Housing Authority of the City of Alameda

PHONE: (510) 747-4300
FAX: (510) 522-7848
TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

AGENDA **SPECIAL MEETING OF THE BOARD OF COMMISSIONERS**
DATE & TIME **Wednesday, August 19, 2026 - 6:00 PM**
LOCATION
Independence Plaza, 703 Atlantic Avenue, Alameda - 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

Join Zoom Meeting
https://us06web.zoom.us/j/85229497654?pwd=ERF4c2daq8Agm7t8SwqaXfix0iHEve.1

Meeting ID: 852 2949 7654
Passcode: 141405

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

- Send an email with your comment(s) to jpolar@alamedahsg.org and vcooper@alamedahsg.org prior to or during the Board of Commissioners meeting
- Call and leave a message at (510) 871-7435.

When addressing the Board, on agenda items or business introduced by Commissioners, 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 Housing Authority of the City of Alameda Board of Commissioners, please contact (510) 747-4325 (voice), TTY/TRS: 711, or jpolar@alamedahsg.org. Notification 48 hours prior to the meeting will enable the Housing Authority of the City of Alameda Board of Commissioners to make reasonable arrangements to ensure accessibility or language assistance.

1. ROLL CALL

2. REMOTE PARTICIPATION PURSUANT TO RALPH M. BROWN ACT (Government Code Section 54950 et seq.) ("Brown Act") : The Chair will identify whether any Directors are attending the meeting via teleconference pursuant to the Brown Act.

3. COMMISSIONER RECUSALS

4. Public Comment (Non-Agenda Item(s))

5. AGENDA

5.A.

1. Adopt a Resolution to Authorize the Executive Director to Issue a Letter of Commitment to Award 30 Project-Based Vouchers for the Stardust Gardens development, located at 2408 Pan Am Way, Alameda, Subject to Conditions and With an Estimated Cost of $1.1-$1.3 Million per year for 20 Years, and/or
2. Authorize the Executive Director to Request a Regulatory Waiver or a Request a Moving to Work Demonstration Program Waiver from the U.S. Department of Housing and Urban Development (HUD) to Waive Compliance from Regulations Otherwise Applicable to Competitive Awards of Project-Based Vouchers, and/or
3. Authorize the Executive Director to Open a Competition for Project-Based Vouchers, subject to a Review of Housing Authority Financial Capability to Award Project-Based Vouchers and to Compliance with All Applicable Regulations, and/or
4. Authorize the Executive Director to take any Action or Direction as the Board of Commissioners May Provide in Response to the Request for Project-Based Vouchers for Stardust Gardens.

6. ADJOURNMENT

* * * Note * * *

- Documents related to this agenda are available on-line at: https://www.alamedahsg.org/meetings/
- 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 Commissioners exists to conduct the business of its constituents. Deliberations are conducted before the people and are open for the people's review, subject to limited statutory exceptions. In order to assist the Housing Authority'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 the Housing Authority accommodate these individuals.

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To: Honorable Chair and Members of the Board of Commissioners

From: Vanessa Cooper, Executive Director

Date: August 19, 2026

Re:

1. Adopt a Resolution to Authorize the Executive Director to Issue a Letter of Commitment to Award 30 Project-Based Vouchers for the Stardust Gardens development, located at 2408 Pan Am Way, Alameda, Subject to Conditions and With an Estimated Cost of $1.1-$1.3 Million per year for 20 Years, and/or
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3. Authorize the Executive Director to Open a Competition for Project-Based Vouchers, subject to a Review of Housing Authority Financial Capability to Award Project-Based Vouchers and to Compliance with All Applicable Regulations, and/or
4. Authorize the Executive Director to take any Action or Direction as the Board of Commissioners May Provide in Response to the Request for Project-Based Vouchers for Stardust Gardens.

BACKGROUND

On August 11, 2026, the Housing Authority of the City of Alameda (AHA) received a formal request for 30 PBV units (16 two-bedroom units and 14 three-bedroom units) for Stardust Gardens, which is the first phase of the City's Rebuilding the Existing Supportive Housing at Alameda Point (RESHAP). AHA estimates an annual cost of approximately $1.1 - $1.3M. The commitment would go under contract (AHAP) in May or June of 2027.

DISCUSSION

The attached slide deck "08-19-2026 Staff Report RESHAP" discusses the issues related to this request and the request itself is attached. Two supplemental presentations on the AHSC and MHP applications ("Current Status Estuary II - Supplementary Presentation" and "Special Meeting Stardust Gardens Competition Analysis - Supplementary Presentation") on the Estuary II status are included as background only.

FISCAL IMPACT

This request is for approximately $26M in Housing Assistance Payments over 20 years. Legal fees for the work to assess RESHAP request exceed $45,000 to date.

CEQA

N/A

RECOMMENDATION

1. Adopt a Resolution to Authorize the Executive Director to Issue a Letter of Commitment to Award 30 Project-Based Vouchers for the Stardust Gardens development, located at 2408 Pan Am Way, Alameda, Subject to Conditions and With an Estimated Cost of $1.1-$1.3 Million per year for 20 Years, and/or
2. Authorize the Executive Director to Request a Regulatory Waiver or a Request a Moving to Work Demonstration Program Waiver from the U.S. Department of Housing and Urban Development (HUD) to Waive Compliance from Regulations Otherwise Applicable to Competitive Awards of Project-Based Vouchers, and/or
3. Authorize the Executive Director to Open a Competition for Project-Based Vouchers, subject to a Review of Housing Authority Financial Capability to Award Project-Based Vouchers and to Compliance with All Applicable Regulations, and/or
4. Authorize the Executive Director to take any Action or Direction as the Board of Commissioners May Provide in Response to the Request for Project-Based Vouchers for Stardust Gardens.

ATTACHMENTS

1. 08-19-2026 Staff Report RESHAP
2. DRAFT Resolution - Special BOC Meeting (08.19.26)
3. Stardust Gardens PBV Request Letter_executed
4. Current Status Estuary II - Supplementary Presentation
5. Special Meeting Stardust Gardens Competition Analysis - Supplementary Presentation

Respectfully submitted,

Vanessa Cooper

Vanessa Cooper, Executive Director

August 19, 2026

SPECIAL BOARD OF COMMISSIONERS MEETING

Agenda Item 5.A.

Housing Authority of the City of Alameda

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1

Agenda

1. Overview of the Housing Authority of the City of Alameda (AHA) and the PBV Program
2. Overview of AHA's PBV Selection Policies - Allocation Policy, MTW Activity, and Administrative Plan Policies
3. PBV Selection Considerations
4. PBV Selection Methods
5. Overview of RESHAP and City's Request
6. Compliance Review
7. Risk Analysis
8. Review of Potential Next Steps
9. Questions

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2

Overview of AHA and PBV Program

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3

Overview of the AHA

Established in 1940 in Alameda, California.

About 2,000 vouchers across all programs which includes:

- Housing Choice Vouchers (HCV)
- Project Based Vouchers (PBV)
- Veteran's Affairs Supportive Housing Vouchers (VASH)
- Family Unification Program Vouchers (FUP)
- Shelter Plus Care Vouchers
- Moderate Rehabilitation SRO Vouchers
- Emergency Housing Choice Vouchers (EHV)
- Stability Vouchers (SV)

Current portfolio of over 880 affordable units with 700+ units in the development/acquisition pipeline.

Designated an MTW Expansion agency on March 23, 2022, under the Landlord Incentive Cohort.

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4

What are Project Based Vouchers (PBV)?

- Part of the Housing Choice Voucher (HCV) program Annual Contributions Contract (ACC)
- Ties an HCV to a specific unit under a long-term contract
  - Under HOTMA initial contract can be up to 20 years
  - One extension up to an additional 20 years
- HUD put strict limits on PBV as too many PBV can limit housing choice
- MTW allows AHA to go to a higher percentage of PBV but there is still a limit

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5

Why are PBV important?

- Brings significant federal subsidy to the project for 20 to 40 years
- PBV developers can use this additional income in several ways including, but not limited to:
  - To make funding applications more competitive
  - To obtain higher rents for low-income units, thus housing lower-income tenants
    - LIHTC rent restrictions do not apply to PBV units
  - To serve lower income tenants (50% AMIs or below)
  - To supplement the operating budget, for example to pay for additional services.
  - To borrow against in the development/construction stage

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6

AHA's Typical PBV Award Process

1. Determine PBV Cap and Adequate Budget Headroom
2. Open PBV Competition
3. Select PBV Proposal
4. Send Contingent Award Letter
5. Confirm Adequate Budget for PBV Award
6. Execute Agreement to Enter into Housing Assistance Payments
7. Execute Housing Assistance Payments Contract
8. Fund PBV Vouchers

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7

Overview of AHA's PBV Policies

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8

AHA's PBV Allocation Policy

On May 21, 2025, the Housing Authority Board of Commissioners approved the Project-Based Voucher Allocation Policy.

In this Allocation Policy, the Housing Authority stated that in order to allow more complexes to benefit from PBV and reduce the federal subsidy at a complex, the AHA limits the number of PBV units on a contract to 40.

Board stated a preference for new build projects

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9

AHA's Approved MTW Activities

Approved MTW Activity 2022-10 Elimination of PBV Selection Process for PHA owned Projects without Improvement, Development, or Replacement

- AHA can award project-based voucher units to a property owned by a single-asset entity (S.A.E.) of the AHA without engaging in a PBV selection process.

Approved MTW Activity 2022-08 Increase PBV Cap

- AHA can increase the number of authorized PBV units to the lower of 50 percent of its total authorized units or annual budget authority.

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10

PBV Selection Considerations

PBV Selection Considerations

Governed both by the Title 24 of the Code of Federal Regulations, Part 983 and the Housing Authority's Administrative Plan, the Housing Authority must consider:

- If this award fits within the Housing Authority's overall PBV Cap?
- If the Housing Authority is in or at risk of shortfall?
  - Will there be available funding for the date at which an AHAP is required. Will this award put the Housing Authority into shortall?
- Does the award adhere to HUD's PBV selection regulations?
- Does the project meet other criteria including environmental review, subsidy layering reviews, and fair housing?

Consideration: PBV Cap

With the approved MTW activity, AHA can project-base 50 percent of the lower of its total authorized units (ACC) or annual budget authority.

- Total ACC is 2064 of which 50% is 1032 units
- Annual budget authority is $46,467,099 of which 50% is $23,233,549
  - Average per unit per month HAP cost is $2,195
  - Average per unit per year HAP cost is $26,340
  - 50% of annual budget authority would fund approximately 882 PBV units
- Note: does not include special vouchers recently moved to MTW– pending clarification from HUD.

Lifetime cap for AHA – Any significant upward increase would rely on new vouchers from HUD or a substantial increase in budget authority

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13

Additional PBV Capacity

Current PBV cap	882 units
Currently under PBV HAP contract	583 units
Awarded but not funded (Estuary II)	40 units
PBV Capacity for Additional Units Under PBV Cap	259 units

Note: does not include special vouchers recently moved to MTW– pending clarification from HUD.

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14

Demand Exceeds Supply

In 2024 AHA issued a Letter of Interest process to ascertain demand. The process showed that there were pending requests for at least 480 additional PBVs, including:

- 40 for Poplar
- 280 for North Housing
- RESHAP 160

Other verbal requests since then have indicated a need for additional operating subsidy to build the next phase at the base and for Operation Dignity (requested 200 vouchers).

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15

Consideration: Budget

24 CFR 983.6(c): *PHA determination.* The PHA is responsible for determining the amount of budget authority that is available for project-based vouchers and for ensuring that the amount of assistance that is attached to the units is within the amounts available under the ACC.

24 CFR 983.58(a): *Analysis of units and budget.* A PHA must calculate the number of authorized voucher units that it is permitted to project-base in accordance with § 983.6 and determine the amount of budget authority that it has available for project-basing in accordance with § 983.5(b), before it issues a request for proposals in accordance with § 983.51(b)(1), makes a selection based on a previous competition in accordance with § 983.51(b)(2), amends an existing HAP contract to add units in accordance with § 983.207(b), or noncompetitively selects a project in accordance with § 983.51(c).

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16

AHA's Shortfall History

- On July 29, 2025, HUD notified the Housing Authority that it had entered shortfall (Housing Authority's Total Funding exceeds projected HAP expenses through calendar year end).
  - As of the date of the letter, the Housing Authority was required to immediately suspend the issuance of vouchers. (See May 2025 Board memo for entire list of activities that AHA had to implement.)
- On May 26 2026, HUD notified the Housing Authority that it was out of shortfall but was still required to ensure any new voucher issuance, including PBV awards, does not put the Housing Authority back in shortfall.
  - Any actions taken by AHA that cause shortfall may make AHA ineligible for shortfall funding resulting in termination of assistance to families.
- Throughout 2025 and 2026, AHA has engaged in repeated communications with City staff regarding its inability to issue vouchers particularly due to the stalled development of AHA's own Estuary II project due to a lack of funds.

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17

HUD's Recent Funding Changes

For the first time, HUD has created separate groups when considering funding for Housing Authorities in shortfall. (HUD PIH Notice 2026-12 page 50 – 52)

- Housing Authorities that will be in shortfall for the first or second time since 2016
- Housing Authorities that will be in shortfall for the third, fourth, or fifth time since 2016
- Housing Authorities that will be in shortfall for the sixth or more time since 2016
- With each subsequent group, the requirements and actions to take to receive shortfall funding become more extensive and restrictive. The likelihood of receiving the shortfall funds also decreases with each subsequent group.

Based on the funding and HAP set aside trends for 2025 and 2026 and what is expected in 2027, any expenses that HUD does not fund would have to be paid out of non-federal funds, AHA would not get renewed for this funding in the next year and would be on the hook every year thereafter.

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18

Budget Projections

Based on HUD's two-year-tool, the most recent calculations, assuming a conservative but realistic approach, show the following:

- December 31, 2026 – Expect to utilize all of HUD's 2026 funding and about $1.3M in reserves. Expect to have about $1.8M remaining in reserves.
- December 31, 2027 - Expect to utilize all of HUD's 2027 funding, the remaining $1.8M in reserves, and would still have to cover $369,889.

Assumptions:

- All HUD shortfall cost saving measures done in early 2025 remain in place.
- No AHAP is issued for RESHAP or Estuary II in 2027.
- No one is pulled from the HCV waitlist until 2028. AHA last pulled from the list in 2023.
- AHA foregoes reimbursement from HUD for program expenses from HAP (budgeted $1M per year) and covers these from non-federal funds.
- AHA waives any use of the MTW local nontraditional funds of $1M for housing development in 2026 and 2027 and covers these from non-federal funds.
- For 2027, the Housing Authority does not issue any more vouchers and the inflation factor

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19

PBV Selection Methods

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20

Consideration: PBV Selection Methods

The Housing Authority is responsible for awarding PBV units to a project. The policies related to this must be stated in the Housing Authority's Administrative Plan and be pursuant to Title 24 of the Code of Federal Regulations, Part 983.

As stated in Chapter 16 of the AHA's Administrative Plan, there are 3 PBV selection methods:

1. For a property owned by a single-asset entity of the AHA, the AHA can award PBV units without engaging in a PBV selection process. (MTW Activity 2022-10);
2. AHA may solicit proposals by using a Request For Proposals (RFP) to select proposals on a competitive basis in response to the AHA request; or
3. AHA may select proposals based on the project's previous submission and award under a federal, state, or local government housing assistance competition subject to other requirements discussed later in this presentation

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21

Method #1 – Self-Award

- AHA awards a PBV contract to a property owned by a single-asset entity of the AHA without engaging in a PBV selection process (approved MTW activity)
- AHA has not used this process to date to award vouchers.
- Overview of Recent contracts:
  - IP RAD - approved separately under under RAD and Restore Rebuild regulations
  - Estuary I – selected with RFP competition in 2021
  - Linnet Corner – selected with RFP competition in 2022

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22

Method #2 - RFP

Open a Request for Proposals (RFP)

- Must meet HUD requirements and the requirements of the Administrative Plan
- Housing Authority must make its own determination regarding available funding and adhering to applicable HUD requirements regarding such a competition
- The RFP may not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites (Title 24 of the Code of Federal Regulations, Part 983 Subpart B Section 51 (b) (1))
- The minimum time for the competition to be open is 3 weeks. Board approvals, issuing of the RFP and outreach including publishing in the newspaper, as well as submission and the view of applications also add to the timeline.

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23

Method #3 – Rely on Prior Competition

Pursuant to Title 24 of the Code of Federal Regulations, Part 983 Subpart B Section 51 (b) (2):

"The PHA may select, without issuing an RFP, a proposal for housing assisted under a Federal, State, or local government housing assistance, community development, or supportive services program that required competitive selection of proposals, where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date. The PHA may not select a housing assistance proposal using this method if the competition involved any consideration that the project would receive PBV assistance."

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24

Request from the City and RESHAP

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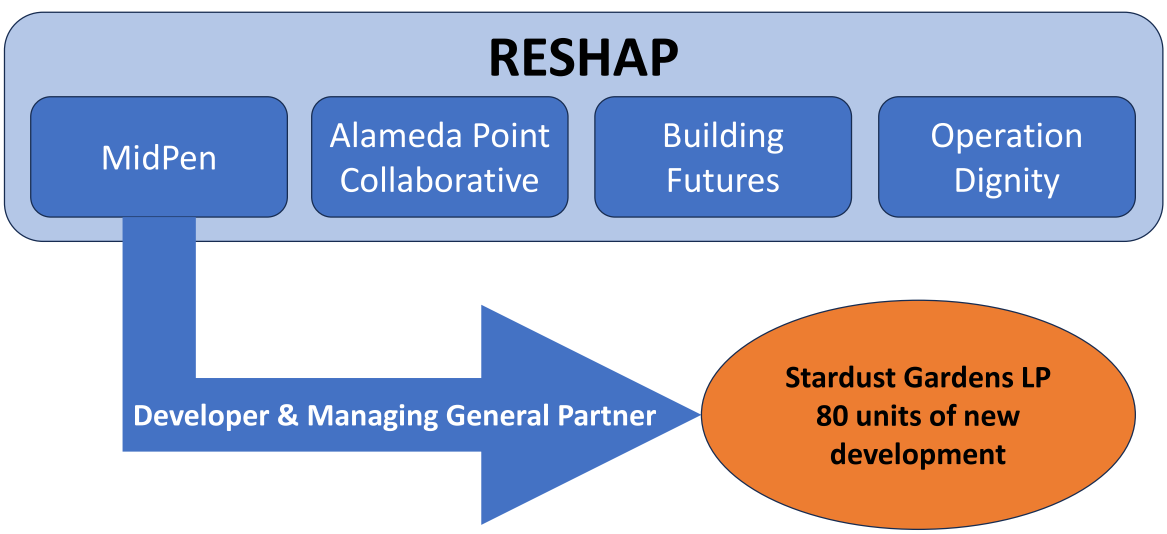
25



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26

Request from the City/RESHAP (1)

On August 11, 2026, the Housing Authority received a formal request for **no less than 30 PBV units (16 two-bedroom units and 14 three-bedroom units)** for Stardust Gardens, which is the first phase of the City's Rebuilding the Existing Supportive Housing at Alameda Point (RESHAP).

RESHAP estimates an annual cost of more than $1.1M.

The commitment would go under AHAP in May or June of 2027.

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27

Request from the City/RESHAP (2)

This request was made so that MidPen can apply for tax credits no later than September 8, 2026 and so by Friday August 21, 2026, RESHAP and the City are asking AHA to do one of the following:

- Issue a commitment letter without a competition, relying on their 2026 MHP award as an alternative competition for the purposes of awarding these vouchers, subject to compliance with federal requirements and other conditions. (PBV Selection Method #3)
- As an alternative, open a new competition. The requesters claim that the application will not be competitive in the tax credit competition without receipt of such a commitment letter by August 21, 2026. (PBV Selection Method #2)

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28

Review of PBV Selection Method #1

Stardust Gardens is not owned by a single-asset entity of the AHA.

The AHA only has approval from HUD to award a PBV contract to a property owned by a single-asset entity of the AHA without engaging in a PBV selection process (approved MTW activity).

The AHA would have to request and be approved for an additional waiver from HUD to be able to issue a commitment letter without a competition to Stardust Gardens.

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29

Timeline of Relevant Stardust Gardens Funding Applications

Affordable Housing and Sustainable Communities (AHSC) Program

- May 2025 - Applied for Award
- December 2025 – Received Award
- Application included the award of PBV units for a term of 20 years
  - The AHA never committed to these PBV units

Multifamily Housing Program (MHP)

- June 2026 – Applied for Award
- August 2026 – Expect to Receive Award
- Application included award of AHSC but did not explicitly state the award of PBV units

Low-Income Housing Tax Credits (LIHTC) Program

- September 2026 – Applying for Award
- Requesting PBV commitment for this application

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30

RESHAP's 2025 AHSC Application

The screenshot below is from RESHAP's 2025 AHSC application which includes PBV units from the Housing Authority for a contract term of 20 years under the which "Income from Subsidies" section. **AHA has not committed an award of PBVs to MidPen or to RESHAP.**

Income from subsidies

Rental Subsidy?	Yes	Projects having or proposing project-based rental assistance must provide documentation of current contract Rents. A fully executed subsidy contract shall be required prior to permanent loan closing.		
Subsidy Program Name:	Housing Authority of the City of Alameda - Project Based Section 8 Vouchers		Contract Term: (enter in years)	20
Subsidy Program Name:			Contract Term: (enter in years)	
Subsidy Program Name:			Contract Term: (enter in years)	
File Name:	033. Current Contract Rents	Projects proposing project-based rental assistance: Provide documentation of current contract rents for HAP, Shelter Plus or other source, as applicable.	Uploaded to HCD?	Yes
Operating Subsidy?	No	Provide evidence of commitment status (e.g., letters of intent, commitment letters, grant awards or subsidy contracts). If commitments are not available, provide other documentation such as a reservation or third-party letter stating the following: total subsidy and estimated first year allocation, date or expected date of award, and term (in years).		
Projects having or proposing project-based rental assistance or operating subsidies shall fund a Transition Reserve in accordance with MHP §7312.1. Complete the HCD Reserves Calculator tab.				

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31

AHSC Consideration of Vouchers

1. The application shows voucher income necessary to meet the State Uniform Multifamily Regulation underwriting requirements for 15 years of positive cash flow. This is a threshold requirement.
2. The application shows voucher income necessary to support a permanent loan of $6,590,000. Without vouchers, this loan is not available and there is a funding gap.
3. The application shows vouchers as 'YES' in section 33. The number of vouchers listed is 20 and the term is 20 years.
4. The market study requires 40 vouchers for feasibility, in particular 20 vouchers for the homeless units.
5. The $1,170,000 funding commitment from the Federal Home Loan Bank Affordable Housing Program requires 39 homeless units. Homeless units typically require vouchers or other operating subsidies, as is indicated in the market study.

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32

AHA's History Regarding RESHAP's AHSC Application

- AHA was never informed by the City, MidPen, or APC of the application or the insertion of AHA's vouchers therein
- AHA staff met regularly with the Mayor and City staff during this period and it was not mentioned
- APC is required to disclose such applications under the North Housing MOU with AHA but failed to do so
- AHA found out about the award in the press
- AHA wrote to the City and RESHAP in January 2026 to inform them of the lack of vouchers and their concerns about the AHSC application.

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33

Stardust Gardens Potential MHP Timeline

December 10, 2025	AHSC award made to Stardust Gardens
August 21, 2026	Accept MHP GAP funding of $15 million
September 8, 2026	Apply for bonds/tax credits to CDLAC/CTCAC, as required by MHP
December 9, 2026	CDLAC/CTCAC anticipated award
May 9, 2027	180 days from CDLAC award –bond issuance, construction start.
December 10, 2027	AHSC last date to close (secure all perm financing 24 mo. from award)
May 2029	Two years (est.) construction timeline to completion

If 9/8/26 CDLAC application is unsuccessful, the project can work with State HCD to allow for future 4% or 9% applications, likely February 2027, which push the timeline out by five months+.

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34

MHP Application Includes AHSC Award

Stardust Gardens
AHSC Loan + Grant

Stardust Gardens has a commitment of AHSC funds from HCD as shown by the attached commitment letter. The total AHSC funding awarded is $29,553,361 in AHSC Program Loan funds (AHSC Loan) and $14,997,000 in AHSC Program Grant funds (AHSC Grant). The full AHSC Loan is attributable directly to Stardust Gardens, but only $2,820,000 of the AHSC Grant is attributable directly to Stardust Gardens as outlined in the STI #5 Budget in the attached HCD Project Report. The remaining $12,177,000 are committed to partner infrastructure and program projects that are outside of the Stardust Gardens scope and budget.

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35

MHP GAP Application

- Requires AHSC award for eligibility
- Reduced total development costs by $1.2 million
- Reduced operating costs by 30%.
- Reduced perm loan by 90%
- Affordability remains at average of 36% AMI (extremely low income on average) and target population says ‘formerly homeless.’

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36

RESHAP Request Pt. 1 – Rely on MHP Application

Pursuant to Title 24 of the Code of Federal Regulations, Part 983 Subpart B Section 51 (b) (2):

"**The PHA may not select a housing assistance proposal using this method if the competition involved any consideration that the project would receive PBV assistance**."

RESHAP's MHP Application relies on AHSC Award whose loan and cash flow relies in part on the inclusion of uncommitted PBV units.

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37

HUD's Response to PBV Policy Revisions (1)

Commenters asked HUD to remove or narrow the requirement that a prior competitive selection not involve any consideration that the project would receive PBV assistance. One commenter specifically proposed limiting the restriction to situations where points were awarded for PBVs.

HUD rejected that approach, explaining that allowing anticipated PBV assistance to influence the earlier competition could give a project an advantage and undermine the integrity of both the PBV selection process and the other federal, state, or local funding competition.

Federal Register / Vol. 79, No. 122 / Wednesday, July 25, 2014 / Rules and Regulations, P. 36155, 36156.

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38

HUD's Response to PBV Policy Revisions (2)

Please note, in response to a commenter's suggestion to drop the requirement that "if the competition involved any consideration that the project would receive PBV assistance" (24 CFR 983.51(b)(2)), in the final rule, HUD responded in the Preamble: "HUD understands the limitations presented by the commentor because of the provision that prohibits a PHA from selecting a housing assistance proposal that included any consideration that the project would receive PBV assistance; however, this provision maintains the integrity of a competitive selection method and will not be revised in this final rule."

Federal Register / Vol. 89, No. 89 / Tuesday, May 7, 2024 / Rules and Regulations, P. 38224, 38265.

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39

Estimated Budget for RESHAP PBV

RESHAP Request for 30 PBV units:

- AHA estimates these 30 vouchers could cost up to **$1.3M per year** (assuming homeless families come in with little or no income) and up to **$26M over a 20-year contract**
- When APC cancels its current PBV contract for 25 PBV units, the AHA has to issue an HCV for each household according to regulations. AHA expects to pay **$784k per year** for this HCV assistance. This amount could be mitigated to the extent households voluntarily trade in their HCV for PBV at Stardust Gardens.
- Total expected costs are about **$2M per year**
- All parties agrees that per HUD regulation the current APC contract cannot transfer to Stardust Gardens LP without a waiver. AHA has offered to submit a HUD or MTW waiver already anticipated the end of the contract in the future.

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40

Budget Considerations

December 31, 2027 - Expect to utilize all of HUD's 2027 funding, the remaining $1.8M in reserves, and would still have to cover $369,889.

Total new expected costs for RESHAP's request are about **$1.3M per year**

- We don't expect to have any reserves by the end of 2027 and may be notified by HUD that we are in shortfall.
  - Per HUD PIH Notice 2026-12 "PHAs in confirmed shortfall may not issue new requests for proposals (RFPs) or select new PBV proposals or projects after the shortfall confirmation." The only exceptions to this are RAD PBV HAP contracts and RFPs, PBV proposals or projects pursuant to a CY 2025 or CY 2026 allocation of Tenant Protection Vouchers. Neither of these exceptions apply to this case.
- Estuary II which was already selected in the 2021 PBV competition and is expected to cost about $1.1M per year for 40 homeless units will have to be delayed again.

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41

Potential Next Steps

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42

AHA's Review of RESHAP's Request

AHA staff have reviewed the requests extensively including:

- Review of all applicable HUD regulations and AHA policies
- Discussions with HUD in July 2026 and August 2026
- Discussions with Legal Counsel
- Discussions with HCD (the prior awarding agency)
- Requests for documentation from MidPen
- Review of the AHSC and MHP application

At this time, AHA staff are proposing, as possibilities, the following next steps.

Option #1

Authorize the Executive Director to Issue a Letter of Commitment to Award 30 Project-Based Vouchers for the Stardust Gardens Development, located at 2408 Pan Am Way, Alameda, Subject to Conditions and With an Estimated Cost of $1.1-$1.3 Million per year for 20 Years

Option #1 Considerations

1. HUD's two-year tool shows a shortfall position in 2027.
2. AHA cannot award PBV to an outside party without a competition. This would bypass both federal regulation and the AHA's Administrative Plan.
3. AHA cannot rely on MHP as per HUD regulations that "The PHA may not select a housing assistance proposal using this method if the competition involved any consideration that the project would receive PBV assistance."
4. A PBV application, site selection, and proforma was not completed and submitted for AHA's review. The AHA would have to rely on the commitment letter's conditions to be protected if the project does not comply with federal requirements.

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45

Option #1 Risks and Consequences

1. The Housing Authority's Insurance may not defend the Housing Authority in a lawsuit if the Housing Authority knowingly ignored HUD's regulation or direction.
2. HUD could challenge AHA's grounds for providing such a letter, given HUD's regulations and that the MHP application relied on the AHSC award for which the application contains income from Project-Based Vouchers.
3. HUD has broad authority to penalize a housing authority that does not adhere to its contractual obligation to administer its programs in compliance with HUD requirements and likely would consider whether individuals knowingly took these actions. That broad authority could include rescission of a contract award, reimbursement with non-federal funds or in a particularly egregious case, receivership for the Section 8 program and/or debarment for officials who authorized such actions
4. There is also a risk of legal action from other parties who were not given the same opportunity.

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46

Option #2

Authorize the Executive Director to Request a Regulatory Waiver or a Request a Moving to Work Demonstration Program Waiver from the U.S. Department of Housing and Urban Development (HUD) to Waive Compliance from Regulations Otherwise Applicable to Competitive Awards of Project-Based Vouchers

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47

Option #2 Details

If the Housing Authority were to request that HUD waive the regulations listed above it could do so in two ways:

- Submitting a waiver directly to the HUD Field Office; and/or
- Requesting the regulations be waived as part of an activity in the Moving to Work Supplement

For example, AHA could submit a waiver request to HUD to rely on the MHP completion

A waiver provides the clearest feedback from HUD and best assurance for any issues where clarity is needed.

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48

Option #2 Details (2)

- **RESHAP also proposes a local preference limited to the RESHAP area of the former base.**
- HUD regulations at 24 CFR 982.207(b)(ii) state that an area smaller than a county or municipality may not be used as a residency preference area. Any change would require HUD or MTW waiver and would be a Significant Amendment to the Administrative Plan which would generally be done post award of the vouchers.
- **AHA cannot provide a site-specific preference at this time but could work with RESHAP, subject to Board approval, to submit a waiver if RESHAP is awarded vouchers.**

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49

Option #2 Considerations

Issues:

- Can be a lengthy, staff-intensive, and uncertain process to draft and obtain waivers.

Benefits:

- Would receive an approval from HUD which could protect the Housing Authority from liabilities resulting from the exceptions being requested to HUD and Housing Authority policy.

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50

Option #3

Authorize the Executive Director to Open a Competition for Project-Based Vouchers, subject to a Review of Housing Authority Financial Capability to Award Project-Based Vouchers and to Compliance with All Applicable Regulations

51

Option #3 Considerations

1. Does not meet RESHAP's timeline.
2. HUD's Two-year tool currently still shows a shortfall for 2027 which is when the AHAP would be signed and is considered an obligation by HUD.
3. Budget information should be much clearer after September 1 when the new FMRs should be published, and assuming HUD uses the same methodology for 2027, the Replacement Funding Inflation Factor can be properly calculated.
4. A new competition is the cleanest way to provide vouchers and limits liability to the agency and allows a proper due diligence period to occur. It also allows for fair access to funds from other parties who may be seeking PBV. It would also be consistent with AHA's prior practice.

52

Option #4

Authorize the Executive Director to take any Action or Direction as the Board of Commissioners May Provide in Response to the Request for Project-Based Vouchers for Stardust Gardens

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53

Thank you! Questions?

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54

Housing Authority
of the
City of Alameda

PHONE: (510) 747-4300
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701 Atlantic Avenue • Alameda, California 94501-2161

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

Resolution No. ___

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA APPROVING A LETTER OF COMMITMENT TO RESHAP WITH AN AWARD OF 30 PROJECT-BASED VOUCHERS FOR STARDUST GARDENS LP, LOCATED AT 2408 PAN AM WAY, ALAMEDA, CALIFORNIA SUBJECT TO CONDITIONS AS SET FORTH THEREIN AND WITH AN ESTIMATED COST OF $1.1 TO $1.3 MILLION PER YEAR FOR 20 YEARS, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AND TRANSMIT THE LETTER OF COMMITMENT TO RESHAP

RECITALS

WHEREAS, established in 1940, the Housing Authority of the City of Alameda (“AHA”) administers the federal Housing Choice Voucher and Project-Based Voucher (“PBV”) programs in the City of Alameda, along with various other housing programs; and

WHEREAS, on August 11, 2026, the Housing Authority received a formal request for 30 PBV units for Stardust Gardens LP, which is the first phase of the City of Alameda’s Rebuilding the Existing Supportive Housing at Alameda Point project (RESHAP); and

WHEREAS, the RESHAP project is a plan to construct and manage permanent supportive housing on an approximately 8-acre campus located at the former Alameda Naval Air Station at 2408 Pan Am Way, Alameda, California; and

WHEREAS, the request for 30 PBV units for Stardust Gardens LP includes 16 two-bedroom units and 14 three-bedroom units at an approximate annual cost of more than $1.1 to $1.3 million.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. The foregoing Recitals are true and correct and are incorporated herein by this reference.

SECTION 2. The Board of Commissioners hereby authorizes a Letter of Commitment to be issued to RESHAP with an award of 30 project- based vouchers for Stardust Gardens LP, located at

2408 Pan Am Way, Alameda, California, subject to conditions as set forth therein and with an estimated cost of $1.1 to $1.3 million per year for 20 years.

SECTION 3. The Board of Commissioners hereby delegates the final form of the Letter of Commitment to the Executive Director, subject to legal counsel approval as to form.

SECTION 4. The Board of Commissioners authorizes the Executive Director to execute and transmit the final Letter of Commitment to RESHAP.

SECTION 5. The Clerk of the Board shall certify to the adoption of this Resolution, which, shall in turn, have immediate effect.

PASSED, APPROVED, and ADOPTED this 19th day of August 2026.

Ayes: XX Commissioners:

Nayes: XX Commissioners:

Abstain: XX Commissioners:

Absent: XX Commissioners:

[**SIGNATURE PAGE FOLLOWS**]

PHONE: (510) 747-4300
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ATTEST:

____________________________	____________________________
Vanessa M. Cooper Secretary/Executive Director	Vadim Sidelnikov, Vice Chair Board of Commissioners

Approved as to form:

____

General Counsel Name,
General Counsel,
General Counsel Firm Name

Adopted: August 19, 2026

August 11, 2026

Ms. Vanessa Cooper
Executive Director
Housing Authority of the City of Alameda
701 Atlantic Avenue
Alameda, CA 94501

RE: Stardust Gardens – Formal Request for Project-Based Section 8 Vouchers

Dear Ms. Cooper:

The City of Alameda (City), MidPen Housing Corporation (MidPen), and Alameda Point Collaborative (APC) formally request an allocation of budget sufficient to fund not less than 30 dwelling units using a Project-Based Vouchers (PBV) housing assistance payment (HAP) agreement with the Housing Authority of the City of Alameda (AHA) for Stardust Gardens, which is the first phase of the City's Rebuilding the Existing Supportive Housing at Alameda Point (RESHAP)[1]. The following also details the context, proposed implementation timeline, procurement options, and budget mitigation.

Context

Alameda Naval Air Station (Alameda NAS) was subject to the Base Closure and Realignment Act (BRAC) and as part of the award by the United States Department of Defense (DOD) to the City, the City committed to a housing plan, approved by DOD and HUD, that would provide housing to the homeless or persons at risk of homelessness.[2] To meet the HUD approved requirements, the City must continuously provide a minimum number of housing units serving this population. While it is possible to apply for Low-Income Housing Tax Credits (LIHTC) with the funding already secured, without a PBV commitment, Stardust Gardens cannot serve the existing extremely low-income residents at Alameda Point and would not meet the requirements of the approved housing plan.

Current PBV Obligations

AHA currently budgets approximately $1MM to provide 25 PBVs for APC residents at risk of homelessness at Alameda Point under a PBV housing assistance payments agreement (PBV HAP) (throughout this letter, the current PBV HAP for Alameda Point is referred to as the Alameda Point PBV HAP). As set forth below, APC would terminate the Alameda Point PBV HAP concurrently with the AHA funding the new PBV HAP once Stardust Gardens is placed in service. Existing residents at Alameda Point will be given a de facto "right of return" because they will receive a preference to move into Stardust Gardens once it is complete.

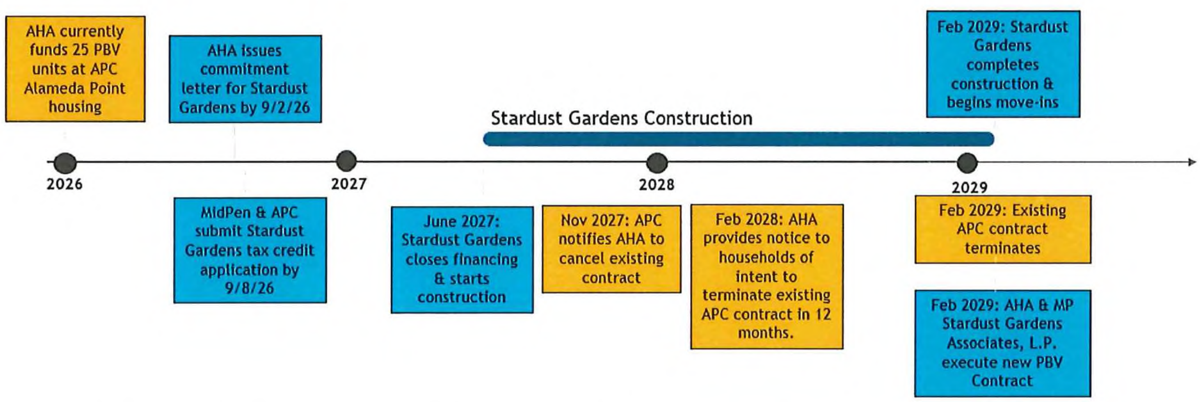
The requested PBV budget for Stardust Gardens will allow MidPen and APC to continue serving the City's most vulnerable households, remaining in compliance with the DOD and HUD obligations, while maintaining professional on-site management and operations. Stardust Gardens will primarily serve existing APC residents at risk of homelessness who currently reside at Alameda Point, replacing the aging former Navy housing that is provided at Alameda Point with new affordable apartments that include modern, accessible, and more habitable units, improved infrastructure, and enhanced community spaces. MidPen and APC have structured the Stardust Gardens request for 30 PBVs to limit the financial impact on AHA while aligning with the budget value of the existing Alameda Point PBV HAP. The 30 PBVs requested are necessary to support the project's long-term financial sustainability. See summary table below.

UNIT TYPE	EXISTING ALAMEDA POINT PBV HAP UNITS	ESTIMATED ALAMEDA POINT PBV HAP BUDGET*	STARDUST GARDENS PBV REQUEST	ESTIMATED FUTURE STARDUST GARDENS PBV CONTRACT BUDGET
Two-Bedroom	10		16	
Three-Bedroom	9		14	
Four-Bedroom	6			
TOTAL	**25**	**$1,093,068**	**30**	**$1,049,640**

**Estimate based on AHA Payment Standards effective 3/19/26 assuming utility allowance for electricity, electric cooking, gas heating, gas hot water and garbage.*

Request

MidPen and APC request that AHA provide a PBV commitment letter for Stardust Gardens for the September 8, 2026 tax credit and tax-exempt bond application. This commitment is critical to the because the PBVs provide the long-term rental subsidy necessary to support the project's operating costs required to serve households at-risk of homelessness. Importantly, AHA is being asked to make the commitment now, but the PBVs would not be utilized until Stardust Gardens is completed and placed in service. At that time, AHA would enter into a new PBV HAP Agreement for Stardust Gardens, at a budget value comparable to the existing APC PBV contract, concurrent with termination of the existing APC PBV HAP Agreement. AHA, MidPen, and APC would work together to coordinate that transition consistent with the proposed timeline below.



State of California Department of Housing and Community Development Multifamily Housing Program Procurement

As a matter of federal regulation, PHAs may award PBV HAP without issuing or undertaking a request for proposal (RFP) process as long as it is permitted in AHA's PHA Administrative Plan.[3] MidPen competed for funding under the California Department of Housing and Community Development (HCD) Multifamily Housing Program (MHP) in June 2026 and expects to receive and award by August 17, 2026. The MHP application did not include any project-based vouchers. MHP is a state housing assistance program that complies with the competitive award parameters set forth in the federal regulations.

Accordingly, AHA, as a PHA and housing authority enabled under California law, has the statutory and regulatory authority under federal and state law to award Stardust Gardens a PBV commitment without issuing an RFP because Stardust Gardens underwent the MHP competitive selection process and the MHP award was granted within three years of MidPen's PBV proposal.

If AHA can identify a legal reason that the MHP program would not otherwise comply with the parameters of the federal regulations, another alternative would be for AHA to hold their own competitive process to which Stardust Gardens could apply.

Budget Risk Mitigation

When the Alameda Point PBV HAP is eventually terminated, we understand that AHA is required to offer the existing households a tenant protection voucher (TPV) under Section 8(t) of the United States Housing Act of 1937 (Housing Act of 1937).

In the unlikely scenario that residents living in an existing APC Project-Based Voucher unit elect to move to a non-subsidized unit instead of Stardust Gardens, the City is prepared to propose funding support for AHA, solely restricted to Alameda Point, if such a deficit was realized because of Stardust Gardens.

To better understand and quantify this potential budget impact, MidPen and APC have retained the services of relocation consultant, Autotemp, who is beginning relocation interviews with existing residents this month. The goal is to provide existing households with more information about their housing options and to gain a clearer picture of their likely choices ahead of the commencement of Stardust Gardens construction.

We are eager to partner with AHA to realize the long-term vision of replacing aging housing and catalyze new housing and neighborhood amenities at Alameda Point. We look forward to meeting with you and your team on Wednesday, August 12, 2026 to discuss this request further. Thank you for your consideration.

Signed by: Gerry Beaudin 38BAB630BDDF4DD		Signed by: Andrea Urton 1838B90FF18A4C3
Gerry Beaudin City Manager City of Alameda	Abby Goldware Potluri Senior Vice President MidPen Housing Corporation	Andrea Urton Executive Director Alameda Point Collaborative

[1] AHA is a Moving to Work (MTW) public housing agency (PHA) and a housing authority enabled under California law. The MTW program is a demonstration program administered by the United States Department of Housing and Urban Development (HUD) with select PHAs. Participation in the MTW required AHA to enter into an MTW agreement with HUD. AHA executed its MTW Agreement in 2022 and has both amended and supplemented its MTW arrangement, with HUD's approval from time to time, as recently as July of this year.

AHA enjoys statutory and regulatory relief unavailable to most of the nation's 3,000 or so PHAs. That relief includes AHA's ability to "funge" its operating, capital, and HCV appropriation as it decides, provided such decisions are publicly disclosed and in compliance with AHA's annual HUD-approved PHA Administrative Plan. Further, like all MTW PHAs, AHA is not subject to many of the restrictions imposed on PHAs with respect to the use of federal funds otherwise imposed by federal law and regulation and is instead principally governed by its MTW Agreement with HUD (as amended from time to time).

As an MTW PHA, in addition to the relief offered by AHA's MTW Agreement with respect to the use of federal funds, AHA also receives broad relief from many of the requirements of the Housing Act of 1937, including certain provisions of the Housing Opportunities through Modernization Act of 2016 (HOTMA). For example, absent AHA's future decision to limit itself to the HOTMA statutory provisions, AHA is not subject to HOTMA's restrictions imposing a cap of 20% of a PHA's HCV budget for its PBV programs (excluding the additional 10% that a PHA may use as PBV for housing the homeless, elderly, disabled, veterans or involving supportive housing). HUD-approved MTW Supplemental Reporting by AHA states that AHA intends to use up to 50% of its HCV budget for AHA's PBV program. Federal law and regulation provide AHA as an MTW PHA with significant discretion over the use and application of the annual budgets, including HCV, that fund the federally-assisted housing it provides to the people of the Alameda. Nevertheless, we understand that MTW status does not provide blanket relief from compliance with the Housing Act of 1937 or otherwise applicable provisions of the code of federal regulations, and our letter cites and provides the basis for our request in light of those otherwise applicable regulatory provisions.

[2] The 1994 Base Closure Community Redevelopment and Homeless Assistance Act requires closing military bases to make reasonable accommodations to meet the needs of the homeless. To meet this requirement, APC and the City's predecessor agencies negotiated "Standards of Reasonableness" to delineate a reasonable plan for provision of real property and services at Alameda NAS. This includes the following requirement related to Housing: "Twenty percent of the base "family housing" units available for reuse or an equivalent number of like units in the community will be made available to homeless providers for permanent and transitional housing....Family units are multi-bedroom units in either single family or multi-unit buildings."

[3] 24 C.F.R. §983.51(b)(2) ("Subpart B"). Under Subpart B, a PHA may award PBV HAP in conjunction with another competition involving "housing assisted under a federal, state, or local government housing assistance, community development, or supportive services program that required competitive selection of proposals, where the proposal has been selected in accordance with such program's competitive selection requirements [...]." AHA's PHA Administrative Plan permits awards under the provisions set forth in Subpart B. C. 16, 2026 AHA PHA Administrative Plan.

Current Status of Funding for Estuary II (NH PSH II)

August 19, 2026
Sylvia Martinez
Director of Housing Development

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1

Estuary II

- 46 0b and 1b units
- Co-designed and permitted with other NH Block A properties
- All needed public infrastructure was built with first two properties
- Meant to be operated jointly with Estuary I
- Vouchers awarded in competitive process in 2021, extended through 2025.
- Two years of applications have been unsuccessful due to highly competitive environment, lack of soft funds, etc.
- 2026 No tax credit applications submitted due to voucher uncertainty

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Factors to Consider

- Meeting the Navy LBA/BRAC obligations for 90 homeless units
- AHA cannot honor voucher award due to shortfall. Vouchers or another operating subsidy are needed to serve the formerly homeless or extremely low-income seniors.
- Soft funding is expiring and if we don't apply/win tax credits in 2027, awards will be lost and ICD risks negative points. New HCD funds will not be available until 2029, if the bond passes.
- Ongoing intense competition for tax credits
- Future cost escalation due to global supply and Buy American requirements

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3

Future PBV needs

- LBA obligations – We need a minimum of 30 units targeted to homeless households for the LBA, and up to 46 targeted units per the MOU with Building Futures and Alameda Point Collaborative.
- Lack of vouchers – CTCAC and other underwriters require vouchers or an operating reserve (COSR) for all homeless targeted units to meet Market Study requirements.
- Vouchers improve the tiebreaker for tax credits.

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4

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5

Special Meeting
Stardust Gardens
Competition Analysis

August 19, 2026

Sylvia Martinez
Director of Housing Development

1

Stardust Gardens –Two Applications

	AHSC application	MHP Gap Application
Date submitted	5/28/2025	6/5/2026
Date of conditional award	12/10/2025	8/11/2026
Amount of conditional award	$29,553,361	$15,000,000
Vouchers	20-40 vouchers shown to support threshold 15-year positive cash flow, also to support operations, debt, PSH targeted population	None
Average Area Median Income served (AMI)	20%-50% AMI, averaging 36% AMI	Same
Gap without vouchers	$22,710,602	None
Commitment	Must close on construction by 12/10/27	Must apply to CDLAC on 9/8/2026 and close in 2027

2

AHSC Consideration of Vouchers

1. The application shows voucher income necessary to meet the State Uniform Multifamily Regulation underwriting requirements for 15 years of positive cash flow. This is a threshold requirement.
2. The application shows voucher income necessary to support a permanent loan of $6,590,000. Without vouchers, this loan is not available and there is a funding gap.
3. The application shows vouchers as 'YES' in section 33. The number of vouchers listed is 20 and the term is 20 years.
4. The market study requires 40 vouchers for feasibility, in particular 20 vouchers for the homeless units.
5. The $ 1,170,000 funding commitment from the Federal Home Loan Bank Affordable Housing Program requires 39 homeless units. Homeless units typically require vouchers or other operating subsidies, as is indicated in the market study.

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MHP GAP Application

- Requires AHSC award for eligibility
- Reduced total development costs by $1.2 million
- Reduced operating costs by 30%.
- Reduced perm loan by 90%
- Affordability remains at average of 36% AMI (extremely low income on average) and target population says 'formerly homeless.'

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4

Options post MHP GAP Award

- Apply for bonds and tax credits in September 2026 and begin construction by June 2027 (approx. 10 months)
- Construction period – Approximately 24 months
- During 34 months, seek rental assistancevouchers from any valid competition, or from the VA to serve the targeted population. Also, operating subsidies may be available from the City of Alameda or other sources.

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5