

**ISLAND CITY DEVELOPMENT**

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To: Board of Directors
Island City Development

From: Louie So, Chief Financial Officer

Date: December 17, 2025

Re: Authorize and approve the President to Negotiate and Execute a Second Amendment to the Consultant Services Contract between Island City Development and Holthouse Carlin & Van Trigt for audit and tax services, increasing the contract amount by \$250,000 for a new total contract amount not to exceed \$600,000 with no further extensions.

BACKGROUND

As a non-profit corporation, Island City Development ("ICD") is required to obtain an annual independent audit and file tax returns with the Internal Revenue Service and the Franchise Tax Board. Furthermore, its legal affiliates, including limited liability companies and low-income housing tax credit limited partnerships, require audited financials and tax returns prepared by a qualified audit and tax firm. Under ICD's Procurement Policy and Procedures, in compliance with HUD guidelines, it is preferable to enter into a multi-year contract for ongoing auditing and tax services.

Currently, Holthouse Carlin & Van Trigt LLP provides audit and tax services to ICD, various LLC entities, Everett Commons, Rosefield Village, predevelopment review of the North Housing parcel and ICD's equity interest in Stargell Commons and Shinsei Gardens.

Please note that Novogradac and Company LLP (San Francisco) provides audit and tax services to ICD for North Housing, including Estuary I, Linnet Corner and predevelopment work for Estuary II and their not to exceed contract amount is not requested to be increased in this memorandum.

DISCUSSION

In November 2021, ICD issued a Request for Proposal for audit and tax services. In December 2021, the ICD Board of Directors authorized the President or designee to negotiate a three-year contract for \$225,000 for audit and tax preparation services for Island City Development, with an option to extend, in the amount not to exceed \$350,000 for the five-year period with Holthouse Carlin Van Trigt LLP. The original contract was executed on January 31, 2022.

In November 2024, the ICD Board approved an increase of \$125,000 and an extension to January 31, 2027. A First Amendment to Consultant Services Agreement was executed on April 21, 2025 to extend the term to January 31, 2027 and increase the amount by \$125,000,



to bring the not to exceed amount to \$350,000. Please note that there are typos on the First Amendment which the Second Amendment will resolve.

Staff is proposing an increase of \$250,000 so that the not to exceed amount will increase from \$350,000 to \$600,000 with no further extension of the term. The additional \$250,000 will allow additional work for ICD, various LLC entities, LIHTC properties that ICD operates (Littlejohn Commons, Everett Commons, Rosefield Village), LIHTC equity investments (Stargell, Shinsei Gardens) and potentially The Poplar. Furthermore, audit and tax rules continue to change and create complexity. Additionally, Holthouse Carlin & Van Trigt will need to review Novogradac and Company LLP's work as it relates to the consolidation of the Island City Development financial statements. Incurred invoices (paid and unpaid) are approximately \$300,000 from January 2022 through December 2025. Annual spend for ICD related work for 2026 is expected to be in the range of \$150,000 (lower range) to \$250,000 (upper range).

Finance staff have been satisfied with the client communication and final deliverables of Holthouse Carlin & Van Trigt. A Request for Proposals is expected to be issued in the late Summer of 2026 ahead of the contract termination date of January 2027.

FISCAL IMPACT

The Island City Development and affiliate budgets includes funding for auditing and tax services for the current fiscal year and there are adequate operating funds. Future budgets will incorporate sufficient funds to cover pursuant to the contract.

CEQA

N/A

RECOMMENDATION

Authorize and approve the President to Negotiate and Execute a Second Amendment to the Consultant Services Contract between Island City Development and Holthouse Carlin & Van Trigt for audit and tax services, increasing the contract amount by \$250,000 for a new total contract amount not to exceed \$600,000 with no further extensions.

ATTACHMENTS

1. ICD + HCVT Extension (SECOND AMENDMENT - 12.2025)

Respectfully submitted,
Louie So
Louie So, Chief Financial Officer



SECOND AMENDMENT TO AGREEMENT

This Second Amendment of the Agreement, entered into this 11th day of December 2025, by and between the ISLAND CITY DEVELOPMENT, a non profit corporation (hereinafter referred to as "ICD") and HOLTHOUSE CARLIN & VAN TRIGT, a limited liability partnership (hereinafter referred to as "CONSULTANT") is made with reference to the following:

RECITALS:

- A. On January 31, 2022, an agreement was entered into by and between ICD and Consultant (hereinafter "Agreement") for a Not To Exceed amount of \$225,000 with a contract term date of January 31, 2025 through a Request For Proposals issued on November 18, 2021.
- B. On April 4, 2025, a first amendment to the agreement was entered to extend the term to January 31, 2027 with an increase of \$125,000. This increase brings the Not To Exceed amount to \$350,000.

ICD and Consultant desire to modify the Agreement and First Amendment on the terms and conditions set forth herein.

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

- 1. The Not To Exceed amount for the entire Agreement shall be increased by TWO HUNDRED THOUSAND (\$250,000) for a total of SIX HUNDRED THOUSAND (\$600,000).
- 2. Consultant confirms that all work completed to December 17, 2025 has been invoiced and the invoices have been received by the AHA. No late invoices that are received after the execution of this second amendment will be honored for payment for the period prior to December 17, 2025.

Except as expressly modified herein, all other terms and covenants set forth in the Agreement shall remain the same and shall be in full force and effect.

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

HOLTHOUSE CARLIN & VAN TRIGT LLP

Island City Development

David Bierhorst
Partner

Louie So
Chief Financial Officer

Vanessa Cooper
President

Agenda Item 6.C

December 2025 ICD Board of Directors Meeting

PRESENTED BY LEON KO
DEVELOPMENT ACCOUNTING OFFICER



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Agenda Item 6.C

- We are requesting that the ICD Board of Directors to Authorize and approve the President to Negotiate and Execute a Second Amendment to the Consultant Services Contract between Island City Development and Holthouse Carlin & Van Trigt for audit and tax services, increasing the contract by \$250,000 for a new total contract amount not to exceed \$600,000 with no further extensions



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Board Approval History and Plan

- November 2021 - ICD issued a RFP for audit and tax services
- December 2021 - ICD Board of Directors authorized a contract of \$225,000, not to exceed \$350,000 for the 5 year period with HCVT. Contract was executed January 2022. Note: Novogradac and Company LLP (San Francisco) was also selected to provide services for the North Housing parcel (Estuary I, Linnet Corner, future Estuary II)
- November 2024 - ICD Board of Directors authorized an increase of \$125,000, bringing the not to exceed to \$350,000, with an extension to January 2027 (5 Year Mark). Contract amendment was executed in April 2025
- **December 2025 - Staff is recommending a contract amendment with an increase of \$250,000 (bringing the not to exceed to \$600,000), with no further extension of the term of January 2027**
 - Amount paid and incurred is approximately \$300k to date (December 2025)
- Summer 2026 – Staff will be rebidding the services to public accounting firms
- Fall 2026 – Staff will provide recommendation to the ICD Board of Directors, and new contract will be executed
- January 2027 – HCVT contract will terminate, and all billing complete
- January 2027 – Selected accounting firm from RFP will provide services for the 2026 audit and tax year



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Deliverables, Budget and Work Product

- Holthouse Carlin & Van Tright LLP (HCVT) will provide audit and tax services to:
 - complete the 2025 audited financial statements and tax returns for Island City Development at the corporate level (investments in LIHTC partnerships that ICD controls/operates, any predevelopment work and investments in LIHTC partnerships that ICD does not fully control (Stargell Commons and Shinsei Gardens)
 - complete the tax returns for ICD Limited Liability Companies (that acts as a General Partner in LIHTC partnerships)
 - complete LIHTC Partnerships audits and tax returns (currently Everett Commons, Littlejohn Commons, Rosefield Village)
 - Novogradac provides services for North Housing (Estuary I, Linnet Corner and the future Estuary II)
 - Termination date of the Novogradac contract coincides with HCVT. A separate agenda item will be brought to the ICD Board of Directors meeting in 2026
 - provide accounting and tax credit consulting as needed
- ICD and the LIHTC properties have sufficient budgets
- Work product has been satisfactory with professional staff from HCVT



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Thank you!



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