

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**DIVISION OF STATE FINANCIAL ASSISTANCE**

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December 10, 2025

Don Lusty, Director of Development
John Stewart Company
1388 Sutter Street, 11th Floor
San Francisco, CA 94109

Robert P. Beck, Treasure Island Director
Treasure Island Development Authority
One Avenue of the Palms, Suite 241
San Francisco, CA 94130

Dear Don Lusty and Robert P. Beck:

**RE: Conditional Award Commitment and Acceptance of Terms and Conditions
Affordable Housing and Sustainable Communities (AHSC), Round 9, Notice of
Funding Availability (NOFA), Fiscal Year 2025/2026
John Stewart Company and Treasure Island Development Authority –
Treasure Island IC 4.3
Contract No. 25-AHSC-18873 and 25-AHSC-18874**

The California Department of Housing and Community Development (“**Department**” or “**HCD**”) and the Strategic Growth Council (“**SGC**”) issued the AHSC Round 9, NOFA on March 25, 2025. The Department is pleased to inform you of this Conditional Award to the John Stewart Company and the Treasure Island Development Authority (“**Awardees**”). This Conditional Award is a loan and grant in the amount of \$45,109,140 (the “**Conditional Award**”) for the above-referenced project (the “**Project**”) and includes the following:

AHSC Program Award Components	Award Amount	Contract Number
AHSC Program Loan Award	\$30,000,000	25-AHSC-18873
AHSC Program Grant Award	\$15,109,140	25-AHSC-18874

The Conditional Award is based on and subject to the Applicant Representations and the Terms and Conditions of Conditional Award, both as further specified and described in this notice of the Conditional Award (the “**Conditional Award Commitment**”). This Conditional Award may only be accepted by timely delivery of a fully executed Acceptance of Terms and Conditions of Conditional Award form to the Department (an executed copy of this form is enclosed herein).

I. Applicant Representations – Basis of Conditional Award

In response to the above-mentioned NOFA, the Awardee(s) submitted an application for financing and grant funding of the Project (application, and all communications and documentation submitted to the Department in support thereof, the “**Application**”).

The Department and SGC are making this Conditional Award to the Awardee(s) on the basis of, and in reliance upon, the representations, warranties, projections, and descriptions that the Awardee(s) submitted as part of the Application (the “**Applicant Representations**”).

The Department and SGC may rescind this Conditional Award if the Department discovers, at any time prior to disbursement of the Conditional Award, that the Applicant Representations included material misrepresentations or omissions, regardless of whether or not such misrepresentations or omissions were innocent, unintentional, and/or based upon belief.

II. Terms and Conditions of Conditional Award

TIME IS OF THE ESSENCE IN THE SATISFACTION OF THESE TERMS AND CONDITIONS OF CONDITIONAL AWARD.

The Department may rescind this Conditional Award if any of the terms and conditions enumerated in this Section II (the “**Terms and Conditions of Conditional Award**”) are not timely satisfied. The Terms and Conditions of this Conditional Award and their corresponding timelines are described below.

If the Terms and Conditions of this Conditional Award are timely satisfied, the Department will (i) promptly provide a written notification to the Awardee(s) via electronic mail; and (ii) circulate an executed copy of an STD 213, Standard Agreement, for all appropriate signatures and approvals in accordance with the timeline specified in Section III of this Conditional Award Commitment.

All timelines shall be calculated in calendar days. Any deadline falling on a weekend or State of California holiday shall be extended to the next business day.

A. Timely Execution of Acceptance of Terms and Conditions of Conditional Award Form

The Awardee(s) shall execute and deliver a copy of the enclosed Acceptance of Terms and Conditions of Conditional Award to the Department within ten (10) calendar days of the date of this Conditional Award Commitment. The Department will deem this condition to be unsatisfied if it receives an executed Acceptance of Terms and Conditions of Conditional Award that has been substantively modified, altered, or amended in any way. The signed Acceptance of Terms and Conditions of Conditional Award form must be submitted to AHSC@hcd.ca.gov.

B. Timely Delivery of Authorization and Organizational Documents.

If not provided at the time of application, the Awardee(s) shall deliver to the Department, within sixty (60) calendar days of the date upon this Conditional Award

Commitment, a legally sufficient set of Authorization and Organizational Documents, as further described and specified below. Specifically, the Awardee(s) shall deliver a duly adopted authorizing resolution, as well as a complete and duly filed or adopted set of organizational documents and all amendments (the “**Authorization and Organizational Documents**”), for each of the following entities as applicable:

- each Awardee entity; the ultimate borrower of the Conditional Award funds (the “**Borrower**”); and,
- each separate legal entity that is part of the Awardee’s or Borrower’s organizational structure.

Each entity’s resolution must constitute, to the Department’s reasonable satisfaction, an unconditional, duly adopted, and legally binding authorization of the entity to accept the total amount of these Conditional Award funds, to fully participate in the relevant Department program, and to be legally bound by the requirements of the Department program. The Department may agree to an extension of fifteen (15) calendar days based on the Awardee’s demonstration of necessity.

Note: Public Agencies, as defined in the above-mentioned NOFA and/or Final Program Guidelines, are not required to submit a complete and duly filed or adopted set of organizational documents and amendments. Both the Conditional Award and this Conditional Award Commitment are subject to Health and Safety Code section 50406, subdivision (p), as subsequently amended (“**AB 1010**”).

The Department has posted resolution templates on its website as informational guidance. Please note that use of the resolution templates is not compulsory. However, use of the provided templates will assist in the timely review and approval of the Standard Agreement. While entities may choose to use modified language in their resolutions, Awardees should be aware that this may delay preparation of the Standard Agreement or, if deemed insufficient, may result in the need to submit a revised resolution.

At any point prior to disbursement, the Department may also require the Awardee(s) to resubmit Authorization and Organizational Documents if the original submittals were determined to be inaccurate or incomplete.

III. Delivery of Standard Agreement

In an effort to be responsive to each Awardee’s closing needs and to ensure timely commitment of funds, the Department commits to delivering an executed copy of the Standard Agreement relative to this Conditional Award within ninety (90) calendar days of receiving all required documents, including all legally sufficient Authorization and Organizational Documents, in connection with this Project and as applicable.

Please be advised that the form of the Standard Agreement, Exhibits A through D, are posted on the [Department's website](#) and will not be circulated for public comment or otherwise subject to change or negotiation except as may be required to achieve compatibility with the requirements of other governmental programs and third-party lenders.

Your contract is assigned to a Single Point of Contact (SPOC), Mae Dao, Housing & Community Development Representative II, Climate Change Branch at (916) 776-7520 or Mae.Dao@hcd.ca.gov, which will serve as your contact for any and all inquiries related to the development and execution of the Standard Agreement. If this project has previously received funding from HCD, this new award will be referred to the same SPOC as your previous award so as to minimize the points of contact from within HCD. You will receive an email from your SPOC within 48 hours of receipt of your signed Acceptance of Terms and Conditions of Conditional Award.

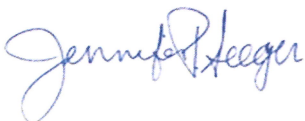
Among the responsibilities of the SPOC will be to maintain contact throughout the next several months as you work to secure all necessary funding sources to begin construction. Your SPOC will be reaching out to you on a monthly basis to inquire on status and progress. In the meantime, should you have any changes to the status or make up of your project we ask that you communicate these changes as soon as possible to your assigned SPOC.

IV. Deadline to Secure Permanent Financing

Please note, that the Awardee must secure all permanent financing, including tax credits and bond allocations, within 24 months of the date of the first Department funding award to the Project, consistent with the Department's Disencumbrance Policy ([Administrative Notice Number 2022-02: Disencumbrance Policy](#)). Sponsors must demonstrate that all permanent financing is in place allowing the project to commence construction. Failure to meet this requirement shall result in the withdrawal or recapture of this Conditional Award and any other prior or subsequent funds awarded to the Project.

Congratulations on your successful Application. For further information, please contact your SPOC as outlined in Section III above.

Sincerely,



Jennifer Seeger
Deputy Director
Division of State Financial Assistance

Enclosure: Acceptance of Terms and Conditions of Conditional Award form

California Department of Housing and Community Development

Affordable Housing and Sustainable Communities Acceptance of Terms and Conditions of Conditional Award

John Stewart Company and Treasure Island Development Authority ("**Awardees**")
Treasure Island IC 4.3 ("**Project**")

Affordable Housing and Sustainable Communities award totaling \$45,109,140 ("**Conditional Award**"), as detailed below:

AHSC Program Award Components	Award Amount	Contract Number
Loan Award	\$30,000,000	25-AHSC-18873
Grant Award	\$15,109,140	25-AHSC-18874
HRI component	\$3,500,000	
STI component	\$10,945,000	
PGM component	\$664,140	

By signing this Acceptance of Terms and Conditions of Conditional Award, the Awardee acknowledges having read and fully understood the terms and conditions of the Conditional Award Commitment, dated December 10, 2025, in connection with the Project.

In addition, the Awardee acknowledges having read and fully understood all of the Department's requirements relative to the Conditional Award, including the requirements set forth in Administrative Notice Number 2022-22: Disencumbrance Policy, and the Awardee agrees to abide by and comply with those requirements.

In addition, the Awardee(s) must acknowledge that they have reviewed and verified the accuracy of the final project report prepared by the Department no later than seven business days of receipt.

Project Specific Award Conditions:

1. The Standard Agreement Exhibits A, B, D, and E are posted on the [Department's AHSC Program website](#) and will not be circulated for public comment or otherwise subject to change or negotiation.

Initials: John Stewart Company: JS

Treasure Island Development Authority: TH

2. To facilitate timely processing of Standard Agreements, a condition of the award will be the delivery of a duly adopted and legally sufficient authorizing resolution and any duly filed or adopted organizational documents not included in the application, within 60 calendar days of the Department's issuance of the conditional award letter, but no later than February 9, 2026. Failure to provide documentation may result in the assessment of negative points pursuant to the Departments Negative Points policy dated March 30, 2022, as amended, Section 102 (b) (1 & 2).

Initials: John Stewart Company: JK

Treasure Island Development Authority: RB

3. The Awardee(s) shall remain a party to the Standard Agreement for the entire term of the Standard Agreement; removal of the awardee(s) without the Department's prior written consent is prohibited and will result in a default.

Initials: John Stewart Company: JK

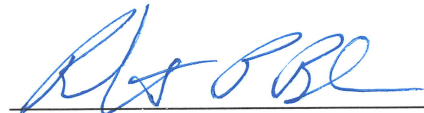
Treasure Island Development Authority: RB



Don Lusty, Director of Development
John Stewart Company

12-16-2025

Date



Robert P. Beck, Treasure Island Director
Treasure Island Development Authority

12/16/25

Date

**** For HCD Use Only ****

- ☐ Authorized Representatives Verified
☐ All Parties Signed

Date Received: _____

HCD Acknowledgment

[Name, Position]