596
Office supplies		9,876		9,821
Professional fees - accounting		20,350		21,050
Professional fees - legal		18,165		6,692
Property management fees		11,760		14,760
Tenant services		81,137		72,420
Loan monitoring fee		6,403		3,436
Miscellaneous administrative				
Other administrative	$ 1,319		$ 826	
Tenant relocation costs	23,580	24,899	1,490	2,316
Total administrative expenses		$ 229,285		$ 160,157
Utilities expenses				
Electricity		$ 5,814		$ 2,024
Water and sewer		15,287		20,265
Total utilities expenses		$ 21,101		$ 22,289
Operating and maintenance expenses				
Decorating and painting		$ 5,084		$ 682
Janitorial supplies		125		2,585
Maintenance salaries		21,981		21,570
Repairs and maintenance contracts		154,966		145,536
Trash removal		29,634		38,092
Total operating and maintenance expenses		$ 211,790		$ 208,465
Ground lease expense				
Ground lease expense		$ 160		$ 160
Total ground lease expense		$ 160		$ 160
Taxes and insurance expenses				
Payroll taxes		$ 3,984		$ -
Property and liability insurance		46,482		30,273
Worker's compensation		9,201		5,216
Miscellaneous taxes		660		4,089
Total taxes and insurance expenses		$ 60,327		$ 39,578

See independent auditor's report.

EVERETT AND EAGLE L.P.
(A CALIFORNIA LIMITED PARTNERSHIP)
SCHEDULE OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31,	2024
Operating revenue	
Total revenues, including interest	$ 626,161
Change in tenant and subsidy accounts receivable	14,448
Change in prepaid rents	(2,815)
Total operating revenue	637,794
Other adjustments:	
Less:	
Operating expenses	(522,663)
Debt service	(215,913)
Change in restricted funds	77,470
Ground lease expense	160
Total project expenses	(660,946)
Cash deficit	$ (23,152)

See independent auditor's report.

SHERMAN AND BUENA VISTA LP

(A CALIFORNIA LIMITED PARTNERSHIP)
FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2024 AND 2023

HCVT

HOLTHOUSE | CARLIN | VAN TRIGT LLP

SHERMAN AND BUENA VISTA LP
(A CALIFORNIA LIMITED PARTNERSHIP)
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DECEMBER 31, 2024 AND 2023

HOLTHOUSE | CARLIN | VAN TRIGT LLP

INDEPENDENT AUDITOR'S REPORT

To the Partners of
Sherman and Buena Vista LP:

Opinion

We have audited the accompanying financial statements of Sherman and Buena Vista LP, a California limited partnership (the Partnership), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, changes in partners' capital, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Partnership as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Partnership and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

HOLTHOUSE | CARLIN | VAN TRIGT LLP

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

Report on the Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information in Schedules I and II is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Holthouse Carlin & Van Trigt LLP

Encino, California
March 21, 2025

SHERMAN AND BUENA VISTA LP
(A CALIFORNIA LIMITED PARTNERSHIP)
BALANCE SHEETS

AS OF DECEMBER 31,	2024	2023
Assets		
Property, at cost		
Leasehold land improvements	$ 55,099	$ 55,099
Buildings and improvements	14,111,517	14,111,517
Site work	724,727	724,727
Personal property	288,200	288,200
Total property	15,179,543	15,179,543
Less: accumulated depreciation	(2,867,271)	(2,420,050)
Property, net	12,312,272	12,759,493
Cash and cash equivalents	155,321	170,752
Tenant accounts receivable, net	386	4,561
Prepaid expenses and other assets	35,472	39,141
Right of use asset	3,134,446	3,168,890
Restricted cash:		
Operating reserve	245,668	245,668
Replacement reserve	89,125	73,625
Tenant security deposits	22,056	21,006
TCAC fees, net	31,123	33,009
Total assets	$ 16,025,869	$ 16,516,145
Liabilities and Partners' Capital		
Notes payable, net	$ 8,739,607	$ 8,871,090
Accounts payable and accrued expenses	27,584	36,554
Accrued interest payable	856,737	713,165
Accrued asset management fees	-	5,796
Accrued partnership management fees	23,882	23,186
Due to affiliate	20,000	53,939
Prepaid rents	192	1,115
Tenant security deposits liability	21,950	20,250
Total liabilities	9,689,952	9,725,095
Commitments and contingencies (See Notes)		
Partners' capital	6,335,917	6,791,050
Total liabilities and partners' capital	$ 16,025,869	$ 16,516,145

See accompanying notes to financial statements.

SHERMAN AND BUENA VISTA LP
(A CALIFORNIA LIMITED PARTNERSHIP)
STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31,	**2024**	**2023**
Revenues		
Tenant rents	$ 206,390	$ 153,423
Rental subsidies	608,240	549,897
Less: vacancies	(60,923)	(6,247)
Net rental revenues	753,707	697,073
Other revenue	4,966	15,524
Total revenues	758,673	712,597
Operating expenses (Schedule I)		
Administrative	157,141	206,111
Utilities	28,675	30,939
Operating and maintenance	155,215	129,171
Ground lease expense	34,444	34,444
Taxes and insurance	78,754	57,394
Total operating expenses	454,229	458,059
Operating income before partnership and financial (income) expenses	304,444	254,538
Partnership and financial (income) expenses		
Interest expense	281,367	286,221
Interest income	(749)	(6)
Asset management fee	5,970	5,796
Partnership management fee	23,882	23,186
Total partnership and financial (income) expenses	310,470	315,197
Loss before depreciation and amortization	(6,026)	(60,659)
Depreciation	447,221	447,221
Amortization	1,886	1,886
Net loss	$ (455,133)	$ (509,766)

See accompanying notes to financial statements.

SHERMAN AND BUENA VISTA LP
(A CALIFORNIA LIMITED PARTNERSHIP)
STATEMENTS OF CHANGES IN PARTNERS' CAPITAL

	General Partner	Limited Partner	Total
Balance, December 31, 2022	$ 249,881	$ 7,050,935	$ 7,300,816
Net loss	(51)	(509,715)	(509,766)
Balance, December 31, 2023	249,830	6,541,220	6,791,050
Net loss	(46)	(455,087)	(455,133)
Balance, December 31, 2024	$ 249,784	$ 6,086,133	$ 6,335,917

See accompanying notes to financial statements.

SHERMAN AND BUENA VISTA LP
(A CALIFORNIA LIMITED PARTNERSHIP)
STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,	**2024**	**2023**
Operating activities		
Net loss	$ (455,133)	(509,766)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	447,221	447,221
Amortization of TCAC fees	1,886	1,886
Amortization of debt discounts and issuance costs	8,216	8,216
Ground lease expense	34,444	34,444
Changes in operating assets and liabilities:		
Tenant accounts receivable	4,175	28,057
Prepaid expenses and other assets	3,669	(37,881)
Accounts payable and accrued expenses	(8,969)	16,718
Accrued interest payable	143,572	98,163
Accrued asset management fees	(5,796)	5,796
Accrued partnership management fees	696	675
Prepaid rents	(923)	(3,283)
Tenant security deposits liability	1,700	(2,250)
Net cash provided by operating activities	174,758	87,996
Financing activities		
Payments on notes payable	(139,700)	(132,386)
(Repayment of) advances from affiliate	(33,939)	53,939
Net cash used in financing activities	(173,639)	(78,447)
Net change in cash, cash equivalents, and restricted cash	1,119	9,549
Cash, cash equivalents, and restricted cash at beginning of year	511,051	501,502
Cash, cash equivalents, and restricted cash at end of year	$ 512,170	$ 511,051
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 129,579	$ 179,842
Supplemental disclosure of cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	$ 155,321	$ 170,752
Restricted cash:		
Operating reserve	245,668	245,668
Replacement reserve	89,125	73,625
Tenant security deposits	22,056	21,006
Cash, cash equivalents, and restricted cash	$ 512,170	$ 511,051

See accompanying notes to financial statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization Sherman and Buena Vista LP (the Partnership) is a California limited partnership, which was formed on June 23, 2016 and subsequently amended and restated on December 1, 2016. The original partners are as follows: Del Monte Senior LLC, a California limited liability company (the General Partner) and The Housing Authority of the City of Alameda, a public body corporate and politic (the Initial Limited Partner). Effective December 1, 2016, the Housing Authority of the City of Alameda withdrew from the Partnership and NEF Assignment Corporation, an Illinois not-for-profit corporation, was admitted as the Limited Partner.

The Partnership is involved in the acquisition, construction, financing, leasing, and operation of a 31-unit multifamily affordable rental housing project located in Alameda, California (the Project), that was placed-in-service on July 31, 2018.

The Partnership has entered into regulatory agreements with the California Tax Credit Allocation Committee (TCAC), The Housing Authority of the City of Alameda (HACA), and the City of Alameda, which will govern the ownership, occupancy, tenant income and rents, and management of the Project.

The Amended and Restated Limited Partnership Agreement (Partnership Agreement) has various provisions which determine, among other things, allocations of profits, losses and distributions to partners, the ability to sell or refinance the Project, loans and guarantees, the rights and duties of the General Partner, and other Partnership matters.

The General Partner and Limited Partner's percentage of interest in profits and losses is generally .01% and 99.99%, respectively.

Basis of Accounting The Partnership's financial statements are presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Revenue Recognition Rental revenues are recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the Partnership and its tenants are operating leases. Rental revenues reflect the gross potential rent that may be earned. Vacancies are shown separately as a reduction in rental revenue. Non-rental revenue consists of other income from laundry vending, and miscellaneous charges to tenants. Such other revenue is recognized when earned.

Tenant Accounts Receivable Tenant accounts receivable are reported net of an allowance for doubtful accounts. Management's estimate of the allowance account is based on historical collection data and analysis of the current status of accounts receivable. It is reasonably possible that management's estimate of the allowance will change. The allowance for doubtful accounts was $52,440 and $46,495 as of December 31, 2024 and 2023, respectively.

Property Management Fee The Partnership entered into a property management agreement with an unrelated entity. The property management agreement provides for a monthly fee equal to $49 per unit. Property management fees of $18,228 and $21,228 were incurred for the years ended December 31, 2024 and 2023, respectively.

Cash and Cash Equivalents For purposes of the balance sheets and statements of cash flows, cash and cash equivalents consist of cash and highly liquid unrestricted investments with an original maturity of three months or less when purchased.

Property Property is stated at cost. Depreciation is provided using the straight-line method over the following estimated useful lives:

Description	Life
Leasehold land improvements	99 years
Buildings and improvements	40 years
Site work	20 years
Personal property	5 years

The Partnership capitalizes expenditures or betterments that materially increase asset lives and charges ordinary repairs and maintenance to operations as incurred. When assets are sold or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in operations.

The Partnership reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. When evaluating recoverability, management considers future undiscounted cash flows estimated to be generated by the property, including the low-income housing tax credits and any estimated proceeds from the eventual disposition. In the event these accumulated cash flows are less than the carrying amount of the property, the Partnership recognizes an impairment loss equal to the excess of the carrying amount over the estimated fair value of the property. No impairment losses were recognized in 2024 and 2023.

TCAC Fees TCAC fees are amortized over 15 years, which commenced when the Project was placed-in-service.

Debt Discounts and Issuance Costs Debt discounts and issuance costs are reported as a direct reduction of the obligation to which such costs relate. Amortization of debt discounts and issuance costs is reported as a component of interest expense and is calculated using a method that approximates the effective interest method.

Tenant Services Agreement The Partnership entered into an agreement with an unrelated entity to provide tenant services monthly. Tenant services fees of $30,757 and $21,938 were incurred in 2024 and 2023, respectively.

Concentrations of Business and Credit Risk The Partnership may have exposure to credit risk to the extent that its cash, cash equivalents, and restricted cash exceed amounts covered by federal deposit insurance. The Partnership believes that its credit risk is not significant.

The Partnership was granted an exemption from real property taxes with the Alameda County Assessor, which must be renewed annually. In the event the County Assessor does not grant the exemption, the Partnership's cash flow would be adversely impacted.

The Partnership rents to seniors who mostly depend on social security benefits for their income as well as rental assistance from governmental agencies. The Partnership is subject to business risks associated with the future funding of governmental public assistance, which affects occupancy as well as tenant' ability to make rental payments.

Estimates The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates.

2. RESERVES

Operating Reserve The Partnership Agreement and loan agreements required an initial funding of an operating reserve of $245,668 from the Limited Partner capital contributions, which was funded during 2020.

Replacement Reserve The Partnership Agreement and loan agreements require an annual replacement reserve of $500 per unit ($15,500 annually), with funding commencing in April 2020.

The following describes the activity in the reserve accounts during 2024 and 2023:

	Balance 1/1/24	Deposits	Interest Earned	Withdrawals/ Fees	Balance 12/31/24
Operating reserve	$ 245,668	$ -	$ -	$ -	$ 245,668
Replacement reserve	73,625	15,500	-	-	89,125
Total	$ 319,293	$ 15,500	$ -	$ -	$ 334,793

	Balance 1/1/23	Deposits	Interest Earned	Withdrawals/ Fees	Balance 12/31/23
Operating reserve	$ 245,668	$ -	$ -	$ -	$ 245,668
Replacement reserve	58,125	15,500	-	-	73,625
Total	$ 303,793	$ 15,500	$ -	$ -	$ 319,293

3. GROUND LEASE AGREEMENT – HACA

On December 1, 2016, the Partnership entered into a Ground Lease Agreement (the Agreement) to lease land owned by HACA. The Agreement, which expires December 31, 2115, provided for a prepaid ground lease payment of $3,410,000, which is evidenced by a note secured by a leasehold deed of trust (Note 4). The prepaid ground lease was being amortized over the life of the Agreement, commencing upon the start of construction. In accordance with U.S. GAAP, the prepaid ground lease is reflected as a right of use asset in the accompanying balance sheets and will be amortized over the remaining lease term of the Agreement. During 2024 and 2023, the Partnership incurred ground lease expense of $34,444.

4. NOTES PAYABLE

As of December 31,	**2024**	**2023**
Note payable to California Community Reinvestment Corporation (CCRC Loan) in the amount of $2,429,400. The note is secured by a Permanent Leasehold Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing, with an interest rate of 5.39%, requires monthly payments of principal and interest of $19,709 and matures on March 1, 2034.	$ 1,719,707	$ 1,859,407
Note payable to the City of Alameda (HOME Loan), secured by a subordinate deed of trust, borrowings up to $195,740, simple interest at 3.00% per annum, payable from Residual Receipts and unpaid principal and interest are due on April 1, 2073.	174,589	174,589
Note payable to HACA (HACA Loan), in the original amount of $3,600,000, secured by a Leasehold Deed of Trust, Assignment of Rents, and Security Agreement, interest at 2.26%, compounded annually; principal and interest payable annually from Residual Receipts; unpaid principal and interest is due December 31, 2073.	3,520,516	3,520,516
Note payable to HACA (HACA Ground Lease Loan), in the original amount of $3,410,000, secured by a Leasehold Deed of Trust, Assignment of Rents, and Security Agreement, interest at 2.26%, compounded annually; principal and interest payable annually from Residual Receipts; unpaid principal and interest is due December 31, 2073.	3,410,000	3,410,000
Total notes payable	8,824,812	8,964,512
Less: unamortized debt discounts and issuance costs	(85,205)	(93,422)
Total notes payable, net	$ 8,739,607	$ 8,871,090

At December 31, 2024, anticipated principal repayments of notes payable are as follows:

For the Year Ending December 31,	**Amount**
2025	$ 147,419
2026	155,564
2027	164,159
2028	173,229
2029	182,800
Thereafter	8,001,641
Total	$ 8,824,812

The HOME Loan, HACA Loan, and HACA Ground Lease Loan are payable based on available Residual Receipts, as defined in the respective loan agreements. The percentage of Residual Receipts shall be paid as follows: 5.16% to HOME Loan and 94.84% to HACA Loan. Following the repayment in full of the HOME Loan and HACA Loan, 100% of residual receipts is to be allocated to the HACA Ground Lease Loan.

An analysis of interest costs for 2024 and 2023 is as follows:

	Accrued Interest 1/1/24	**Interest Expense**	**Interest Paid**	**Accrued Interest 12/31/24**
CCRC Loan	$ 10,555	$ 96,804	$ (96,804)	$ 10,555
HOME Loan	30,860	5,238	(1,691)	34,407
HACA Loan	92,421	80,950	(31,084)	142,287
HACA Ground Lease Loan	579,329	90,159	-	669,488
	$ 713,165	273,151	$ (129,579)	$ 856,737
Amortization of debt discounts and issuance costs		8,216		
Total interest expense		$ 281,367		

	Accrued Interest 1/1/23	**Interest Expense**	**Interest Paid**	**Accrued Interest 12/31/23**
CCRC Loan	$ 10,555	$ 104,119	$ (104,119)	$ 10,555
HOME Loan	28,895	5,872	(3,907)	30,860
HACA Loan	84,389	79,848	(71,816)	92,421
HACA Ground Lease Loan	491,163	88,166	-	579,329
	$ 615,002	278,005	$ (179,842)	$ 713,165
Amortization of debt discounts and issuance costs		8,216		
Total interest expense		$ 286,221		

5. RELATED PARTY TRANSACTIONS

Developer Fee HACA (the Developer) entered into a Development Fee Agreement with the Partnership and is entitled to receive a developer fee of $800,000 for its development services. During 2020, the developer fee was paid in full from the Limited Partner final capital contribution.

Asset Management Fee In accordance with the Partnership Agreement, the Asset Manager, an affiliate of the Limited Partner, is to receive an annual asset management fee of $5,000 for property management oversight, tax credit monitoring, and related services. The fee shall increase by 3% per year and is payable from Cash Flow. Asset management fees of $5,970 were incurred and paid in 2024. During 2023, asset management fees of $5,796 were incurred, all of which were unpaid as of December 31, 2023.

Partnership Management Fee In accordance with the Partnership Agreement, the General Partner is to receive an annual partnership management fee of $20,000 for property management oversight, tax credit compliance monitoring and related services. The fee shall increase by 3% per year and is payable from Cash Flow. Partnership management fees of $23,882 and $23,186 were incurred in 2024 and 2023, respectively. As of December 31, 2024 and 2023, accrued partnership management fees were $23,882 and $23,186, respectively.

Rental Subsidies The Project has entered into a Housing Assistance Payment (HAP) contract with HACA, which includes 25 units designated for the elderly. The contract is subject to renewal as it expires. The current term of the HAP contract is for the period commencing August 2018 and shall run for a period of fifteen years (2033). In accordance with the HAP contract, the amount of each tenant's subsidy varies depending on the income of each tenant. The aggregate amount earned under the HAP contract was $608,240 and $549,897 for the years ended December 31, 2024 and 2023, respectively.

6. CAPITAL CONTRIBUTIONS

Pursuant to the First Amendment to Amended and Restated Limited Partnership Agreement dated February 20, 2020, the General Partner will make capital contributions of $250,100, as adjusted; all of which were received as of December 31, 2020. Pursuant to the Partnership Agreement, the Limited Partner anticipated making capital contributions of $9,267,044, subject to certain adjustments as defined in the Partnership Agreement. During 2020, the Limited Partner's total capital contributions was adjusted to $9,327,232, and the final contribution was received by the Partnership.

7. INCOME TAXES AND LOW-INCOME HOUSING TAX CREDITS

The Partnership is a pass-through entity for income tax purposes and all items of income and losses of the Partnership are reported by the partners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a partnership. The Partnership is required to file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Partnership has no other tax positions which must be considered for disclosure. The Partnership is subject to income tax examinations by tax authorities prior to 2020. There are no tax examinations currently pending.

The Partnership has received an allocation of federal low-income housing tax credits from TCAC, which are available only to the extent the Partnership complies with the Internal Revenue Service's tax credit regulations. The General Partner is responsible to ensure that the Partnership satisfies such requirements and has made certain guarantees to the Limited Partner, which are defined in the Partnership Agreement.

8. PURCHASE OPTION AND RIGHT OF FIRST REFUSAL

The Partnership has granted its General Partner an option and right of first refusal to purchase the project or the Limited Partner's interest. The purchase option shall commence following the close of the 12th year of the low-income housing tax credit compliance period. The purchase price under this option is the greater of the fair market value or the assumption of debt plus all federal and state income taxes due by the limited partner as a result of such sale and any unpaid portion of any credit adjuster payments. The right of first refusal shall be granted following the close of the Compliance period. The purchase price under the right of first refusal is the assumption of debt plus all federal and state income taxes due by the Limited Partner as a result of such sale and any unpaid portion of any credit adjuster payments.

9. GENERAL PARTNER GUARANTEES

In connection with the development and operations of the Project, the General Partner has made certain guarantees, including an obligation to perform the General Partner's Partnership management duties, complete development of the Project, and provide Operating Deficit guaranties as defined in the Partnership Agreement.

10. CASH FLOW PAYMENT PRIORITIES

Payment of fees and other expenses contingent on Cash Flow, as defined by the Partnership Agreement, and distributions to partners from Cash Flow shall be disbursed as follows:

- First, to the Limited Partner to pay unpaid portion of any credit adjuster payments;
- Second, to the Asset Manager to pay any accrued and payable asset management fees;
- Third, to pay any accrued and unpaid principal and interest on loans made by the Limited Partner;
- Fourth, to replenish the operating reserve account up to the Operating Reserve Target Amount of $245,668;
- Fifth, to the Developer to pay any unpaid balance on the deferred development fee;
- Sixth, to repay any accrued and unpaid principal and interest on loans made by the General Partner;
- Seventh, to the General Partner to repay any amounts treated as loans to the Partnership, without interest, by the General Partner for the Development Completion Guaranty or Operating Deficit Guaranty, as defined in the Partnership Agreement;
- Eighth, $20,000 (increasing annually at 3%) to the General Partner to pay the partnership management fee, on a cumulative basis;
- Ninth, to the payment of any then payable Cash Flow Debt Service Payments; and
- Tenth, any remaining amounts distributed to the General Partner and the Limited Partner in accordance with their percentage interests.

11. SUBSEQUENT EVENTS

The Partnership has evaluated subsequent events that have occurred through the date of the independent auditor’s report, which is the date that the financial statements were available to be issued, and determined that there were no subsequent events or transactions that required recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

SHERMAN AND BUENA VISTA LP

(A CALIFORNIA LIMITED PARTNERSHIP)
SCHEDULES OF OPERATING EXPENSES

FOR THE YEARS ENDED DECEMBER 31,	2024	2023
Administrative expenses		
Advertising	$ 1,522	$ 880
Bad debts	5,945	46,495
Manager's salaries	47,658	48,905
Manager's unit	16,751	23,811
Office expense	11,974	14,082
Professional fees - accounting	12,350	12,200
Professional fees - legal	2,440	1,819
Property management fees	18,228	21,228
Telephone expense	-	2,002
Administrative support	5,574	11,005
Tenant services	30,757	21,938
Miscellaneous administrative expenses	3,942	1,746
Net cash provided by operating activities	$ 157,141	$ 206,111
Utilities expenses		
Electricity	$ 15,096	$ 12,862
Gas	372	616
Water and sewer	13,207	17,461
Total utilities expenses	$ 28,675	$ 30,939
Operating and maintenance expenses		
Exterminating	$ 2,505	$ 3,928
Elevator	5,830	24,273
Janitorial supplies	5,223	10,216
Landscaping	5,398	7,087
Maintenance salaries	82,513	47,110
Repairs and maintenance	1,814	1,169
Decorating and painting	-	2,380
Trash removal	16,594	11,886
Fire protection expenses	28,274	17,762
Miscellaneous operating and maintenance expenses	7,064	3,360
Total operating and maintenance expenses	$ 155,215	$ 129,171
Ground lease expense		
Ground lease expense	$ 34,444	$ 34,444
Total ground lease expense	$ 34,444	$ 34,444

See independent auditor's report.

SHERMAN AND BUENA VISTA LP
(A CALIFORNIA LIMITED PARTNERSHIP)
SCHEDULES OF OPERATING EXPENSES

FOR THE YEARS ENDED DECEMBER 31,		2024		2023
Taxes and insurance expenses				
Employee benefits		$ 24,509		$ 12,359
Property and liability insurance		35,106		30,734
Workers' compensation		8,802		4,160
Miscellaneous taxes				
City of Alameda sewer taxes	$ 10,337	10,337	$ 10,141	10,141
Total taxes and insurance expenses		$ 78,754		$ 57,394

See independent auditor's report.

SHERMAN AND BUENA VISTA LP

(A CALIFORNIA LIMITED PARTNERSHIP)
SCHEDULE OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31,	2024
Operating revenue	
Total revenues, including interest	$ 759,422
Change in tenant receivables, net	4,175
Change in prepaid rents	(923)
Total operating revenue	762,674
Other adjustments:	
Less:	
Operating expenses	(454,229)
Mandatory debt service	(236,504)
Replacement reserve deposits	(15,500)
Add back:	
Ground lease expense	34,444
Total project expenses	(671,789)
Cash Flow	$ 90,885
Distribution of Cash Flow	
Asset management fees (paid in 2024)	$ (5,970)
Partnership management fees	(23,882)
Cash flow debt service:	
5.16% to the HOME Loan	(3,149)
94.84% to the HACA Loan	(57,884)
Total distribution of Cash Flow	$ (90,885)

See independent auditor's report.

CONSTITUTION & EAGLE, L.P.

(A CALIFORNIA LIMITED PARTNERSHIP)
FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2024 AND 2023

HCVT
HOLTHOUSE | CARLIN | VAN TRIGT LLP

CONSTITUTION & EAGLE, L.P.
(A CALIFORNIA LIMITED PARTNERSHIP)
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DECEMBER 31, 2024 AND 2023

HOLTHOUSE | CARLIN | VAN TRIGT LLP

INDEPENDENT AUDITOR'S REPORT

To the Partners of
Constitution & Eagle, L.P.:

Opinion

We have audited the accompanying financial statements of Constitution & Eagle, L.P., a California limited partnership (the Partnership), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, changes in partners' capital (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Partnership as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Partnership and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on the Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information in Schedule I and II is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Holthouse Carlin & Van Trigt LLP

Encino, California
March 21, 2025

CONSTITUTION & EAGLE, L.P.
(A CALIFORNIA LIMITED PARTNERSHIP)
BALANCE SHEETS

AS OF DECEMBER 31,	2024	2023
Assets		
Property, at cost		
Leasehold land improvements and site work	$ 3,924,851	$ 3,924,851
Buildings and improvements	45,873,194	45,873,194
Fixtures, furniture and equipment	2,120,808	2,120,808
Total property	51,918,853	51,918,853
Less: accumulated depreciation	(4,671,552)	(2,952,382)
Property, net	47,247,301	48,966,471
Cash and cash equivalents	611,439	939,922
Tenant receivables, net	41,419	95,163
Other receivables	592	9,141
Prepaid expenses and other assets	3,986	132,526
Right of use asset	12,278,984	12,452,819
TCAC refundable deposit	93,084	93,084
Restricted cash:		
Operating reserve	302,887	300,000
Replacement reserve	69,000	17,482
Impounds - taxes and insurance	113,942	101,194
Tenant security deposits	85,204	80,204
TCAC fees, net	48,629	52,682
Total assets	$ 60,896,467	$ 63,240,688
Liabilities and Partners' Capital (Deficit)		
Notes payable, net	$ 47,411,231	$ 47,561,385
Accounts payable and accrued expenses	95,626	313,410
Accrued interest payable	1,850,091	1,383,043
Accrued investor services fee	-	4,375
Accrued partnership administration fee	14,636	11,293
Developer fee payable	2,073,742	2,435,000
Prepaid rents	1,641	3,369
Tenant security deposits liability	85,054	78,854
Total liabilities	51,532,021	51,790,729
Commitments and contingencies (See Notes)		
Partners' capital (deficit)	9,364,446	11,449,959
Total liabilities and partners' capital (deficit)	$ 60,896,467	$ 63,240,688

See accompanying notes to financial statements.

CONSTITUTION & EAGLE, L.P.
(A CALIFORNIA LIMITED PARTNERSHIP)
STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31,	2024	2023
Revenue		
Tenant rents	$ 1,334,680	$ 1,340,087
Rental subsidies	824,650	689,328
Less: vacancies	(137,734)	(86,552)
Net rental revenue	2,021,596	1,942,863
Miscellaneous tenant charges	18,260	3,925
Other revenue	11,926	9,892
Total revenue	2,051,782	1,956,680
Operating expenses (Schedule I)		
Administrative	602,024	589,981
Marketing and lease up	-	31,400
Utilities	100,957	86,312
Operating and maintenance	394,493	202,476
Ground lease expense	173,834	173,834
Taxes and insurance	175,653	146,241
Total operating expenses	1,446,961	1,230,244
Operating income	604,821	726,436
Partnership and financial (income) expenses		
Interest expense	930,251	2,877,355
Interest income	(9,952)	(25)
Investor services fee	7,725	-
Partnership administration fee	7,426	7,210
Miscellaneous financial expenses	31,661	25,500
Total partnership and financial (income) expenses	967,111	2,910,040
Loss before depreciation and amortization	(362,290)	(2,183,604)
Depreciation	1,719,171	1,719,171
Amortization	4,052	4,052
Net loss	$ (2,085,513)	$ (3,906,827)

See accompanying notes to financial statements.

CONSTITUTION & EAGLE, L.P.
(A CALIFORNIA LIMITED PARTNERSHIP)
STATEMENTS OF CHANGES IN PARTNERS' CAPITAL (DEFICIT)

	General Partner	Limited Partner	Total
Balance, December 31, 2022	$ (2,745,330)	$ 46,192	$ (2,699,138)
Contributions	-	18,055,924	18,055,924
Net loss	(391)	(3,906,436)	(3,906,827)
Balance, December 31, 2023	(2,745,721)	14,195,680	11,449,959
Net loss	(209)	(2,085,304)	(2,085,513)
Balance, December 31, 2024	$ (2,745,930)	$ 12,110,376	$ 9,364,446

See accompanying notes to financial statements.

CONSTITUTION & EAGLE, L.P.
(A CALIFORNIA LIMITED PARTNERSHIP)
STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,	2024	2023
Operating activities		
Net loss	$ (2,085,513)	(3,906,827)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	1,719,171	1,719,171
Amortization of TCAC fees	4,052	4,052
Amortization of debt discounts and issuance costs	31,478	184,917
Ground lease expense	173,834	173,834
Allowance for doubtful accounts	117,151	182,151
Change in operating assets and liabilities:		
Tenant receivables	(63,407)	(263,181)
Other receivables	8,549	3,593
Prepaid expenses and other assets	128,540	(131,920)
Due from Limited Partner	-	
Accounts payable and accrued expenses	(217,783)	191,695
Accrued interest payable	467,048	464,550
Accrued investor services fee	(4,375)	-
Accrued partnership administration fee	3,343	7,210
Prepaid rents	(1,728)	1,726
Tenant security deposits liability	6,200	(7,250)
Net cash provided by (used in) operating activities	286,560	(1,376,279)
Investing activities		
Expenditures for property	-	(69,241)
Payment of developer fee	-	(1,000,000)
Cash used in investing activities	-	(1,069,241)
Financing activities		
Proceeds from notes payable	-	23,270,484
Payments on notes payable	(181,632)	(38,583,303)
Expenditures for debt discounts and issuance costs	-	(114,658)
Payment of developer fee	(361,258)	-
Refund of lender deposit	-	277,160
Contribution from Limited Partner	-	18,055,924
Net cash provided by (used in) financing activities	(542,890)	2,905,607
Net change in cash, cash equivalents, and restricted cash	(256,330)	460,087
Cash, cash equivalents, and restricted cash at beginning of year	1,438,802	978,715
Cash, cash equivalents, and restricted cash at end of year	$ 1,182,472	$ 1,438,802

See accompanying notes to financial statements.

CONSTITUTION & EAGLE, L.P.
(A CALIFORNIA LIMITED PARTNERSHIP)
STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,	2024	2023
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 431,725	$ 2,227,888
Supplemental disclosure of cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	$ 611,439	$ 939,922
Restricted cash		
Operating reserve	302,887	300,000
Replacement reserve	69,000	17,482
Impounds - taxes and insurance	113,942	101,194
Tenant security deposits	85,204	80,204
Cash, cash equivalents, and restricted cash	$ 1,182,472	$ 1,438,802

See accompanying notes to financial statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization Constitution & Eagle, L.P. (the Partnership) is a California limited partnership, which was formed on December 18, 2018, and subsequently amended and restated on August 11, 2020. The original partners are as follows: Rosefield LLC, a California limited liability company (the General Partner), the Housing Authority of the City of Alameda, a public body corporate and politic (the Withdrawing Limited Partner), and The Banc of America Housing Fund XIII Limited Partnership, LLLP, a Maryland limited liability limited partnership (the Limited Partner). Effective August 11, 2020, the Housing Authority of the City of Alameda withdrew from the Partnership and received a full refund of its Capital Contribution.

The Partnership is involved in the acquisition, construction, financing, leasing, and operation of a 92-unit multifamily affordable rental housing project located in Alameda, California (the Project) that was placed-in-service on May 26, 2022.

The Partnership has entered into regulatory agreements with the California Tax Credit Allocation Committee (TCAC), The Housing Authority of the City of Alameda (HACA), and the City of Alameda, which govern the ownership, occupancy, tenant income and rents, and management of the Project.

The Amended and Restated Limited Partnership Agreement (Partnership Agreement) has various provisions which determine, among other things, allocations of profits, losses and distributions to partners, the ability to sell or refinance the Project, loans and guarantees, the rights and duties of the General Partner, and other Partnership matters.

The General Partner and Limited Partner's percentage of interest in profits and losses is generally 0.01% and 99.99%, respectively.

Basis of Accounting The Partnership's financial statements are presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Revenue Recognition Rental revenues are recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the Partnership and its tenants are operating leases. Rental revenues reflect the gross potential rent that may be earned. Vacancies are shown separately as a reduction in rental revenue. Non-rental revenue consists of other income from laundry vending, and miscellaneous charges to tenants. Such other revenue is recognized when earned.

Rental Subsidies In connection with acquisition, the Partnership was assigned two project-based voucher Housing Assistance Payment (HAP) contracts with the Housing Authority of the City Alameda, to provide affordable housing to 23 qualified tenants. The current terms of the HAP contracts are for 20 years commencing on June 24, 2022 and July 13, 2022. During 2024 and 2023, the Partnership received total rental subsidies of $824,650 and $689,328, respectively.

Tenant Receivable The Partnership reviews tenant receivable for collectability, and if it is determined that collection is not probable, an allowance for doubtful accounts is provided. As of December 31, 2024 and 2023, the allowance for doubtful accounts was $326,466 and $209,315, respectively.

Property Management Fee The Partnership entered into a property management agreement with an unrelated entity. The property management agreement provides for a monthly fee equal to $49 per unit. During 2024 and 2023, the Partnership was charged $54,096 and $57,096, respectively, for property management fees.

Cash and Cash Equivalents For purposes of the balance sheets and statements of cash flows, cash and cash equivalents consist of cash and highly liquid unrestricted investments with an original maturity of three months or less when purchased.

Property Property is stated at cost. Depreciation is provided using the straight-line method over the following estimated useful lives:

Description	**Life**
Leasehold land improvements	99 years
Buildings and improvements	40 years
Site work	20 years
Fixtures, furniture and equipment	5 years

The Partnership capitalizes expenditures or betterments that materially increase asset lives and charges ordinary repairs and maintenance to operations as incurred. While under development, the Partnership capitalized interest, insurance and ground lease amortization. When assets are sold or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in operations.

The Partnership reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. When evaluating recoverability, management considers future undiscounted cash flows estimated to be generated by the property, including the low-income housing tax credits and any estimated proceeds from the eventual disposition. In the event these accumulated cash flows are less than the carrying amount of the property, the Partnership recognizes an impairment loss equal to the excess of the carrying amount over the estimated fair value of the property. No impairment losses were recognized in 2024 and 2023.

Debt Discounts and Issuance Costs Debt discounts and issuance costs are reported as a direct reduction of the obligation to which such costs relate. Amortization of debt discounts and issuance costs is reported as a component of interest expense and is calculated using a method that approximates the effective interest method.

Concentrations of Business and Credit Risk The Partnership may have exposure to credit risk to the extent that its cash, cash equivalents, and restricted cash exceed amounts covered by federal deposit insurance. The Partnership believes that its credit risk is not significant.

The Partnership was granted an exemption from real property taxes with the Alameda County Assessor, which must be renewed annually. In the event the County Assessor does not grant the exemption, the Partnership's cash flow would be adversely impacted.

The Partnership rents to seniors who mostly depend on social security benefits for their income as well as rental assistance from governmental agencies. The Partnership is subject to business risks associated with the future funding of governmental public assistance, which affects occupancy as well as tenant' ability to make rental payments.

Estimates The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates.

2. RESERVES

Operating Reserve In accordance with the Partnership Agreement, the Partnership is required to fund an operating reserve of $810,195 to be funded upon payment of the Limited Partner's third and sixth capital contribution installments of $300,000 and $510,195, respectively. During 2023, $300,000 of the operating reserve was funded from the Limited Partner's third installment of their capital contribution.

Replacement Reserve In accordance with the Partnership Agreement, the Partnership is required to fund a replacement reserve in the amount of $600 per unit annually. Withdrawals greater than $5,000 require the Limited Partner's approval. The replacement reserve funding began in August 2023 upon permanent loan conversion.

Impounds – Taxes and Insurance The Partnership is required to make monthly impound deposits to cover insurance premiums and property taxes.

The following describes the activity in the reserve accounts during 2024 and 2023:

	Balance 1/1/24	Deposits	Withdrawals/ Fees	Interest Earned	Balance 12/31/24
Operating reserve	$ 300,000	$ -	$ 2,887	$ -	$ 302,887
Replacement reserve	17,482	55,200	-	(3,682)	69,000
Impounds – taxes and insurance	101,194	180,154	-	(167,406)	113,942
Total	$ 418,676	$ 235,354	$ 2,887	$ (171,088)	$ 485,829

	Balance 1/1/23	Deposits	Withdrawals/ Fees	Interest Earned	Balance 12/31/23
Operating reserve	$ -	$ 300,000	$ -	$ -	$ 300,000
Replacement reserve	-	17,482	-	-	17,482
Impounds – taxes and insurance	-	101,194	-	-	101,194
Total	$ -	$ 418,676	$ -	$ -	$ 418,676

3. TCAC FEES

TCAC fees consist of fees paid to the TCAC in connection with the issuance of low-income housing tax credits.

The TCAC fees are amortized over 15 years commencing in 2022 and consist of the following:

	2024	2023
TCAC fees	$ 60,786	$ 60,786
Less: accumulated amortization	(12,157)	(8,104)
TCAC fees, net	$ 48,629	$ 52,682

4. GROUND LEASE AGREEMENT – HACA

On August 1, 2020, the Partnership entered into a Ground Lease Agreement (the Agreement) to lease land owned by HACA. The Agreement, which expires December 31, 2115, provided for a prepaid ground lease payment of $13,110,000, which is evidenced by a note secured by a leasehold deed of trust (Note 5). In accordance with U.S. GAAP, the prepaid ground lease is reflected as a right of use asset in the accompanying balance sheets and is amortized over the remaining lease term of the Agreement. The Partnership incurred ground lease expense of $173,834 for the years ended December 31, 2024 and 2023.

5. NOTES PAYABLE

December 31,	2024	2023
Note payable to HACA (Seller Loan) in the amount of $16,576,088. The note is secured by a permanent leasehold deed of trust, with an interest rate of 1.12% compounded annually. Principal and interest payments are made on May 1 of each calendar year as Residual Receipts permits with a maturity date of December 31, 2077.	$ 16,576,088	$ 16,576,088
Note payable in the amount of $8,093,414 payable to the County of Alameda (County A1 Loan) and secured by a deed of trust. The loan bears simple interest at a rate of 3.00%. Principal and interest payments are made on May 1 of each calendar year as Residual Receipts permits with a maturity date of August 1, 2075.	8,093,414	8,093,414
Note payable to HACA (AHA Funds Loan), secured by a subordinate deed of trust, bears no interest, payable from Residual Receipts. Unpaid principal is due on December 31, 2077.	8,018,052	8,018,052
Note payable to the City of Alameda (City CDBG Loan), secured by a subordinate deed of trust, in the amount of $633,912, bears a simple interest rate at 2.33% per annum, payable from Residual Receipts. Unpaid principal and interest are due on April 1, 2074.	633,912	633,912

December 31,	2024	2023
Note payable to Greystone Servicing Company LLC (Greystone Loan) with maximum borrowings of $13,858,000, secured by a deed of trust, accrues interest at 3.44% and requires monthly payments of $51,113. The Greystone Loan is due on September 1, 2040.	12,245,350	12,426,982
Note payable to the City of Alameda (City HOME Loan), secured by a subordinate deed of trust, in the amount of $516,683, bears a simple interest rate at 3.00% per annum, payable from Residual Receipts. Unpaid principal and interest are due on August 5, 2075.	516,683	516,683
Note payable to Island City Development (Sponsor State Credit Loan), secured by a subordinate deed of trust, in an amount not to exceed $2,287,350, bears no interest, payable from Residual Receipts. Unpaid principal is due on December 31, 2077.	2,287,350	2,287,350
Total notes payable	48,370,849	48,552,481
Less: unamortized debt discounts and issuance costs	(959,618)	(991,096)
Total notes payable, net	$ 47,411,231	$ 47,561,385

Note payable to Bank of America N.A. (the Construction Loan) was repaid during 2023.

Anticipated principal repayments of notes payable are as follows:

For the Year Ending December 31,	Amount
2025	$ 195,426
2026	202,255
2027	209,324
2028	216,639
2029	224,210
Thereafter	47,322,995
Total	$ 48,370,849

An analysis of interest costs for 2024 and 2023 is as follows:

	Accrued Interest 1/1/24	Interest Expense	Interest Paid	Accrued Interest 12/31/24
Seller Loan	$ 637,372	$ 196,559	$ -	$ 833,931
County A1 Loan	649,536	242,802	-	892,338
City CDBG Loan	50,837	14,770	-	65,607
Greystone Loan	-	431,725	(431,725)	-
City HOME Loan	45,298	12,917	-	58,215
	$ 1,383,043	898,773	$ (431,725)	$ 1,850,091
Amortization of debt discounts and issuance costs		31,478		
Total interest expense		$ 930,251		

	Accrued Interest 1/1/23	Interest Expense	Accrued Interest Paid	Interest 12/31/23
Seller Loan	$ 446,717	$ 190,655	$ -	$ 637,372
County A1 Loan	406,732	242,804	-	649,536
City CDBG Loan	35,246	15,591	-	50,837
Construction Loan	-	2,118,375	(2,118,375)	-
Greystone Loan	-	109,513	(109,513)	-
City HOME Loan	29,798	15,500	-	45,298
	$ 918,493	2,692,438	$ (2,227,888)	$ 1,383,043
Amortization of debt discounts and issuance costs		184,917		
Total interest expense		$ 2,877,355		

6. RELATED PARTY TRANSACTIONS

Developer Fee Island City Development (the Developer) entered into a Development Fee Agreement with the Partnership and is entitled to receive a developer fee of $5,000,000, as adjusted, for its development services, subject to adjustments (the Developer Fee). The Developer Fee must be paid in full by the end of the Compliance Period, as defined. As of December 31, 2024 and 2023, $2,073,742 and $2,435,000, respectively, remains unpaid.

Investor Services Fee In accordance with the Partnership Agreement, commencing in 2022, the Partnership shall pay the Limited Partner an investor services fee of $7,500, adjusted annually by 3.00%. The investor services fee is payable from Cash Flow and in any year Cash Flow is insufficient, the unpaid fee shall accrue without interest. Pursuant to Section 3.19 of the County A1 Loan agreement, in no year during the Compliance Period, shall the investor services fee and partnership administration fee cumulatively exceed $34,400. For the years ended December 31, 2024 and 2023, investor services fees were $7,725 and $0 (the Limited Partner charged no fee in 2023), respectively, of which $0 and $4,375 remains unpaid as of December 31, 2024 and 2023, respectively.

Partnership Administration Fee In accordance with the Partnership Agreement, commencing in 2022, the Partnership shall pay the General Partner a partnership administration fee of $7,000, adjusted annually by 3.00%. The partnership administration fee is payable from Cash Flow and in any year Cash Flow is insufficient, the unpaid fee shall accrue without interest. Pursuant to Section 3.19 of the County A1 Loan agreement, in no year during the Compliance Period, shall the investor services fee and partnership administration fee cumulatively exceed $34,400. For the years ended December 31, 2024 and 2023, partnership administration fees were $7,426 and $7,210, respectively, of which $14,636 and $11,293 remains unpaid as of December 31, 2024 and 2023

7. CAPITAL CONTRIBUTIONS

Limited Partner Capital Contribution In accordance with the Partnership Agreement, the Limited Partner shall make estimated capital contributions of approximately $22,598,000, subject to other adjustments, as defined in the Partnership Agreement. As of December 31, 2024, the Partnership has received $20,563,710 of Limited Partner capital contributions and $2,034,419 will be contributed in future years.

General Partner Capital Contribution In accordance with the Partnership Agreement, the General Partner made a capital contribution of $1,115,000. No further capital contributions are expected from the General Partner.

8. INCOME TAXES AND LOW-INCOME HOUSING TAX CREDITS

The Partnership is a pass-through entity for income tax purposes and all items of income and losses of the Partnership are reported by the partners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a partnership. The Partnership is required to file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Partnership has no other tax positions which must be considered for disclosure. The Partnership is subject to income tax examinations by tax authorities prior to 2020. There are no tax examinations currently pending.

The Partnership has received an allocation of federal and state low-income housing tax credits from TCAC, which are available only to the extent the Partnership complies with the Internal Revenue Service's tax credit regulations. The General Partner is responsible to ensure that the Partnership satisfies such requirements and has made certain guarantees to the Limited Partner, which are defined in the Partnership Agreement.

9. PURCHASE OPTION AND RIGHT OF FIRST REFUSAL

The Partnership has granted its General Partner an option and right of first refusal to purchase the project or the Limited Partner's interest. The purchase option shall commence following the close of the 12th year of the low-income housing tax credit compliance period. The purchase price under this option is the greater of the fair market value or the assumption of debt plus all federal and state income taxes due by the limited partner as a result of such sale and any unpaid portion of any credit adjuster payments. The right of first refusal shall be granted following the close of the Compliance Period. The purchase price under the right of first refusal is the assumption of debt plus all federal and state income taxes due by the Limited Partner as a result of such sale and any unpaid portion of any credit adjuster payments.

10. GENERAL PARTNER GUARANTEES

In connection with the development and operations of the Project, the General Partner has made certain guarantees, including an obligation to perform the General Partner's Partnership management duties, complete development of the Project, and provide Operating Deficit guaranties as defined in the Partnership Agreement.

11. CASH FLOW PAYMENT PRIORITIES

Payment of fees and other expenses contingent on Cash Flow, as defined by the Partnership Agreement, and distributions to partners from Cash Flow shall be disbursed as follows:

- First, to the Limited Partner, an amount equal to Credit Deficiency;
- Second, to the Limited Partner, an amount sufficient to pay federal income taxes on taxable income allocated to the Limited Partner for such Fiscal Year by the Partnership;
- Third, to pay the investor services fee in accordance with the Investor Services Agreement;
- Fourth, to fund or replenish the operating reserve;
- Fifth, to the Developer to pay any unpaid balance on the deferred developer fee;
- Sixth, to General Partner to repay any Operating Deficit Loan;
- Seventh, to the partnership administration fee in accordance with the Partnership Administration Agreement;
- Eighth, to repay any unpaid Development Advances;
- Ninth, 25% of Cash Flow remaining after payments pursuant to Clauses First through Eighth to pay debt service on the Seller Loan and 75% of Cash Flow remaining after payments pursuant to Clauses First through Eight as follows: to pay debt service on the Seller Loan, 47.17% of Cash Flow to pay debt service on the AHA Funds Loan, 46.89% of Cash Flow to pay debt service on the County A1 Loan, 3.67% to pay debt service on the City CDBG Loan and 2.27% to pay debt service on the City HOME Loan; and
- Tenth, to pay debt service on the Sponsor State Credit Loan.
- Any remaining amounts distributed to the General Partner and the Limited Partner in accordance with their percentage interests.

12. SUBSEQUENT EVENTS

The Partnership has evaluated subsequent events that have occurred through the date of the independent auditor’s report, which is the date that the financial statements were available to be issued, and determined that there were no subsequent events or transactions that required recognition or disclosure in the financial statements, except as disclosed below.

During 2025, the Partnership received the IRS Form 8609 and Franchise Tax Board Form 3521.

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SUPPLEMENTARY INFORMATION

CONSTITUTION & EAGLE, L.P.
(A CALIFORNIA LIMITED PARTNERSHIP)
SCHEDULES OF OPERATING EXPENSES

FOR THE YEARS ENDED DECEMBER 31,	**2024**	**2023**
Administrative expenses		
Advertising	$ 4,802	$ 812
Bad debts	117,151	182,151
Manager's salaries	163,515	59,807
Manager's unit	23,139	27,730
Office supplies	45,614	38,995
Professional fees - accounting	32,343	42,476
Professional fees - legal	51,855	27,106
Property management fees	54,096	57,096
Telephone expense	-	579
Temporary services	-	47,681
Tenant services	97,806	94,102
Miscellaneous administrative	11,703	11,446
Total administrative expenses	$ 602,024	$ 589,981
Marketing and lease up expenses		
Marketing and lease up	$ -	$ 31,400
Total marketing and lease up expenses	$ -	$ 31,400
Utilities expenses		
Electricity	$ 14,507	$ 12,529
Gas	583	996
Water and sewer	85,867	72,787
Total utilities expenses	$ 100,957	$ 86,312
Operating and maintenance expenses		
Maintenance salaries	$ 87,182	$ 57,106
Maintenance supplies	20,416	21,789
Repairs and maintenance contracts	177,790	37,819
Trash removal	93,327	83,431
Miscellaneous operating and maintenance	15,778	2,331
Total operating and maintenance expenses	$ 394,493	$ 202,476
Ground lease expense		
Ground lease expense	$ 173,834	$ 173,834
Total ground lease expense	$ 173,834	$ 173,834
Taxes and insurance expenses		
Employee benefits	$ 29,430	$ 23,180
Payroll taxes	14,706	8,289
Property and liability insurance	111,638	101,501
Workers' compensation	12,091	7,510
Miscellaneous taxes and fees	7,788	5,761
Total taxes and insurance expenses	$ 175,653	$ 146,241

See independent auditor's report.

CONSTITUTION & EAGLE, L.P.
(A CALIFORNIA LIMITED PARTNERSHIP)
SCHEDULE OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31,	2024
Operating revenue	
Total revenues, including interest	$ 2,061,734
Change in tenant accounts receivable, net	53,744
Change in prepaid rents	(1,728)
Total operating revenue	2,113,750
Other adjustments:	
Less:	
Operating expenses	(1,446,961)
Debt service	(613,357)
Change in restricted funds	(67,948)
Add back:	
Ground lease expense	173,834
Total project expenses	(1,954,432)
Cash Flow	$ 159,318
Distribution of Cash Flow	
Investor services fee (paid in 2024)	$ (7,725)
Developer fee payable	(151,593)
Total distribution of Cash Flow	$ (159,318)

See independent auditor's report.

SHINSEI GARDENS APARTMENTS, L.P.

(A California Limited Partnership)

HCD CONTRACT NO. 06-MHP-245

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

YEARS ENDED DECEMBER 31, 2024 AND 2023

With Supplementary Information Required by the California Department of Housing and Community Development and the California Housing Finance Agency

SHINSEI GARDENS APARTMENTS, L.P.

(A California Limited Partnership)

HCD CONTRACT NO. 06-MHP-245

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

TABLE OF CONTENTS

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LINDQUIST
VON HUSEN
& JOYCE llp
Certified Public Accountants

Charlotte Siew-Kun Tay
Cathy L. Hwang
Rita B. Dela Cruz
Scott K. Smith
Crisanto S. Francisco
Joe F. Huie
Kyle F. Ganley

Sherman G. Leong

The Partners
Shinsei Gardens Apartments, L.P.
Berkeley, California

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Shinsei Gardens Apartments, L.P., a California limited partnership, HCD Contract No. 06-MHP-245, which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, changes in partners' capital and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shinsei Gardens Apartments, L.P. as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Shinsei Gardens Apartments, L.P. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Related-party Transactions

As discussed in Note 1 to the financial statements, Shinsei Gardens Apartments, L.P. is controlled by its general partner, 112 Alves Lane, Inc., which is a nonprofit organization under the control of the board of directors of Resources for Community Development Corporation, a California nonprofit public benefit corporation. Our opinion is not modified with respect to this matter.
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BKR INTERNATIONAL
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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Shinsei Gardens Apartments, L.P.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Shinsei Gardens Apartments, L.P.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Shinsei Gardens Apartments, L.P.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information on pages 19 through 27, as required by the *Audited Financial Statement Handbook for Multifamily Rental Housing of the California Department of Housing and Community Development and the California Housing Finance Agency*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2025 on our consideration of Shinsei Gardens Apartments, L.P.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Shinsei Gardens Apartments, L.P.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Shinsei Gardens Apartments, L.P.'s internal control over financial reporting and compliance.

Lindquist, von Husen and Joyce LLP

March 27, 2025

SHINSEI GARDENS APARTMENTS, L.P.

(A California Limited Partnership)

HCD CONTRACT NO. 06-MHP-245

BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Investment in real estate:		
Land leasehold improvements	$ 337,487	$ 337,487
Buildings and off-site improvements	13,055,892	13,001,450
On-site improvements	2,024,473	2,024,473
Furniture, fixtures and equipment	279,341	279,341
Accumulated depreciation and amortization	(7,368,180)	(6,965,637)
	8,329,013	8,677,114
Cash	459,471	462,677
Rent receivable	867	2,052
Subsidy receivable	12,085	15,225
Prepaid expenses	8,471	3,700
Right-of-use assets – operating lease (Note 1)	115,634	117,690
Restricted cash (Note 3):		
Replacement reserve	327,915	301,795
Operating reserve	157,684	156,220
Services reserve	9,562	9,473
Revenue deficit reserve	452,117	447,919
DTSC reserve	43,084	42,684
Tenant security deposits	24,242	26,602
Total assets	$ 9,940,145	$ 10,263,151
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities:		
Notes payable (Note 5)	$ 7,072,904	$ 7,162,627
Accounts payable and accrued expenses	41,364	39,810
Deferred revenue	43,110	31,525
Interest payable (Note 5)	911,465	902,020
Related-party payable (Note 4)	179,960	216,830
Tenant security deposits	24,242	25,101
Total liabilities	8,273,045	8,377,913
Partners' capital:		
Partners' capital	1,667,100	1,971,404
Syndication costs	-	(86,166)
Total partners' capital	1,667,100	1,885,238
Total liabilities and partners' capital	$ 9,940,145	$ 10,263,151

The accompanying notes are an integral part of these financial statements.

SHINSEI GARDENS APARTMENTS, L.P.

(A California Limited Partnership)

HCD CONTRACT NO. 06-MHP-245

STATEMENTS OF OPERATIONS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Income:		
Gross potential rent – residential:		
Tenant	$ 437,724	$ 399,095
Subsidy	592,817	554,815
Less: vacancies, concessions and collection loss	(67,285)	(56,052)
Net rental income	963,256	897,858
Interest income	9,113	9,015
Laundry income	4,075	4,182
Other income	635	660
Total income	977,079	911,715
Operating expenses:		
Administrative	165,865	144,462
Utilities	88,521	65,677
Operating and maintenance	159,271	155,653
Taxes and insurance	87,016	75,084
Support services (Note 4)	37,471	33,443
Total operating expenses	538,144	474,319
Net operating income before financial, partnership and other expenses	438,935	437,396
Financial, partnership, and other expenses:		
Interest (Note 5)	116,065	116,065
Partnership management fee (Note 4)	25,000	25,000
Asset management fee (Note 4)	2,500	2,500
Incentive management fee (Note 4)	141,431	179,126
Bond administrative fee	4,000	4,000
Ground lease (Note 1)	2,056	2,056
Total financial, partnership and other expenses	291,052	328,747
Depreciation	417,934	466,316
Amortization	4,500	4,500
Loss on disposal of property and equipment	33,150	-
Net loss	$ (307,701)	$ (362,167)

The accompanying notes are an integral part of these financial statements.

SHINSEI GARDENS APARTMENTS, L.P.

(A California Limited Partnership)

HCD CONTRACT NO. 06-MHP-245

STATEMENTS OF CHANGES IN PARTNERS' CAPITAL

YEARS ENDED DECEMBER 31, 2024 AND 2023

	General Partner [a]	*Special Limited Partner* [b]	*Investor Limited Partner* [c]	*Investor Limited Partner* [d]	*Syndication Costs*	*Total*
Partnership interest through March 31, 2024	0.009%	0.001%	99.990%	0.000%	-	100%
Partnership interest thereafter	0.009%	0.001%	0.000%	99.990%	-	100%
Net loss allocation through March 31, 2024	5.999%	0.001%	94.000%	0.000%	-	100%
Net loss allocation thereafter	5.999%	0.001%	0.000%	94.000%	-	100%
Balance, December 31, 2022	$ 798,584	$ 46	$ 1,534,941	$ -	$ (86,166)	$ 2,247,405
Net loss for 2023	(21,726)	(4)	(340,437)	-	-	(362,167)
Balance, December 31, 2023	776,858	42	1,194,504	-	(86,166)	1,885,238
Capital Contribution [1]	89,563	-	-	-	-	89,563
Transfer of syndication costs	-	-	(86,166)	-	86,166	-
Net loss through March 31, 2024	(4,614)	(1)	(72,310)	-	-	(76,925) [2]
Transfer of partnership interests	-	-	(1,036,028)	1,036,028	-	-
Net loss from April 1, 2024 through December 31, 2024	(13,845)	(2)	-	(216,929)	-	(230,776) [2]
Balance, December 31, 2024	$ 847,962	$ 39	$ -	$ 819,099	$ -	$ 1,667,100

[a] *112 Alves Lane, Inc.*
[b] *Operation Dignity, Inc.*
[c] *NEF Assignment Corporation withdrew from the partnership and assigned its interest to the incoming limited partner, ICD Shinsei effective March 31, 2024*
[d] *ICD Shinsei LLC.*

[1] 112 Alves Lane, Inc. contributed 50% its 2023 incentive management fee amounting to $89,563 to Shinsei as capital contributions in 2024.

[2] Total net loss for the year ended December 31, 2024 was $307,701.

The accompanying notes are an integral part of these financial statements.

SHINSEI GARDENS APARTMENTS, L.P.

(A California Limited Partnership)

HCD CONTRACT NO. 06-MHP-245

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Cash flows from operating activities:		
Rental receipts	$ 956,090	$ 880,145
Interest receipts	9,113	9,015
Other operating receipts	4,710	4,842
Tenant security deposits	-	636
Total receipts	969,913	894,638
Administrative	(116,998)	(90,988)
Management fee	(34,593)	(34,008)
Utilities	(86,620)	(68,084)
Operating and maintenance	(155,606)	(155,666)
Taxes and insurance	(14,931)	(14,823)
Property insurance	(68,747)	(57,661)
Miscellaneous taxes and insurance	(3,319)	(2,372)
Social services	(36,646)	(27,199)
Interest	(106,620)	(111,529)
Asset management fee	(2,500)	(2,500)
Incentive management fee	(179,126)	(188,829)
Partnership management fee	(25,000)	(25,000)
Bond administrative fees	(4,000)	(4,000)
Tenant security deposits	(859)	-
Total disbursements	(835,565)	(782,659)
Net cash provided by operating activities	134,348	111,979
Cash flow from investing activity:		
Purchase of property and equipment	(107,483)	-
Net cash used in investing activities	(107,483)	-
Cash flow from financing activity:		
Capital contribution	89,563	-
Payments of notes payable	(89,723)	(94,517)
Net cash used in financing activities	(160)	(94,517)
Net increase in cash and restricted cash	26,705	17,462
Cash and restricted cash, beginning of year	1,447,370	1,429,908
Cash and restricted cash, end of year	$ 1,474,075	$ 1,447,370

The accompanying notes are an integral part of these financial statements.

SHINSEI GARDENS APARTMENTS, L.P.

(A California Limited Partnership)

HCD CONTRACT NO. 06-MHP-245

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Cash	$ 459,471	$ 462,677
Restricted cash:		
Replacement reserve	327,915	301,795
Operating reserve	157,684	156,220
Services reserve	9,562	9,473
Revenue deficit reserve	452,117	447,919
DTSC reserve	43,084	42,684
Tenant security deposits	24,242	26,602
Total cash and restricted cash shown in the statements of cash flows	$ 1,474,075	$ 1,447,370

	2024	2023
Reconciliation of net loss to net cash flows provided by operating activities:		
Net loss	$ (307,701)	$ (362,167)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	422,434	470,816
Loss on disposal on property and equipment	33,150	-
Amortization of right-of-use operating lease	2,056	2,056
(Increase) decrease in assets:		
Rent receivable	1,185	5,133
Subsidy receivable	3,140	(7,163)
Prepaid expenses	(4,771)	(2,700)
Increase (decrease) in liabilities:		
Accounts payable and other accrued expenses	1,554	2,721
Deferred revenue	11,585	1,570
Related-party payable	(36,870)	(3,459)
Interest payable	9,445	4,536
Tenant security deposits	(859)	636
Net cash provided by operating activities	$ 134,348	$ 111,979

The accompanying notes are an integral part of these financial statements.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Shinsei Gardens Apartments, L.P. (Shinsei) was formed as a limited partnership on December 28, 2007 to lease, construct, finance, own and operate a 39-unit affordable housing complex located in Alameda, California (the Project). The Project was placed in service in September 3, 2009. The tax credit allocation date was December 5, 2007.

Shinsei is controlled by its general partner, 112 Alves Lane, Inc., which is a nonprofit organization, under the control of the board of directors of Resources for Community Development (RCD), a California nonprofit public benefit corporation.

Effective March 31, 2024, the investor limited partner NEF Assignment Corporation, executed an Assignment, Withdrawal and Amendment Agreement, withdrawing from Shinsei and transferring its limited partner interests to ICD Shinsei LLC., a California limited liability company, for a purchase price of $1 which shall be deemed paid on the closing date. No other payments or distribution to the Limited Partner for its withdrawal will be due or paid.

The Project was built on land owned by and leased from the Community Investment Commission of the City of Alameda. Under the terms of the lease, the title to the improvements reverts to the lessor at the end of the 75-year lease. The lease requires a one-time, lump sum, payment of $150,000 on the closing date of the permanent financing for the Project, and annual payments of $1 payable in arrears on September 1st commencing 2009. Total lease payments are amortized on a straight-line basis over 73 years commencing April 1, 2008 when RCD took possession of the property. Shinsei accounts for the existing ground lease as an operating lease. Due to the nominal amounts the ROU liability is not recognized. However, the effect of not recognizing the ROU lease liability is not materially different from the result that would have been obtained had the requirement to recognize the ROU lease liabilities been followed. The annual amortization expense is $2,056.

Permanent financing was obtained through loans from Citibank, the City of Alameda, the County of Alameda, and the State of California Department of Housing and Community Development (HCD) Multifamily Housing Program (MHP).

Shinsei receives rental subsidy payments from the City of Alameda. Shinsei is vulnerable to the inherent risks associated to revenue that is substantially dependent on government funding.

The Project participates in the low-income housing tax credit program under Section 42 of the Internal Revenue Code as modified by the State of California. Various loan, regulatory and other agreements dictate the maximum income levels of new tenants and provide rent and other restrictions through 2081.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method

Shinsei uses the accrual method of accounting, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Rental income is shown at its maximum gross potential. Vacancy loss and operating lease receivable deemed uncollectible are shown as reductions in rental income. Rental units occupied by employees are included in rental income and as an expense of operations.

Shinsei's revenue is mainly derived from leases. Other income is ancillary to the lease process and is recognized as revenue at the point in time such income or fees are earned.

Shinsei accounts for the existing leases with residential tenants of the Project as operating leases.

Cash and Restricted Cash

Cash is defined as cash in demand deposit accounts as well as cash on hand. Restricted cash are funds restricted as to their use, regardless of liquidity, such as replacement reserve, operating reserve, services reserve, revenue deficit reserve, DTSC reserve, and tenant security deposits. Shinsei occasionally maintains cash on deposit at a bank in excess of the Federal Deposit Insurance Corporation limit. The uninsured cash balance, including restricted cash, was approximately $796,000 as of December 31, 2024. Shinsei has not experienced any losses in such accounts.

Accounts Receivable

Shinsei reassesses collectability during the lease term and elects to record a general reserve for operating lease receivables when the collection is uncertain based on a review of outstanding receivables, historical collection information, and existing economic conditions. The general reserve balance was $-0- for both December 31, 2024 and 2023.

Property and Equipment

Property and equipment is stated at cost of acquisition or construction. The costs of maintenance and repairs below $5,000 that neither significantly add to the permanent value of property and equipment nor prolong its intended useful life are charged to expense as incurred. Depreciation and amortization are computed based on the straight-line method over the estimated useful lives of the assets.

The useful lives of the assets are estimated as follow:

Land leasehold improvements	75 years
Buildings and off-site improvements	4 to 40 years
On-site improvements	15 years
Furniture, fixtures and equipment	7 years

Shinsei reviews its investment in property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the property and equipment to the future net undiscounted cash flow expected to be generated by the rental property, including any estimated proceeds from the eventual disposition of the property and equipment. If the property and equipment is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the property and equipment exceeds the fair value of such property. There were no impairment losses recognized in 2024 and 2023.

Leases

The accounting standard on leases, required by accounting principles generally accepted in the United States of America, requires lessees to account for leases as either finance leases or operating leases and to recognize right-of-use (ROU) assets and corresponding lease liabilities on the balance sheet for all leases other than leases with terms of 12 months or less. For finance leases, lessees would recognize interest expense and amortization of the ROU asset, and for operating leases, lessees would recognize straight-line total rent expense. The accounting standard also requires additional disclosures about the amount, timing, and uncertainty of cash flows arising from leases.

Shinsei accounts for the existing equipment lease as operating leases. Due to the nominal rent amounts, ROU assets and lease liabilities are not recognized. However, the effect of not recognizing ROU assets and lease liabilities is not materially different from the result that would have been obtained had the requirement to recognize ROU assets and lease liabilities been followed.

Income Taxes

No provision for federal and state income taxes is included in the financial statements. The income or loss of Shinsei is reported by the partners on their income tax returns.

Shinsei believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Shinsei's federal and state income tax returns for the years 2020 through 2023 are subject to examination by regulatory agencies, generally for three (3) years and four (4) years after they were filed for federal and state, respectively.

Allocation of Partnership Income/Loss and Tax Credits

Profits and losses shall be allocated among the partners in accordance with their respective primary percentages until December 31, 2020. Thereafter, profits and losses shall be allocated among the partners in accordance with their respective secondary percentages. Details as follows:

Partner	*Primary Percentages*	*Secondary Percentages*
112 Alves Lane, Inc.	0.009%	5.999%
ICD Shinsei LLC [1]	99.990%	94.000%
Operation Dignity, Inc.	0.001%	0.001%
Total	100%	100%

[1] NEF Assignment Corporation withdrew from the partnership and assigned its interest to the incoming limited partner, ICD Shinsei LLC effective March 31, 2024.

Because the limited partners' losses are limited to their investments, the limited partners' equity will not be reduced below zero unless future capital contributions will be made in an amount sufficient to absorb the losses. All remaining losses are allocated to the general partner. Any subsequent income allocable to the limited partners is allocated to the general partner first until the general partner's share of that income offsets the losses not previously recognized by the limited partners.

Subsequent Events

Management has evaluated subsequent events through March 27, 2025 the date on which the financial statements were available to be issued.

Reclassification

Certain amounts previously reported in the 2023 financial statements were reclassified to conform to the 2024 presentation for comparative purposes.

NOTE 3 – RESTRICTED CASH

Replacement Reserve

Shinsei is required to maintain a reserve for replacement and repair of property and equipment in accordance with the partnership agreement and other lenders' regulatory agreements. The reserve was funded in an initial deposit of $75,000 with proceeds from the third installment of the limited partner's capital contribution in 2010. In addition, the reserve shall be funded on a monthly basis at an annual amount of $23,400 ($600 per unit per year) commencing July 2010, the month following the closing of the permanent loan. Any withdrawal is subject to the approval of HCD.

Operating Reserve

Shinsei is required to maintain an operating reserve to be used for operating deficits in accordance with the partnership agreement and other lenders' regulatory agreements. The reserve was funded in an initial deposit of $150,000 with proceeds from the third installment of the limited partner's capital contribution in 2010. Any withdrawal is subject to the approval of HCD and should be replenished from available excess/distributable cash (see Note 7).

Services Reserve

Shinsei is required to maintain a reserve solely for payments of required services for residents in accordance with the partnership agreement and other lenders' regulatory agreements. The reserve was funded in the initial deposit of $150,000 with proceeds from the third installment of the limited partner's capital contribution in 2010. Any withdrawal is subject to the approval of HCD. No additional deposits are required.

Revenue Deficit Reserve

Shinsei is required to maintain a reserve to be used solely to prevent rent increases for two (2) years or to pay operating deficits that may arise in the event the current Housing Assistance Payments (HAP) contract is not renewed, or is terminated or curtailed during the term of the HAP contract, in accordance with the partnership agreement and other lenders' regulatory agreements. The reserve was funded in an initial deposit of $430,000 with proceeds from the third installment of the limited partner's capital contribution in 2010. At the sole discretion of HCD, any excess funds (above $150,000) in the revenue deficit reserve may be used to fund operating and/or replacement reserves. The revenue deficit reserve may not be used to fund supportive services. Any withdrawal is subject to the approval of HCD. No additional deposits are required.

DTSC Reserve

The DTSC reserve is to cover anticipated expenses related to the ongoing monitoring of a foundation ventilation system that was designed and installed under the oversight of the Department of Toxic Substance Control (DTSC). This reserve is to cover the costs of the annual monitoring and reporting that is required by DTSC to ensure proper ongoing operation of the system. All reserve funds remain with Shinsei, even after the purpose of the reserve has been accomplished. The reserve was funded in an initial deposit of $50,000 with proceeds from the limited partner's capital contribution in 2010. Additional deposits of $12,583 were made in 2011 with development funds. Any withdrawal is subject to the approval of HCD. No additional deposits are required.

Tenant Security Deposits

Shinsei is required to hold security deposits in a separate bank account in the name of the Project.

In accordance with the provisions of the agreements, restricted cash is held in separate bank accounts. Details follow:

	Replacement Reserve	*Operating Reserve*	*Services Reserve*	*Revenue Deficit*	*DTSC Reserve*
Balance, December 31, 2022	$ 291,502	$ 154,724	$ 9,383	$ 443,629	$ 42,274
Monthly deposits [1]	21,450	-	-	-	-
Interest received	741	1,496	90	4,290	410
Withdrawal [2]	(11,898)	-	-	-	-
Balance, December 31, 2023	301,795	156,220	9,473	447,919	42,684
Monthly deposits	23,400	-	-	-	-
Other deposit [1][3]	1,950	-	-	-	-
Withdrawal [2]	-	-	-	-	-
Interest received	770	1,464	89	4,198	400
Balance, December 31, 2024	$ 327,915	$ 157,684	$ 9,562	$ 452,117	$ 43,084

(1) The replacement reserve monthly deposit requirement in 2023 was underfunded by one month. Management made the deposit of the remaining $1,950 in 2024.

(2) Management withdrew $11,898 from the replacement reserve in 2023 for eligible expenses incurred in 2022.

(3) Management obtained approval to deposit an additional $80,000 in 2025 as part of the 2024 replacement reserve funding requirement.

Management plans to deposit $89,563 in 2025 into a maintenance reserve using proceeds from the general partner capital contribution received in 2024.

(4) Management also obtained approval to withdraw $110,447 in 2025 from the replacement reserve for qualified expenditures incurred in 2024.

NOTE 4 – RELATED-PARTY TRANSACTIONS

Related-party transactions include the following fees and charges:

Payable/Paid to Description	*Payable at December 31, 2024*	*2024 Expense (Payment)*	*Payable at December 31, 2023*	*2023 Expense (Payment)*
112 Alves Lane, Inc				
Partnership management fee [1]	$ 25,000	$ 25,000	$ 25,000	$ 25,000
(HUD account #7190)		(25,000)		(25,000)
Incentive management fee [2]	141,431	141,431	179,126	179,126
(HUD account #7190)		(179,126)		(188,829)
Operating Dignity, Inc				
Social services coordinator fee [3]	11,029	37,471	10,204	33,443
(HUD account # 6990)		(36,646)		(27,199)
National Equity Fund, Inc.				
Asset management fee	2,500	2,500	2,500	2,500
(HUD account # 7190) [4]		(2,500)		(2,500)
Total	$ 179,960		$ 216,830	

(1) An annual partnership management fee in the amount of $25,000 but in no event more than 5% of the gross cash receipts of Shinsei is payable to the general partner from excess/distributable cash (see Note 7). Unpaid fees carry forward without interest.

(2) To the extent of available excess/distributable cash (see Note 7), the general partner may receive an incentive management fee. In 2024, the general partner contributed 50% of the 2023 incentive management fee as capital contributions.

(3) Shinsei is required to pay Operation Dignity, Inc., special limited partner, an annual services coordinator fee from the approved annual budget or the services reserve for service coordinator salaries.

(4) An annual asset management fee of $2,500, is payable to the asset manager from excess/distributable cash (see Note 7). Unpaid fees carry forward without interest.

NOTE 5 – NOTES PAYABLE

Notes payable are secured by the property unless otherwise noted and consist of the following:

	2024		2023	
	Interest Payable	*Principal*	*Interest Payable*	*Principal*
HCD (MHP loan), in the original amount of $3,503,853, bears simple interest at 3% per annum, with annual payments equal to $14,716 (0.42% of the unpaid principal amount) for 30 years commencing in June 2010. Thereafter, annual payments are to be made in amounts determined by HCD. Additional payments are to be made from available excess/distributable cash (see Note 7), with the entire principal and accrued interest due in full by June 9, 2065. Interest expense was $105,115 for both 2024 and 2023.	$ 790,408	$ 3,503,853	$ 783,194	$ 3,503,853
The Community Investment Commission of the City of Alameda (CIC Loan), in the original amount of $4,000,000, non-interest bearing. Payments are deferred until maturity, March 23, 2063. Annual payments from excess/distributable cash (see Note 7) are required in accordance with the MHP regulatory agreement.	-	2,013,720	-	2,070,024
City of Alameda (2007 HOME loan) in the original amount of $806,719, non-interest bearing. Payments are deferred until maturity, June 30, 2066. Annual payments from excess\distributable cash (see Note 7) are required in accordance with the MHP regulatory agreement.	-	682,062	-	701,314
City of Alameda (2004 HOME loan) in the original amount of $600,000, non-interest bearing. Payments are deferred until maturity, February 10, 2063. Annual payments from excess\distributable cash (see Note 7) are required in accordance with the MHP regulatory agreement.	-	508,269	-	522,436
County of Alameda (HOME funds) in the original amount of $365,000, bears simple interest at the rate of 3%. Annual payments are to be made from excess/distributable cash (see Note 7), with the entire principal and accrued interest due in full by March 2063. Interest expense was $10,950 for both 2024 and 2023.	121,057	365,000	118,826	365,000
Total	$ 911,465	$ 7,072,904	$ 902,020	$ 7,162,627

Principal payments toward notes payable for the next five (5) years are subject to changes in net cash flow which is a contingency that cannot be reasonably estimated.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

Property Management

Property management and accounting services of the Project are contracted with The John Stewart Company through December 31, 2024 for an annual fee, currently at $34,632 and $5,616, respectively. The contract is subject to renewal annually thereafter.

Operating Deficit Guaranty

RCD guaranteed to fund operating deficits in amounts in excess of the operating reserve, up to $236,161 after all funds in the operating reserve account were used, commencing on the date when Shinsei achieved breakeven operations. The guaranty expired 36 months after the date of achieving breakeven operations or an annualized debt service coverage rate of 1.10 or better. The operating deficit guarantee has expired as of December 31, 2012.

Purchase Option and Right of First Refusal

Shinsei granted the Housing Authority of the City of Alameda an option to purchase the Project or the limited partners' interest in Shinsei between 2021 (immediately after year 12 of the tax credit compliance period) and 2023 (the end of the tax credit compliance period). The purchase price was determined as follows:

(i) To purchase the Project, the price shall be the greater of the fair market value of the Project of the sum of (a) all outstanding debts, (b) an amount sufficient for the limited partners to pay their tax obligations as a result of the sale, and (c) any unpaid portion of any credit adjuster payments;

(ii) To purchase the limited partners' interest, the price should be the greater of (a) the sum of the fair market value of the limited partners' interest and any outstanding loans that the limited partners made to Shinsei, (b) an amount sufficient for the limited partners to pay their tax obligations as a result of the sale and any outstanding loans that limited partners made to Shinsei.

Shinsei also granted the Housing Authority of the City of Alameda the right of first refusal after the close of the tax credit compliance period. The purchase price under the refusal right should be equal to the sum of all outstanding debts and an amount sufficient for the limited partners to pay their tax obligations as a result of the sale.

The purchase option was exercised in 2024. Effective March 31, 2024, limited partner withdrew from the partnership and assigned their interest to the incoming limited partner, ICD Shinsei LLC.

NOTE 7 – DISTRIBUTION OF EXCESS/DISTRIBUTABLE CASH

Excess cash, as defined by the partnership agreement and other regulatory agreements, is distributable as follows:

(i) First, to fund the operating reserve until the balance reaches $150,000;

(ii) Second, to the extent of $25,000, and there shall be no escalator, the payment should be distributed as follows:

  (a) To the asset manager to pay any accrued and unpaid asset management fees, on a cumulative basis; and

  (b) To the general partner to pay any accrued and unpaid partnership management fee not to exceed 5% of the gross cash receipts of Shinsei, on a cumulative basis.

(iii) Third, 50% of the remaining balance should be distributed as follows:

  (a) 45.8% – HCD (MHP loan);

  (b) 31.0% – the City of Alameda (CIC loan);

  (c) 10.6% – the City of Alameda (2007 HOME loan);

  (d) 7.8% – the City of Alameda (2004 HOME loan); and

  (e) 4.8% – the County of Alameda (HOME funds).

(iv) Thereafter, the balance should be distributed as follows:

  (a) To repay operating deficit loans funded by the general partner;

  (b) To pay any accrued and unpaid asset management fees;

  (c) To pay any accrued and unpaid partnership management and similar fees, and there shall be no escalator on these fees; and

  (d) To general partner towards incentive management fee.

Distributable cash, if any, as defined by the partnership agreement, shall be applied as the following order of priority:

(i) To the partners as proportion to their respective percentages in Shinsei.

SUPPLEMENTARY INFORMATION REQUIRED BY THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND THE CALIFORNIA HOUSING FINANCE AGENCY (HCD/CALHFA)

SHINSEI GARDENS APARTMENTS, L.P.

(A California Limited Partnership)

HCD CONTRACT NO. 06-MHP-245

SUPPLEMENTARY INFORMATION REQUIRED BY HCD/CALHFA

SCHEDULES OF OPERATING REVENUES

YEARS ENDED DECEMBER 31, 2024 AND 2023

		2024	2023
	Rent revenue:		
5120	Rent revenue – gross potential	$ 437,724	$ 399,095
5121	Tenant assistance payments	592,817	554,815
5140	Rent revenue – stores and commercial	-	-
5170	Garage and parking spaces	-	-
5180	Flexible subsidy revenue	-	-
5190	Miscellaneous rent revenue	-	-
5100T	Total rent revenue	1,030,541	953,910
	Vacancies:		
5220	Apartments	(70,073)	(56,052)
5240	Stores and commercial	-	-
5250	Rental concessions	-	-
5270	Garage and parking space	-	-
5290	Miscellaneous (recovery of collection loss)	2,788	-
5200T	Total vacancies	(67,285)	(56,052)
5152N	Net rental revenue (rent revenue less vacancies)	963,256	897,858
	Financial revenue:		
5410	Financial revenue – project operations	2,192	1,988
5430	Revenue from investments – residual receipts	-	-
5440	Revenue from investments – replacement reserves	770	741
5490	Revenue from investments – miscellaneous (see details)	6,151	6,286
5400T	Total financial revenue	9,113	9,015
	Other revenue:		
5910	Laundry and vending revenue	4,075	4,182
5920	Tenant charges	255	660
5990	Miscellaneous revenue	380	-
5900T	Total other revenue	4,710	4,842
	Total revenue	$ 977,079	$ 911,715

SHINSEI GARDENS APARTMENTS, L.P.

(A California Limited Partnership)

HCD CONTRACT NO. 06-MHP-245

SUPPLEMENTARY INFORMATION REQUIRED BY HCD/CALHFA

SCHEDULES OF OPERATING EXPENSES

YEARS ENDED DECEMBER 31, 2024 AND 2023

		2024	2023
	Administrative expenses:		
6203	Conventions and meetings	$ 328	$ 355
6204	Management consultants	-	2,900
6210	Advertising and marketing	-	332
6250	Other renting expenses	-	-
6310	Office salaries	-	-
6311	Office expenses	43,392	27,070
6312	Office or model apartment rent	-	-
6320	Management fee	34,632	34,164
6330	Manager or superintendent salaries	40,212	39,555
6331	Administrative rent-free unit	23,076	17,253
6340	Legal expense – project	-	-
6350	Audit expense	16,540	15,080
6351	Bookkeeping fees/accounting services	5,616	4,914
6370	Bad debts (see Account 5290)	-	-
6390	Miscellaneous administrative expenses (see details)	2,069	2,839
6300T	Total administrative expenses	165,865	144,462
	Utilities expenses:		
6450	Electricity	19,937	17,313
6451	Water	42,005	27,805
6452	Gas	3,997	1,037
6453	Sewer	22,582	19,522
6400T	Total utilities expense	88,521	65,677
	Operating and maintenance expenses:		
6510	Payroll	28,832	29,449
6515	Supplies	28,015	18,446
6520	Contracts	62,846	61,956
6521	Operating and maintenance rent-free unit	-	-
6525	Garbage and trash removal	34,322	32,779
6530	Security payroll/contract	1,638	900
6531	Security rent-free unit	-	-
6546	Heating/cooling repairs and maintenance	2,518	9,867
6548	Snow removal	-	-
6570	Vehicle and maintenance equipment operation and repairs	-	-
6580	Lease expense	-	-
6590	Miscellaneous operating and maintenance expenses (Uniforms)	1,100	2,256
6500T	Total operating and maintenance expenses	159,271	155,653

SHINSEI GARDENS APARTMENTS, L.P.

(A California Limited Partnership)

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SUPPLEMENTARY INFORMATION REQUIRED BY HCD/CALHFA

SCHEDULES OF OPERATING EXPENSES

YEARS ENDED DECEMBER 31, 2024 AND 2023

		2024	2023
	Taxes and insurance:		
6710	Real estate taxes	847	-
6711	Payroll taxes (project's share)	5,733	5,673
6720	Property and liability insurance (hazard)	68,747	57,661
6721	Fidelity bond insurance	176	180
6722	Workers' compensation	2,596	2,375
6723	Health insurance and other benefits	5,598	6,823
6790	Miscellaneous taxes, licenses, permits, and insurance (see details)	3,319	2,372
6700T	Total taxes and insurance	87,016	75,084
6000T	Total operating expenses	500,673	440,876
	Financial expenses:		
6820	Interest on mortgage (or bonds) payable	14,716	14,716
6825	Interest on other mortgages	-	-
6830	Interest on notes payable (long term)	-	-
6840	Interest on notes payable (short term)	-	-
6850	Mortgage insurance premium/service charge	-	-
6890	Miscellaneous financial expenses (bond admin fee)	4,000	4,000
6800T	Total financial expenses	18,716	18,716
	Supportive services costs:		
6990	Other service expenses – on-site supportive services coordinator salaries and benefits	37,471	33,443
6900T	Total supportive services costs	37,471	33,443
6000	Total cost of operations before depreciation	556,860	493,035
5060	Profit before depreciation	420,219	418,680
6600	Depreciation expenses	417,934	466,316
6610	Amortization expense	4,500	4,500
5060N	Operating loss	(2,215)	(52,136)
	NET ENTITY EXPENSES		
	Entity revenue and expenses:		
7105	Entity revenue	-	-
7110	Officer's salaries	-	-
7120	Legal expenses	-	-
7130	Federal, state, and other income taxes	-	-
7141	Interest on notes payable	101,349	101,349
7142	Interest on mortgage payable	-	-
7190	Other expenses (see details)	204,137	208,682
7100T	Net entity expenses	305,486	310,031
3250	Net loss	$ (307,701)	$ (362,167)

SHINSEI GARDENS APARTMENTS, L.P.

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SUPPLEMENTARY INFORMATION REQUIRED BY HCD/CALHFA

MISCELLANEOUS ACCOUNT DETAILS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Detail of revenue from investments – miscellaneous (Account 5490):		
Interest income from operating reserve	$ 1,464	$ 1,496
Interest income from services reserve	89	90
Interest income from revenue deficit reserve	4,198	4,290
Interest income from DTSC reserve	400	410
	$ 6,151	$ 6,286
Detail of miscellaneous administrative expenses (Account 6390):		
Payroll processing fee	1,655	$ 1,626
Bank fees	-	212
Meter mapping	-	650
Resident - credit reporting	414	351
	$ 2,069	$ 2,839
Detail of miscellaneous taxes, licenses, permits, and insurance (Account 6790):		
Elevator inspection	$ -	$ 222
Elevator conveyance	-	1,350
Business license renewal	2,519	-
Franchise tax board fees	800	800
	$ 3,319	$ 2,372
Detail of other expenses (Account 7190):		
Incentive management fee	$ 141,431	$ 179,126
Loss on disposal in property and equipment	33,150	-
Partnership management fee	25,000	25,000
Asset management fee	2,500	2,500
Ground lease	2,056	2,056
	$ 204,137	$ 208,682

SHINSEI GARDENS APARTMENTS, L.P.

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SUPPLEMENTARY INFORMATION REQUIRED BY HCD/CALHFA

YEAR ENDED DECEMBER 31, 2024

Cash on Hand and in Banks

Unrestricted accounts:		
Petty cash	$	200
Checking accounts – operations		288,783
Cash – operating savings		170,488
Total	$	459,471

Restricted accounts:		
Replacement reserve	$	327,915
Operating reserve		157,684
Services reserve		9,562
Revenue deficit reserve		452,117
DTSC reserve		43,084
Tenant security deposits		24,242
Total	$	1,014,604

Tenant security deposits are maintained in a separate account and interest earned on these deposits is credited to a liability account to be returned or applied for the benefit of tenants. Interest earned during 2024 was $172.

Accounts Receivable

Accounts receivable consists of the following:

	Due within 30 days	*Due in excess of 30 days*	*Total*
Tenant receivable	$ 867	$ -	$ 867
Subsidy receivable	12,085	-	12,085
Total	$ 12,952	$ -	$ 12,952

Reserves for Replacements, Operating Expenses and Others

In accordance with the provisions of the loan and regulatory agreements, the replacement reserve is held by Citicorp North America, Inc., and other reserves are held in separate bank accounts to be used for replacements or other reserve requirements with the approval of HCD and other lenders. Details follow:

	Replacement Reserve	*Operating Reserve*	*Services Reserve*	*Revenue Deficit*	*DTSC Reserve*
Balance, December 31, 2023	301,795	156,220	9,473	447,919	42,684
Monthly deposits	23,400	-	-	-	-
Other deposit (1)(3)	1,950	-	-	-	-
Withdrawal (2)	-	-	-	-	-
Interest received	770	1,464	89	4,198	400
Balance, December 31, 2024	$ 327,915	$ 157,684	$ 9,562	$ 452,117	$ 43,084

(1) The replacement reserve monthly deposit requirement in 2023 was underfunded by one month, management made the deposit of the remaining $1,950 in 2024.

(2) Management obtained approval to deposit an additional $80,000 in 2025 as part of the 2024 replacement reserve funding requirement.

Management plans to deposit $89,563 in 2025 into a maintenance reserve using proceeds from the general partner capital contribution received in 2024.

(3) Management also obtained approval to withdraw $110,447 in 2025 from the replacement reserve for qualified expenditures incurred in 2024.

Property, Equipment and Improvements

The following are the details of property, equipment and improvements:

Property, Equipment and Improvements, at Cost	*Land*	*Buildings and Improvements*	*Off-site Improvements*	*On-site Improvements*	*Furniture, Fixtures and Equipment*	*Total*
Balance, December 31, 2023	$ 337,487	$12,879,209	$ 122,241	$ 2,024,473	$ 279,341	$15,642,751
Additions	-	107,483	-	-	-	107,483
Deletions	-	(53,041)	-	-	-	(53,041)
Balance, December 31, 2024	$ 337,487	$12,933,651	$ 122,241	$ 2,024,473	$ 279,341	$15,697,193

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses are payable to vendors and are being paid on a current basis. Details follow:

Accounts payable – trade (due within 30 days)	$ 22,534
Accounts payable – sewer charges (due after 30 days)	12,408
Accrued vacation payable (due after 30 days)	5,622
Income tax payable (due after 30 days)	800
Total	$ 41,364

Gross Potential Rents

Tenant rental payments	$ 341,787
Housing assistance payments	592,817
Employee quarters shown as an expense	23,076
Vacancy loss	70,073
Recovery of collection loss	2,788
Total gross potential rents	$ 1,030,541

Management Fee

A property management fee of $34,632 was incurred during 2024, for property management services provided by The John Stewart Company.

SHINSEI GARDENS APARTMENTS, L.P.

(A California Limited Partnership)

HCD CONTRACT NO. 06-MHP-245

SUPPLEMENTARY INFORMATION REQUIRED BY HCD/CALHFA

COMPUTATION OF EXCESS/DISTRIBUTABLE CASH

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Operating income:		
Total income	$ 977,079	$ 911,715
Interest income on restricted deposits	(6,921)	(7,027)
Adjusted operating income	970,158	904,688
Total operating expenses:	(538,144)	(474,319)
Adjusted net income	432,014	430,369
Other activities:		
Debt service – MHP interest	(14,716)	(14,716)
Bond administrative fee	(4,000)	(4,000)
Deposits into replacement reserve	(23,400)	(21,450)
Deposits into replacement reserve subsequent to year end	(80,000)	(1,950)
Deposits into maintenance reserve subsequent to year end	(89,563)	-
General partner capital contribution	89,563	-
Purchase of property and equipment	(107,483)	-
Withdrawals from replacement reserve subsequent to year end	110,447	-
Withdrawals from replacement reserve	-	11,898
Withdrawal from replacement reserve for prior year expenditure	-	(11,898)
Excess/distributable cash	$ 312,862	$ 388,253

SHINSEI GARDENS APARTMENTS, L.P.

(A California Limited Partnership)

HCD CONTRACT NO. 06-MHP-245

SUPPLEMENTARY INFORMATION REQUIRED BY HCD/CALHFA

DISTRIBUTION OF EXCESS/DISTRIBUTABLE CASH

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Uses of excess/distributable cash:		
Asset management fee	$ 2,500	$ 2,500
Partnership management fee	22,500	22,500
	25,000	25,000
50% spilt and paid as follows per regulatory agreement:		
45.8% – MHP loan interest	65,920	83,185
31% – City of Alameda loan – CIC	44,619	56,304
10.6% – City of Alameda loan – 2007 HOME	15,257	19,252
7.8% – City of Alameda loan – 2004 HOME	11,227	14,167
4.8% – County of Alameda HOME loan interest	6,908	8,719
	143,931	181,627
50% to be distributed to owner:		
Partnership management fee	2,500	2,500
Incentive management fee	141,431	179,126
	143,931	181,626
Total uses of excess/distributable cash	$ 312,862	$ 388,253
Uses of excess/distributable cash		
Asset management fee	$ 2,500	$ 2,500
Partnership management fee	25,000	25,000
Incentive management fee	141,431	179,126
MHP loan interest	65,920	83,185
City of Alameda loan – CIC	44,619	56,304
City of Alameda loan – 2007 HOME	15,257	19,252
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SHINSEI GARDENS APARTMENTS, L.P.

(A California Limited Partnership)

HCD CONTRACT NO. 06-MHP-245

MANAGEMENT AGENT CERTIFICATION

YEAR ENDED DECEMBER 31, 2024

I hereby certify that I have examined the accompanying financial statements and supplemental information of Shinsei Gardens Apartments, L.P., as of and for the year ended December 31, 2024, and to the best of my knowledge and belief, the same is complete and accurate.

DocuSigned by: Jennifer Wood 2EC07F4BBB9F444...	Vice President	3/31/2025 | 9:26:38 AM PDT
Jennifer Wood	Vice President	Date

The John Stewart Company
Employer Identification Number: 94-2477073

SHINSEI GARDENS APARTMENTS, L.P.

(A California Limited Partnership)

HCD CONTRACT NO. 06-MHP-245

CERTIFICATION OF OFFICERS

YEAR ENDED DECEMBER 31, 2024

We, as officers of 112 Alves Lane, Inc., a California nonprofit public benefit corporation, hereby certify that we have examined the accompanying financial statements and supplementary data of Shinsei Gardens Apartments, L.P., as of and for the year ended December 31, 2024 and to the best of our knowledge and belief, these financial statements are complete and accurate.

DocuSigned by: Daniel Sawislak 6FC282819BA74AA...	Executive Director	3/29/2025 | 2:43:59 PM PDT
Dan Sawislak	Chief Executive Officer	Date
Signed by: Eric Knecht 4E9CDE707625445...	Chief Financial Officer	3/30/2025 | 7:56:43 PM PDT
Eric Knecht	Chief Financial Officer	Date

Employer Identification Number: 68-0341940

LINDQUIST
VON HUSEN
& JOYCE llp

Certified Public Accountants

CHARLOTTE SIEW-KUN TAY
CATHY L. HWANG
RITA B. DELA CRUZ
SCOTT K. SMITH
CRISANTO S. FRANCISCO
JOE F. HUIE
KYLE F. GANLEY

SHERMAN G. LEONG

The Partners
Shinsei Gardens Apartments, L.P.
Berkeley, California

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Shinsei Gardens Apartments, L.P., which comprise the balance sheet as of December 31, 2024, and the related statements of operations, changes in partners' capital and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 27, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Shinsei Gardens Apartments, L.P.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Shinsei Gardens Apartments, L.P.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Shinsei Gardens Apartments, L.P.'s internal control.

A *deficiency in* internal *control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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CERTIFIED PUBLIC ACCOUNTANTS, 301 Howard Street, Suite 850, San Francisco, California 94105
Telephone 415 957 9999 Facsimile 415 957 1629 http://www.lvhj.com

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Shinsei Gardens Apartments, L.P.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Shinsei Gardens Apartments, L.P.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Shinsei Gardens Apartments, L.P.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lindquist, von Husen and Joyce LLP

March 27, 2025

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Operating Systems:	WindowsÂ® 2000, WindowsÂ® XP, Windows VistaÂ®; Mac OSÂ® X
Browsers:	Final release versions of Internet ExplorerÂ® 6.0 or above (Windows only); Mozilla Firefox 2.0 or above (Windows and Mac); Safariâ„¢ 3.0 or above (Mac only)
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Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	Allow per session cookies

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STARGELL COMMONS, L.P.

(A California Limited Partnership)

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

YEARS ENDED DECEMBER 31, 2024 AND 2023

STARGELL COMMONS, L.P.

(A California Limited Partnership)

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

TABLE OF CONTENTS

* * * *

LINDQUIST
VON HUSEN
& JOYCE llp
Certified Public Accountants

Charlotte Siew-Kun Tay
Cathy L. Hwang
Rita B. Dela Cruz
Scott K. Smith
Crisanto S. Francisco
Joe F. Huie
Kyle F. Ganley

Sherman G. Leong

The Partners
Stargell Commons, L.P.
Berkeley, California

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Stargell Commons, L.P., a California limited partnership, which comprise the balance sheets as of December 31, 2024 and 2023 and the related statements of operations, changes in partners' capital and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stargell Commons, L.P. as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Stargell Commons, L.P. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Related-party Transactions

As discussed in Note 1 to the financial statements, Stargell Commons, L.P. is controlled by its general partner, Stargell Commons LLC, which is controlled by its sole member, Resources for Community Development, a California nonprofit public benefit corporation. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Stargell Commons, L.P.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Stargell Commons, L.P.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Stargell Commons, L.P.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information on pages 21 and 22 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2025 on our consideration of Stargell Commons, L.P.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Stargell Commons, L.P.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Stargell Commons, L.P.'s internal control over financial reporting and compliance.

Lindquist, von Husen and Joyce LLP

May 28, 2025

STARGELL COMMONS, L.P.

(A California Limited Partnership)

BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Current assets:		
Cash	$ 80,098	$ 151,341
Receivables:		
Tenant – net	32	445
Subsidy	12,546	8,716
Property tax refund	5,236	-
Prepaid expenses	400	3,079
Total current assets	98,312	163,581
Restricted cash (Note 4):		
Replacement reserve	135,244	113,734
Investor limited partner operating reserve	241,786	228,104
Operating deficit reserve	69,575	86,618
Resident services reserve	102,433	101,986
Tenant security deposits	31,800	31,750
Right-of-use assets – operating lease (Note 3)	363,726	367,767
Property and equipment – net (Note 5)	12,171,598	12,634,524
Deferred costs – net (Note 6)	15,021	21,346
Total assets	$ 13,229,495	$ 13,749,410
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable and accrued expenses	$ 28,993	$ 41,725
Deferred revenue	22,280	15,343
Related-party payable (Note 7)	51,886	51,329
Interest payable – current portion (Note 8)	15,731	37,431
Notes payable – current portion (Note 8)	62,489	59,412
Total current liabilities	181,379	205,240
Tenant security deposits	31,800	30,550
Interest payable – net of current portion (Note 8)	641,385	533,703
Notes payable – net of current portion (Note 8)	4,503,382	4,562,278
Total liabilities	5,357,946	5,331,771
Partners' capital:		
Partners' capital	7,941,549	8,487,639
Syndication costs	(70,000)	(70,000)
Total partners' capital	7,871,549	8,417,639
Total liabilities and partners' capital	$ 13,229,495	$ 13,749,410

The accompanying notes are an integral part of these financial statements.

STARGELL COMMONS, L.P.

(A California Limited Partnership)

STATEMENTS OF OPERATIONS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Income:		
Gross potential rent – residential:		
Tenant	$ 429,331	$ 372,479
Subsidy	207,853	232,471
Less: vacancies, concessions and bad debts	(74,626)	(11,564)
Interest income	11,409	12,076
Other income	10,570	7,458
Total income	584,537	612,920
Operating expenses:		
Administrative	139,025	123,362
Utilities	59,839	52,823
Operating and maintenance	109,382	99,365
Taxes and insurance	78,073	69,476
Social services	41,422	39,721
Total operating expenses	427,741	384,747
Operating income	156,796	228,173
Financial, partnership and other expenses:		
Interest (Note 8)	153,367	156,304
Interest – permanent financing costs (Note 8)	3,593	3,593
GP asset management fee (Note 7)	25,000	25,000
LP asset management fee (Note 7)	8,500	8,500
Tax credit compliance fee (Note 7)	12,299	11,941
Ground lease (Note 3)	4,041	4,042
County monitoring fee	4,200	6,300
Total financial, partnership and other expenses	211,000	215,680
Depreciation	462,926	481,792
Amortization	6,325	6,324
Net loss	$ (523,455)	$ (475,623)

The accompanying notes are an integral part of these financial statements.

STARGELL COMMONS, L.P.

(A California Limited Partnership)

STATEMENTS OF CHANGES IN PARTNERS' CAPITAL

YEARS ENDED DECEMBER 31, 2024 AND 2023

	General Partner [a]	*Investor Limited Partner* [b]	*Class B Limited Partner* [c]	*Syndication Costs*	*Total*
Partnership interest	1.0%	98.9%	0.1%	-	100.0%
Balance, December 31, 2022	$ (43,876)	$ 9,007,138	$ -	$ (70,000)	$ 8,893,262
Net loss of 2023	(5,232)	(470,391)	-	-	(475,623)
Balance, December 31, 2023	(49,108)	8,536,747	-	(70,000)	8,417,639
Capital distribution	(226)	(22,386)	(23)	-	(22,635)
Net loss of 2024	(5,781)	(517,697)	23	-	(523,455)
Balance, December 31, 2024	$ (55,115)	$ 7,996,664	$ -	$ (70,000)	$ 7,871,549

[a] *Stargell Commons LLC*
[b] *WF Affordable Housing LLC*
[c] *Island City Development*

The accompanying notes are an integral part of these financial statements.

STARGELL COMMONS, L.P.

(A California Limited Partnership)

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Cash flows from operating activities:		
Net loss	$ (523,455)	$ (475,623)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	469,251	488,116
Interest – amortization of permanent financing costs	3,593	3,593
Amortization of right-of-use operating lease	4,041	4,042
(Increase) decrease in assets:		
Tenant receivable	413	(432)
Subsidy receivable	(3,830)	(3,115)
Property tax refund receivable	(5,236)	166,942
Prepaid expenses	2,679	(2,679)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(12,732)	5,471
Deferred revenue	6,937	13,784
Related-party payables	557	554
Interest payable	85,982	108,992
Tenant security deposit	1,250	-
Net cash provided by operating activities	29,450	309,645
Cash flows from financing activities:		
Payment of capital distribution	(22,635)	-
Payments of notes payable	(59,412)	(56,486)
Net cash used in financing activities	(82,047)	(56,486)
Net (decrease) increase in cash and restricted cash	(52,597)	253,159
Cash and restricted cash, beginning of year	713,533	460,374
Cash and restricted cash, end of year	$ 660,936	$ 713,533

The accompanying notes are an integral part of these financial statements.

STARGELL COMMONS, L.P.

(A California Limited Partnership)

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Cash	$ 80,098	$ 151,341
Restricted cash:		
Replacement reserve	135,244	113,734
Investor limited partner operating reserve	241,786	228,104
Operating deficit reserve	69,575	86,618
Resident services reserve	102,433	101,986
Tenant security deposits	31,800	31,750
Total cash and restricted cash shown in the statements of cash flows	$ 660,936	$ 713,533
Supplementary information:		
Cash paid for interest	$ 67,385	$ 47,312

The accompanying notes are an integral part of these financial statements.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Stargell Commons, L.P. (Stargell) was formed as a limited partnership under the laws of the State of California on February 20, 2015 to acquire, construct, maintain, and operate four (4) residential buildings consisting of 32 residential units located in Alameda, California, which is currently operating under the name of Stargell Commons (the Project). The Project was placed in service in June 2017. The tax credit allocation date was June 10, 2015.

Stargell is controlled by its general partner, Stargell Commons LLC, which is controlled by its sole member, Resources for Community Development (RCD), a California nonprofit public benefit corporation. The investor limited partner is Wells Fargo Affordable Housing Community Development Corporation, and Island City Development is the class B limited partner. Effective December 31, 2022, the investor limited partner, Wells Fargo Affordable Housing Community Development Corporation, was converted into a limited liability company, WF Affordable Housing LLC, under the laws of the State of North Carolina.

The Project was built on land owned by and leased from the Housing Authority of the City of Alameda (the Housing Authority). Under the terms of lease, the title to the improvements reverts to the lessor at the end of the 99-year lease term (see Note 3).

Development costs were partially financed by the Housing Authority of the City of Alameda loan, County of Alameda loan, the City of Alameda loan, and the RCD Sponsor loan. Construction financing was provided by Wells Fargo Bank, N.A. (Wells Fargo Bank). Permanent financing was obtained from the conversion of the Wells Fargo Bank construction loan into permanent financing of $967,907, and the rollover of the Housing Authority loan, County of Alameda loan, City of Alameda loan, and RCD Sponsor loan.

Stargell receives housing assistance payments from the Alameda County Housing Authority. Stargell is vulnerable to the inherent risks associated to revenue that is substantially dependent on government funding.

The Project participates in the low-income housing tax credit program under Section 42 of the Internal Revenue Code as modified by the State of California. Various loan, regulatory and other agreements dictate the maximum income levels of new tenants and provide rent and other restrictions through 2114.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method

Stargell uses the accrual method of accounting, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Rental income is shown at its maximum gross potential. Vacancy loss and operating lease receivable deemed uncollectible are shown as reductions in rental income. Rental units occupied by employees are included in rental income and as an expense of operations.

Stargell's revenue is mainly derived from leases. Other income is ancillary to the lease process and is recognized as revenue at the point in time such income or fees are earned.

Stargell accounts for the existing leases with residential tenants of the Project as operating leases.

Cash and Restricted Cash

Cash is defined as cash in demand deposit accounts as well as cash on hand. Restricted cash are funds restricted as to their use, regardless of liquidity, such as replacement reserve, investor limited partner operating reserve, operating deficit reserve, resident services reserve, and tenant security deposits. Stargell occasionally maintains cash on deposit at banks in excess of the Federal Deposit Insurance Corporation limit. The uninsured cash balance, including restricted accounts, was approximately $299,000 as of December 31, 2024. Stargell has not experienced any losses in such accounts.

Accounts Receivable

Stargell reassesses collectability during the lease term and elects to record a general reserve for operating lease receivables when collection is uncertain based on a review of outstanding receivables, historical collection information, and existing economic conditions. The general reserve balance was $40,828 and $11,683 as of December 31, 2024 and 2023, respectively.

Property and Equipment, and Deferred Costs

Property and equipment are stated at cost of acquisition or construction. The costs of maintenance and repairs below $5,000 that neither significantly add to the permanent value of property and equipment nor prolong its intended useful life are charged to expenses as incurred. Depreciation is computed based on the straight-line method over the estimated useful lives of the assets.

Deferred costs are incurred in order to obtain tax credits for the Project. Deferred costs are stated at cost and amortized on a straight-line basis over the 10-year tax credit period. Organization costs are expensed as incurred.

The useful lives of the assets are estimated as follows:

Buildings and improvements	40 years
On-site improvements	15 years
Offsite improvements	15 years
Furniture, fixtures and equipment	7 years
Tax credit costs	10 years

Stargell reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the property and equipment to the future net undiscounted cash flows expected to be generated by the rental property, including the low-income housing tax credits and any estimated proceeds from the eventual disposition of the property and equipment. If the property and equipment is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the property and equipment exceeds the fair value of such property. There were no impairment losses recognized in 2024 and 2023.

Permanent Financing Costs

Costs incurred in order to obtain permanent financing are stated at cost and amortized on a straight-line basis into interest expense over the term of the loan. Permanent financing costs are reported as a direct deduction from the face amount of the related debt.

Leases

The accounting standard on leases, required by accounting principles generally accepted in the United States of America, requires lessees to account for leases as either finance leases or operating leases and to recognize right-of-use (ROU) assets and corresponding lease liabilities on the balance sheets for all leases other than leases with terms of 12 months or less. For finance leases, lessees would recognize interest expense and amortization of the ROU assets, and for operating leases, lessees would recognize straight-line total rent expense. The accounting standard also requires additional disclosures about the amount, timing, and uncertainty of cash flows arising from leases.

Stargell accounts for the existing ground lease and equipment lease as operating leases. Due to the nominal rent amounts, ROU assets and lease liabilities are not recognized. However, the effect of not recognizing ROU assets and lease liabilities is not materially different from the result that would have been obtained had the requirement to recognize ROU assets and lease liabilities been followed.

Income Taxes

No provision for federal and state income taxes is included in the financial statements. The income or loss of Stargell is reported by the partners on their income tax returns.

Stargell believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Stargell's federal and state income tax returns for the years 2020 through 2023 are subject to examination by regulatory agencies, generally for three (3) years and four (4) years after they were filed for federal and state, respectively.

Allocation of Partnership Income/Loss and Tax Credits

Stargell expects to generate low-income housing credits, which will be allocated in the same manner as the income or loss of Stargell. Because the limited partners' losses are limited to their investments, the limited partners' equity will not be reduced below zero unless future capital contributions will be made in an amount sufficient to absorb the losses. All remaining losses are allocated to the general partner. Any subsequent income allocable to the limited partners are allocated to the general partner first until the general partner's share of that income offsets the losses not previously recognized by the limited partners.

Subsequent Events

Management has evaluated subsequent events through May 28, 2025 the date on which the financial statements were available to be issued.

Reclassification

Certain amounts previously reported in the 2023 financial statements were reclassified to conform to the 2024 presentation for comparative purposes.

NOTE 3 – GROUND LEASE

On November 24, 2015, Stargell entered into a ground lease agreement to lease the land on which the Project was built from the Housing Authority, an affiliate of the class B limited partner. The lease expires on December 31, 2114, and upon the expiration or termination of the lease, the title to improvements and all alterations, additions, equipment and fixtures shall be reverted to the Housing Authority without any additional costs. The lease requires a one-time initial rent payment of $400,000 at construction closing date and annual payments of $1 payable on January 1st commencing 2016. Stargell prepaid the entire amount of rent $400,099 at the closing date of the construction financing for the Project. Total lease payments are amortized on a straight-line basis over the 99-year lease term.

Effective January 1, 2022, the unamortized prepaid ground lease of $ 375,851 was presented as the ROU assets. The ROU asset balance as of December 31, 2024 and 2023 was $363,726 and $367,767, respectively. Ground lease rent expense was $4,041 and $4,042 for 2024 and 2023, respectively.

NOTE 4 – RESTRICTED CASH

Replacement Reserve

Stargell is required to maintain a reserve for replacement and repair of property and equipment in accordance with the partnership agreement and other lenders' regulatory agreements. The reserve is required to be funded on a monthly basis at an annual rate of $19,200 commencing February 2018, the month of permanent loan conversion. Withdrawals from the replacement reserve in excess of $10,000 are subject to approval by the investor limited partner and Wells Fargo Bank, permanent lender.

Investor Limited Partner Operating Reserve

Stargell is required to maintain an investor limited partner operating reserve in accordance with the partnership agreement and other lenders' regulatory agreements. In 2018, the reserve was funded with an initial deposit of $200,000 using proceeds from the limited partner's performance installment of capital contribution. The reserve is also required to make annual deposits of at least 2% of gross rent until the operating reserve balance reaches an amount equaling to six (6) months of annual operating expenses including debt services. If the balance falls below $100,000, the reserve shall be replenished from excess/distributable cash (see Note 10). Withdrawals from the operating reserve are subject to approval by the investor limited partner and Wells Fargo Bank.

Operating Deficit Reserve

Stargell is required to maintain an operating deficit reserve to fund annual asset management fees payable to the investor limited partner in accordance with the partnership agreement. In 2018, the reserve was funded with an initial deposit of $127,500 using the proceeds from performance installment of the limited partner capital contribution. Withdrawals up to $8,500 per year are allowed to pay the LP asset management fee. No additional deposits are required.

Resident Services Reserve

Stargell is required to maintain a supportive services reserve for the exclusive use for resident services at the Project in accordance with the partnership agreement and other lenders' regulatory agreements. In 2018, the reserve was funded with an initial deposit of $100,000 using proceeds from the limited partner's performance installment of capital contribution. No additional deposits are required.

Tenant Security Deposits

Stargell is required to hold security deposits in a separate bank account in the name of the Project.

In accordance with the provisions of the agreements, restricted cash is held in separate bank accounts. Details follow:

	Replacement Reserve	*Investor Limited Partner Operating Reserve*	*Operating Deficit Reserve*	*Resident Services Reserve*
Balance, December 31, 2022	$ 95,130	$ 101,002	$ 85,897	$ 100,955
Deposits	17,600	-	-	-
Other deposits [(1)(2)]	-	124,202	-	-
Interest	2,244	4,197	1,849	2,174
Bank fees	(1,240)	(1,297)	(1,128)	(1,143)
Balance, December 31, 2023	113,734	228,104	86,618	101,986
Deposits [(3)]	19,200	-	-	-
Other deposits [(4)]	1,600	10,639	-	-
Withdrawals [(5)(6)]	-	-	(17,000)	-
Interest	2,628	4,977	1,637	2,164
Bank fees	(1,918)	(1,934)	(1,680)	(1,717)
Balance, December 31, 2024	$ 135,244	$ 241,786	$ 69,575	$ 102,433

[(1)] Management deposited $11,202 into the investor limited partner operating reserve in 2023 to satisfy the 2022 funding requirements.

[(2)] Management borrowed $113,000 in 2022 from the investor limited partner operating reserve to pay property taxes. The amount was repaid in April 2023 upon receipt of the property tax refund.

[(3)] Management intends to deposit $12,394 into the investor limited operating reserve in 2025 to satisfy the 2024 funding requirements.

[(4)] Management deposited $1,600 and $10,639 into the replacement reserve and investor limited partner operating reserve, respectively, in 2024 to satisfy the 2023 funding requirements.

[(5)] Management withdrew $17,000 in 2024 for the annual LP asset management fee of $8,500 for 2023 and 2022.

[(6)] Management obtained approval to withdraw $26,636 from the resident services reserve in 2025 for qualified expenditures incurred in 2024.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	2024	2023
Land improvements	$ 324,134	$ 324,134
Buildings and improvements	13,706,354	13,706,354
On-site improvements	1,368,759	1,368,759
Offsite improvements	216,320	216,320
Furniture, fixtures and equipment	211,306	211,306
	15,826,873	15,826,873
Less: accumulated depreciation	(3,655,275)	(3,192,349)
Total property and equipment	$ 12,171,598	$ 12,634,524

NOTE 6 – DEFERRED COSTS

Deferred costs are summarized as follows:

	2024	2023
Tax credit costs	$ 63,247	$ 63,247
Less: accumulated amortization	(48,226)	(41,901)
Total deferred costs	$ 15,021	$ 21,346

NOTE 7 – RELATED-PARTY TRANSACTIONS

Related-party transactions include the following fees and charges:

Payable/Paid to Description	*Payable at December 31, 2024*	*2024 Expense (Payment)*	*Payable at December 31, 2023*	*2023 Expense (Payment)*
Resources for Community Development				
Resident services coordination fee [1]	$ 6,087	$ 6,087 (5,881)	$ 5,881	$ 5,881 (5,682)
Stargell Commons LLC				
GP asset management fee [2]	25,000	25,000 (25,000)	25,000	25,000 (25,000)
Tax credit compliance fee [3]	12,299	12,299 (11,948)	11,948	11,941 (11,586)
WF Affordable Housing LLC				
LP asset management fee [4]	8,500	8,500 (8,500)	8,500	8,500 (8,500)
Total	$ 51,886		$ 51,329	

(1) Commencing January 1, 2017, Stargell is required to pay RCD an annual resident services coordination fee, up to $40,000, subject to 3.5% annual increases, to be paid from the annual operating budget approved by the County of Alameda through December 31, 2032. The amount reflects the portion of that fee paid to RCD beyond the resident services expense shown in operating expenses.

(2) Commencing January 1, 2017, Stargell is required to pay Stargell Commons LLC an annual GP asset management fee of $25,000, payable from excess/distributable cash (see Note 10) [a]. Unpaid fees carry forward without interest.

(3) Commencing January 1, 2017, Stargell is required to pay Stargell Commons LLC an annual tax credit compliance fee of $10,000, subject to 3% annual increases, payable from excess/distributable cash (see Note 10)[a]. Unpaid fees carry forward without interest.

(a) In no event shall the aggregate annual payments of GP asset management fee, tax credit compliance fee and property management fee exceed 14% of the Project's effective gross income, as defined in the partnership agreement.

(4) Commencing January 1, 2017, Stargell is required to pay the investor limited partner an annual asset management fee of $8,500 payable in arrears from excess/distributable cash (see Note 10) to the extent not paid from the operating deficit reserve (see Note 4). Unpaid fees carry forward without interest.

Other

See Note 3 for the ground lease from the Housing Authority.

NOTE 8 – NOTES PAYABLE

Notes payable are secured by the property unless otherwise noted and are consist of the following:

	2024		2023	
	Interest Payable	*Principal*	*Interest Payable*	*Principal*
Wells Fargo Bank, construction loan, in the original amount of $10,460,000, bore variable interest at USD-LIBOR-BBA rate. Interest only payments were due monthly until the conversion date on February 1, 2018, at which time $967,907 was converted to a 15-year permanent amortizing loan bearing interest at 5.06%, with monthly principal and interest payments of $7,684. The loan is to be repaid in full by February 1, 2033. Interest expense was $32,551 and $35,489 for 2024 and 2023, respectively.	$ 2,597	$ 615,819	$ 2,847	$ 675,231

	2024		2023	
	Interest Payable	*Principal*	*Interest Payable*	*Principal*
Housing Authority of City of Alameda, in the original amount of $2,000,000, bears simple interest at 3%, with annual payments from excess/distributable cash (see Note 10) due by May 1 each year commencing 2018. The loan is to be repaid in full by December 2072. Interest expense was $60,000 for both 2024 and 2023.	335,431	2,000,000	292,560	2,000,000
County of Alameda, in the original amount of $1,670,664, comprised of Boomerang and HOME funds of $1,379,337 and $291,327, respectively, bears simple interest at 3%, with annual payments from excess/distributable cash (see Note 10) due by May 1 each year commencing 2018. The loan is to be repaid in full by May 2072. Interest expense was $50,120 for both 2024 and 2023.	247,791	1,670,664	211,982	1,670,664
City of Alameda, HOME loan, in the original amount of $367,043, bears simple interest at 3%, with annual payments from excess/distributable cash (see Note 10) due by May 1 each year commencing 2018. The loan is to be repaid in full by April 2072. Interest expense was $10,696 and $10,695 for 2024 and 2023, respectively.	71,297	356,545	63,745	356,545
Total	657,116	4,643,028	571,134	4,702,440
Less: unamortized permanent financing costs [(1)]	-	(77,157)	-	(80,750)
Notes payable – net	657,116	4,565,871	571,134	4,621,690
Less: current portion	(15,731)	(62,489)	(37,431)	(59,412)
Long-term portion	$ 641,385	$ 4,503,382	$ 533,703	$ 4,562,278

[(1)] Costs incurred in order to obtain permanent financing were $103,383 as of December 31, 2024 and 2023. Permanent financing costs are amortized on a straight-line basis into interest expense over the terms of the loans. Interest expenses for amortization of permanent financing costs were $3,593 for both 2024 and 2023.

Principal payments on notes payable for the next five (5) years are subject to changes in net cash flow and are estimated as follows:

2025	$	62,489
2026		65,725
2027		69,129
2028		72,709
2029		76,475

NOTE 9 – COMMITMENTS, CONTINGENCIES AND OTHER MATTERS

Property Management

Property management and bookkeeping services of the Project is contracted with The John Stewart Company, through December 2024 for an annual fee, currently at $29,568 and $4,992, respectively. The contract is subject to renewal annually thereafter.

Resident Services

Resident social services of the Project are contracted with Operations Dignity through December 2024 for an aggregate amount not to exceed $35,514 and $34,313 for 2024 and 2023, respectively. The contract is subject to renewal annually thereafter.

Operating Deficit Guaranty

The general partner was required to fund operating deficits incurred by Stargell without limitation as to amount prior to making the performance installment, as defined in the partnership agreement. After the performance installment was made in February 2018, the general partner was required to fund operating deficits incurred by Stargell up to $210,000 in the aggregate. The guaranty would expire provided that: (i) Stargell has maintained an average occupancy of 90% and an average debt service coverage ratio of 1.15 or better for any 12 consecutive month period commencing at least two (2) years after the making of the performance installment, (ii) permanent loan closing has occurred, (iii) Stargell has received Forms 8609, (iv) adjuster distributions owed to the investor limited partner, if any, have been made, (v) the current amount in the investor limited partner operating reserve was not less than $100,000, and (vi) no default by the general partner exists. Such advances would be treated as unsecured loans bearing 10% compounded interest and repayable from excess/distributable cash (see Note 10). The operating deficit guaranty expired as of May 31, 2022.

Right of First Refusal

The Housing Authority has a right of first refusal to purchase the Project during the 24-month period commencing on the first day following December 31, 2031, the end of the 15-year tax credit compliance period. The purchase price of the Project, if acquired using the right of first refusal after notice of a bona fide purchase offer, shall be equal to the greater of: (i) $100; or (ii) the sum of: (a) all outstanding debt secured by the property, plus (b) the sum of: (1) all taxes attributable to the purchase, plus (2) unpaid adjuster distributions, if any, including interest, plus (3) all debts owed to the investor limited partner.

Purchase Options

The Housing Authority has an option to purchase either the Project or the investor limited partner's partnership interest during the twenty-four-month period commencing on the first day following December 31, 2031, the end of the 15-year tax credit compliance period.

The purchase price of the Project shall be equal to the sum of all debts owed to the investor limited partner plus the greater of: (i) the sum of $1 plus (a) the amount of outstanding debt of Stargell, plus (b) an amount sufficient to distribute to the investor limited partner equal to all taxes incurred by the limited partner attributable to the sale, if the Project were purchased for $1 plus all outstanding debts of Stargell; or (ii) the fair market value of the Project.

The purchase price of the investor limited partner's partnership interest shall be equal to the sum of all debts owed to the investor limited partner plus the greater of: (i) the sum of $1 plus (a) the amount of outstanding debt of Stargell, plus (b) an amount sufficient to distribute to the investor limited partner equal to all taxes incurred by the limited partner attributable to the sale, if the Project were purchased for $1 plus all outstanding debts of Stargell; or (ii) the fair market value of the investor limited partner's partnership interest.

NOTE 10 – DISTRIBUTION OF EXCESS/DISTRIBUTABLE CASH

Excess cash, as defined by the partnership agreement and other lenders' regulatory agreements, is distributable as follows:

(i) First, to the payment of any adjuster distributions payable, in accordance with the limited partnership agreement;

(ii) Second, to payment of LP asset management fee in the amount $8,500 per year (to the extent not paid by the operating deficit reserve);

(iii) Third, to deposit in investor limited partner operating reserve to restore the balance to $100,000;

(iv) Fourth, to the payment of any unpaid deferred developer fee;

(v) Fifth, to payment of GP asset management fee up to $25,000 per year, provided that the amount when added to (ii), only when the amount in (ii) is paid from distributable cash, does not exceed $25,000 per year, during the 15-year tax credit compliance period, and in an amount to be approved by the County of Alameda thereafter;

(vi) Sixth, 50% of the remaining excess cash towards debt service as follows:

a) 49.53% to the Housing Authority loan;
b) 7.22% to the HOME component of the County loan;
c) 34.16% to the Boomerang component of the County loan; and
d) 9.09% to the City HOME loan.

(vii) Seventh, to payment of any unpaid GP asset management fees from all prior years;

(viii) Eighth, to the payment of any limited partner loans;

(ix) Ninth, to the payment of any operating deficit loan; and

(x) Thereafter, to the payment of tax credit compliance fee, in an annual amount of $10,000, to be increased by 3% annually beginning 2018, to the extent that total property management fee, GP asset management fee, tax credit compliance fee, and GP distribution does not exceed 14% of partnership's effective gross income for the year (1).

Distributable cash, if any, as defined by the partnership agreement, shall be distributed as follows:

(i) 98.90% to the investor limited partner
(ii) 1.00% to the general partner; and
(iii) 0.10% to the class B limited partner.

[1] In the event that the total exceeds 14% of Stargell's effective gross income for the year, the fees and distributions should be reduced in the following order: general partner distribution, tax credit compliance fee, and GP asset management fee.

SUPPLEMENTARY INFORMATION

STARGELL COMMONS, L.P.

(A California Limited Partnership)

SCHEDULES OF OPERATING EXPENSES

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Administrative:		
Conventions and meetings	$ 122	$ 473
Advertising and marketing	2,954	2,717
Office salaries	1,453	-
Office expenses	9,687	8,970
Property management fee	29,568	28,416
Manager’s expenses or superintendent salaries	39,872	37,822
Staff rent-free unit	19,980	15,542
Legal expenses – project	1,685	-
Audit and tax preparation	19,275	18,740
Bookkeeping	4,992	4,032
Bank charges	7,248	4,810
Miscellaneous	2,189	1,840
	$ 139,025	$ 123,362
Utilities:		
Electricity	$ 3,600	$ 2,421
Water	25,267	21,392
Gas	12,179	11,251
Sewer	18,793	17,759
	$ 59,839	$ 52,823
Operating and maintenance:		
Payroll	$ 27,366	$ 27,923
Supplies	7,722	8,516
Contracts	31,756	25,665
Garbage and trash removal	33,129	32,145
Heating/cooling repairs and maintenance	5,164	2,233
Miscellaneous	4,245	2,883
	$ 109,382	$ 99,365
Taxes and insurance:		
Real estate taxes	$ 2,679	$ 2,679
Payroll taxes	5,693	5,423
Property and liability insurance	56,134	47,274
Fidelity bond insurance	109	111
Workers’ compensation	3,867	2,778
Health insurance and employee benefit	5,569	6,785
Miscellaneous	4,022	4,426
	$ 78,073	$ 69,476
Social services:		
Resident services payroll	$ 35,335	$ 33,840
Resident services coordination fee	6,087	5,881
	$ 41,422	$ 39,721

STARGELL COMMONS, L.P.

(A California Limited Partnership)

COMPUTATION OF EXCESS/DISTRIBUTABLE CASH

YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Operating income:		
Total income	$ 584,537	$ 612,920
Interest income on restricted deposits	(11,406)	(10,464)
Bank fees on restricted deposits	7,248	4,810
Adjusted operating income	580,379	607,266
Operating expenses	(427,741)	(384,747)
Adjusted net income	152,638	222,519
Other activities:		
Debt service cost – mortgage	(92,213)	(92,213)
Monitoring fees – Alameda County	(4,200)	(6,300)
Deposits into replacement reserves	(19,200)	(17,600)
Deposits into replacement reserve subsequent to year end	-	(1,600)
Deposits into operating reserve subsequent to year end	(12,394)	(10,639)
Withdrawals from resident service reserve subsequent to year end	26,636	-
Excess/distributable cash	$ 51,267	$ 94,167
Uses of excess/distributable cash:		
GP asset management fee	$ 25,000	$ 25,000
Debt service – Housing Authority loan interest	6,505	17,129
Debt service – County of Alameda loan interest	5,435	14,311
Debt service – City of Alameda loan interest	1,194	3,144
Tax credit compliance fee	12,299	11,948
Distribution – general partner	8	226
Distribution – investor limited partner	825	22,386
Distribution – Class B limited partner	1	23
Total uses	$ 51,267	$ 94,167

The annual LP asset management fee is paid from the operating deficit reserve in arrears.

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Berkeley, California

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Stargell Commons, L.P., which comprise the balance sheet as of December 31, 2024 and the related statements of operations, changes in partners' capital and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 28, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Stargell Commons, L.P.'s internal control over financial reporting (internal control) to as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Stargell Commons, L.P.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Stargell Commons, L.P.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

BKR INTERNATIONAL
Certified Public Accountants, 301 Howard Street, Suite 850, San Francisco, California 94105
Telephone 415 957 9999 Facsimile 415 957 1629 http://www.lvhj.com

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Stargell Commons, L.P.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of testing of internal control and compliance and the results of testing, and not to provide an opinion on the effectiveness of Stargell Commons, L.P.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Stargell Commons, L.P.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lindquist, von Husen and Joyce LLP

May 28, 2025

ITEM 4.F

ISLAND CITY DEVELOPMENT

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

To:	Board of Directors Island City Development
From:	Trevor Jones, Asset Manager
Date:	June 18, 2025
Re:	Accept the Quarterly LIHTC Portfolio Asset Management Fiscal Year-to-Date Financial Report through March 31, 2025.

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 (85.6% family, 8.9% 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, most partnerships include an AHA 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 March 31, 2025. 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 was employed at select properties in 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 $323,633, which is 1.2% ($3,683) higher than budget.
- The property was 99% occupied in the first quarter of 2025.
- Tenant Revenue is $179,260 and Subsidy Revenue is $145,625.
- Tenant Accounts Receivable are $36,895. No tenants are currently facing termination for nonpayment. This includes residents with balances over 6 months delinquent.
- Operating Expenses are $158,113, which is 7% ($12,273) lower than budget due to collection loss being coded as an expense.
- Net Operating Income is $165,520, which is 11% ($15,956) higher than budget, primarily as a result of the timing of utility payments.
- The Replacement Reserve deposit requirement is $15,500 annually.
- Mandatory hard debt service is $139,152 annually.
- Total Net Cash Flow is $126,857.
- DSCR is 4.65x.
- An 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 closed on the investor Limited Partner buyout in March 2024 and has an option to buyout the GP within the next five years. The John Stewart Company (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 3, 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 $264,009, which is 4% ($10,520) lower than budget.
- Occupancy averaged 90% (3> vacant units) over the First Quarter of 2025.
- Tenant Revenue is $123,040 and Subsidy Revenue is $166,502.
- Tenant Accounts receivable are $1,198. No tenants are currently facing termination for non-payment.
- Operating Expenses are $142,141, which is 4% ($5,626) higher than budget due to some administrative costs being higher than anticipated.
- Net Operating Income is $121,868, which is 12% ($16,146) lower than budget due to vacancies averaging 90% compared to the budgeted 98% occupancy.
- Replacement Reserve deposit requirement is $23,400 annually.
- No mandatory hard debt service.
- Total Net Cash Flow is $116,018.
- DSCR is not applicable 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 in 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 $208,288, which is 9% ($19,828) lower than budget as a result of occupancy being lower than budget.
- Occupancy averaged 87% (8 Vacant Units) over the First Quarter of 2025. The primary contributing factors for the move-out were deaths and evictions. The combination of higher than expected move-outs, the seasonal holiday slowdown in leasing and the waitlist being re-opened in November resulted in longer than usual turnover and higher vacancy.
- Tenant Revenue is $133,278 and Subsidy Revenue is $104,228.
- Tenant Accounts Receivable are $109,532. Of this total, $93,706 is over 120 days old. No tenants are currently facing termination for nonpayment.
- Operating Expenses are $172,239, which is within 1% of the budget.
- Net Operating Income is $36,049, which is 34% ($18,305) lower than budget. Our goal is to get back on budget once the waitlist is compiled and ready to be shared with the property in the second quarter of 2025.
- Replacement Reserve deposit requirement $31,932 annually.

- No Mandatory Hard Debt Service.
- Total Net Cash Flow is $28,067.
- DSCR is not applicable due to no hard loans.

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 2024, no principal payments have been made and $238,298 of interest has been 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 $157,339, which is 8% ($12,918) lower than budget as a result of higher vacancies.
- Occupancy averaged 94.3% (2 vacant units) over the First Quarter of 2025. We budgeted aggressively as a result of sustained high occupancy in 2024 at 97.5%.
- Tenant Revenue is $108,594 and Subsidy Revenue is $56,433.
- Tenant Accounts Receivable are $46,115. No tenants are currently facing termination for nonpayment.
- Operating Expenses are $118,240, which is 2% (1,871) higher than budget.
- Net Operating Income is $39,099 which is 27% (14,789) lower than budget due to 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 $17,010.
- DSCR is 1.98.

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 with AHA was for $225,000 and an interest rate of 5% was paid off at Maturity in November 2024. The second AHA/CIC loan was for $1,400,000 with an interest rate of 3% and as of December 2024 had a balance of $1,400,000, excluding accrued interest of $408,769. 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. The 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 $136,402 which is 7% ($9,158) higher than budget due to the property being 100% occupied in the first quarter.
- Occupancy averaged 100% (0 vacant units) in the First Quarter.
- Tenant Revenue is $26,124 and Subsidy Revenue is $106,076.
- Tenant Accounts Receivable are $2,323.
- Operating Expenses are $102,906, which is 7% ($7,283) lower than budget due to conservative budgeting.
- Total Net Operating Income is $33,496, which is 96% ($16,441) higher than budget.
- Replacement Reserve deposit requirement is $11,400 annually.
- Mandatory hard debt service is $28,632 annually.
- DSCR is 4.28.
- Total Net Cash Flow is $23,488.
- The property ended the first quarter of 2025 fully occupied, allowing 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 into 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 $209,857, which is 4% ($8,098) higher than budget.
- Occupancy was 99% in the First Quarter of 2025.
- Tenant Revenue is $43,552 and Subsidy Revenue is $172,598.
- Tenant Accounts receivable are $590 with no consistent late-paying tenants.
- Operating Expenses are $101,519, which is 7% ($6,767), higher than budget due to plumbing repairs in two units and paying the 2024-2025 sewer tax bill in the First Quarter of 2025.
- Net Operating Income is $108,338, which is 1% ($1,331) higher than budget.
- Replacement Reserve deposit requirement is $15,500 annually.
- Mandatory hard debt service is $236,508 annually.
- Total Net Cash Flow is $45,336.
- DSCR is 1.77 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 $115,870, which is 28% ($44,209) lower than budget. This is primarily due to occupancy being lower than budget. The process of putting our wait list on hold, reopening it and organizing applicants to begin screening was a large undertaking that affected the lease timeline of PBV units. Additionally, our VASH applicants were delayed while we dealt with a site-level issue. The property also wrote off a resident who had accrued a large balance during the COVID moratorium and was evicted.
- Occupancy averaged 84% (3 vacant units) over the First Quarter of 2025.
- Tenant Revenue is $47,753 and Subsidy Revenue is $100,471.
- Tenant Accounts Receivables are $860 after writing off a tenant who made up the majority of our aged receivables stemming from the COVID moratorium.
- Operating Expenses are $59,991, which is 26% (20,687) lower than budget. This is primarily due to a reclass on the financials for a non-routine unit clean out that involved hazmat and was reimbursed by insurance.
- Net Operating Income is $55,879, which is 30% ($23,522) lower than budget due to our occupancy remaining low while we reopened the wait list and began getting VASH referrals again.
- Replacement Reserve deposit requirement is $13,508 annually.
- Mandatory hard debt service is $215,916.
- Total Net Cash Flow is ($1,477).
- DSCR is 0.97. 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 into 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 in 2022.

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 $568,020, which is 5% ($26,822) higher than budget. This is largely attributed to a reclass of laundry income that made Actual Other Income positive, while Budgeted Other Income was negative as a result of anticipated write-offs.
- Occupancy averaged 93.5% (6 vacant units) over the First Quarter of 2025. Rosefield was affected significantly by non-payment during 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.
- Tenant Revenue is $194,166 and Subsidy Revenue is $239,652.
- Tenant Accounts receivable are $220,357. Nonpayment is being actively addressed.
- Operating Expenses are $245,414, which is 5% (12,088) higher than budget due to staffing turnover onsite and at the regional level, which resulted in vending out work and hiring temp labor.
- Net Operating Income is $322,606, which is 5% ($14,734) higher 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 $613,355 annually.
- Total Net Cash Flow is 155,467.
- DSCR is 2.01. 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 2.6, ranging from 0.97 to 4.65. Also, most assets produce surplus cash/ residual receipts for distribution. Reserve balances are attached.

FISCAL IMPACT
None

CEQA
N/A

RECOMMENDATION
Accept the Quarterly LIHTC Portfolio Asset Management Fiscal Year-to-Date Financial Report through March 31, 2025.

ATTACHMENTS

1. AHA LIHTC Q1 2025
2. Q1 25 Quarterly Financials

Respectfully submitted,
Trevor Jones
Trevor Jones, Asset Manager

LIHTC Q1 2025 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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Housing Authority of the City of Alameda

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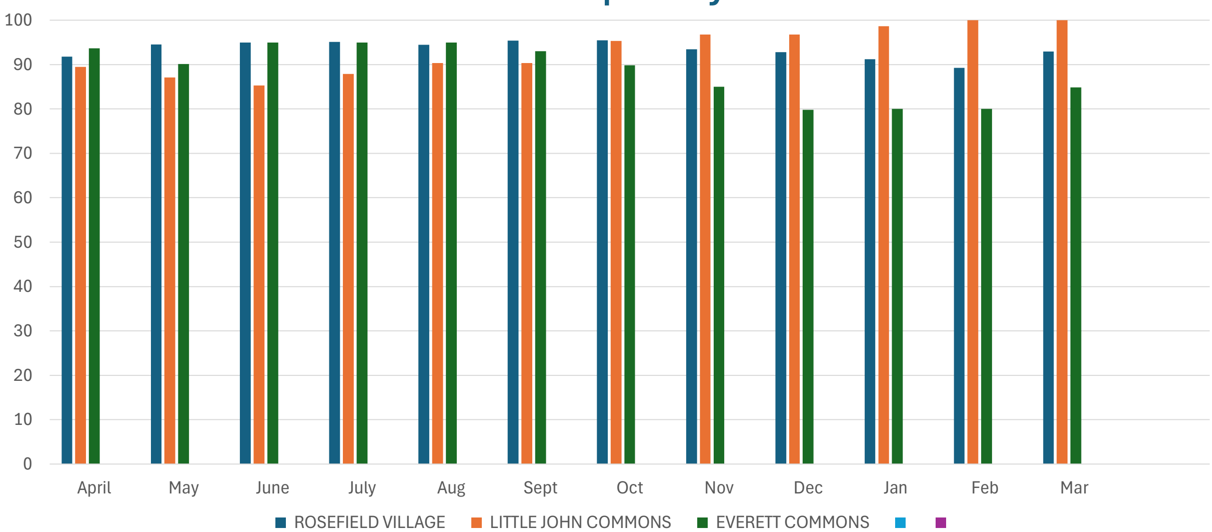
Occupancy



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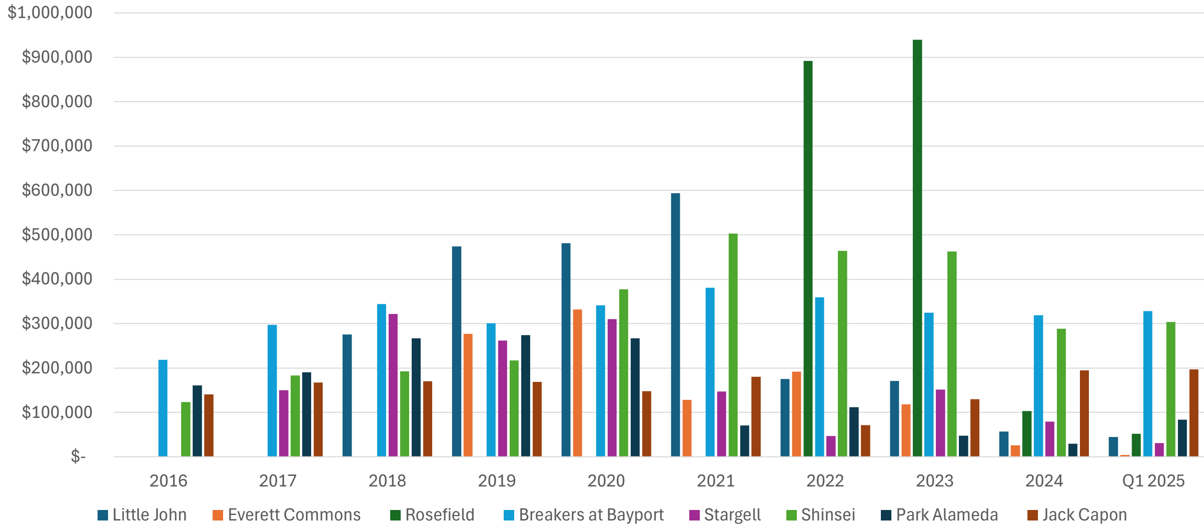
2

Operating Cash



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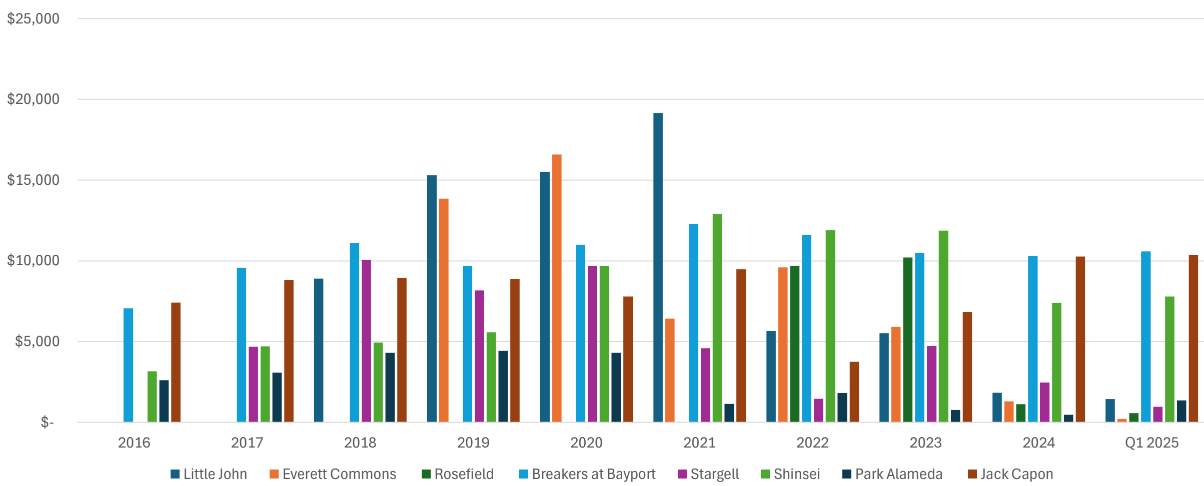
Operating Cash (per unit)



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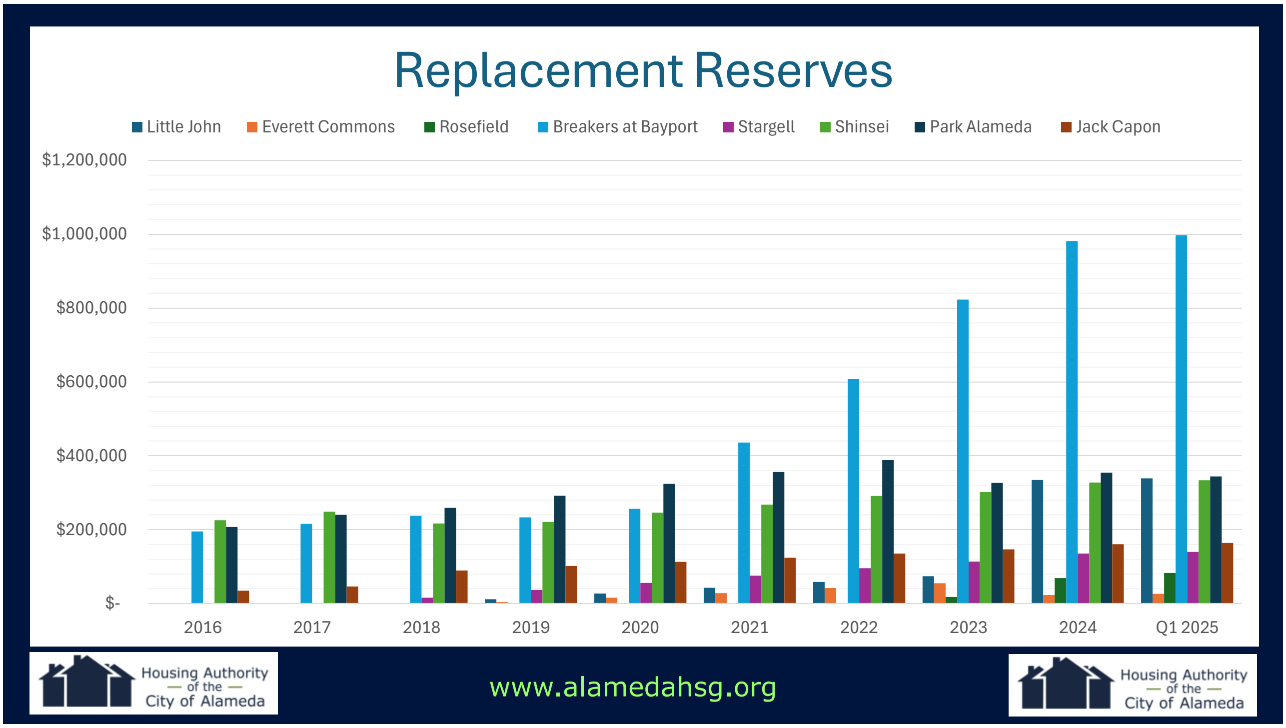
Replacement Reserves
Little John
Everett Commons
Rosefield
Breakers at Bayport
Stargell
Shinsei
Park Alameda
Jack Capon
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$-
2016
2017
2018
2019
2020
2021
2022
2023
2024
Q1 2025
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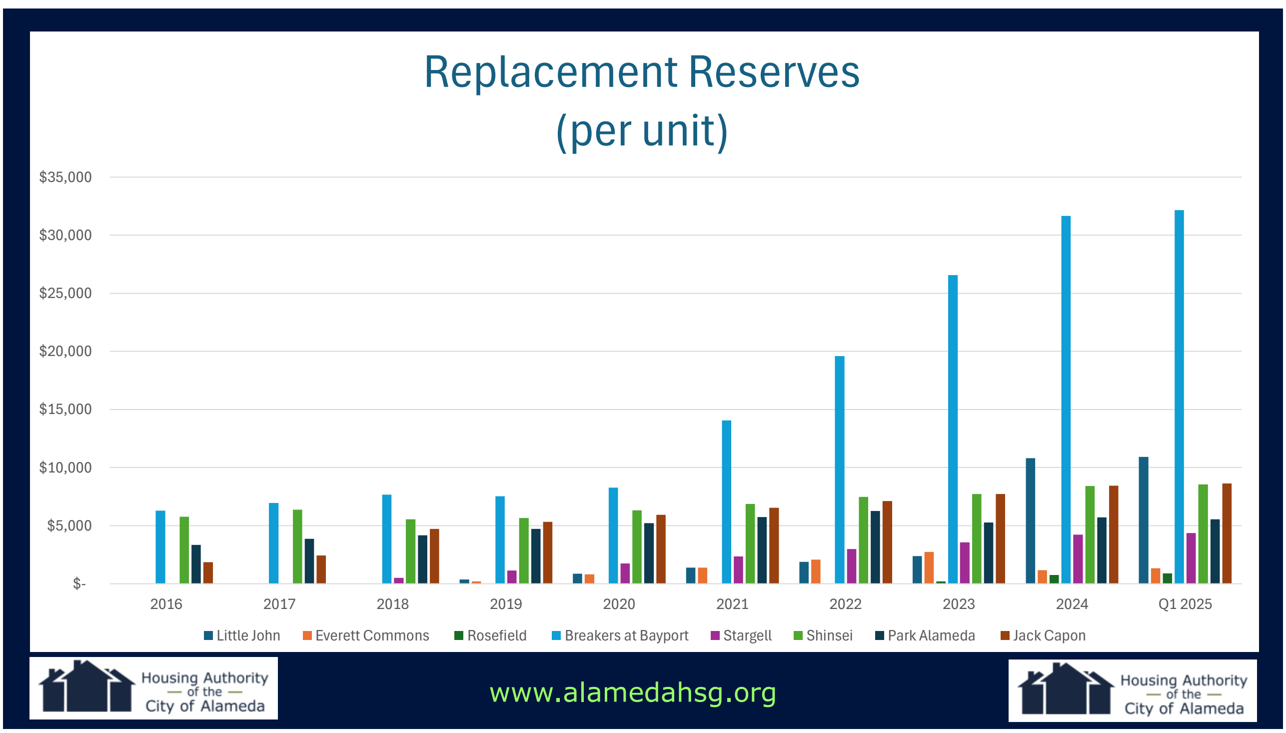
Replacement Reserves
(per unit)
$35,000
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$-
2016
2017
2018
2019
2020
2021
2022
2023
2024
Q1 2025
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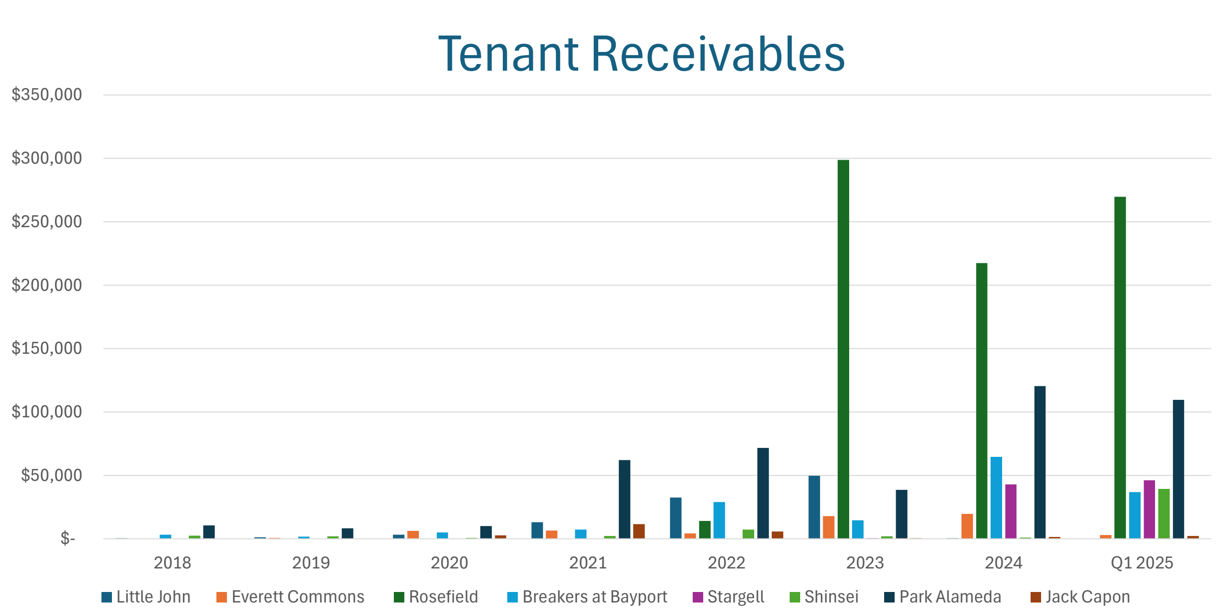

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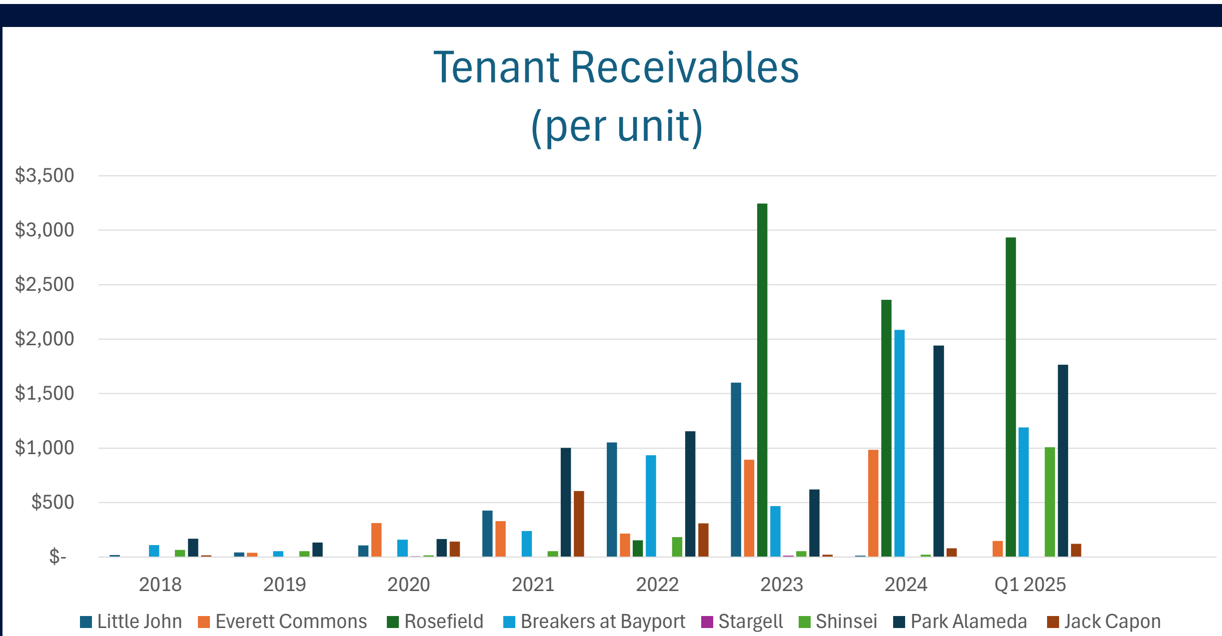

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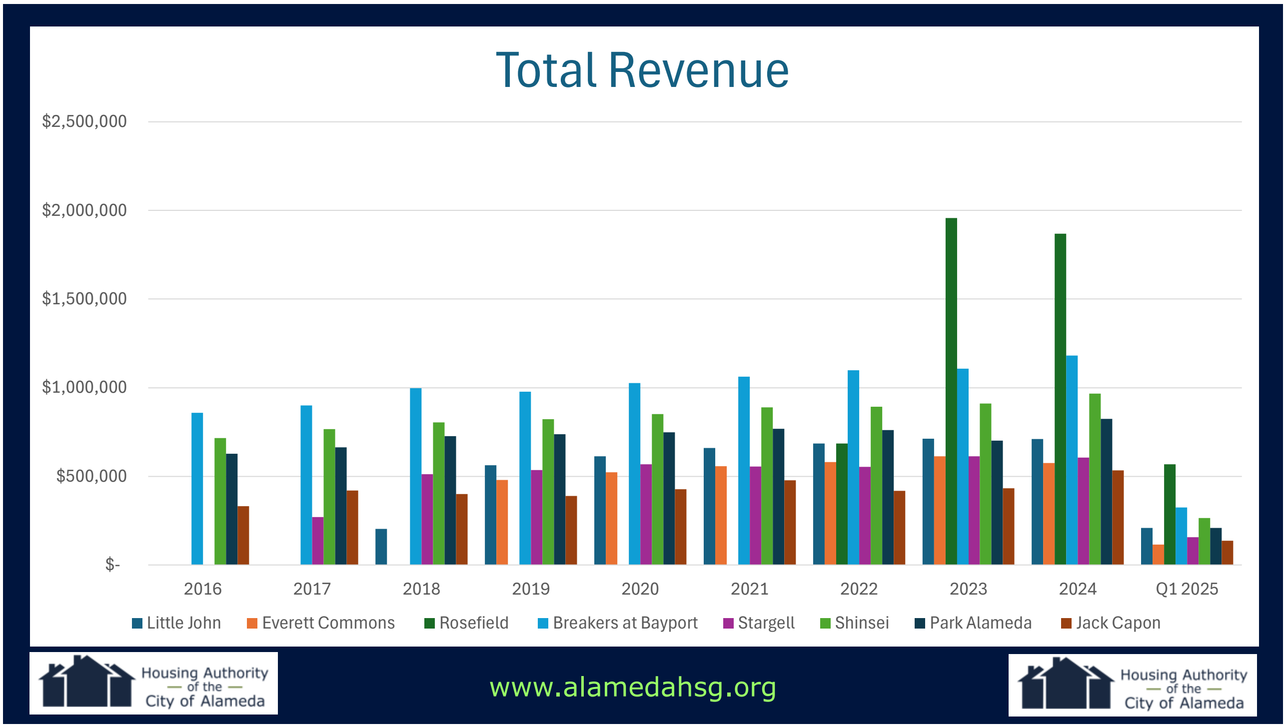
Total Revenue
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$-
2016
2017
2018
2019
2020
2021
2022
2023
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Q1 2025
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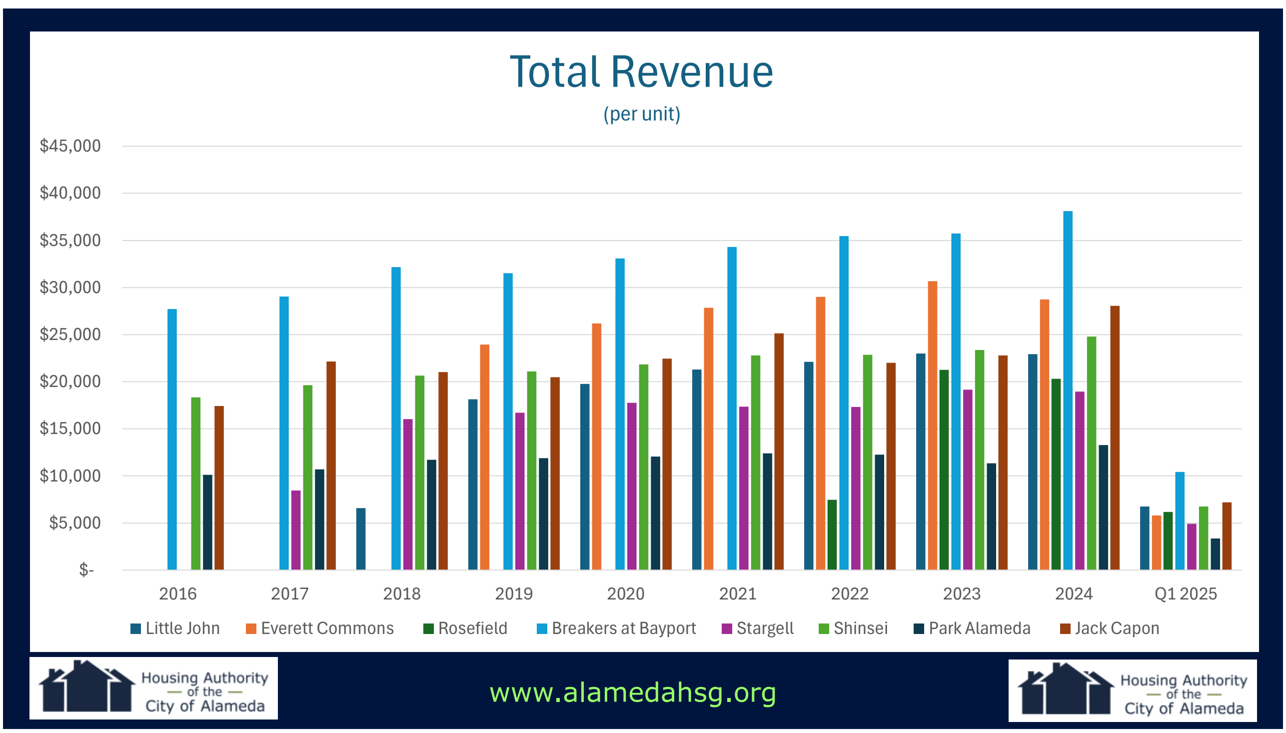
Total Revenue
(per unit)
$45,000
$40,000
$35,000
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$-
2016
2017
2018
2019
2020
2021
2022
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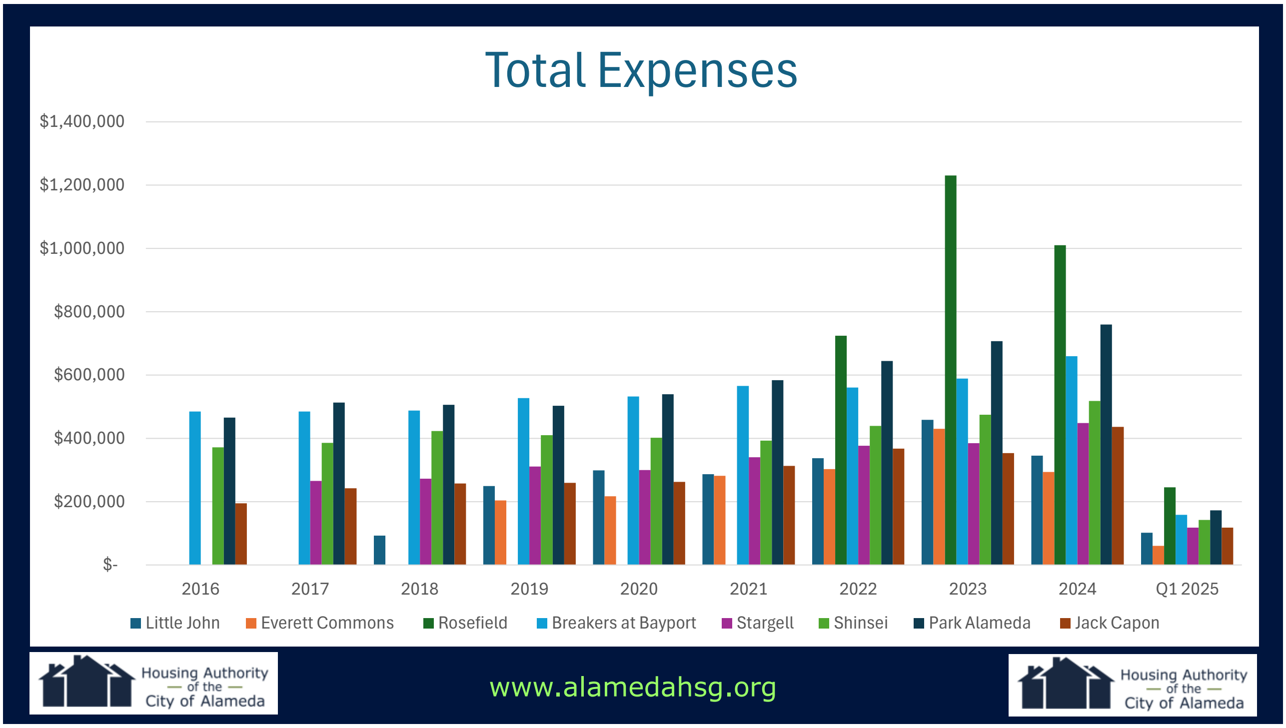
Total Expenses
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$-
2016
2017
2018
2019
2020
2021
2022
2023
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Q1 2025
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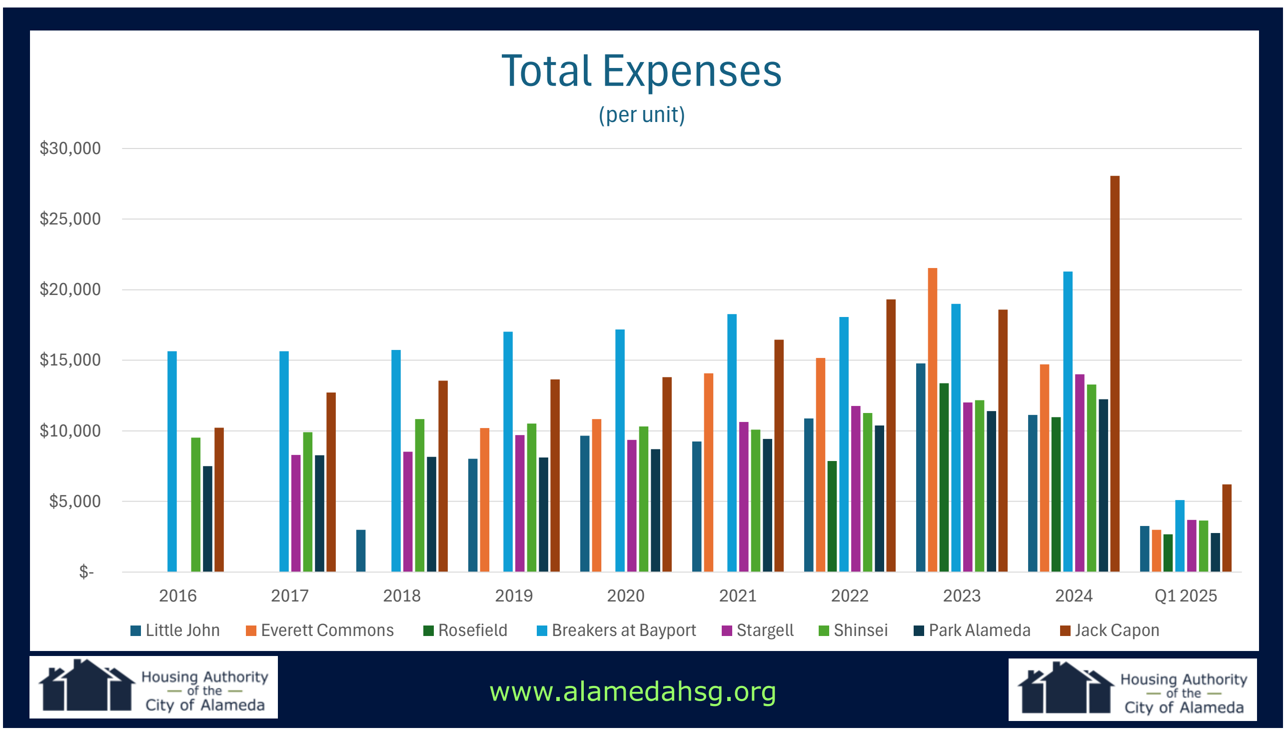
Total Expenses
(per unit)
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$-
2016
2017
2018
2019
2020
2021
2022
2023
2024
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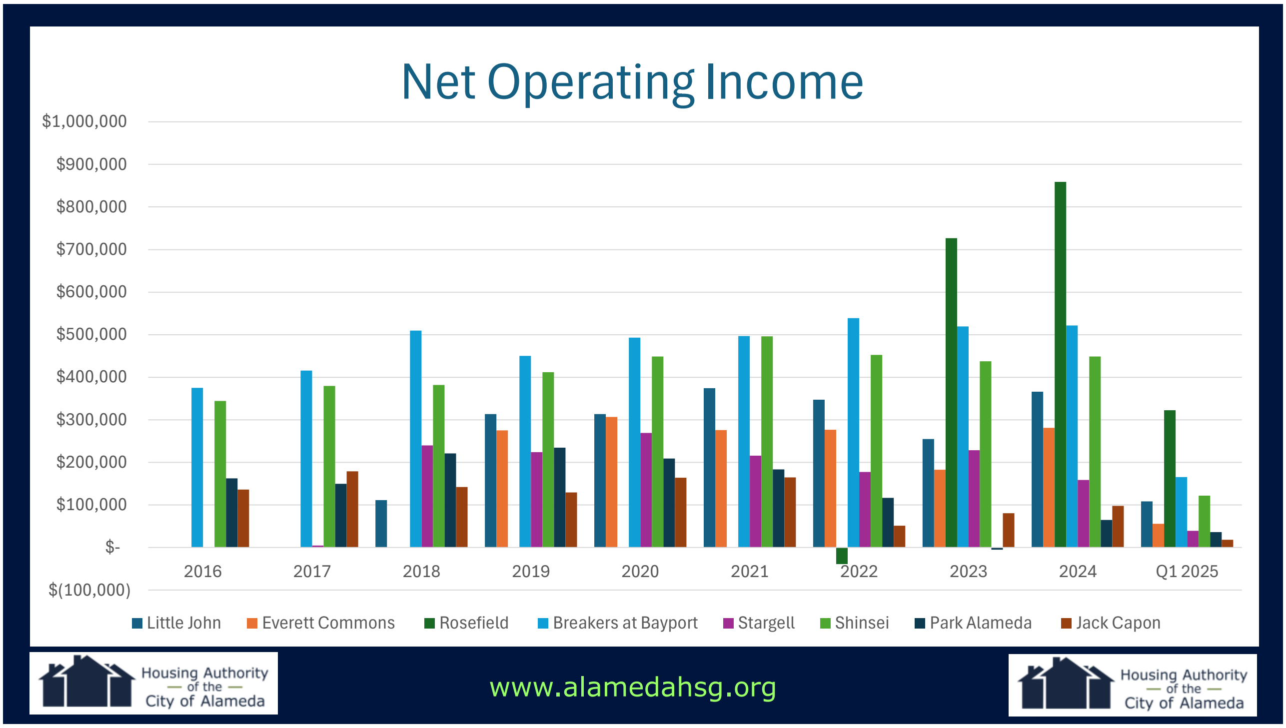
Net Operating Income
$1,000,000
$900,000
$800,000
$700,000
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$-
$(100,000)
2016
2017
2018
2019
2020
2021
2022
2023
2024
Q1 2025
Little John
Everett Commons
Rosefield
Breakers at Bayport
Stargell
Shinsei
Park Alameda
Jack Capon
Housing Authority of the City of Alameda
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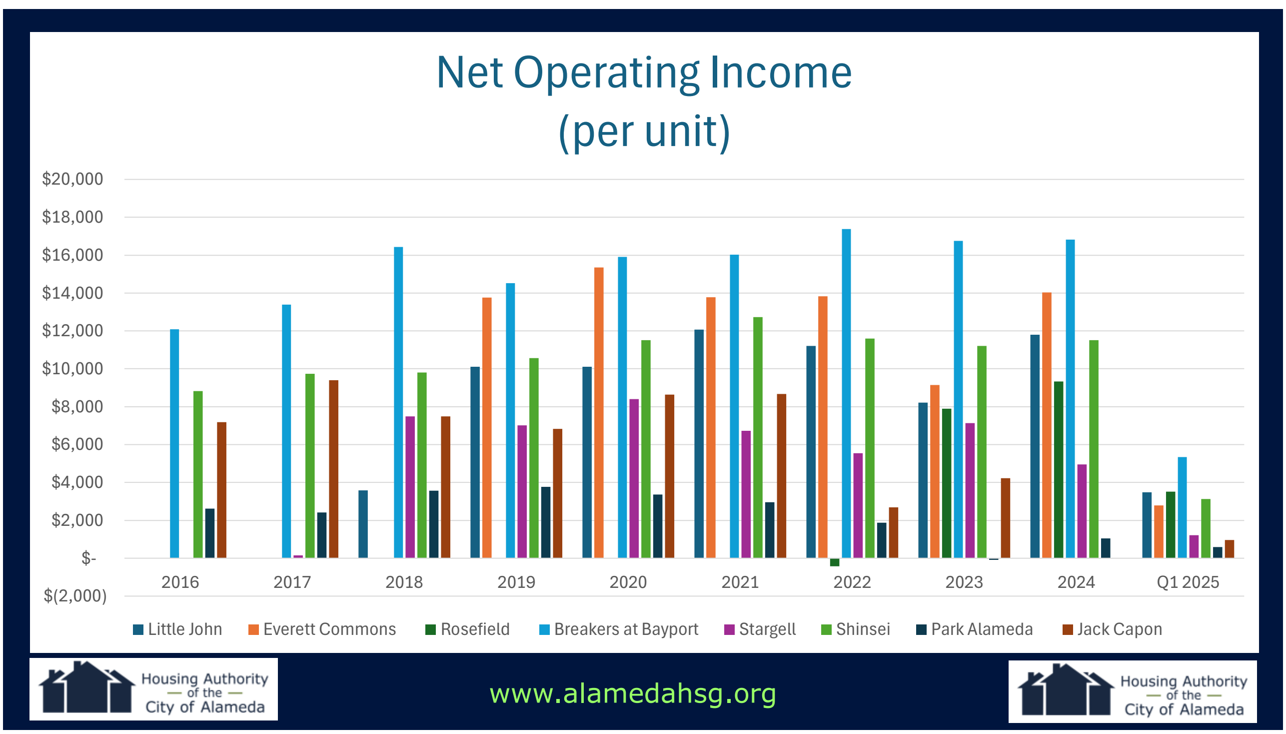
13


Net Operating Income
(per unit)
$20,000
$18,000
$16,000
$14,000
$12,000
$10,000
$8,000
$6,000
$4,000
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$(2,000)
2016
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Q1 2025
Little John
Everett Commons
Rosefield
Breakers at Bayport
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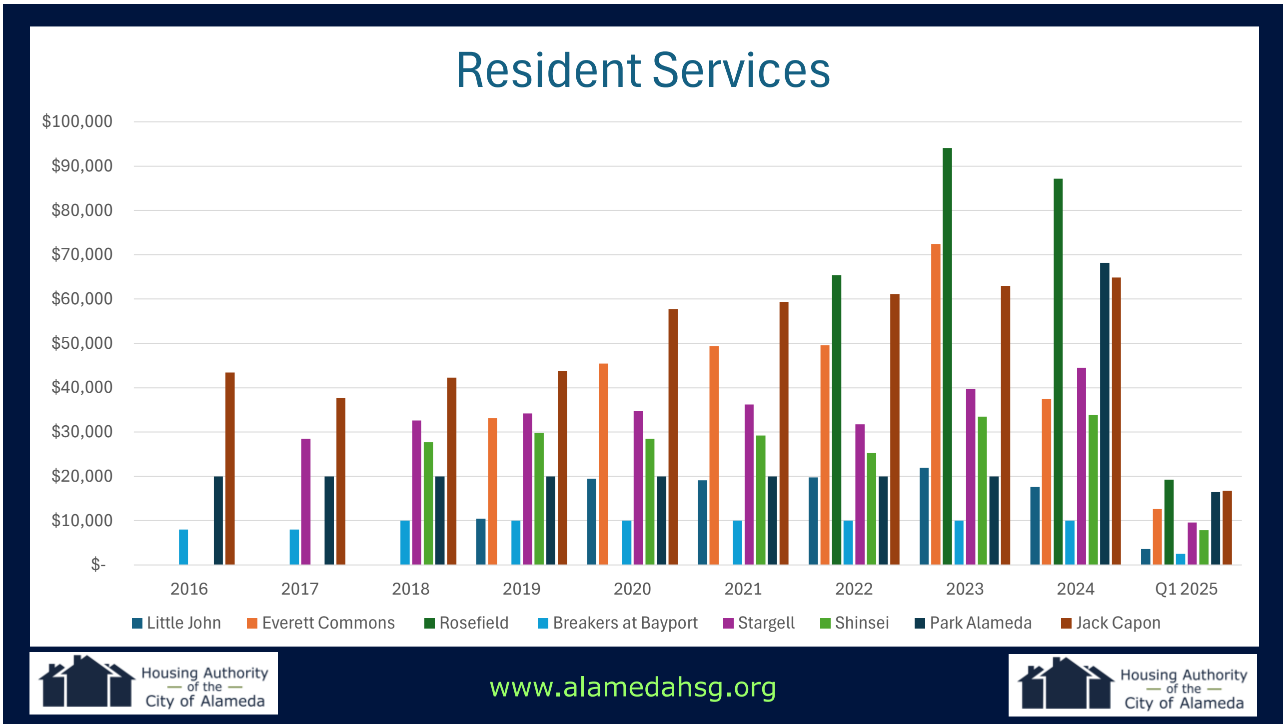

Resident Services
$100,000
$90,000
$80,000
$70,000
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$-
2016
2017
2018
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2020
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2022
2023
2024
Q1 2025
Little John
Everett Commons
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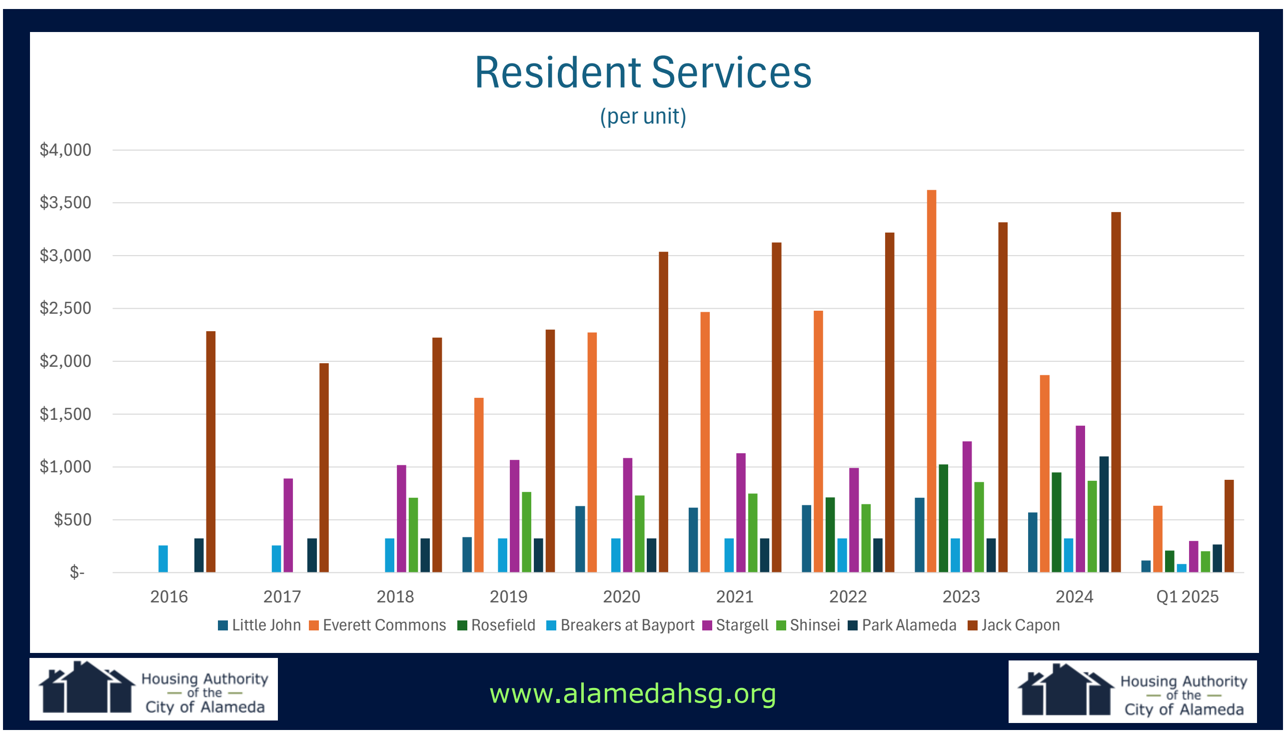

Resident Services
(per unit)
$4,000
$3,500
$3,000
$2,500
$2,000
$1,500
$1,000
$500
$-
2016
2017
2018
2019
2020
2021
2022
2023
2024
Q1 2025
Little John
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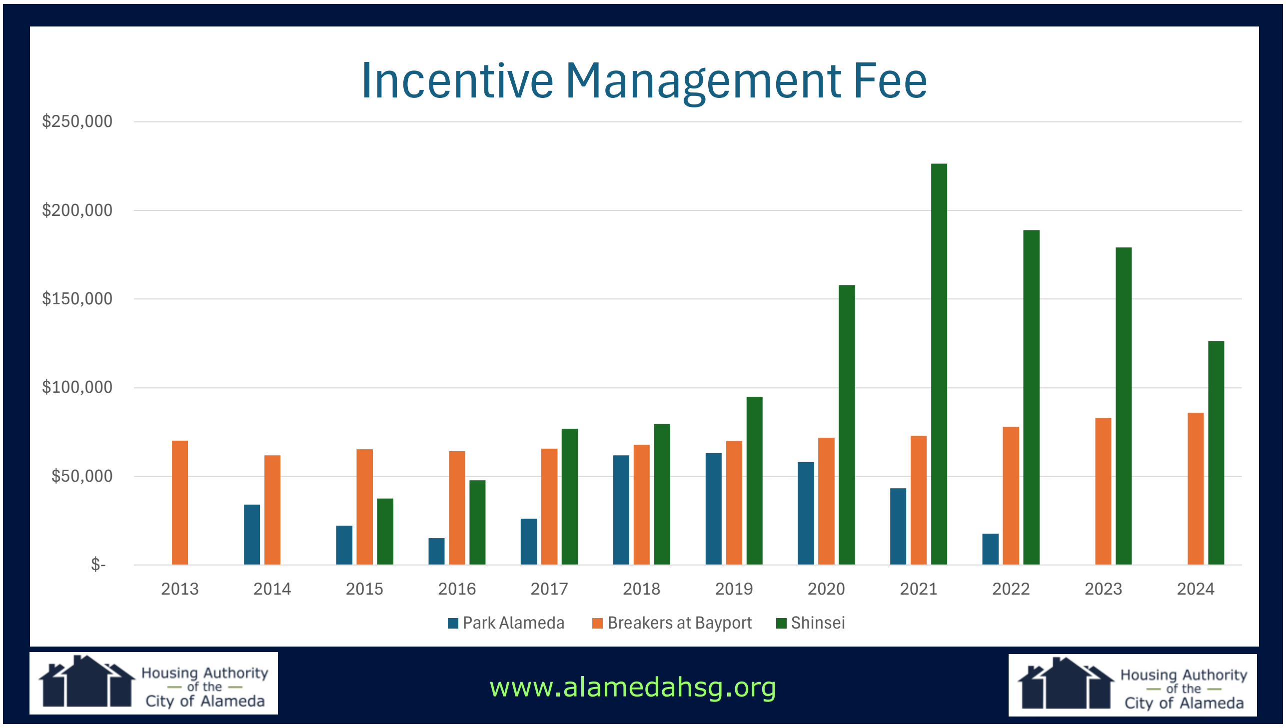
16


Incentive Management Fee
$250,000
$200,000
$150,000
$100,000
$50,000
$-
2013
2014
2015
2016
2017
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2019
2020
2021
2022
2023
2024
Park Alameda
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Income Statement	Jan-Mar
Number of Units	52

Breakers at Bayport

	Actual	Budget	Actual-Budget ($)	Actual-Budget (%)	PUPY
Rental Revenue	$ 179,260	$ 165,102	$ 14,158	9%	$ 13,789
Subsidy Revenue	$ 145,625	$ 160,607	$ (14,982)	-9%	$ 11,202
Vacancy Loss	$ (2,639)	$ (5,766)	$ 3,127	-54%	$ (203)
Other Income	$ 1,387	$ 7	$ 1,380	N/A	$ 107
Total Operating Revenue	**$ 323,633**	**$ 319,950**	**$ 3,683**	**1.2%**	**$ 24,895**
Administrative Expenses	$ 57,525	$ 55,088	$ 2,437	4%	$ 4,425
Utilities Expense	$ 17,253	$ 26,477	$ (9,224)	-35%	$ 1,327
Operating and Maintenance	$ 47,602	$ 50,731	$ (3,129)	-6%	$ 3,662
Taxes and Insurance	$ 33,233	$ 35,590	$ (2,357)	-7%	$ 2,556
Resident Services	$ 2,500	$ 2,500	$ -	0%	$ 192
Total Operating Expenses	**$ 158,113**	**$ 170,386**	**$ (12,273)**	**-7%**	**$ 12,163**
Net Operating Income	**$ 165,520**	**$ 149,564**	**$ 15,956**	**11%**	**$ 12,732**
Replacement Reserves	$ 3,875	$ 3,875			
Debt Service	$ 34,788	$ 34,788			
Net Cash Flow	**$ 126,857**	**$ 110,901**	**$ 15,956**	**14%**	**$ 9,758**
Debt Service Coverage Ratio	4.65	4.19			
Operating Expense PUPY	$ 12,163	$ 13,107			
Operating Expense PUPM	$ 4,054	$ 4,369			
Number of Units	52				
Months In YTD	3				

Income Statement	Jan-Mar
Number of Units	39

Shinsei Gardens

	Actual	Budget	Actual-Budget ($)	Actual-Budget (%)	PUPY
Rental Revenue	$ 123,040	$ 111,142	$ 11,898	11%	$ 12,619
Subsidy Revenue	$ 166,502	$ 168,838	$ (2,336)	-1%	$ 17,077
Vacancy Loss	$ (27,087)	$ (6,449)	$ (20,638)	320%	$ (2,778)
Other Income	$ 1,554	$ 998	$ 556	56%	$ 159
Total Operating Revenue	**$ 264,009**	**$ 274,529**	**$ (10,520)**	**-4%**	**$ 27,078**
Administrative Expenses	$ 50,791	$ 41,896	$ 8,895	21%	$ 5,209
Utilities Expense	$ 18,423	$ 19,233	$ (810)	-4%	$ 1,890
Operating and Maintenance	$ 41,562	$ 40,770	$ 792	2%	$ 4,263
Taxes and Insurance	$ 23,508	$ 25,294	$ (1,786)	-7%	$ 2,411
Resident Services	$ 7,857	$ 9,322	$ (1,465)	-16%	$ 806
Total Operating Expenses	**$ 142,141**	**$ 136,515**	**$ 5,626**	**4%**	**$ 14,579**
Net Operating Income	**$ 121,868**	**$ 138,014**	**$ (16,146)**	**-12%**	**$ 12,499**
Replacement Reserves	$ 5,850	$ 5,850			
Debt Service	None	None			
Net Cash Flow	**$ 116,018**	**$ 132,164**	**$ (16,146)**	**-12%**	**$ 11,899**
Debt Service Coverage Ratio	None	None			
Operating Expense PUPY	$ 14,579	$ 14,002			
Operating Expense PUPM	$ 4,860	$ 4,667			
Number of Units	39				
Months In YTD	3				

Income Statement	Jan-Mar
Number of Units	62

Park Alameda

	Actual	Budget	Actual-Budget ($)	Actual-Budget (%)	PUPY
Rental Revenue	$ 133,278	$ 141,415	$ (8,137)	-6%	$ 8,599
Subsidy Revenue	$ 104,228	$ 97,467	$ 6,761	7%	$ 6,724
Vacancy Loss	$ (31,787)	$ (12,333)	$ (19,454)	158%	$ (2,051)
Other Income	$ 2,569	$ 1,567	$ 1,002	64%	$ 166
Total Operating Revenue	**$ 208,288**	**$ 228,116**	**$ (19,828)**	**-9%**	**$ 13,438**
Administrative Expenses	$ 58,111	$ 60,706	$ (2,595)	-4%	$ 3,749
Utilities Expense	$ 23,432	$ 19,290	$ 4,142	21%	$ 1,512
Operating and Maintenance	$ 44,510	$ 42,941	$ 1,569	4%	$ 2,872
Taxes and Insurance	$ 29,762	$ 32,404	$ (2,642)	-8%	$ 1,920
Resident Services	$ 16,424	$ 18,421	$ (1,997)	-11%	$ 1,060
Total Operating Expenses	**$ 172,239**	**$ 173,762**	**$ (1,523)**	**-1%**	**$ 11,112**
Net Operating Income	**$ 36,049**	**$ 54,354**	**$ (18,305)**	**-34%**	**$ 2,326**
Replacement Reserves	$ 7,983	$ 7,983			
Debt Service	None	None			
Net Cash Flow	**$ 28,067**	**$ 46,372**	**$ (18,305)**	**-39%**	**$ 1,811**
Debt Service Coverage Ratio	None	None			
Operating Expense PUPY	$ 11,112	$ 11,210			
Operating Expense PUPM	$ 3,704	$ 3,737			
Number of Units	62				
Months In YTD	3				

Income Statement	Jan-Mar
Number of Units	32

Stargell Commons

	Actual	Budget	Actual-Budget ($)	Actual-Budget (%)	PUPY
Rental Revenue	$ 108,594	$ 121,658	$ (13,064)	-11%	$ 13,574
Subsidy Revenue	$ 56,433	$ 52,011	$ 4,422	9%	$ 7,054
Vacancy Loss	$ (9,339)	$ (4,662)	$ (4,677)	100%	$ (1,167)
Other Income	$ 1,651	$ 1,250	$ 401	32%	$ 206
Total Operating Revenue	**$ 157,339**	**$ 170,257**	**$ (12,918)**	**-8%**	**$ 19,667**
Administrative Expenses	$ 42,749	$ 37,439	$ 5,310	14%	$ 5,344
Utilities Expense	$ 14,669	$ 14,968	$ (299)	-2%	$ 1,834
Operating and Maintenance	$ 31,296	$ 28,545	$ 2,751	10%	$ 3,912
Taxes and Insurance	$ 19,930	$ 24,253	$ (4,323)	-18%	$ 2,491
Resident Services	$ 9,596	$ 11,164	$ (1,568)	-14%	$ 1,200
Total Operating Expenses	**$ 118,240**	**$ 116,369**	**$ 1,871**	**2%**	**$ 14,780**
Net Operating Income	**$ 39,099**	**$ 53,888**	**$ (14,789)**	**-27%**	**$ 4,887**
Replacement Reserves	$ 4,800	$ 4,800			
Debt Service	$ 17,289	$ 17,289			
Net Cash Flow	**$ 17,010**	**$ 31,799**	**$ (14,789)**	**-47%**	**$ 2,126**
Debt Service Coverage Ratio	1.98	2.84			
Operating Expense PUPY	$ 14,780	$ 14,546			
Operating Expense PUPM	$ 4,927	$ 4,849			
Number of Units	32				
Months In YTD	3				

Income Statement	Jan-Mar
Number of Units	19

Jack Capon Villas

	Actual	Budget	Actual-Budget ($)	Actual-Budget (%)	PUPY
Rental Revenue	$ 26,124	$ 26,757	$ (633)	-2%	$ 5,500
Subsidy Revenue	$ 106,076	$ 103,798	$ 2,278	2%	$ 22,332
Vacancy Loss	$ -	$ (3,917)	$ 3,917	-100%	$ -
Other Income	$ 4,202	$ 606	$ 3,596	593%	$ 885
Total Operating Revenue	**$ 136,402**	**$ 127,244**	**$ 9,158**	**7%**	**$ 28,716**
Administrative Expenses	$ 32,361	$ 26,970	$ 5,391	20%	$ 6,813
Utilities Expense	$ 6,777	$ 8,061	$ (1,284)	-16%	$ 1,427
Operating and Maintenance	$ 36,309	$ 46,989	$ (10,680)	-23%	$ 7,644
Taxes and Insurance	$ 10,755	$ 11,465	$ (710)	-6%	$ 2,264
Resident Services	$ 16,704	$ 16,704	$ -	0%	$ 3,517
Total Operating Expenses	**$ 102,906**	**$ 110,189**	**$ (7,283)**	**-7%**	**$ 21,664**
Net Operating Income	**$ 33,496**	**$ 17,055**	**$ 16,441**	**96%**	**$ 7,052**
Replacement Reserves	$ 2,850	$ 2,850			
Debt Service	$ 7,158	$ 7,158			
Net Cash Flow	**$ 23,488**	**$ 7,047**	**$ 16,441**	**233%**	**$ 4,945**
Debt Service Coverage Ratio	4.28	1.98			
Operating Expense PUPY	$ 21,664	$ 23,198			
Operating Expense PUPM	$ 7,221	$ 7,733			
Number of Units	19				
Months In YTD	3				

Income Statement	Jan-Mar
Number of Units	31

Littlejohn Commons

	Actual	Budget	Actual-Budget ($)	Actual-Budget (%)	PUPY
Rental Revenue	$ 43,552	$ 68,844	$ (25,292)	-37%	$ 5,620
Subsidy Revenue	$ 172,598	$ 154,191	$ 18,407	12%	$ 22,271
Vacancy Loss	$ (1,040)	$ (11,151)	$ 10,111	-91%	$ (134)
Other Gain/Loss	$ (565)	$ (6,131)	$ 5,566	-91%	$ (73)
Other Income	$ (4,688)	$ (3,994)	$ (694)	17%	$ (605)
Total Operating Revenue	**$ 209,857**	**$ 201,759**	**$ 8,098**	**4%**	**$ 27,078**
Administrative Expenses	$ 27,011	$ 32,049	$ (5,038)	-16%	$ 3,485
Utilities Expense	$ 10,284	$ 14,507	$ (4,223)	-29%	$ 1,327
Operating and Maintenance	$ 36,223	$ 23,238	$ 12,985	56%	$ 4,674
Taxes and Insurance	$ 24,417	$ 19,346	$ 5,071	26%	$ 3,151
Resident Services	$ 3,584	$ 5,612	$ (2,028)	-36%	$ 462
Total Operating Expenses	**$ 101,519**	**$ 94,752**	**$ 6,767**	**7%**	**$ 13,099**
Net Operating Income	**$ 108,338**	**$ 107,007**	**$ 1,331**	**1%**	**$ 13,979**
Replacement Reserves	$ 3,875	$ 3,875			
Debt Service	$ 59,127	$ 59,127			
Net Cash Flow	**$ 45,336**	**$ 44,005**	**$ 1,331**	**3%**	**$ 5,850**
Debt Service Coverage Ratio	1.77	1.74			
Operating Expense PUPY	$ 13,099	$ 12,226			
Operating Expense PUPM	$ 4,366	$ 4,075			
Number of Units	31				
Months In YTD	3				

Income Statement	Jan-Mar
Number of Units	20

Everett Commons

	Actual	Budget	Actual-Budget ($)	Actual-Budget (%)	PUPY
Rental Revenue	$ 47,753	$ 52,044	$ (4,291)	-8%	$ 9,551
Subsidy Revenue	$ 100,471	$ 127,083	$ (26,612)	-21%	$ 20,094
Vacancy Loss	$ (26,149)	$ (4,478)	$ (21,671)	484%	$ (5,230)
Other Gain/Loss	$ 11,447	$ (10,062)	$ 21,509	NA	$ 2,289
Other Income	$ (17,652)	$ (4,508)	$ (13,144)	292%	$ (3,530)
Total Operating Revenue	**$ 115,870**	**$ 160,079**	**$ (44,209)**	**-28%**	**$ 23,174**
Administrative Expenses	$ 8,516	$ 20,528	$ (12,012)	-59%	$ 1,703
Utilities Expense	$ (3,530)	$ 14,379	$ (17,909)	-125%	$ (706)
Operating and Maintenance	$ 28,566	$ 16,399	$ 12,167	74%	$ 5,713
Taxes and Insurance	$ 13,805	$ 16,500	$ (2,695)	-16%	$ 2,761
Resident Services	$ 12,634	$ 12,872	$ (238)	-2%	$ 2,527
Total Operating Expenses	**$ 59,991**	**$ 80,678**	**$ (20,687)**	**-26%**	**$ 11,998**
Net Operating Income	**$ 55,879**	**$ 79,401**	**$ (23,522)**	**-30%**	**$ 11,176**
Replacement Reserves	$ 3,377	$ 3,377			
Debt Service	$ 53,979	$ 53,979			
Net Cash Flow	**$ (1,477)**	**$ 22,045**	**$ (23,522)**	**-107%**	**$ (295)**
Debt Service Coverage Ratio	0.97	1.41			
Operating Expense PUPY	$ 11,998	$ 16,136			
Operating Expense PUPM	$ 3,999	$ 5,379			
Number of Units	20				
Months In YTD	3				

Income Statement	Jan-Mar
Number of Units	92

Rosefield Village

	Actual	Budget	Actual-Budget ($)	Actual-Budget (%)	PUPY
Rental Revenue	$ 194,166	$ 348,959	$ (154,793)	-44%	$ 8,442
Subsidy Revenue	$ 239,652	$ 217,981	$ 21,671	10%	$ 10,420
Vacancy Loss	$ (36,750)	$ (17,008)	$ (19,742)	116%	$ (1,598)
Other Gain/Loss	$ 130,928	$ 7,388	$ 123,540	NA	$ 5,693
Other Income	$ 40,024	$ (16,122)	$ 56,146	-348%	$ 1,740
Total Operating Revenue	**$ 568,020**	**$ 541,198**	**$ 26,822**	**5%**	**$ 24,697**
Administrative Expenses	$ 71,197	$ 68,594	$ 2,603	4%	$ 3,096
Utilities Expense	$ 43,642	$ 51,913	$ (8,271)	-16%	$ 1,897
Operating and Maintenance	$ 57,346	$ 46,558	$ 10,788	23%	$ 2,493
Taxes and Insurance	$ 53,988	$ 44,771	$ 9,217	21%	$ 2,347
Resident Services	$ 19,241	$ 21,490	$ (2,249)	-10%	$ 837
Total Operating Expenses	**$ 245,414**	**$ 233,326**	**$ 12,088**	**5%**	**$ 10,670**
Net Operating Income	**$ 322,606**	**$ 307,872**	**$ 14,734**	**5%**	**$ 14,026**
Replacement Reserves	$ 13,800	$ 13,800			
Debt Service	$ 153,339	$ 153,339			
Net Cash Flow	**$ 155,467**	**$ 140,733**	**$ 14,734**	**10%**	**$ 6,759**
Debt Service Coverage Ratio	2.01	1.92			
Operating Expense PUPY	$ 10,670	$ 10,145			
Operating Expense PUPM	$ 3,557	$ 3,382			
Number of Units	92				
Months In YTD	3				

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

ITEM 4.G

To: Board of Directors
Island City Development

From: Trevor Jones, Asset Manager

Date: June 18, 2025

Re: Approve Agreement between Eagle and Everett Limited Partnership and ItsElectric.

BACKGROUND

The State of California, particularly the CA Energy Commission (CEC) and other programs, are providing grants and rebate opportunities with priority for equity priority locations in alignment with the federal government's Justice40 initiative, which seeks to invest, at a minimum, 40% of funds towards historically disadvantaged communities. Other grant programs focus on Multi-Unit Development (MUD) hot spots. Communities in limited resource areas or low EnviroScreen tracts have less opportunity to access charging easily and may face cost barriers to charging an electric vehicle (EV) car. California is continuing to forward its no-emissions goals. Electric vehicles are one of the top markets being focused on. The State's Zero Emission Goals are 1.5 million EV cars on the road by 2025, 3 million by 2030, and 100% zero-emission cars by 2035. In order to make these goals a reality, the State is investing in increasing ownership and providing charging stations for those who use EV cars. These grants range from addressing the direct needs of current EV owners and the future demand for charging stations as EV ownership increases throughout the state.

The Housing Authority of the City of Alameda (AHA) is seeking to increase the accessibility of electric vehicle ownership and charging to its residents. Equity is the main focus of AHA's involvement in establishing charging stations. By participating in these programs, AHA is aligning its mission with state goals by providing direct benefits and opportunities for its residents, participants, and community, who have disproportionately and historically been exposed to persistent environmental, health, and other social burdens. This project will increase access to clean transportation and mobility options along with opportunities to transform behaviors and systems that may be harming the community's quality of life. The programs available to AHA incorporate community engagement, partnerships, and cross-agency collaboration, keeping equity as the core value of project implementation. AHA is working with multiple vendors and the City of Alameda to explore options that would not burden residents with high charging costs and simultaneously avoid undue burden on property operating budgets once installed.

In early 2024, the City of Alameda reached out to partner with AHA on the Public EV Charging Provider Request For Proposal (RFP) by adding properties from the Alameda Affordable Housing Corporation's (AAHC) portfolio as part of the scope. The properties selected were within neighborhoods identified as charging deserts by the City of Alameda.

The RFP aims to provide the public with EV chargers located within a quarter mile of all residents and within one-tenth of a mile of Multi-Unit Development (MUD) hot spots. AHA, as a partner with the City on this Proposal, supplied feedback and review of AAHC sites that would be most feasible and provided Everett Commons and Rosefield Village as potential properties.

AHA staff worked with Alameda Municipal Power (AMP) to review AAHC portfolio properties that may be applicable to the EV charger installation rebate program.

Implementing the installation of chargers at AAHC's multifamily sites provides new opportunities for residents to charge at or closer to home, improves air quality, increases vehicle and mobility awareness, affordability, and access. The installation of chargers may also reduce barriers, such as financing, that a resident may have when obtaining an EV vehicle. While equity for residents is the key driver of this project, AHA also works to increase its use of green practices across all levels of services it provides. Implementing EV charging reduces the carbon footprint of the properties' non-source point pollution while providing active benefits to tenants.

DISCUSSION

The City of Alameda received a grant from the State and chose ItsElectic via their procurement processes for the Public EV Charging Provider RFP. In early 2024, they partnered with AHA to include a list of the priority properties they would be interested in adding to the RFP scope. These properties were identified by the City as located in charging deserts. AHA reviewed the property lists and conducted site visits with ItsElectric to identify properties with feasible EV charging destinations. Everett Commons met the requirements for installing street-side EV charging, including the electric meter being less than 100 feet from the charger location, street-side parking, and sidewalk infrastructure to place the podium on (see attached Site Map). Everett Commons would provide the electricity and meter housing to power the stations. AHA would not pay out-of-pocket for the costs of this project and the property could potentially receive nominal profits from this model.

Staff have reviewed the attached Licensing Agreement between ItsElectric and Eagle and Everett Limited Partnership and are in agreement with the terms, as have our investors and lenders. The Provider (ItsElectric) desires to install, operate, and maintain two EV charging stations for use by the general public. The term of the Agreement is two years with an option to extend the Agreement for up to an additional three years. The Provider is solely responsible for all costs associated with providing equipment and services, installation, and the repair and removal of the EV Charging Stations.

The revenue share is usage-dependent and set at a fixed rate of $0.06 per kilowatt. The electrical usage costs incurred by the EV Charging Stations are tracked by the Provider and paid back directly to the property for reimbursement.

FISCAL IMPACT

There will be nominal shared revenue with the property.

CEQA

Not applicable.

RECOMMENDATION

Accept the proposal by ItsElectric to install EV Charging at Everett Commons.

ATTACHMENTS

1. ItsElectric Presentation 2.0
2. AHA_ Agreement - EV Charging Stations(1010191.6)_for signature

Respectfully submitted,
Trevor Jones
Trevor Jones, Asset Manager

ItsElectric Charging at Everett Commons

REVIEW OF PROPOSED LOCATION AND AGREEMENT

Island City Development

1

Purpose

Equity – residents may not have access to chargers in Multifamily areas.

- Increase vehicle and transportation accessibility
- Reduce emissions creating cleaner air
- Address barriers to EV ownership

California moves to its no emissions goal of 1.5 M EV cars on the road by 2025 and 3M by 2030 and 100% zero emission cars by 2035.

EV charging programs provide opportunities for rebates on installation or partnerships that provide minimal costs to AHA and serve its participants.

Island City Development

2

Timeline

Year	Month	Action
2024	February	The City of Alameda (COA) requested AHA's review of their Public Electric Vehicle (EV) Charging Provider RFP, inviting AHA to be a partner for charging sites. (ItsElectric)
2024	April	AHA was selected for the AMP multifamily feasibility study and provided Independence Plaza as the study site. (CLEAResult and EvCharge4u)
2024	August	Site visits to Eagle Village, Rosefield Village, and Everett Commons were conducted for COA and ItsElectric.
2024	November	AHA reviewed contracts and agreements between ItsElectric, AHA, and the City.
2024	December	AHA Legal reviewed the contract and provided proposed changes to ItsElectric.
2025	January	ItsElectric contract is sent to Enterprise for review and approval.
2025	June	The project is formally presented to the Board for Approval.
2025	July	Installation of the EV Charging Stations.

Island City Development

3

COA & ItsElectric Public Charging Provider

This program is at no cost to Everett Commons to implement and will be handled mainly between the City of Alameda and ItsElectric.

ItsElectric will install charging stations for street parking and manage operation of the systems.

AHA is providing access and use of space on properties for meter housing and charging station infrastructure.

Island City Development

4

Charging Location

Island City Development

5

ItsElectric

Type of ownership	# of ports	Cost
Own EV Charger (incentive)	2	$0
Annual Ops. & Maint.	2	$0

Property involved: Everett Commons

Serves public and residents

Trenching and installation of two charging stations along sidewalk parking areas.

Separate meter installation for chargers. (1 port/ charger)

AHA may receive nominal profits.

Island City Development

6

Recommendation

Accept the proposal by ItsElectric to install EV Charging at Everett Commons.

Next Steps: Everett and Eagle Limited Partnership will sign the Agreement with ItsElectric and begin installation in the third quarter of 2025.

Island City Development

EV CHARGER HOST SITE LICENSE AGREEMENT

This **EV CHARGER HOST SITE LICENSE AGREEMENT** ("Agreement") is made and entered by and between It's Electric Inc., a Delaware C Corp. with principal offices located at Newlab - itselectric, Brooklyn Navy Yard, Building 128, 19 Morris Ave, Brooklyn, NY 11205 ("Provider"), and the Everett and Eagle LP, with principal offices at 701 Atlantic Avenue, Alameda, CA 94501 ("Host"). Provider and Host are sometimes hereinafter referred to individually as a "Party" and collectively as "Parties".

RECITALS

A. Host is the owner of certain properties in fee and/or easement interest as identified in Section 3(b) below (collectively "Property").

B. Provider desires to install, operate, and maintain one or more electric vehicle ("EV") charging stations for use by the general public ("Users") on the Property.

C. Provider and Host now desire to set forth the terms and conditions for placement of the charging stations by Provider on the Property.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

(a) Section 1. Incorporation of Recitals.

(b) The foregoing Recitals are incorporated herein by reference.

(c) Section 2. Effective Date and Term; Option to Extend.

This Agreement shall be effective on the date that both Parties have executed the Agreement (the "Effective Date"). The term of this Agreement begins on the Effective Date and continues for a period of two (2) years, unless terminated as provided herein. Host shall have the option to extend the term of the Agreement for up to an additional three (3) years subject to ninety (90) days written notice to Provider prior to the expiration of the initial two (2) year term of the Agreement.

Section 3. License.

(a) Host represents and warrants that it is the owner of the Property or that it holds a lease or option to renew the lease for the Property of equal or greater length than the term of this Agreement, and that Host has all the rights to control the uses of the Property and no encumbrances that would interfere with Host's ability to control and to determine the uses of the Property.

(b) For the term of this Agreement, Host hereby grants to Provider an exclusive, revocable license to install, construct, operate, maintain and, as required herein, remove one or more EV Charging Stations EV charging stations on the Property legally described in Exhibit "A" and depicted in Exhibit "B", each of which are attached hereto and incorporated herein by reference ("Site Location"), subject to compliance with all of the terms and conditions of this Agreement.

Section 4.   Provider Access to Property.

(a) Host hereby grants Provider, its agents and representatives the right to access the Site Location for the purpose of installing, inspecting, replacing, repairing, maintaining and upgrading each EV Charging Station at any reasonable time if Provider gives Host notice a minimum of 48 hours before such visit, and at all times between the hours of 8:00AM and 6:00PM local time.

(b) In the event of termination or expiration of this Agreement, Provider and its representatives shall retain the right to access the Property in order to remove any EV Charging Station, in accordance with Section 9 below, and subject to the notice requirements set forth in Section 17.

Section 5.   Installation and Construction of EV Charging Stations on the Property.

(a) Provider shall furnish all equipment for, construct and maintain the EV charging stations in accordance with applicable laws and regulations at the Provider's sole cost, risk, and responsibility.

(b) In furtherance hereof, Provider shall furnish and install Electric Vehicle charging stations that may consist of:

(1) Two (2) UL-certified, Level-2, 32 amp electric vehicle chargers ("EV Chargers") which are suitable for use at the curb along the Property's frontage in a publicly accessible exterior location and equipped with a cellular data connection that reports all EV Charger usage data to the Provider's cloud-based customer management platform and also include electrical meters that track the rate and amount of electricity transferred to Users' EVs;

(2) Exterior charging bollards that are approximately 7" x 7" x 44" and will be mounted to the ground in an area adjacent to a dedicated parking space, whether owned by the Host or the local municipality; and

(3) Connection boxes that are a PVC weather-proof container, approximately 15" x 14" x 7", and will be mounted adjacent to the Property's main electrical panel or in another suitable location agreed to in writing by the Host and Provider.

(c) EV charging stations are and will remain the property of Provider. Host shall not sell, lease, assign, retire, dispose of, remove or move EV Chargers during the term of this Agreement or as otherwise agreed to in writing by the Host and Provider.

(d) Provider shall be solely responsible for all costs associated with the provision of equipment and services, installation, repair and removal of EV Charging Stations, including permitting and licensing fees, project management, and any associated costs. There are no costs to the Host except where any provision, installation, repair or removal costs directly arise out of or relate to any intentional or negligent acts by or reckless disregard of Host or its agents.

(e) Provider has subcontracted with a third-party installer ("Installer") to supply and install the EV Charging Station on the Property. Final electrical connection of the EV Charging Station to power must be performed by Installer. Other installation work prior to the final electrical connection of the EV Charging Station to power may be performed by Installer or Provider in collaboration with the Installer.

(f) Provider shall be responsible for:

(1) submitting a work plan to Host for review and comment no later than two weeks prior to installation;

(2) obtaining and providing proof to Host of any and all necessary federal, state or municipal licenses, permits and/or approvals for the installation and operation of the EV Charging Stations at the Site Location;

(3) preparing the Site Location for installation of each EV Charging Station, which may include (i) installation of conduit and wiring under turf or lawn, and (ii) concrete, lawn and asphalt repairs required for subgrade conduit installations;

(4) the interconnection of each EV Charging Station with Host's electric service; and

(5) Direct payment for any and all payments due and owing to Installer for services provided as described herein. Provider acknowledges, agrees, and understands that Host shall not have any obligation to make any payments to Installer pursuant to the terms of this Agreement and, further, shall not serve as a conduit for any payments by Provider to Installer.

(g) Host shall be responsible for:

(1) providing approval for Provider's Installation work plan and any permitting applications required by local authorities within ten (10) business days of receiving such documents from Provider; and

(2) cooperating and assisting, as reasonably requested by Provider, in obtaining all licenses, permits and approvals; except for any payments of money.

<u>Section 6</u>. <u>Operation of EV Charging Stations</u>.

(a) Provider shall be responsible for:

(1) managing and maintaining the EV Charging Station;

(2) providing customer service to Users, and arranging for repairs, software/firmware updates and maintenance;

(3) managing User accounts and billing;

(4) providing each EV Charging Station with cellular service and managing the cellular provider;

(5) managing all fees, taxes, and costs associated with operating EV Charging Stations on Host's Property and providing service to Users; and

(6) providing marketing and outreach materials to Host so Host may provide to potential and/or existing Users.

(b) Host shall be responsible for:

(1) keeping the Site Location clean and maintaining the space surrounding each EV Charging Station in a safe, neat, and orderly condition in accordance with all applicable municipal and state laws; and

(2) ensuring all taxes, rents, mortgages, utilities and other payments are fully paid to ensure continuity of site control without encumbrances.

Section 7. Revenue Sharing and Utility Reimbursement.

(a) EV Charging Stations will generate proceeds, measured monthly, from Users who pay usage- and session-based fees for parking and charging ("Revenue") at a rate established at the sole discretion of Provider.

(b) In exchange for operating EV Charging Stations at Host's Property, Provider shall pay Host by the end of the following month:

(1) a share of Revenue ("Share") at a fixed rate of $0.06 per kilowatt hour; and

(2) electrical usage costs incurred by EV Charging Stations ("Reimbursement") as tracked by the Provider's cloud-based platform.

(c) Payments shall be made quarterly via electronic payment by Provider to Host. Host shall prescribe in writing (via e-mail or letter) to Provider any specific details as to procedure to submit payments, which procedures may be amended from time to time subject to forty-five (45) days prior written notice (via e-mail or letter).

Section 8. Repair and Maintenance to EV Charging Stations.

(a) Provider shall be responsible for and maintain the EV charging stations, the area around the EV Charging stations, and the Host Property so as to keep the equipment and area in a neat, clean, first-class condition and in good order.

(b) Provider shall be responsible for the costs associated with maintenance of the EV Charging stations, at the Host Property. In the event Provider does not maintain the EV Charging stations, and the Host Property as required herein, Host may terminate the Agreement as more particularly provided in Section 10 below.

(c) Provider shall be solely responsible for all necessary servicing and repair of EV Charging Stations, including a monthly inspection conducted by Provider or Provider's designee. Provider shall provide copies of each monthly inspection to Host within five (5) business days of the inspection being conducted in accordance with the notice provisions of Section 17 below.

(d) In the event of EV Charging Station failure, damage, or other problem requiring repair, replacement, adjustment or maintenance, Host shall notify Provider or Provider's designee as soon as practicable upon becoming aware of such failure or problem, by email (support@itselectric.us) or phone (833-433-7033).

(e) Provider's servicing and repairs shall be completed within a commercially reasonable period based on the specific problem, but no later than ten (10) business days after Host notifies Provider.

(f) Host shall neither perform nor permit anyone without Provider's prior written approval to perform any service or repair work on any EV Charging Station.

(g) The Provider shall be responsible for addressing and resolving all customer complaints related to the usage of EV charging stations. This responsibility includes, but is not limited to, handling issues concerning:

1. Charger reliability and performance.
2. Malfunctioning or out-of-service chargers.
3. Inconsistent or fluctuating charging speeds.
4. Charging sessions that are unexpectedly cut short.
5. Payment-related issues, including payment declines and challenges with the payment system.
6. Maintenance problems affecting charger functionality.
7. Customer service and support for any charging-related concerns.

All complaints should be addressed by contacting the Provider via phone at (833-433-7033)or by emailing support@itselectric.us.

<u>Section 9</u>. <u>Removal of EV Charging Stations</u>.

(a) Provider shall be solely responsible for removing EV Charging Stations and all associated equipment from Host's property at its own costs within ninety (90) days upon termination of the Agreement by either Party, expiration of the Agreement, or as mutually agreed upon in writing between the parties.

(b) Provider shall remove the EV charging stations and restore the Property to its former condition, at Provider's sole cost and expense. Pictures shall be taken by Provider prior to installation and following removal of the Property and provided to Host within three (3) business days of each to appropriately determine compliance with this section.

(c) In the event Provider fails to remove the EV charging stations and restore the Host Property within said time period, Host shall have the right to do so without notice. Provider shall immediately reimburse Host for all out of pocket expenses expended to remove the EV charging stations and restore the Property. Said amounts shall accrue interest from the date expended by Host at the lesser of ten percent (10%) per annum or the maximum non-usurious interest rate permitted by law.

Section 10. Termination of Agreement.

(a) Either Party may terminate this Agreement with cause upon the occurrence of a breach by the other party, provided that such breach continues for thirty (30) days after the non-breaching Party gave written notice of such breach to the breaching Party.

(b) Either Party may terminate this Agreement without cause subject to ninety (90) days' prior written notice to the other Party.

(c) This Agreement establishes a license and does not require Host to provide a reason for termination. However, reasons for termination may include, but are not limited to, (i) Provider's failure to comply with the conditions of this Agreement; (ii) Provider's failure to maintain the EV Charging stations in accordance with this Agreement; (iii) the EV charging stations are determined to be a hazard to safety, health, or public welfare; (iv) the area dedicated to the EV charging stations is needed for another public purpose; or (v) any other cause, or no cause, and Host shall not be liable for any damage or expense to Provider resulting therefrom.

(d) All amounts required to be paid pursuant to Section 7 above shall be made within ten (10) business days of the effective date of termination.

Section 11. Expiration of License.

The Agreement shall expire when Provider removes the EV charging stations and associated equipment from the Property and restore the Property to its former condition in accordance with Section 9 above.

Section 12. Indemnification.

(a) To the fullest extent allowable by law, Provider shall hold harmless, defend at its own expense, and indemnify Host from and against any and all damages, liabilities, claims, losses, damages, or expenses, including reasonable attorney's fees, arising from all acts or omissions to act of Provider or its agents or employees in connection with Provider's performance of work or its failure to comply with any of its obligations contained in this Agreement, excluding, however, such liability, claims, losses, damages, or expenses arising from Host's sole negligence or willful acts.

(b) Any damage alleged to be caused by Provider's facilities to a person, his/her property, and/or to his/her electric vehicle shall be the sole responsibility of Provider to address and resolve at no cost or expense to Host. It is the express intent of this Agreement that Host shall not be held responsible for any such damage and that Provider will hold harmless, defend at its own expense, and indemnify Host from and against any and all said damages.

(c) These defense and indemnity obligations shall survive the termination or expiration of this Agreement and are in addition to, and not limited by, the Insurance obligations in this Agreement, for a maximum of four (4) years.

Section 13. Release.

Host shall bear no responsibility, or liability, for, and Provider agrees to hold the Host harmless from, any damage to the EV charging stations from any cause, including, but not limited to, damage resulting from the construction, maintenance, use, repair, or presence of Host facilities on Host's Property or removal of the EV charging stations. Any complaints or concerns from Users or others related to the EV charging stations shall be addressed solely by Provider.

Section 14. Relationship of the Parties.

The relationship between the parties is that of independent contractors and licensor/licensee. Nothing contained in this Agreement shall be construed as creating any agency, partnership, franchise, business opportunity, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

Section 15. Insurance.

Provider agrees to provide Host with certificates of Commercial General Liability (CGL) insurance satisfactory to the Host. Certificates of liability insurance must be provided to Host annually. Provider must notify Host thirty (30) days prior to cancellation or change in said insurance.

(d) Commercial General Liability insurance at least as broad as Insurance Services Office (ISO) from CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, with minimum limits of $1 million per occurrence and $2 million in the aggregate shall be maintained at all times during the term of this Agreement. These limits may be increased by the Host based on changes in the insurance marketplace.

(e) Housing Authority of the City of Alameda and its affiliate, Island City Development and its Subsidiaries, 2437 Eagle Avenue LLC, Host, and their departments, their respective directors, officers, officials, Boards of Commissioners, employees, agents, and volunteers are to be named as additional insureds for all liability arising out of work or operations performed by or on behalf of Provider including products sold and materials, parts, or equipment furnished in connection with such work or operations. An additional insured form ISO CG 20 12, or equivalent, is required. Provider shall provide additional insured form ISO CG 20 10 11 85, or form(s) at least as broad. Provider shall provide a Certificate of Insurance naming Host as additional insured; with the liability insurance limits of $1 million for each occurrence and $2 million in the aggregate.

(f) If Provider maintains broader coverage and/or higher limits than the minimums shown above, Host requires and shall be entitled to the broader coverage and/or higher limits maintained by Provider.

(g) The additional insured coverage under Provider's policies must be primary and non-contributory and will not seek contribution to any loss or claim from Host's insurance, or self-insurance, and shall be at least as broad as ISO CG 20 01 12 19.

(h) Provider hereby grants to Host a waiver of any right to subrogation which any insurer of Provider may acquire against Host by virtue of the payment of any loss under such insurance. Provider agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not Host has received a waiver of subrogation endorsement from the insurer.

(i) Provider shall procure and maintain continuous coverage for the life of this Agreement against claims for injures to persons or damages to property which may arise from or in connection with the performance of the work in this Agreement and the results of that work by Provider, its agents, employees, or subcontractors. Should any of the above insurance coverages be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance written notice to Host. Should Provider fail to maintain insurance as required, Host may take such action as it deems necessary to protect its interests. Such action may include, but is not limited to, termination of this Agreement or other action as Host deems appropriate.

(j) All subcontractors employed by Provider shall be required to furnish proof of Commercial General Liability insurance with coverage at least as broad as required of Provider in Section 14 of this Agreement. Provider must verify that all subcontractors or other parties hired for work, services, or operations in connection with this Agreement have purchased and maintained such coverage and that all Parties to this Agreement are endorsed as additional insured. Host reserves the right to requires Provider provide a certificate of insurance as proof of compliance and verification by the subcontractors upon request.

(k) Workers' Compensation, as required by the State of California, with Statutory Limits and Employers' Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease. This requirement does not apply to sole proprietors.

(l) Automobile Liability: ISO Form Number CA 00 01 coverage any auto (Code 1), or if Consultant has no owned autos, hired (Code 8) and non-owned autos (Code 9) with limit no less than $1 million for bodily injury and property damage. This requirement does not apply if no motor vehicles are used in providing services under the contract.

Section 16. Damage to Host Property.

Provider assumes responsibility and liability for all damage to the Host Property caused by construction or maintenance of the Encroachment and shall reimburse Host for correction of any such damage. Upon failure of Provider to so reimburse Host, the costs incurred by Host in repairing any property shall be a debt of the Provider to Host, and recoverable by Host in any manner provided by law. Moreover, Provider acknowledges that Host may record and enforce a lien upon Provider's Property in order to recover such costs.

Section 17. Notices.

Each party shall deliver all notices hereunder in writing and shall deliver them by email, personal delivery, or certified registered mail, first class postage fully prepaid, return receipt requested, addressed to Provider and Host at their respective addresses as listed below. Any party may change its email contact address or postal address for notice in accordance with the terms of this section.

Provider

Nathan King
nathan@itselectric.us
Newlab – itselectric
Brooklyn Navy Yard, Building 128
19 Morris Ave.
Brooklyn, NY 11205

Host

Everett and Eagle LP
701 Atlantic Avenue
Alameda, CA 94501

Section 18. Attorneys' Fees.

In any action between the Parties hereto seeking enforcement of this Agreement, or in connection with the License or the Permit, the prevailing Party in such action shall be entitled to have and to recover from the other Party its reasonable attorneys' fees and other reasonable expenses in connection with such action or proceeding in addition to its recoverable court costs.

Section 19. Amendment or Modification.

This Agreement may not be modified or amended except by written agreement executed by the then-owner of the Provider's Property and the Host Property and recorded in the Office of the County Recorder, County of Los Angeles, California.

Section 20. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of California and any legal action shall be brought in a court of competent jurisdiction in Alameda County.

Section 21. Confidentiality.

This Agreement shall be confidential unless disclosure is required by law.

Section 22. Assignment.

The rights under this Agreement shall not be assigned or transferred without the written consent of Host. Any such purported assignment or transfer without Host's written consent shall be void and of no effect.

Section 23. Waiver.

a. No waiver of any term or right in this Agreement shall be effective unless in writing, signed by an authorized representative of the waiving Party. The failure of either Party to enforce any provision of this Agreement shall not be construed as a waiver or modification of such provision, or impairment of its right to enforce such provision thereafter.

Section 24. Authority to Bind.

b. Each of the Parties represents, warrants and agrees that any person executing this Agreement on its behalf has the full right and authority to enter this Agreement on behalf of that Party.

Section 25. Severability.

The invalidity or unenforceability of any provision of this Agreement with respect to a particular Party or set of circumstances shall not in any way affect the validity and enforceability of any other provision hereof or the same provision when applied to another Party or to a different set of circumstances.

c. Section 26. Entire Agreement.

The undersigned declares and represents that no promise, inducement, or agreement not herein expressed, has been made to the undersigned and that this Agreement contains the entire agreement between the Parties hereto and that the terms of this Agreement are contractual and not a mere recital.

Section 27. Incorporation of Exhibit(s).

Exhibit “A” and Exhibit “B” attached hereto are incorporated herein by reference.

Section 28. Counterparts and Electronic Signatures.

This Agreement may be executed in multiple counterparts, each of which shall be considered an original but all of which shall constitute one agreement. The Parties also hereby consent to the use of electronic and digital signatures.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date this Agreement is signed by both Parties.

"HOST"

EVERETT AND EAGLE L.P.,
A California Limited Partnership

By: 2437 Eagle Avenue, LLC,
A California limited liability company,
Its managing general partner

By: Island City Development,
A California nonprofit public benefit corporation, its Manager and Sole Member

Signature: ______________________________
Vanessa Cooper
Everett and Eagle L.P.'s representative

Date: ____________________________________

ATTEST:

____
____________, __________

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

____
Adrian R. Guerra, Special Counsel

"PROVIDER"

IT'S ELECTRIC INC.

Signature: ______________________________
Nathan King
Chief Executive Officer

Date: May 1, 2025

EXHIBIT A

LEGAL DESCRIPTION OF OWNER'S PROPERTY

Legal Description

Real property in the City of Alameda, County of Alameda, State of California, described as follows:

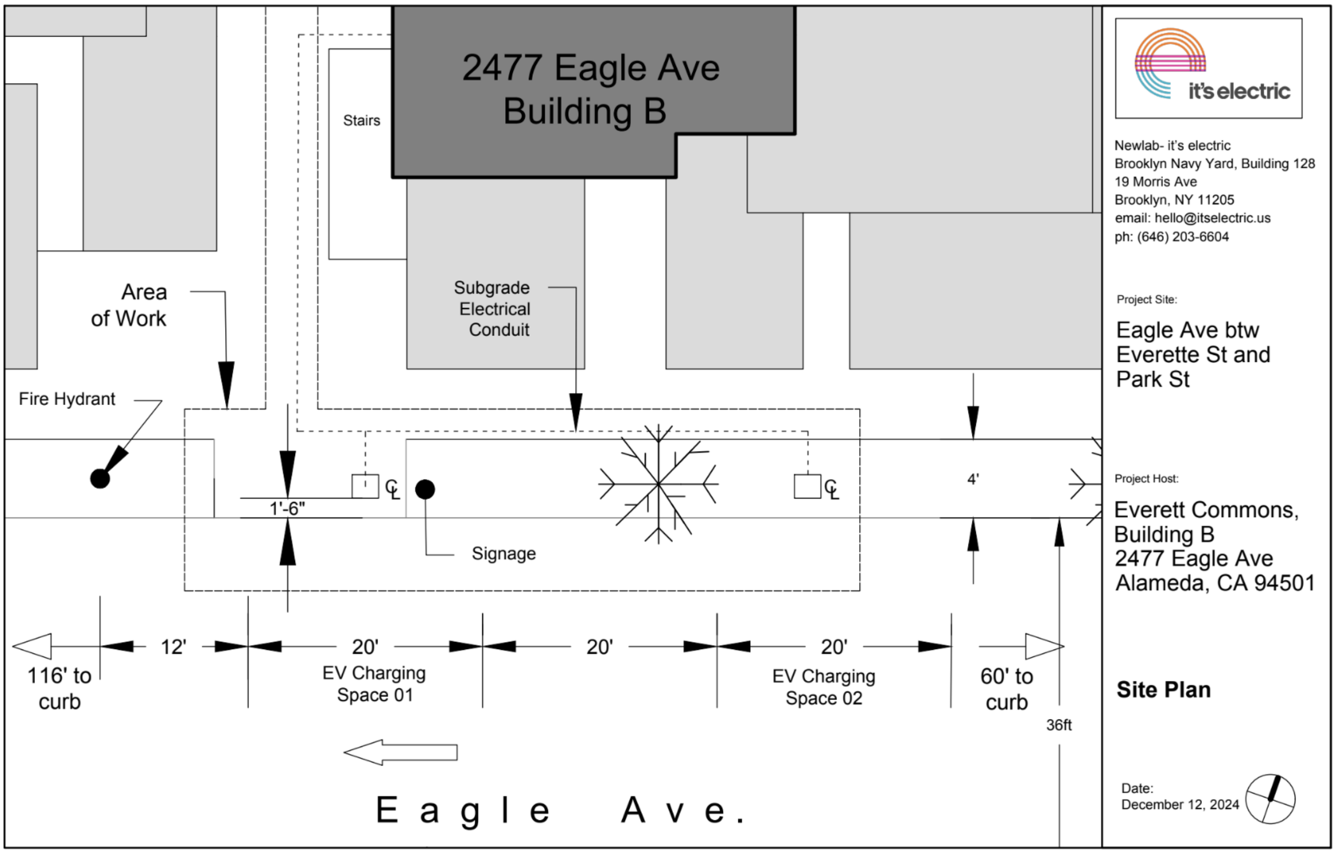
ALL OF LOTS 13, 15, 17, 18 AND 19 IN BLOCK F, AS SAID LOTS AND BLOCK ARE SHOWN ON THE MAP OF ALAMEDA STATION HOMESTEAD TRACT, FILED MARCH 14, 1868 IN BOOK 17 OF MAPS, PAGE 60, ALAMEDA COUNTY RECORDS.

Also described as follows:

BEGINNING AT THE SOUTH CORNER OF SAID LOT 17; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID LOTS 17, 15 AND 13 NORTH 55°37'07" WEST 240.07 FEET TO THE WEST CORNER OF SAID LOT 13; THENCE ALONG THE NORTHWESTERLY LINE OF SAID LOT 13 NORTH 34°21'13" EAST 150.07 FEET TO THE NORTH CORNER OF SAID LOT 13; THENCE ALONG THE NORTHEASTERLY LINE OF SAID LOTS 13, 15 AND 19 SOUTH 55°38'29" EAST 240.04 FEET TO THE EAST CORNER OF SAID LOT 19; THENCE ALONG THE SOUTHEASTERLY LINE OF SAID LOTS 19, 18 AND 17 SOUTH 34°20'40" WEST 150.17 FEET TO THE POINT OF BEGINNING.

APN: 070-0193-011

SITE MAP


2477 Eagle Ave
Building B
Stairs
Area
of Work
Subgrade
Electrical
Conduit
Fire Hydrant
1'-6"
Signage
4'
12'
20'
EV Charging
Space 01
20'
20'
EV Charging
Space 02
116' to
curb
60' to
curb
36ft
E a g l e A v e .
it's electric
Newlab- it's electric
Brooklyn Navy Yard, Building 128
19 Morris Ave
Brooklyn, NY 11205
email: hello@itselectric.us
ph: (646) 203-6604
Project Site:
Eagle Ave btw
Everette St and
Park St
Project Host:
Everett Commons,
Building B
2477 Eagle Ave
Alameda, CA 94501
Site Plan
Date:
December 12, 2024

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: June 18, 2025

Re: Approve Contract Amendment No.5 Not to Exceed $195,032.33 with Gubb and Barshay for Linnet Corner, Approve Contract Amendment No.5 Not to Exceed $185,032.34 with Gubb and Barshay for Estuary I, and Approve Contract Amendment No.5 Not to Exceed $195,032.33 with Gubb and Barshay for Estuary II.

BACKGROUND

Island City Development (ICD) performs real estate development services for the North Housing project. ICD is the developer of North Housing Block A, which is the first phase of North Housing, with a total of 155 apartments, to be built as three separate projects: The Estuary I, The Estuary II, and Linnet Corner.

The North Housing Project is the redevelopment of approximately 12 acres of land at the former Alameda Naval Air Station (NAS) at the site known as Coast Guard Housing. The Housing Authority is leading the development under a homeless accommodation conveyance, alongside partners Alameda Point Collaborative (APC) and Building Futures. The North Housing parcel was successfully transferred to Housing Authority ownership on May 30, 2019. The Housing Authority of the City of Alameda Board of Commissioners approved the Agency's Vision for the North Housing site at its August 2019 meeting.

Please see previous Board reports for project details.

At the June 26, 2024 ICD Meeting, the Board ratified contracts with Gubb and Barshay for Low-Income Housing Tax Credit (LIHTC) and Real Estate Transaction Legal Services for a not-to-exceed contract amount between Gubb and Barshay and Lakehurst and Mosley LP of $126,699 for Estuary I, a not-to-exceed contract amount between Gubb and Barshay and Mosley and Mabuhay LP of $136,699 for Estuary II, and a not-to-exceed contract amount between Gubb and Barshay and Mabuhay and Lakehurst LP for $136,699 Linnet Corner projects.

On July 23, 2024, the North Housing LP's entered into a First Amendment to the Consultant Services Contract with Gubb and Barshay to allow them to contract specialty legal services from Nixon Peabody LLP for environmental legal services and environmental scoping review for the North Housing Master Plan. The Amendments did not increase the budgets of the contracts and only allocated a portion of the unused expense contingencies. $3,333.33 was allocated to the contract between Gubb and Barshay and Mosley and Mabuhay LP for Estuary II and to the contract between Gubb and Barshay and Mabuhay and Lakehurst LP, and $3,333.33 was allocated to the contract between Gubb and Barshay and Lakehurst and Mosley LP.

At the October 16, 2024 ICD Meeting, the Board ratified the Second Amendment to the Consultant Services Contract with Gubb and Barshay for the three proposed projects at North Housing Block A. The contract amendments requested an additional $90,000 for ongoing environmental legal services with Nixon Peabody LLP, split among the three contracts.

At the February 19, 2025 ICD Meeting, the Board approved the contract amendments for an additional $10,000 for ongoing environmental legal services with Nixon Peabody LLP, to be split among the three contracts.

At the May 20, 2025 ICD Meeting, the Board approved the contract amendments for an additional $20,000 for ongoing environmental legal services with Nixon Peabody LLP, to be split among the three contracts.

DISCUSSION

With the soil offhaul completed, there are numerous close out reports that satisfy the Soil Management Plan requirements. Nixon Peabody, LLC is assisting with reviewing, correcting, and completing these reports, and will also respond to review agency questions. The estimate of full costs for all three projects is $175,000 for prior and costs to complete, to be split among the three North Housing projects.

Legal Services Contract Amendments with Gubb and Barshay LLP

For continuity and business needs, staff recommends the Board to accept staff's recommendation to approve the attached legal services contract amendments with Gubb and Barshay for the three proposed projects at North Housing Block A. The contract amendments request an additional $55,000 for ongoing environmental legal services with Nixon Peabody LLP, to be split among the three contracts.

The new not-to-exceed contract amount between Gubb and Barshay and Lakehurst and Mosley LP is $185,032.34 for the Estuary I project.
The new not-to-exceed contract amount between Gubb and Barshay and Mosley and Mabuhay LP is $195,032.33 for the Estuary II project.
The new not-to-exceed contract amount between Gubb and Barshay and Mabuhay and Lakehurst LP is $195,032.33 for the Linnet Corner project.

The legal services contract amendments are attached to this memo.

FISCAL IMPACT

The cost of the contract amendments discussed above is within the budget for the three proposed projects at North Housing Block A.

CEQA
N/A

RECOMMENDATION
Approve Contract Amendment No.5 Not to Exceed $195,032.33 with Gubb and Barshay for Linnet Corner, Approve Contract Amendment No.5 Not to Exceed $185,032.34 with Gubb and Barshay for Estuary I, and Approve Contract Amendment No.5 Not to Exceed $195,032.33 with Gubb and Barshay for Estuary II.

ATTACHMENTS
1. 25_0618_NH Seniors Fifth Amendment to Gubb and Barshay Legal Services Contract
2. 25_0618_NH PSH II Fifth Amendment to Gubb and Barshay Legal Services Contract
3. 25_0618_NH PSH I Fifth Amendment to Gubb and Barshay Legal Services Contract

Respectfully submitted,

Sylvia Martinez, Director of Housing Development

FIFTH AMENDMENT TO CONSULTANT SERVICES CONTRACT

THIS FIFTH AMENDMENT TO CONSULTANT SERVICES CONTRACT ("Amendment"), entered into this 18th day of June 2025 ("Effective Date"), by and between MABUHAY AND LAKEHURST LP, a California limited partnership (hereinafter referred to as "Owner"), and Gubb and Barshay LLP, a California limited liability partnership whose address is 235 Montgomery Street, Suite 1110 San Francisco, CA 94104, (hereinafter referred to as "Consultant"), is made with reference to the following:

RECITALS:

A. Owner and Consultant are parties to that certain CONSULTANT SERVICES CONTRACT entered into as of January 22, 2024 ("Consultant Agreement").

B. The Original Consultant Agreement had a contract value not to exceed $136,699.00.

C. At the request of Owner, the Consultant entered into with the Housing Authority of the City of Alameda (aka Alameda Housing Authority) and Nixon Peabody LLP (“Nixon”) an agreement on July 23, 2024 herewith (the “Nixon Contract”), pursuant to which Nixon will provide certain services to Client.

D. Owner agreed and acknowledged that Consultant will not supervise or oversee the provision of services by Nixon under the Nixon Contract and that Consultant shall not be liable or responsible for any of the services provided by Nixon (including, without limitation, with respect to any professional malpractice claims).

E. The First Contract Amendment, The Nixon Contract, did not increase the budget and only allocated $3,333.33 of the unused expense contingencies to the Nixon Contracts.

F. At the request of Consultant, Owner shall pay Nixon directly for the amounts due under the Nixon Contract. Owner shall indemnify and reimburse Consultant for any payments Consultant is required to pay to Nixon under the Nixon Contract, except to the extent that Owner has previously paid such amount to Consultant for payment to Nixon.

G. The Second Contract Amendment, entered into on October 16, 2024, added $30,000 to the contract amount

H. The Third Contract Amendment, entered into January 22, 2025, added $3,333.33 to the contract amount.

I. The Fourth Contract Amendment entered into May 20,2025, added $6,666.67 and the requirement that Mabuhay and Lakehurst LP is to be listed on all insurance and updated certificates are to be provided.

J. Owner and Consultant desire to enter into this Fifth Amendment to address the Nixon Contract as discussed in more detail below.

K. All conditions of the Consultant Agreement 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 One Hundred Seventy-Six Thousand Six Hundred and Ninety-Nine Dollars and Zero Cents ($176,699.00) TO One Hundred Ninety-Five Thousand and Thirty-Two Dollars and Thirty-Three Cents ($195,032.33) to

The additional scope of work and fee of $18,333.33 shall be paid for Nixon Peabody work for environmental legal services and environmental scoping unless otherwise directed by the Owner in writing. An updated engagement letter is attached as Exhibit B.

[SIGNATURES ON FOLLOWING PAGE]

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

"CONSULTANT"

Gubb and Barshay LLP, a California limited liability partnership

By:_________________________

Name: Henry Loh II

Its: Partner

.

"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 non-profit public benefit corporation, its sole manager

By:______________________________
Vanessa Cooper, President

EXHIBIT A

SUMMARY OF COSTS

CONTRACT	Seniors
Original	$ 136,699.00
Amendment 1	$ -
Amendment2	$ 30,000.00
Amendment3	$ 3,333.33
Amendment 4	$ 6,666.67
Amendment 5	$ 18,333.33
	$ 195,032.33

EXHIBIT B

ENGAGEMENT LETTER WITH NIXON PEABODY FOR UP TO $175,000
ATTACHED
NOTE: THIS AMOUNT IS SHARED WITH
TWO OTHER NORTH HOUSING PROJECTS
AT APPROXIMATELY $58,333 EACH

FIFTH AMENDMENT TO CONSULTANT SERVICES CONTRACT

THIS FIFTH AMENDMENT TO CONSULTANT SERVICES CONTRACT ("Amendment"), entered into this 18th day of June 2025 ("Effective Date"), by and between MOSLEY AND MABUHAY LP, a California limited partnership (hereinafter referred to as "Owner"), and Gubb and Barshay LLP, a California limited liability partnership whose address is 235 Montgomery Street, Suite 1110 San Francisco, CA 94104, (hereinafter referred to as "Consultant"), is made with reference to the following:

RECITALS:

A. Owner and Consultant are parties to that certain CONSULTANT SERVICES CONTRACT entered into as of January 22, 2024 ("Consultant Agreement").

B. The Original Consultant Agreement had a contract value not to exceed $136,699.00.

C. At the request of Owner, the Consultant entered into with the Housing Authority of the City of Alameda (aka Alameda Housing Authority) and Nixon Peabody LLP ("Nixon") an agreement on July 23, 2024 herewith (the "Nixon Contract"), pursuant to which Nixon will provide certain services to Client.

D. Owner agreed and acknowledged that Consultant will not supervise or oversee the provision of services by Nixon under the Nixon Contract and that Consultant shall not be liable or responsible for any of the services provided by Nixon (including, without limitation, with respect to any professional malpractice claims).

E. The First Contract Amendment, The Nixon Contract, did not increase the budget and only allocated $3,333.33 of the unused expense contingencies to the Nixon Contracts.

F. At the request of Consultant, Owner shall pay Nixon directly for the amounts due under the Nixon Contract. Owner shall indemnify and reimburse Consultant for any payments Consultant is required to pay to Nixon under the Nixon Contract, except to the extent that Owner has previously paid such amount to Consultant for payment to Nixon.

G. The Second Contract Amendment, entered into on October 16, 2024, added $30,000 to the contract amount.

H. The Third Contract Amendment, entered into on January 22, 2025 added $3,333.33 to the contract amount.

I. The Fourth Contract Amendment entered into May 20, 2025, added $6,666.67 and the requirement that Mosely and Mabuhay LP is to be listed on all insurance and updated certificates are to be provided.

J. The Owner and Consultant desire to enter into this Fifth Amendment to address the Nixon Contract as discussed in more detail below.

K. All conditions of the Consultant Agreement 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 One Hundred Seventy-Six Thousand Six Hundred and Ninety-Nine Dollars and Zero Cents $176,699.00) to One Hundred Ninety-Five Thousand and Thirty-Two Dollars and Thirty-Three Cents ($195,032.33) to Exhibit A shows the details of this total of all amendments.

The additional scope of work and fee of $18.333.33 shall be paid for Nixon Peabody work for environmental legal services and environmental scoping unless otherwise directed by the Owner in writing. An updated engagement letter is attached as Exhibit B.

[SIGNATURES ON FOLLOWING PAGE]

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

"CONSULTANT"

Gubb and Barshay LLP, a California limited liability partnership

By:___________________________

Name: Henry Loh II

Its: Partner

"Owner"

Mosley and Mosely LP, a California limited partnership

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

By: Island City Development, a California non-profit public benefit corporation, its sole manager

By:________________________________
Vanessa Cooper, President

EXHIBIT A

SUMMARY OF COSTS

CONTRACT	**PSHII**
Original	**$ 136,699.00**
Amendment 1	$ -
Amendment2	**$ 30,000.00**
Amendment3	**$ 3,333.33**
Amendment 4	**$ 6,666.67**
Amendment 5	**$ 18,333.33**
	$ 195,032.33

EXHIBIT B

ENGAGEMENT LETTER WITH NIXON PEABODY FOR UP TO $175,000,
ATTACHED
NOTE: THIS AMOUNT IS SHARED WITH
TWO OTHER NORTH HOUSING PROJECTS
AT APPROXIMATELY $58,333 EACH

FIFTH AMENDMENT TO CONSULTANT SERVICES CONTRACT

THIS FIFTH AMENDMENT TO CONSULTANT SERVICES CONTRACT ("Amendment"), entered into this 18th day of June 2025 ("Effective Date"), by and between LAKEHURST AND MOSLEY LP, a California limited partnership (hereinafter referred to as "Owner"), and Gubb and Barshay LLP, a California limited liability partnership whose address is 235 Montgomery Street, Suite 1110 San Francisco, CA 94104, (hereinafter referred to as "Consultant"), is made with reference to the following:

RECITALS:

A. Owner and Consultant are parties to that certain CONSULTANT SERVICES CONTRACT entered into as of January 22, 2024 ("Consultant Agreement").

B. The Original Consultant Agreement had a contract value not to exceed $126,699.00.

C. At the request of Owner, the Consultant entered into with the Housing Authority of the City of Alameda (aka Alameda Housing Authority) and Nixon Peabody LLP (“Nixon”) an agreement on July 23, 2024 herewith (the “Nixon Contract”), pursuant to which Nixon will provide certain services to Client.

D. Owner agreed and acknowledged that Consultant will not supervise or oversee the provision of services by Nixon under the Nixon Contract and that Consultant shall not be liable or responsible for any of the services provided by Nixon (including, without limitation, with respect to any professional malpractice claims).

E. The First Contract Amendment, The Nixon Contract, did not increase the budget and only allocated $3,333.33 of the unused expense contingencies to the Nixon Contracts.

F. At the request of Consultant, Owner shall pay Nixon directly for the amounts due under the Nixon Contract. Owner shall indemnify and reimburse Consultant for any payments Consultant is required to pay to Nixon under the Nixon Contract, except to the extent that Owner has previously paid such amount to Consultant for payment to Nixon.

G. The Second Contract Amendment, entered into on October 16, 2024, added $30,000 to the contract amount.

H. The Third Contract Amendment, entered into on January 22, 2025 added $3,333.34 to the contract amount.

I. The Fourth Contract Amendment entered into May 20, 2025, added $6,666.66 and the requirement that Lakehurst and Mosely LP is to be listed on all insurance and updated certificates are to be provided.

J. The Owner and Consultant desire to enter into this Fifth Amendment to address the Nixon Contract as discussed in more detail below.

K. All conditions of the Consultant Agreement 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 One Hundred Sixty-Six Thousand Six Hundred and Ninety-Nine Dollars and Zero Cents ($166,699.00) to One Hundred Eighty-Five Thousand and Thirty-Two Dollars and Thirty-Four Cents ($185,032.34) to. Exhibit A shows the details of this total of all amendments.

The additional scope of work and fee of $18,333.34 shall be paid for Nixon Peabody work for environmental legal services and environmental scoping unless otherwise directed by the Owner in writing. An updated engagement letter is attached as Exhibit B.

[SIGNATURES ON FOLLOWING PAGE]

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

"CONSULTANT"

Gubb and Barshay LLP, a California limited liability partnership

By:___________________________

Name: Henry Loh II

Its: Partner

"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 non-profit public benefit corporation, its sole manager

By:_________________________________

Vanessa Cooper, President

EXHIBIT A

SUMMARY OF COSTS

CONTRACT	PSHI
Original	$ 126,699.00
Amendment 1	$ -
Amendment2	$ 30,000.00
Amendment3	$ 3,333.34
Amendment 4	$ 6,666.66
Amendment 5	$ 18,333.34
	$ 185,032.34

EXHIBIT B

ENGAGEMENT LETTER WITH NIXON PEABODY FOR UP TO $175,000
ATTACHED
NOTE: THIS AMOUNT IS SHARED WITH
TWO OTHER NORTH HOUSING PROJECTS
AT APPROXIMATELY $58,333 EACH

ITEM 4.I

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:	June 18, 2025
Re:	Accept a Loan from the Housing Authority of the City of Alameda of up to $500,000 for Future Funding Applications for Estuary II, with the Stipulation to Seek Other Local Funding

BACKGROUND

Estuary II is the remaining Block A project that is fully entitled, building permit ready, but yet to receive all its financing. It has applied in the last three years for tax credit and/or bond financing and has come close to an award based on scoring, but has not been awarded the financing. In less than one year, some of the existing commitments will begin to expire. In addition, state and federal sources may be in shorter supply iin the future.

The Housing Authority of the City of Alameda's (AHA) current funding commitment to Estuary II is $3,750,000, matched by the State Local Housing Trust Fund amount of $1,250,000 for a $5,000,000 loan through the Alameda Affordable Housing Trust Fund (AAHTF). In addition, the AHA Board of Commissioners approved up to $1,500,000 in master plan cost funding for the offsite components of the project.

DISCUSSION

The timing of tax credit and other applications is unpredictable, and many times applied-for funds are pending, but not fully committed, at the time of a tax credit or bond financing round. Staff is continually looking for methods to streamline applications and present the most competitive scenario. Where small, but significant amounts of local funding are pending, AHA can choose to make a commitment to backfill these sources, and seek replacement commitments later. In particular, staff has identified the City's current HOME/PLHA commitment of approximately $170,000, which has a conditional award that will not be committed until the end of August 2025. There are potential other PLHA funds of several hundred thousand dollars that could be committed by AHA now to assist with the July 2025 application season and be back filled with City commitments at a later date.

This action has a precedent with Rosefield Village, where AHA made a multi-million-dollar commitment so that the project could achieve substantial leverage points, and all funds committed by AHA were later replaced with other local sources. A chart of AHA commitments to previous projects is included in the presentation attached.

Staff request that the Board consider accepting a loan of up to $500,000 to backfill local commitments, with the stipulation that staff continue to apply for local funds to assist AHA with this addition to its already considerable investment at North Housing. Staff will continue to keep the AHA and ICD Boards informed of the status of the use of this additional loan commitment, and any potential replacement funds.

FISCAL IMPACT

The fiscal impact of this small additional loan should be temporary, as $170,000 is expected to be finalized in August, and other applications can be made in 2026 to provide repayment of funds to AHA. The loan, if needed during construction, would be under the same terms as other AHA debt, 55 years, residual receipts loan paid from a pro rata share with other lenders.

CEQA

N/A

RECOMMENDATION

Accept a Loan from the Housing Authority of the City of Alameda of up to $500,000 for Future Funding Applications for Estuary II, with the Stipulation to Seek Other Local Funding.

ATTACHMENTS

None

Respectfully submitted,

Sylvia Martinez, Director of Housing Development