



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 DIRECTORS**
DATE & TIME **Wednesday, June 26, 2024 - 6:01 PM**
LOCATION

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

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

Join Zoom Meeting

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

Meeting ID: 830 3007 7310

Passcode: 790402

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

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

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 Alameda Affordable Housing Corporation Board of Directors, please contact (510) 747-4325 (voice), TTY/TRS: 711, or jpolar@alamedahsg.org. Notification 48 hours prior to the meeting will enable the Alameda Affordable Housing Corporation Board of Directors to make reasonable arrangements to ensure accessibility or language assistance.

PLEDGE OF ALLEGIANCE

1. **ROLL CALL** - Board of Directors
2. **AB2449 COMPLIANCE** "AB2449 Compliance: The Chair will confirm that there are 4 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 the 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 AAHC within a calendar year, or more than 2 meetings if the Board of Directors regularly meets fewer than 10 times per calendar year.

3. DIRECTOR RECUSALS

4. Public Comment (Non-Agenda)

5. CONSENT CALENDER

Consent Calendar items are considered routine and will be approved or accepted by one motion unless a request for removal for discussion or explanation is received from the Board of Directors or a member of the public.

5.A. Approve Minutes of the Regular Board of Directors Meetings held on April 17, 2024 and May 15, 2024. **Page 4**

5.B. Accept the Quarterly Non-LIHTC Portfolio Asset Management Fiscal Year to Date Financial Report through March 31, 2024. **Page 10**

5.C. Accept Alameda Affordable Housing Corporation's (AAHC) One Year Budget for Fiscal Year July 1, 2024 to June 30, 2025. **Page 31**

5.D. Accept an update to the Independence Plaza Faircloth to RAD transaction; Authorize the Executive Director to submit a Mixed Finance Development Application to the U.S. Housing and Urban Development using Rental Assistance Demonstration (RAD) program and negotiate and approve minor Amendments in documents. **Page 34**

6. AGENDA

7. ORAL COMMUNICATIONS, Non-Agenda (Public Comment)

8. EXECUTIVE DIRECTOR'S COMMUNICATIONS

9. DIRECTORS COMMUNICATIONS, (Communications from the Directors)

10. ADJOURNMENT OF REGULAR MEETING

* * * Note * * *

Documents related to this agenda are available for public inspection and copying at the Alameda Affordable Housing Corporation office, 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 the Alameda Affordable Housing Corporation'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 Alameda Affordable Housing Corporation accommodate these individuals.





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**DRAFT MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
Wednesday, April 17, 2024**

PLEDGE OF ALLEGIANCE

Director Sidelnikov called the Meeting to order at 8:01 p.m.

1. ROLL CALL - Board of Directors

Present: Director Sidelnikov, Director Decoy,
Director Husby, Director Joseph-Brown,
Director Kaufman, and Director Tamaoki

Absent: Director Grob

2. AB2449 COMPLIANCE "AB2449 Compliance: The Chair will confirm that there are 4 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 the 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 AAHC within a calendar year, or more than 2 meetings if the Board of Directors regularly meets fewer than 10 times per calendar year.

Director Sidelnikov confirmed that at least four Commissioners were present in the noticed meeting room and no Commissioners were attending the meeting remotely.

3. COMMISSIONER RECUSALS



None.

4. Public Comment (Non-Agenda)

None.

5. CONSENT CALENDER

Consent Calendar items are considered routine and will be approved or accepted by one motion unless a request for removal for discussion or explanation is received from the Board of Directors or a member of the public.

*5.A. Approve Minutes of the Regular Board of Directors Meetings held February 21, 2024.

*5.B. Accept the AHA/AAHC non-LIHTC Portfolio Asset Management Fiscal Year-to-Date Financial Report through December 31, 2023.

*5.C. Accept the Alameda Affordable Housing Corporation (AAHC) Federal and State Tax Returns for the Fiscal Year Ending June 30, 2023 and Authorize Executive Director to Execute with Minor Immaterial Changes.

Items accepted or adopted are indicated by an asterisk.

Director Tamaoki moved to accept the Consent Calendar items, and Director Joseph-Brown seconded. The motion passed unanimously.

Yes	6	Director Sidelnikov, Director Decoy, Director Husby, Director Joseph-Brown, Director Kaufman, and Director Tamaoki
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Absent	1	Director Grob
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6. AGENDA

N/A

7. ORAL COMMUNICATIONS, Non-Agenda (Public Comment)

None.

8. EXECUTIVE DIRECTOR'S COMMUNICATIONS

Vanessa Cooper, Executive Director stated that Sepideh Kiumarsi, Management Analyst attended the MTW Conference, where she was well received as the guest speaker on the Faircloth Initiative.

9. DIRECTORS COMMUNICATIONS, (Communications from the Directors)

Director Sidelnikov stated that AHA received an award for the Rosefield Village project during the NAHRO Washington Conference and expressed gratitude for and



recognition of the work performed by staff which sets AHA apart from other agencies and has resulted in staff being requested to serve as guest speakers at conferences and AHA earning various awards.

10. ADJOURNMENT OF REGULAR MEETING

Director Sidelnikov adjourned the meeting at 8:05 p.m.

Vanessa M. Cooper
Secretary and Executive Director

Director Sidelnikov
Board of Directors





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**DRAFT MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
Wednesday, May 15, 2024**

PLEDGE OF ALLEGIANCE

Vice-Chair Sidelnikov called the meeting to order at 8:45 p.m.

1. ROLL CALL - Board of Directors

Present: Director Sidelnikov, Director Decoy,
Director Husby, Director Joseph-Brown, and
Director Tamaoki

Video-Conference: Director Grob

Absent: Director Kaufman

2. AB2449 COMPLIANCE "AB2449 Compliance: The Chair will confirm that there are 4 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 the 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 AAHC within a calendar year, or more than 2 meetings if the Board of Directors regularly meets fewer than 10 times per calendar year.

Director Sidelnikov confirmed that there were 4 Directors in the noticed meeting room and that Director Grob was attending via video-conference.



Director Grob stated that she was attending the meeting via video-conference in accordance with AB2449 just cause circumstances and confirmed that no individual over the age of 18 years or older was present in the room.

3. DIRECTOR RECUSALS

None.

4. Public Comment (Non-Agenda)

None.

5. CONSENT CALENDER

Consent Calendar items are considered routine and will be approved or accepted by one motion unless a request for removal for discussion or explanation is received from the Board of Directors or a member of the public.

*5.A. Approve Minutes of the Regular Board of Directors Meeting held March 20, 2024.

*5.B. Approve the Quarterly Write-off to March 31, 2024 of Uncollectible Accounts Receivable from Former Residents.

Director Sidelnikov moved to accept the Consent Calendar items, and Director Husby seconded. A roll call vote was taken, and the motion passed unanimously.

Yes	6	Director Grob, Director Sidelnikov, Director Decoy, Director Husby, Director Joseph-Brown, and Director Tamaoki
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6. AGENDA

6.A. Accept a grant of \$3,000,000 to the Alameda Affordable Housing Trust Fund (AAHTF) from the Housing Authority of the City of Alameda (AHA). Authorize the Alameda Affordable Housing Corporation (AAHC) to apply for a Local Housing Trust Fund matching grant for an amount not to exceed \$1,000,000 for Independence Plaza; Authorize AAHC to Approve a Resolution to apply to the Local Housing Trust Fund Program and a Resolution to enter a Letter of Intent on behalf of the Independence Plaza property for an amount not to exceed \$4,000,000; Authorize the Executive Director to make minor adjustments in documents and to sign all required documents for the LHTF Application.

Sylvia Martinez, Director of Housing Development, stated that the presentation for this item was provided in the Housing Authority of the City of Alameda (AHA) Board of Commissioners (BOC) Meeting that was held prior to this meeting. As the BOC authorized AHA to grant \$3 million dollars to the Alameda Affordable Housing Trust Fund (AAHTF), staff is requesting that the Board accept this grant and apply to the Local Housing Trust Fund (LHTF) Program, if funds are available this year, for a



matching grant, and to Authorize the Executive Director to make minor adjustments in the documents and to sign all required documents for the LHTF Application.

Director Husby moved to accept a grant of \$3,000,000 to the Alameda Affordable Housing Trust Fund (AAHTF) from the Housing Authority of the City of Alameda (AHA). Authorize the Alameda Affordable Housing Corporation (AAHC) to apply for a Local Housing Trust Fund matching grant for an amount not to exceed \$1,000,000 for Independence Plaza; Authorize AAHC to Approve a Resolution to apply to the Local Housing Trust Fund Program and a Resolution to enter a Letter of Intent on behalf of the Independence Plaza property for an amount not to exceed \$4,000,000; Authorize the Executive Director to make minor adjustments in documents and to sign all required documents for the LHTF Application, and Director Tamaoki seconded. A roll call vote was taken, and the motion passed unanimously.

Yes 6 Director Grob, Director Sidelnikov, Director Decoy,
Director Husby, Director Joseph-Brown,
and Director Tamaoki

7. ORAL COMMUNICATIONS, Non-Agenda (Public Comment)

None.

8. EXECUTIVE DIRECTOR'S COMMUNICATIONS

Vanessa Cooper, Executive Director, shared AHA's NAHRO award and stated that AHA was featured in the NAHRO Washington Conference brochure and that a copy of the brochure has been provided for each Board member. Ms. Cooper reminded the Board Members to check in with Jasmine Polar, Executive Assistant, to confirm submittal of their Form 700 and Ethics Training Certificate.

9. DIRECTORS COMMUNICATIONS, (Communications from the Directors)

None.

10. ADJOURNMENT OF REGULAR MEETING

Director Sidelnikov adjourned the meeting at 8:51 p.m.

Vanessa M. Cooper
Secretary and Executive Director

Vadim Sidelnikov, Director
Board of Directors





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701 Atlantic Avenue • Alameda, California 94501-2161

To: Board of Directors
From: Trevor Jones, Asset Manager

Prepared By: Trevor Jones, Asset Manager

Date: June 26, 2024

Re: Accept the Quarterly Non-LIHTC Portfolio Asset Management Fiscal Year to Date Financial Report through March 31, 2024.
5.B.

BACKGROUND

The Housing Authority of the City of Alameda (AHA) and the Alameda Affordable Housing Corporation (AAHC) hold a portfolio of affordable housing stock. The cumulative unit count is 543 units, of which 40% house seniors and 60% house families. Most of the units are supported by Project-Based Voucher and Housing Choice Voucher rental subsidy programs and do not have hard debt.

AAHC's portfolio includes Anne B. Diament Plaza (65 units), Independence Plaza (186 units), China Clipper Plaza (26 units), Eagle Village (36 units), Parrot Village (50 units), Esperanza (120 units), and Scattered Sites - Lincoln Willow (5 units), Stanford House (4 units), and Pulte Homes (18 units). The total number of units is 510.

AHA's portfolio includes Parrot Gardens (8 units) and Scattered Sites. The Scattered Sites are Condos (7 units), Mulberry Town Homes (4 units), Paru House (1 unit), Lincoln House (4 units), and Sherman House (9 units). The total number of units is 33.

Units owned by ICD and other properties with tax credits are reported on in the ICD packet.

For the months of July 2023 to March 2024, the property management duties were contracted to the FPI Management Company. The resident services were contracted to LifeSTEPS.

DISCUSSION

This memo provides an overview of the AHA/ AAHC portfolio asset management fiscal year-to-date financial report through March 31, 2024. This report tracks performance per the budget and includes achievements, items of note, and upcoming events or changes. Please note the properties' fiscal year-end is June 30, 2024, and the figures used in this report may



change and not match the audit.

The properties faced some challenges last fiscal year, including a transfer to a new property management company.

- Budgets were carried forward from JSCO to FPI with minimal changes. Staff expect to use a full zero-based budget method for 2024-25.
- Due to the COVID moratorium, the portfolio has accrued large balances of Tenant Receivables. To put this in perspective, \$583,160 of the total outstanding balance of \$616,958, was accrued before the expiration of the COVID moratorium in November 2023. During the COVID moratorium, Landlords were unable to use many of the tools for working with residents to collect past due rent.
- Staff and FPI have worked through a systematic plan to get tenants on payment plans and to seek assistance through Resident Services.
- Total Operating Revenue: \$13,169,557 was 14% higher than the budgeted \$11,567,397.
- In regards to the Operating Expenses, overall expenses are 4% higher than budgeted. The properties have been catching up on accounts payable from 2023. We anticipate all remaining invoices from prior year to be caught up in April 2024.
- Taking all of this into account, the Net Operating Income (NOI) overall is 22% higher than the budget. The primary factor in NOI being over budget is the payment received for capital improvements at Independence Plaza.

For the following summaries, these statements apply to all properties:

- Operating Revenue - Includes tenant rent, rental subsidy (HAP), vacancy loss, laundry income, and interest on accounts.
- Tenant Account Receivable are on the whole decreasing as residents sign and pay on payment plans or move-out and are sent to collections.
- Operating Expense - Includes marketing, administrative, property management fees, salaries and benefits, utilities, operating and maintenance, taxes and insurance, and resident services.
- Net Operating Income (NOI) - Operating Revenue minus Operating Expense.
- Total Net Cash Flow will be distributed in accordance with the loan and regulatory agreements.
- Occupancy rate is an average of the period to date occupancy.
- Conservice is a utility management provider that AHA will be employing at select properties in Q2 2024.
- Debt Service Coverage Ratio is calculated by dividing Net Operating Income minus Replacement Reserves divided by Debt Service.

Anne B. Diament Plaza (65 units)

- Operating Revenue is \$1,129,843, which is 4% (\$41,635) lower than budget.



- Occupancy averaged 97% (2 vacant units) over the past three quarters.
- Tenant Revenue is \$352,891 and Subsidy Revenue is \$857,127 vs. budget \$356,967 and \$832,338 respectively.
- Tenant Accounts Receivable is \$45,297.
- Operating Expenses are \$362,865, which is 25% (124,007) lower than budget due to lower payroll and administrative costs. FPI's temporary maintenance worker has accepted the full-time position and is on the payroll now. It is anticipated that some utility bills from the first quarter to be paid in April when Conservice is implemented.
- Net Operating Income (NOI) is \$766,978, which is 12% (\$82,372) higher than budget. We do expect expenses to stabilize and outstanding payables to be caught up in the next quarter.
- Mandatory hard debt service and reserve deposit requirements are \$0.
- Total Net Cash Flow is \$766,978.

Independence Plaza (186 units)

- Operating Revenue is \$5,246,897, which is 59% (\$1,942,144) higher than budget. The CIC payment (included in other income) was received in January 2024 accounts for \$2,887,086 which resulted in a net positive Revenue to Budget variance.
- Occupancy averaged 97% (6 vacant units) over the first three quarters.
- Tenant Revenue is \$2,134,405 and Subsidy Revenue is \$1,084,993.
- Tenant Account Receivable is \$13,169.
- Operating Expenses are \$1,123,595 which is 17% (\$159,715) higher than budget. In 2023, our lender required the property to prepay taxes in the amount of \$117,115 that we expect to be reimbursed in Q2 2024.
- Net Operating Income (NOI) is \$4,123,302, which is 76% (\$1,782,429) higher than the budget due to the CIC payment being received in January 2024.
- Mandatory hard debt service and reserve deposit requirements are \$582,822 and \$36,099 respectively for this quarter.
- Debt Service Coverage Ratio is 7.01.
- Total Net Cash Flow is \$3,504,381.

China Clipper Plaza (26 units)

- Operating Revenue is \$459,752, which is 1% (\$6,613) lower than budget.
- Occupancy is currently 100% (0 vacant units) and averaged 98% from July to March.
- Tenant Revenue is \$125,636 and Subsidy Revenue is \$335,660.
- Tenant Account Receivable is \$7,567.
- Operating Expenses are \$177,256, which is 27% (\$65,626) lower than budget as a result of not being fully staffed and having lower than budgeted property insurance. We anticipate some costs incurred during the first three quarters to be paid in the next quarter.
- Net Operating Income (NOI) is \$282,496, which is 26% (\$59,013) higher than budget.
- Mandatory hard debt service and reserve deposit requirements are \$0.
- Total Net Cash Flow is \$282,496.



Eagle Village (36 units)

- Operating Revenue is \$814,635, which is 6% (\$53,067) lower than budget due to occupancy being lower than budget.
- Occupancy averaged 95% (2 vacant units) over the quarter and we budgeted for less than one vacant unit. Currently, we are 100% occupied.
- Tenant Revenue is \$228,760 and Subsidy Revenue is \$642,604.
- Tenant Account Receivable is \$19,439 and is primarily attributed to four residents with large, accrued balances during the COVID moratorium.
- Operating Expenses are \$209,664, which is 30% (\$90,007) lower than budget mainly due to not needing to utilize large, budgeted items such as office equipment and computer software expenses. We do anticipate some outstanding bills from the first quarter to be paid in April.
- Net Operating Income (NOI) is \$604,971, which is 7% (\$36,940) higher than budget.
- Replacement Reserve deposit requirements are \$19,125 for the quarter.
- Mandatory hard debt service is \$140,548 for the quarter.
- Debt Service Coverage Ratio is 4.17.
- Total Net Cash Flow is \$445,298.

Parrot Village (50 units)

- Operating Revenue is \$1,216,087, which is 12% (\$167,682) lower than budget due to long standing vacant units.
- Occupancy averaged 85% (8 to 7 vacant units) over the quarter, compared to our budget of 98% and 1 vacant unit. Remediation in two units and repairs to a unit that was damaged by a tree resulting in the residents' relocation to another unit resulted in a higher than expected vacancy rate. As of March 31, 2024, there are 4 unrented units.
- Tenant Revenue is \$353,727 and Subsidy Revenue is \$970,160.
- Tenant Account Receivable is \$278,950 with \$267,055 (92%) having accrued during the COVID moratorium.
- Operating Expenses are \$602,661, which is 29% (\$135,936) higher than budget. This is primarily due to expenses regarding the plumbing remediation, rebuilding and relocation of units 1866 and 1863 due to storm damage. Additionally, there were material expenses setting up an onsite office. During this period the property experienced 6 move-outs and 8 move-ins which contributed to higher than budget turnover costs.
- Net Operating Income (NOI) is \$613,426, which is 33% (\$303,618) lower than the budget.
- Replacement Reserve deposit requirements are \$19,125.
- Mandatory hard debt service is \$194,090.
- Debt Service Coverage Ratio is 3.06.
- Total Net Cash Flow is \$269,031 after capital expenses mainly attributed to the flooded units.



Parrot Gardens (8 units)

- Operating Revenue is \$120,362, which is 27% (\$43,484) lower than budget.
- Occupancy is 100% (0 vacant unit). Note: one unit is being used as a shared office for Parrot Gardens and Parrot Village. Parrot Village pays a portion of the rent to Parrot Gardens for that use. Another unit is designated for the property manager.
- Tenant Revenue is \$104,918 and Subsidy Revenue is \$87,358.
- Tenant Account Receivable is \$20,857 with \$17,307 of that total being accrued during the COVID moratorium.
- Operating Expenses are \$73,207, which is 15% (\$13,005) lower than budget due to stable staffing and low turnover.
- Net Operating Income (NOI) is \$47,155, which is 39% (\$30,479) lower than budget.
- Mandatory hard debt service and reserve deposit requirements are \$0.
- Total Net Cash Flow is \$46,328 after capital expenses.

Esperanza (120 units)

- Operating Revenue is \$3,308,199, which is 3% (\$103,933) higher than budget.
- Occupancy averaged 97% (3 vacant units) over the quarter.
- Tenant Revenue is \$694,217 and Subsidy Revenue is \$2,430,427.
- Tenant Account Receivable is \$161,844.
- Operating Expenses are \$907,251, which is 8% (\$82,195) lower than budget. Administrative services have outstanding bills incurred during the first and second quarters that will be paid in April
- Net Operating Income (NOI) is \$2,400,948, which is 8% (\$186,128) higher than budget.
- Replacement Reserve deposit requirements are \$27,450.
- Mandatory hard debt service is \$740,808.
- Debt Service Coverage Ratio is 3.2.
- Total Net Cash Flow is \$1,554,586 after capital expenses (\$78,104) mainly attributed to flooring and appliance replacements on turns.

AHA Scattered Sites (25 units)

- Operating Revenue is \$452,321, which is 9% (\$45,459) lower than budget.
- Occupancy averaged 99% over the first three quarters. One unit turned over during this time period.
- Tenant Revenue is \$43,623 and Subsidy Revenue is \$345,960.
- Tenant Accounts Receivable is \$34,173 with \$26,630 having been accrued during the COVID moratorium.
- Operating Expenses are \$187,545, which is 25% (\$61,827) under budget. This is primarily due to a conservative operating and maintenance budget while the property maintained 100% occupancy and had only 1 unit turn. Insurance was also budgeted materially higher than actual. We do anticipate some invoices accrued during the first three quarters to be paid in April.
- Net Operating Income is \$264,776, which is 7% (\$16,368) higher than budget.



- Mandatory hard debt service and reserve deposit requirements are zero.
- Total Net Cash Flow is \$264,776.

AAHC Scattered Sites (27 units)

- Operating Revenue is \$421,461, which is 17% (\$85,978) lower than budget as a result of high vacancy.
- Occupancy averaged 86% (4 vacant units) over the first three quarters. Less than 1 unit was budgeted for vacancy.
- Tenant Revenue is \$296,464 and Subsidy Revenue is \$231,868.
- Tenant Account Receivable is \$35,658 with \$31,758 having been accrued during the COVID moratorium.
- Operating Expenses are \$247,958, which is 15% (42,796) lower than budget. A large portion of this is due to homeowner dues not being paid in full during this period. Additionally, we are not fully staffed while actively looking for a full-time maintenance tech. It would be anticipated that some invoices accrued during the first three quarters to be paid in April.
- Net Operating Income is \$173,503, which is 20% (\$43,182) lower than budget.
- Mandatory hard debt service and reserve deposit requirements are zero.
- Total Net Cash Flow is \$121,944 after capital expenses for insurance damage and flooring.

FISCAL IMPACT

None.

CEQA

N/A

RECOMMENDATION

Accept the AHA / AAHC Portfolio Asset Management Fiscal Year to Date Financial Report through the Month of March 2024.

ATTACHMENTS

1. AHA Non-LIHTC Q1 2024
2. Non-LIHTC Q1 Quarterly Reports Final

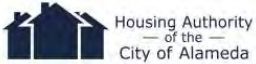
Respectfully submitted,
Trevor Jones
Trevor Jones, Asset Manager



Non-LIHTC Q1 2024 REPORT

Income is on a Cash Basis
Expenses are on an Accrual Basis
Income Variance is calculated Actual-Budget
Expense Variance is calculated Actual-Budget

TREVOR JONES
ASSET MANAGER

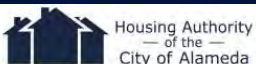
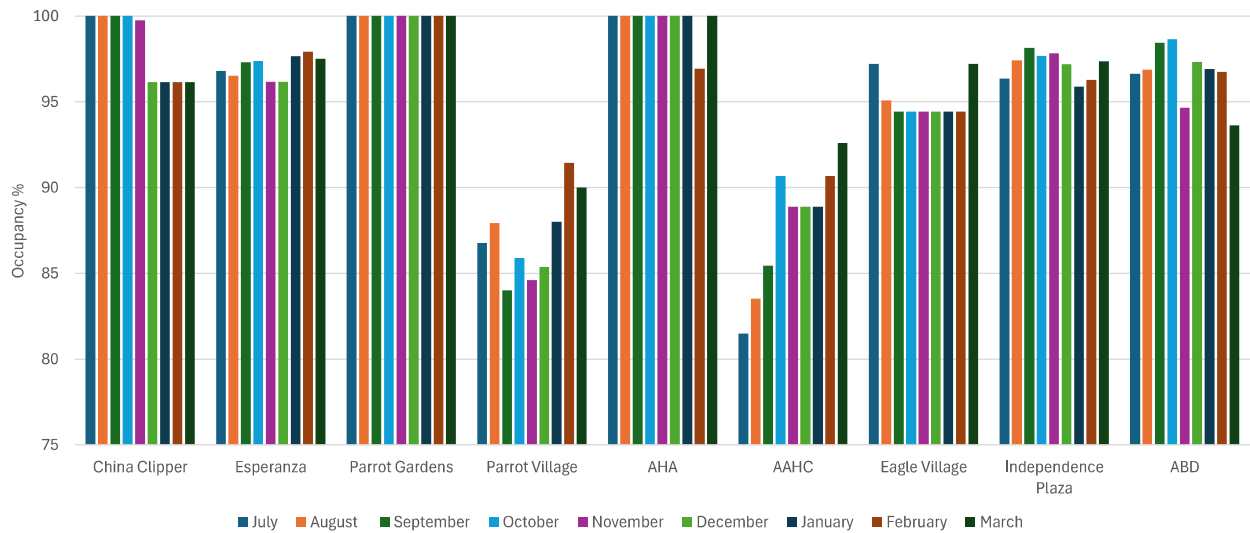


www.amedahsg.org

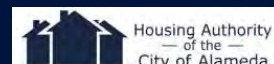


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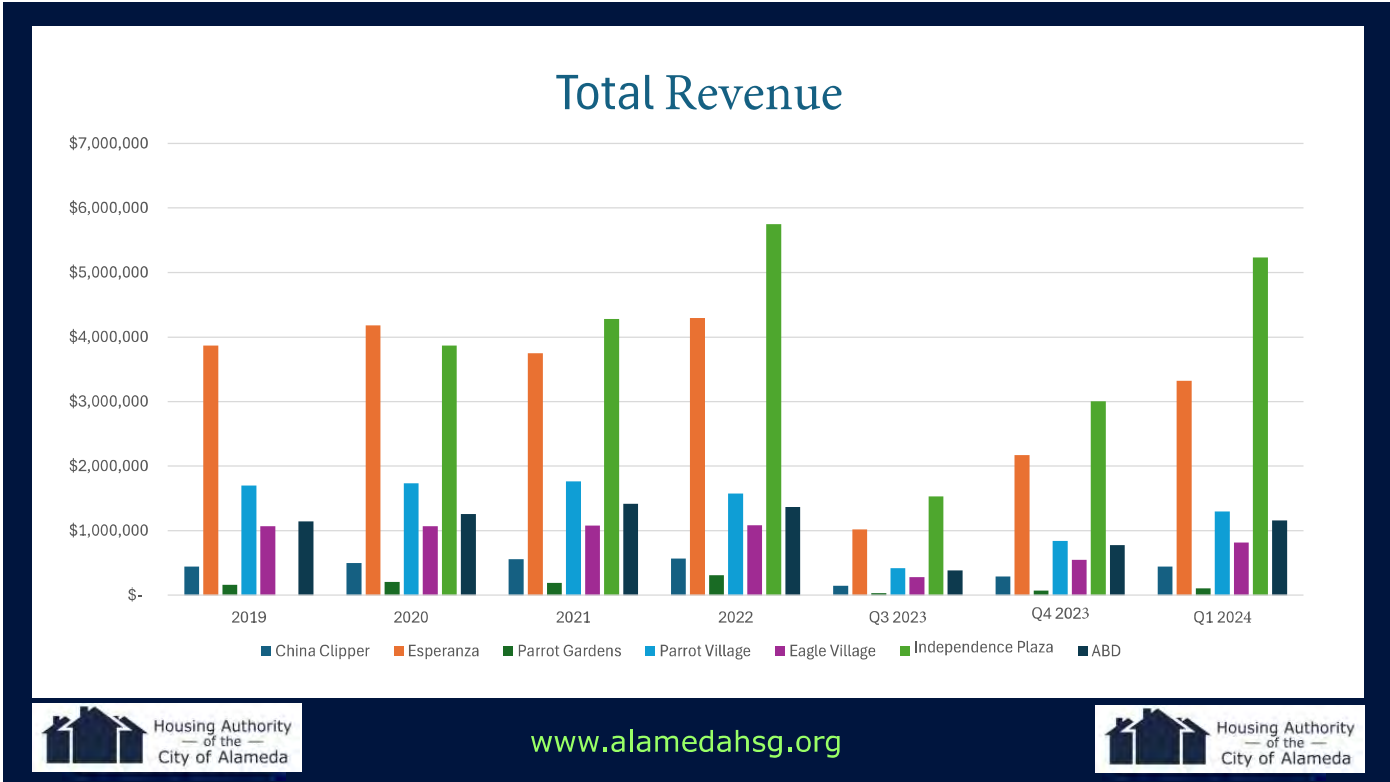
Occupancy %



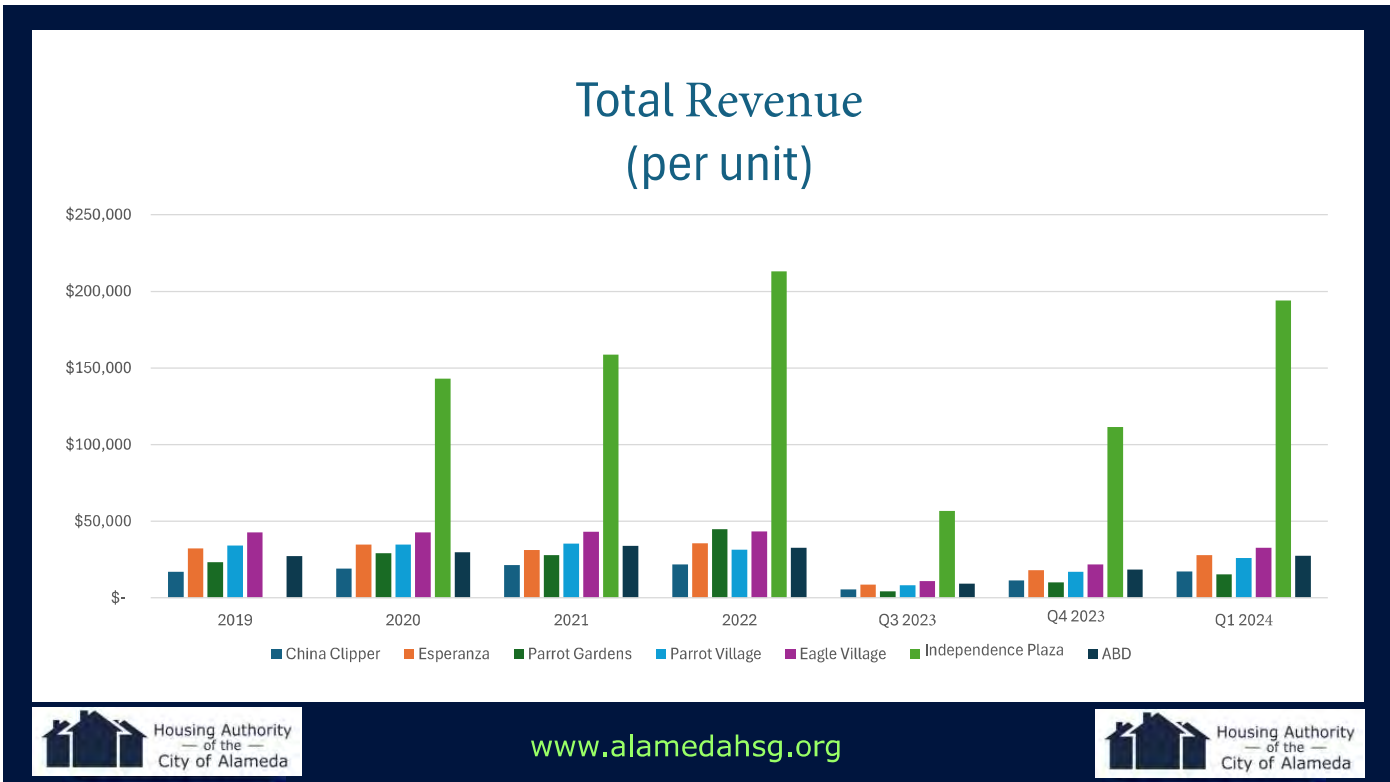
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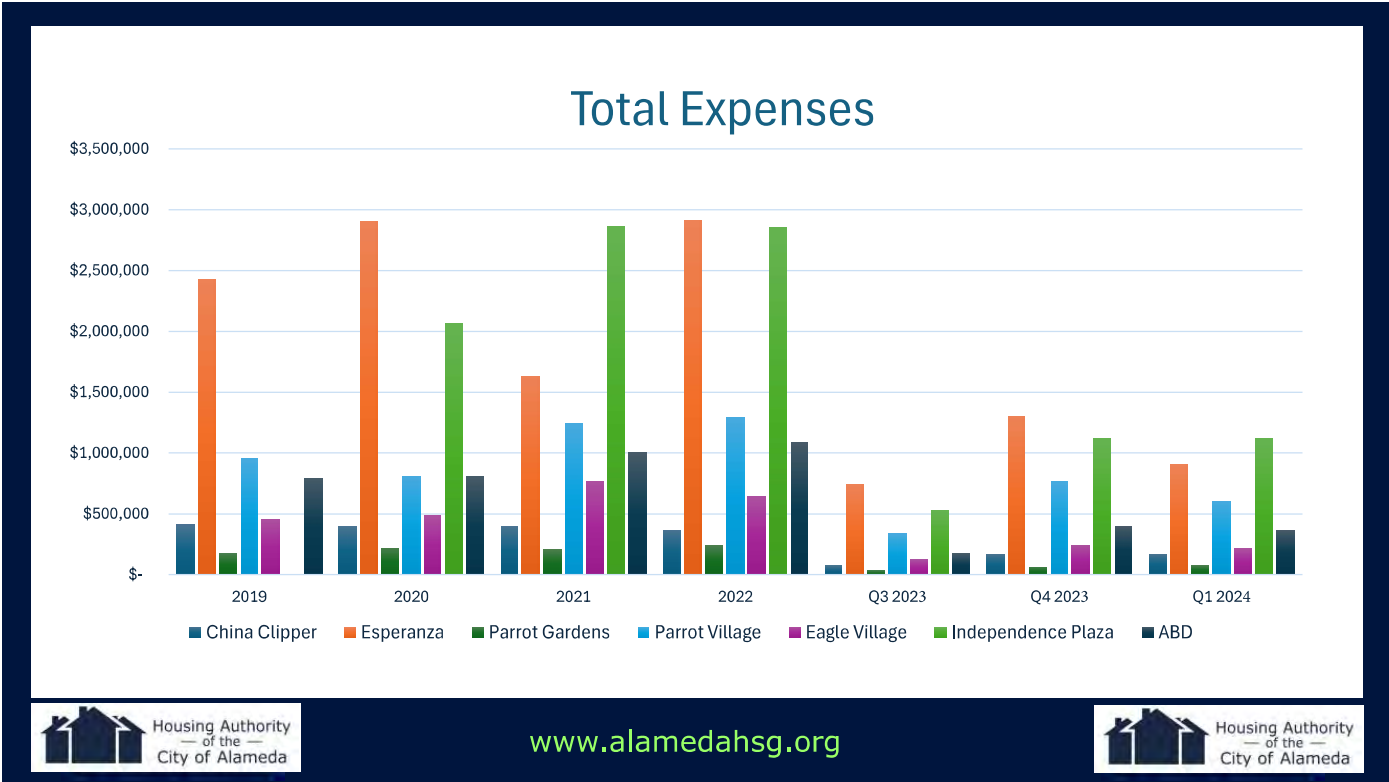
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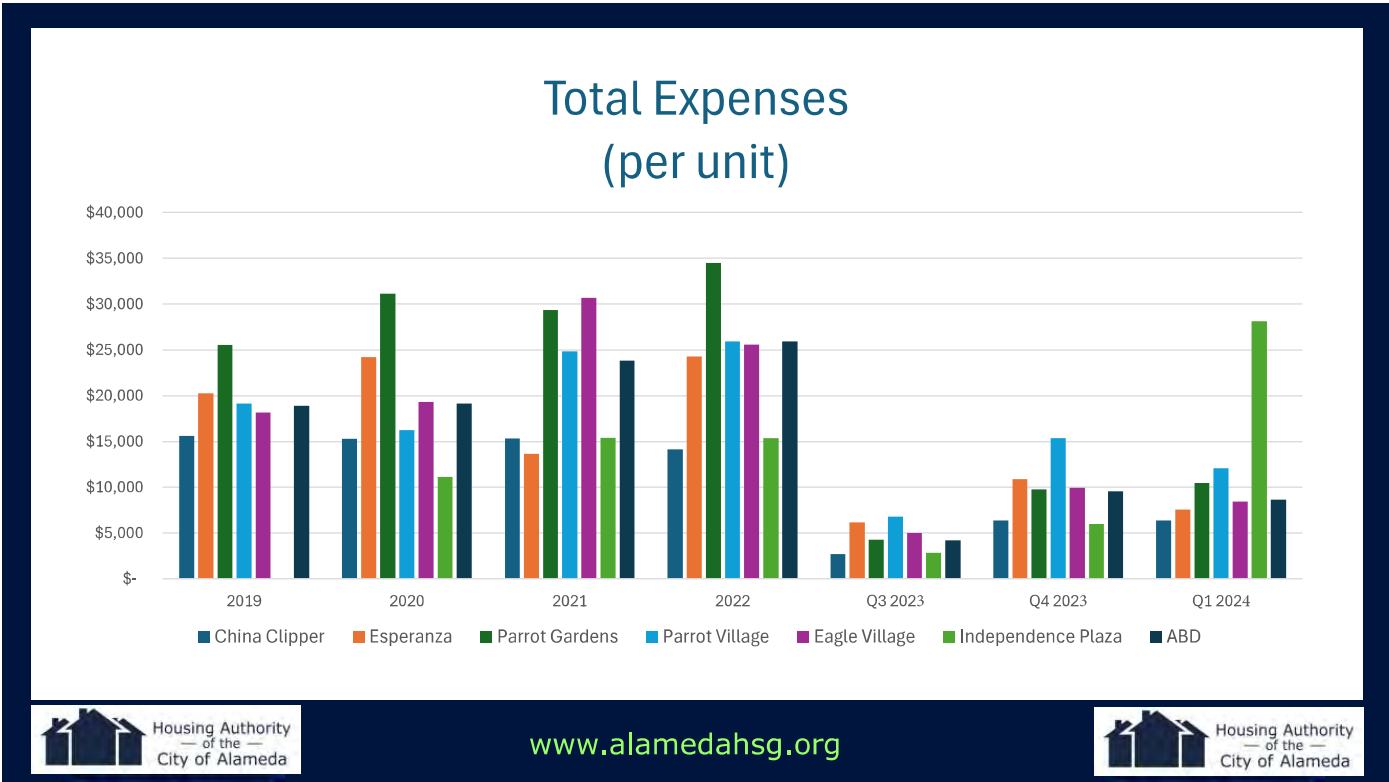
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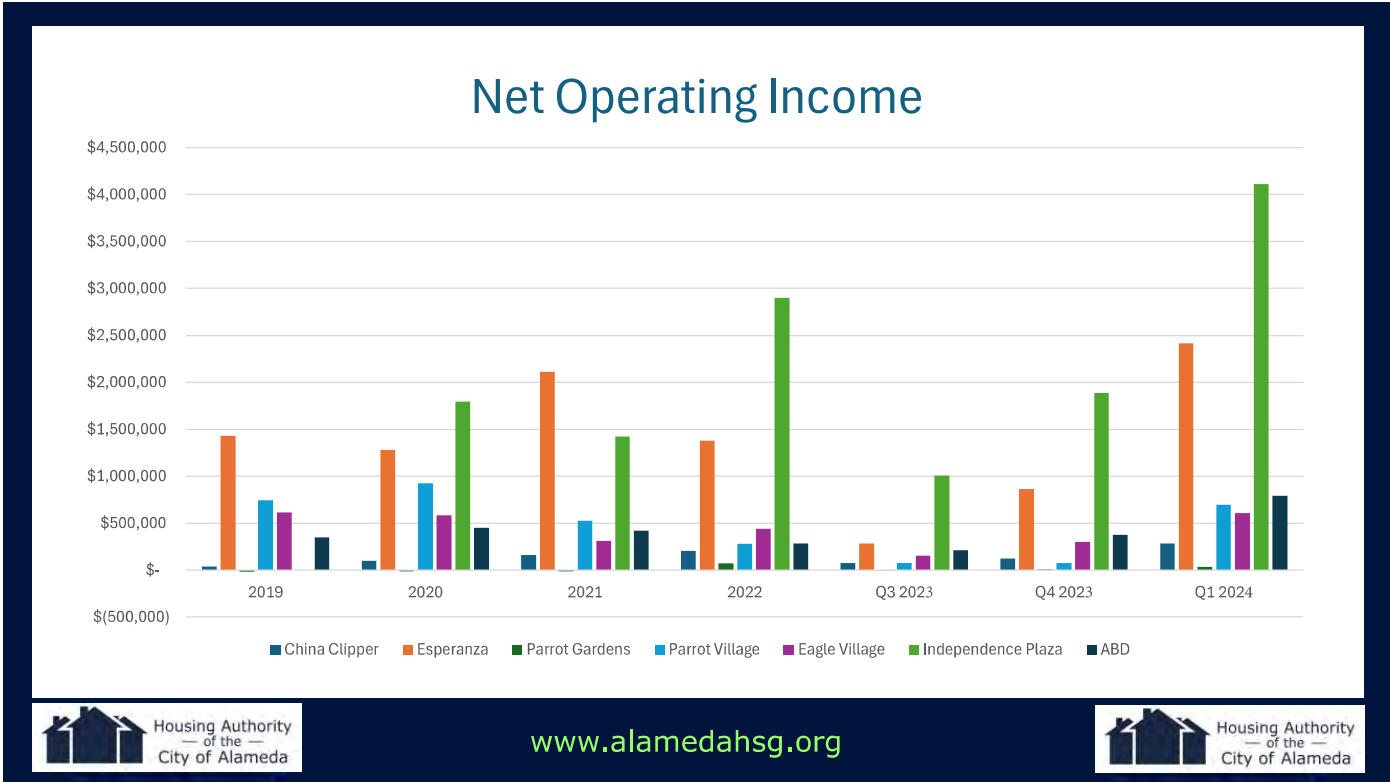
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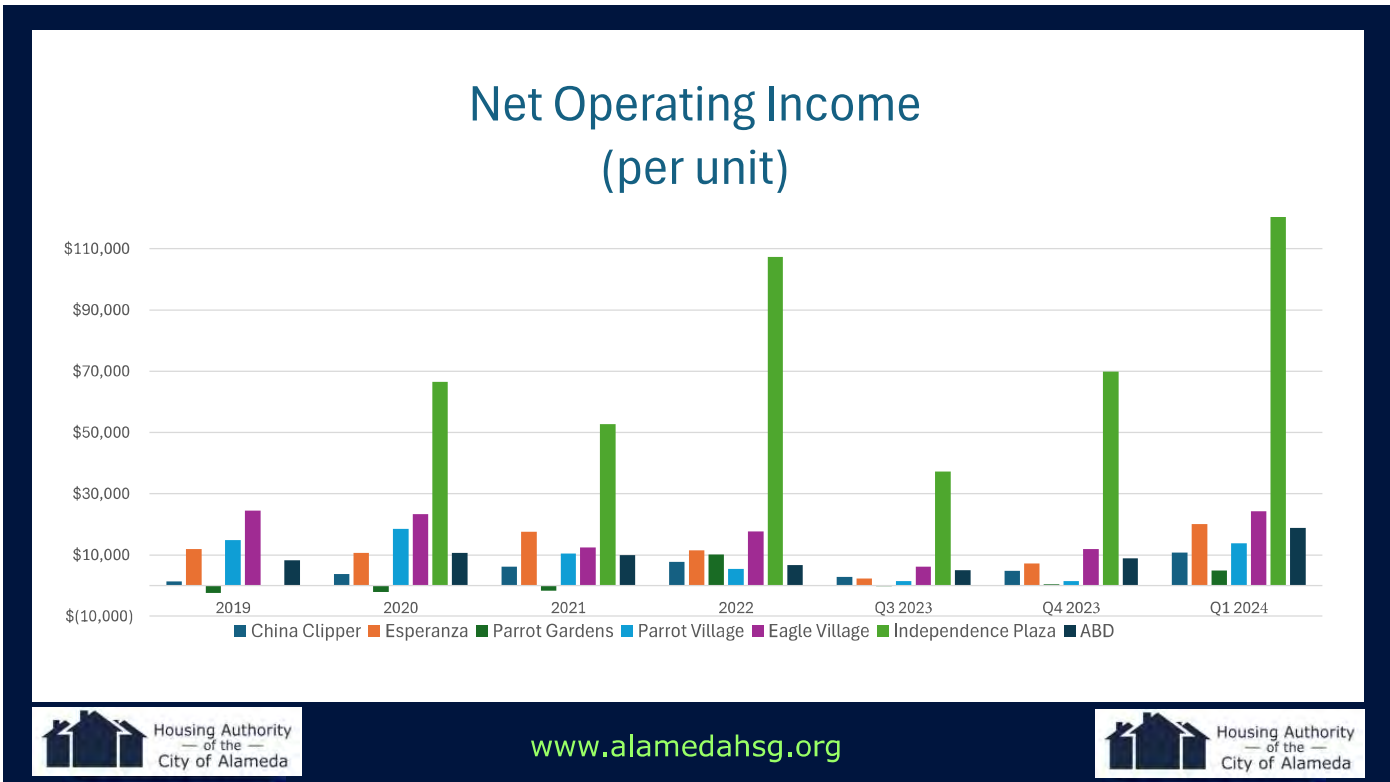
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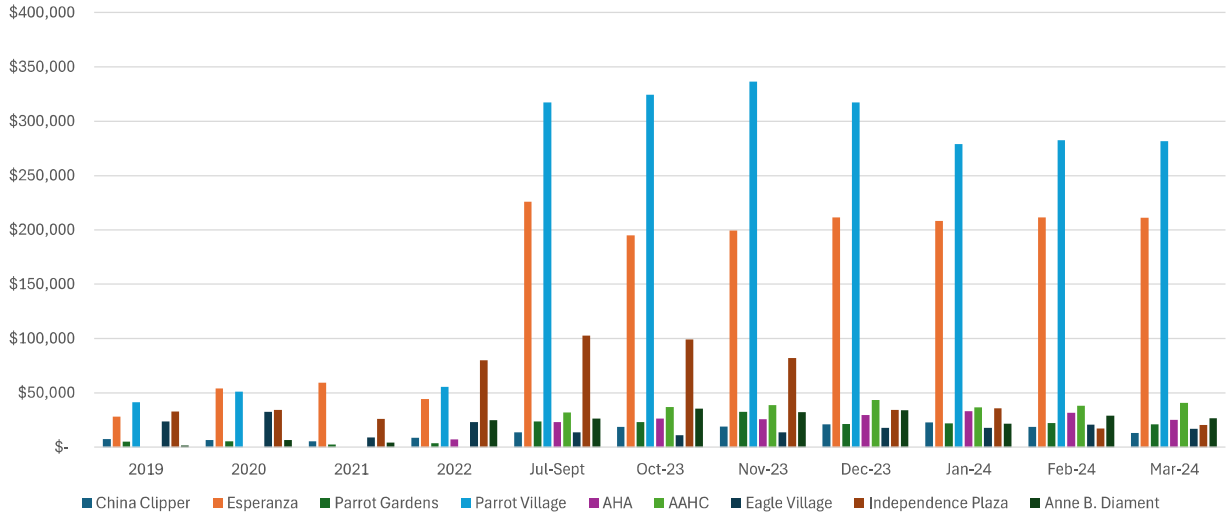


7



8

Tenant Accounts Receivable

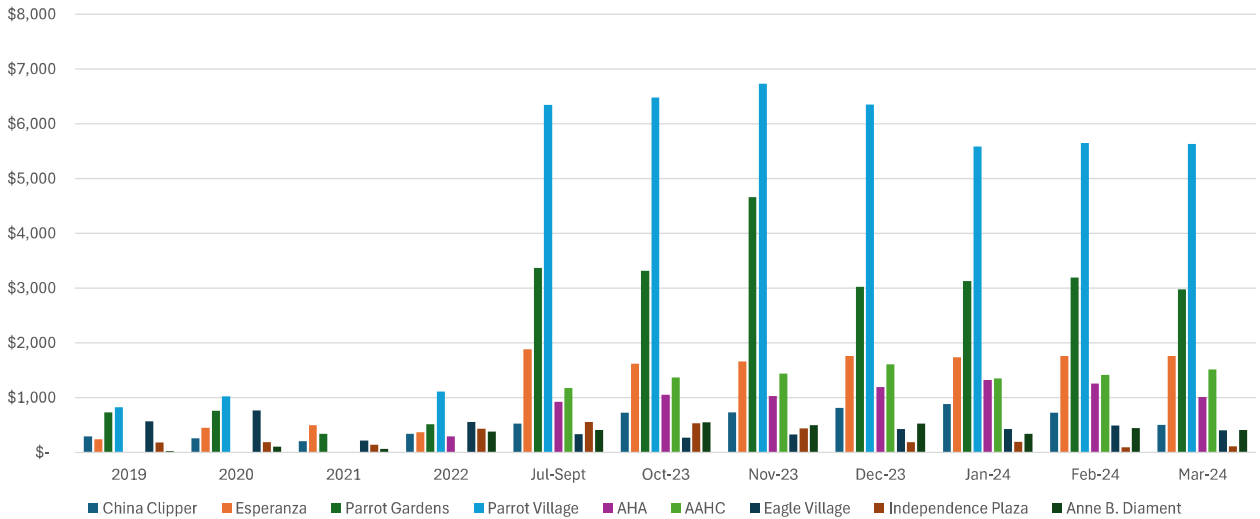


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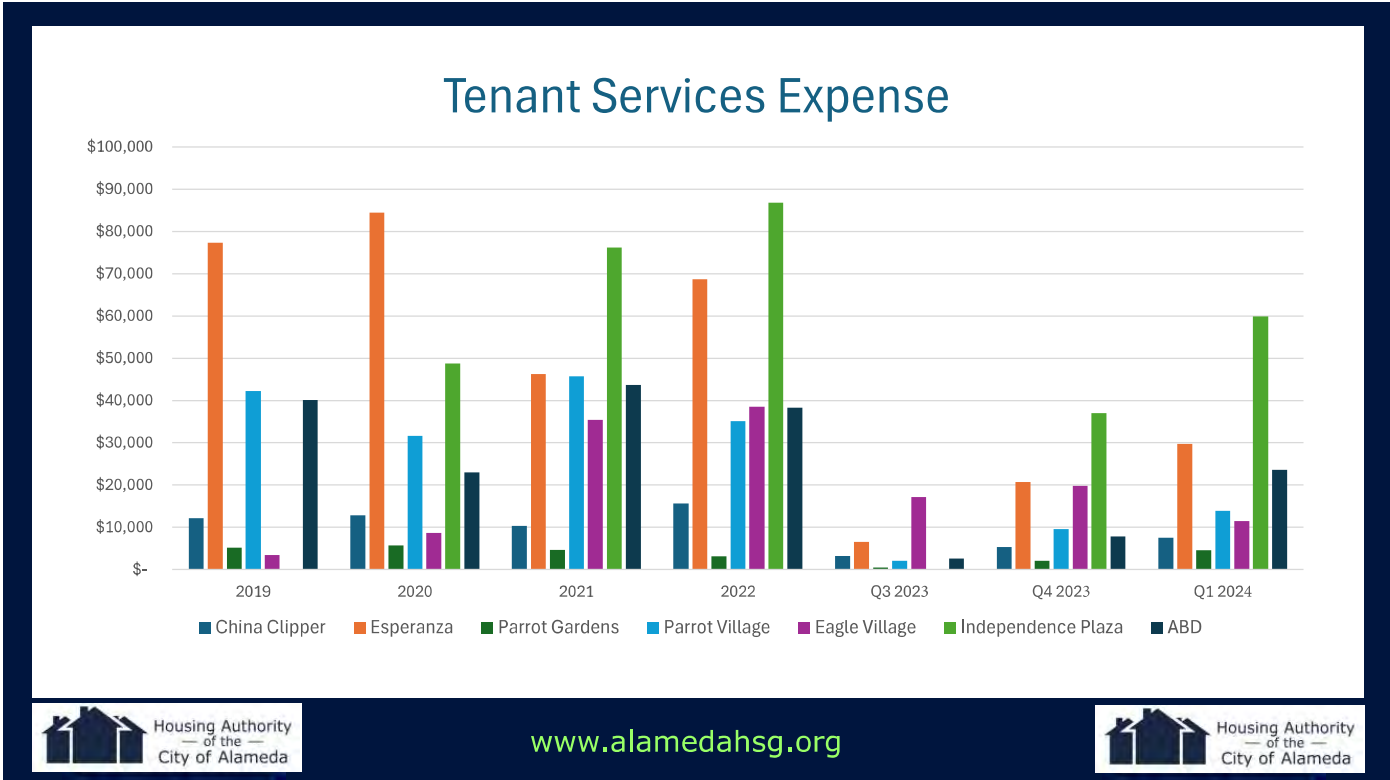
Tenant Accounts Receivable



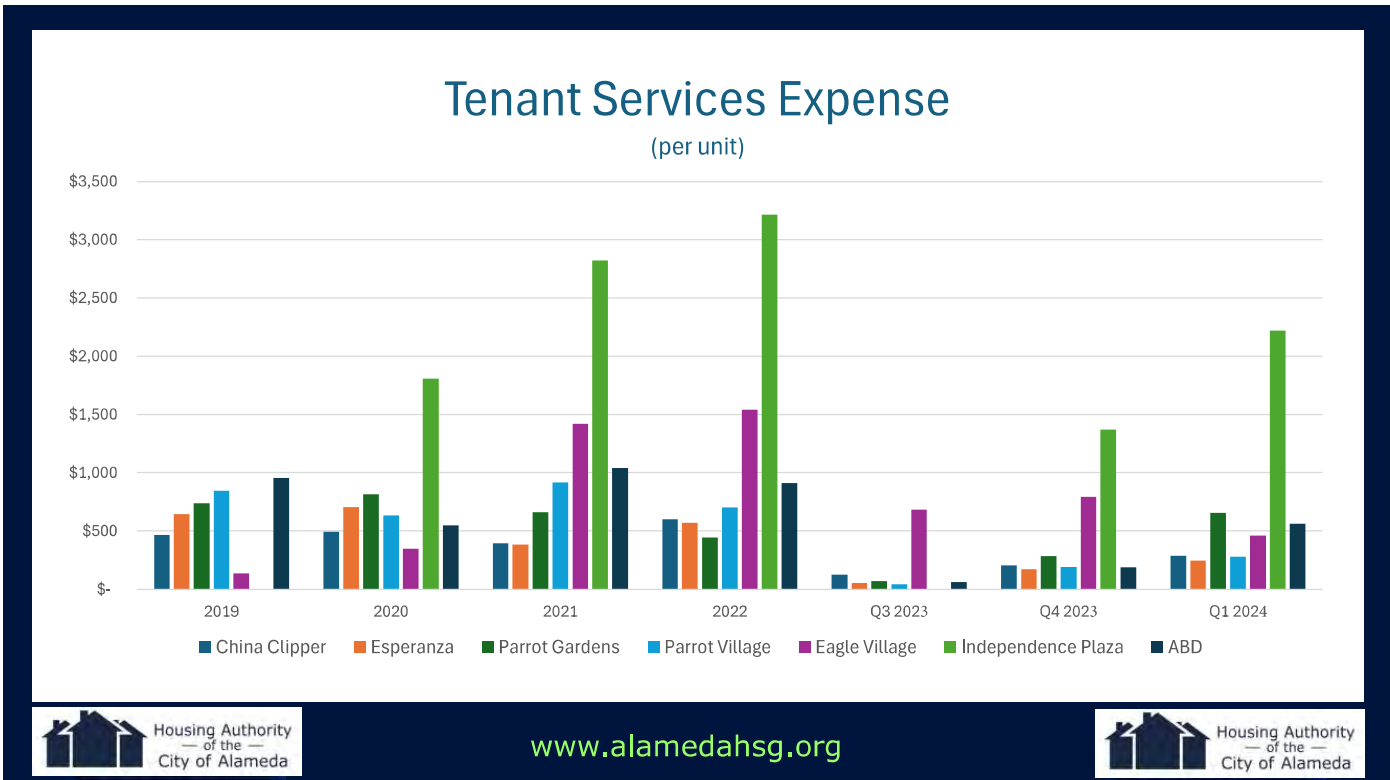
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12

Anne B. Diament Plaza

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 352,891	\$ 356,967	\$ (4,076)	-1%	\$ 7,239
Subsidy Revenue	\$ 857,127	\$ 832,338	\$ 24,789	3%	\$ 17,582
Vacancy Loss	\$ (40,367)	\$ (23,786)	\$ (16,581)	70%	\$ (828)
Other Gain/Loss	\$ (38,110)	\$ -	\$ (38,110)	NA	\$ (782)
Other Income	\$ (1,698)	\$ 5,959	\$ (7,657)	-128%	\$ (35)
Total Operating Revenue	\$ 1,129,843	\$ 1,171,478	\$ (41,635)	-4%	\$ 23,176
Administrative Expenses	\$ 98,021	\$ 120,985	\$ (22,964)	-19%	\$ 2,011
Utilities Expense	\$ 81,070	\$ 114,094	\$ (33,024)	-29%	\$ 1,663
Operating and Maintenance	\$ 109,171	\$ 157,018	\$ (47,847)	-30%	\$ 2,239
Taxes and Insurance	\$ 51,007	\$ 71,375	\$ (20,368)	-29%	\$ 1,046
Resident Services	\$ 23,596	\$ 23,400	\$ 196	1%	\$ 484
Total Operating Expenses	\$ 362,865	\$ 486,872	\$ (124,007)	-25%	\$ 7,443
Net Operating Income	\$ 766,978	\$ 684,606	\$ 82,372	12%	\$ 15,733
Replacement Reserves	N/A	N/A			
Debt Service	N/A	N/A			
Net Cash Flow	\$ 766,978	\$ 684,606	\$ 82,372	12%	\$ 15,733
Debt Service Coverage Ratio	N/A	N/A			
Operating Expense PUPY	\$ 7,443	\$ 9,987			
Operating Expense PUPM	\$ 827	\$ 1,110			
Number of Units		65			
Months In YTD		9			

Independence Plaza

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 2,134,405	\$ 1,340,856	\$ 793,549	59%	\$ 15,300
Subsidy Revenue	\$ 1,084,993	\$ 906,464	\$ 178,529	20%	\$ 7,778
Vacancy Loss	\$ (103,810)	\$ (44,722)	\$ (59,088)	132%	\$ (744)
Other Gain/Loss	\$ (772,288)	\$ -	\$ (772,288)	NA	\$ (5,536)
Other Income	\$ 2,903,597	\$ 1,102,155	\$ 1,801,442	163%	\$ 20,814
Total Operating Revenue	\$ 5,246,897	\$ 3,304,753	\$ 1,942,144	59%	\$ 37,612
Administrative Expenses	\$ 229,663	\$ 262,427	\$ (32,764)	-12%	\$ 1,646
Utilities Expense	\$ 200,748	\$ 208,267	\$ (7,519)	-4%	\$ 1,439
Operating and Maintenance	\$ 357,621	\$ 330,672	\$ 26,949	8%	\$ 2,564
Taxes and Insurance	\$ 275,651	\$ 128,505	\$ 147,146	115%	\$ 1,976
Resident Services	\$ 59,912	\$ 34,009	\$ 25,903	76%	\$ 429
Total Operating Expenses	\$ 1,123,595	\$ 963,880	\$ 159,715	17%	\$ 8,054
Net Operating Income	\$ 4,123,302	\$ 2,340,873	\$ 1,782,429	76%	\$ 29,558
Replacement Reserves	\$ 36,099	\$ 36,099			
Debt Service	\$ 582,822	\$ 582,822			
Net Cash Flow	\$ 3,504,381	\$ 1,721,952	\$ 1,782,429	104%	\$ 25,121
Debt Service Coverage Ratio	7.01	3.95			
Operating Expense PUPY	\$ 8,054	\$ 6,910			
Operating Expense PUPM	\$ 895	\$ 768			
Number of Units	186				
Months In YTD	9				

China Clipper Plaza

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 125,636	\$ 152,567	\$ (26,931)	-18%	\$ 6,443
Subsidy Revenue	\$ 335,660	\$ 345,861	\$ (10,201)	-3%	\$ 17,213
Vacancy Loss	\$ (8,128)	\$ (9,968)	\$ 1,840	-18%	\$ (417)
Other Gain/Loss	\$ 13,991	\$ -	\$ 13,991	NA	\$ 717
Other Income	\$ (7,407)	\$ (22,095)	\$ 14,688	-66%	\$ (380)
Total Operating Revenue	\$ 459,752	\$ 466,365	\$ (6,613)	-1%	\$ 23,577
Administrative Expenses	\$ 43,153	\$ 52,148	\$ (8,995)	-17%	\$ 2,213
Utilities Expense	\$ 50,654	\$ 61,881	\$ (11,227)	-18%	\$ 2,598
Operating and Maintenance	\$ 52,429	\$ 74,419	\$ (21,990)	-30%	\$ 2,689
Taxes and Insurance	\$ 23,519	\$ 44,701	\$ (21,182)	-47%	\$ 1,206
Resident Services	\$ 7,501	\$ 9,733	\$ (2,232)	-23%	\$ 385
Total Operating Expenses	\$ 177,256	\$ 242,882	\$ (65,626)	-27%	\$ 9,090
Net Operating Income	\$ 282,496	\$ 223,483	\$ 59,013	26%	\$ 14,487
Replacement Reserves	N/A	N/A			
Debt Service	N/A	N/A			
Net Cash Flow	\$ 282,496	\$ 223,483	\$ 59,013	26%	\$ 14,487
Debt Service Coverage Ratio	N/A	N/A			
Operating Expense PUPY	\$ 9,090	\$ 12,455			
Operating Expense PUPM	\$ 1,010	\$ 1,384			
Number of Units	26				
Months In YTD	9				

Eagle Village

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 228,760	\$ 208,729	\$ 20,031	10%	\$ 8,473
Subsidy Revenue	\$ 642,604	\$ 699,210	\$ (56,606)	-8%	\$ 23,800
Vacancy Loss	\$ (45,619)	\$ (18,159)	\$ (27,460)	151%	\$ (1,690)
Other Gain/Loss	\$ 8,588	\$ (2)	\$ 8,590	N/A	\$ 318
Other Income	\$ (19,698)	\$ (22,076)	\$ 2,378	-11%	\$ (730)
Total Operating Revenue	\$ 814,635	\$ 867,702	\$ (53,067)	-6%	\$ 30,172
Administrative Expenses	\$ 54,815	\$ 71,401	\$ (16,586)	-23%	\$ 2,030
Utilities Expense	\$ 54,127	\$ 72,107	\$ (17,980)	-25%	\$ 2,005
Operating and Maintenance	\$ 57,331	\$ 83,934	\$ (26,603)	-32%	\$ 2,123
Taxes and Insurance	\$ 31,890	\$ 59,829	\$ (27,939)	-47%	\$ 1,181
Resident Services	\$ 11,501	\$ 12,400	\$ (899)	-7%	\$ 426
Total Operating Expenses	\$ 209,664	\$ 299,671	\$ (90,007)	-30%	\$ 7,765
Net Operating Income	\$ 604,971	\$ 568,031	\$ 36,940	7%	\$ 22,406
Replacement Reserves	\$ 19,125	\$ 19,125			
Debt Service	\$ 140,548	\$ 140,548			
Net Cash Flow	\$ 445,298	\$ 408,358	\$ 36,940	9%	\$ 16,493
Debt Service Coverage Ratio	4.17	3.91			
Operating Expense PUPM	\$ 647	\$ 925			
Operating Expense PUPY	\$ 7,765	\$ 11,099			
Number of Units	36				
Months In YTD	9				

Parrot Village

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 353,727	\$ 372,169	\$ (18,442)	-5%	\$ 9,433
Subsidy Revenue	\$ 970,160	\$ 1,038,384	\$ (68,224)	-7%	\$ 25,871
Vacancy Loss	\$ (204,130)	\$ (28,211)	\$ (175,919)	624%	\$ (5,443)
Other Gain/Loss	\$ 92,054	\$ (1)	\$ 92,055	NA	\$ 2,455
Other Income	\$ 4,276	\$ 1,428	\$ 2,848	199%	\$ 114
Total Operating Revenue	\$ 1,216,087	\$ 1,383,769	\$ (167,682)	-12%	\$ 32,429
Administrative Expenses	\$ 144,620	\$ 110,818	\$ 33,802	31%	\$ 3,857
Utilities Expense	\$ 168,395	\$ 139,366	\$ 29,029	21%	\$ 4,491
Operating and Maintenance	\$ 215,264	\$ 146,285	\$ 68,979	47%	\$ 5,740
Taxes and Insurance	\$ 60,432	\$ 51,742	\$ 8,690	17%	\$ 1,612
Resident Services	\$ 13,950	\$ 18,514	\$ (4,564)	-25%	\$ 372
Total Operating Expenses	\$ 602,661	\$ 466,725	\$ 135,936	29%	\$ 16,071
Net Operating Income	\$ 613,426	\$ 917,044	\$ (303,618)	-33%	\$ 16,358
Replacement Reserves	\$ 19,125	\$ 19,125			
Debt Service	\$ 194,090	\$ 194,090			
Capital Expense + Tenant Relocation	\$ 131,180				
Net Cash Flow	\$ 269,031	\$ 572,649	\$ (303,618)	-53%	\$ 7,174
Debt Service Coverage Ratio	3.06	2.95			
Operating Expense PUPM	\$ 1,339	\$ 1,037			
Operating Expense PUPY	\$ 16,071	\$ 12,446			
Number of Units	50				
Months In YTD	9				

Parrot Gardens

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 104,918	\$ 55,081	\$ 49,837	90%	\$ 17,486
Subsidy Revenue	\$ 87,358	\$ 120,807	\$ (33,449)	-28%	\$ 14,560
Vacancy Loss	\$ -	\$ (3,517)	\$ 3,517	-100%	\$ -
Other Gain/Loss	\$ (11,885)	\$ -	\$ (11,885)	N/A	\$ (1,981)
Other Income	\$ (60,029)	\$ (8,525)	\$ (51,504)	N/A	\$ (10,005)
Total Operating Revenue	\$ 120,362	\$ 163,846	\$ (43,484)	-27%	\$ 20,060
Administrative Expenses	\$ 22,394	\$ 20,951	\$ 1,443	7%	\$ 3,732
Utilities Expense	\$ 20,157	\$ 31,020	\$ (10,863)	-35%	\$ 3,360
Operating and Maintenance	\$ 18,111	\$ 22,669	\$ (4,558)	-20%	\$ 3,019
Taxes and Insurance	\$ 7,956	\$ 9,662	\$ (1,706)	-18%	\$ 1,326
Resident Services	\$ 4,589	\$ 1,910	\$ 2,679	140%	\$ 765
Total Operating Expenses	\$ 73,207	\$ 86,212	\$ (13,005)	-15%	\$ 12,201
Net Operating Income	\$ 47,155	\$ 77,634	\$ (30,479)	-39%	\$ 7,859
Replacement Reserves	None	None			
Debt Service	None	None			
Capital Expense	\$ 827				
Net Cash Flow	\$ 46,328	\$ 77,634	\$ (31,306)	-40%	\$ 7,721
Debt Service Coverage Ratio	N/A				
Operating Expense PUPM	\$ 1,017	\$ 1,197			
Operating Expense PUPY	\$ 12,201	\$ 14,369			
Number of Units	8 (6+1 MGR+1 OFF)				
Months In YTD	9				

Esperanza Apartments

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 694,217	\$ 704,313	\$ (10,096)	-1%	\$ 7,714
Subsidy Revenue	\$ 2,430,427	\$ 2,624,517	\$ (194,090)	-7%	\$ 27,005
Vacancy Loss	\$ (86,915)	\$ (99,864)	\$ 12,949	-13%	\$ (966)
Other Gain/Loss	\$ 271,246	\$ -	\$ 271,246	N/A	\$ 3,014
Other Income	\$ (776)	\$ (24,700)	\$ 23,924	-97%	\$ (9)
Total Operating Revenue	\$ 3,308,199	\$ 3,204,266	\$ 103,933	3%	\$ 36,758
Administrative Expenses	\$ 215,619	\$ 260,129	\$ (44,510)	-17%	\$ 2,396
Utilities Expense	\$ 237,422	\$ 255,609	\$ (18,187)	-7%	\$ 2,638
Operating and Maintenance	\$ 282,070	\$ 277,369	\$ 4,701	2%	\$ 3,134
Taxes and Insurance	\$ 142,359	\$ 153,767	\$ (11,408)	-7%	\$ 1,582
Resident Services	\$ 29,781	\$ 42,572	\$ (12,791)	-30%	\$ 331
Total Operating Expenses	\$ 907,251	\$ 989,446	\$ (82,195)	-8%	\$ 10,081
Net Operating Income	\$ 2,400,948	\$ 2,214,820	\$ 186,128	8%	\$ 26,677
Replacement Reserves	\$ 27,450	\$ 27,450			
Debt Service	\$ 740,808	\$ 740,808			
Capital Expense	\$ 78,104				
Net Cash Flow	\$ 1,554,586	\$ 1,446,562	\$ 108,024	7%	\$ 17,273
Debt Service Coverage Ratio	3.20	2.95			
Operating Expense PUPM	\$ 840	\$ 916			
Operating Expense PUPY	\$ 10,081	\$ 10,994			
Number of Units	120				
Months In YTD	9				

AHA-Scattered Sites

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 43,623	\$ 153,669	\$ (110,046)	-72%	\$ 2,327
Subsidy Revenue	\$ 345,960	\$ 353,493	\$ (7,533)	-2%	\$ 18,451
Vacancy Loss	\$ (3,081)	\$ (10,143)	\$ 7,062	-70%	\$ (164)
Other Gain/Loss	\$ 62,738	\$ -	\$ 62,738	N/A	\$ 3,346
Other Income	\$ 3,081	\$ 761	\$ 2,320	305%	\$ 164
Total operating Revenue	\$ 452,321	\$ 497,780	\$ (45,459)	-9%	\$ 24,124
Administrative Expenses	\$ 104,994	\$ 85,328	\$ 19,666	23%	\$ 5,600
Utilities Expense	\$ 12,353	\$ 20,822	\$ (8,469)	-41%	\$ 659
Operating and Maintenance	\$ 39,479	\$ 77,044	\$ (37,565)	-49%	\$ 2,106
Taxes and Insurance	\$ 20,138	\$ 60,380	\$ (40,242)	-67%	\$ 1,074
Resident Services	\$ 10,581	\$ 5,798	\$ 4,783	82%	\$ 564
Total Operating Expenses	\$ 187,545	\$ 249,372	\$ (61,827)	-25%	\$ 10,002
Net Operating Income	\$ 264,776	\$ 248,408	\$ 16,368	7%	\$ 14,121
Replacement Reserves	None	None			
Debt Service	None	None			
Net Cash Flow	\$ 264,776	\$ 248,408	\$ 16,368	7%	\$ 14,121
Debt Service Coverage Ratio					
Operating Expense PUPM	\$ 2,501				
Operating Expense PUPY	\$ 30,007				
Number of Units	25				
Months In YTD	9				

AAHC-Scattered Sites

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 296,464	\$ 239,593	\$ 56,871	24%	\$ 14,640
Subsidy Revenue	\$ 231,868	\$ 277,443	\$ (45,575)	-16%	\$ 11,450
Vacancy Loss	\$ (75,459)	\$ (10,340)	\$ (65,119)	630%	\$ (3,726)
Other Gain/Loss	\$ (33,023)	\$ -	\$ (33,023)	N/A	\$ (1,631)
Other Income	\$ 1,611	\$ 743	\$ 868	117%	\$ 80
Total operating Revenue	\$ 421,461	\$ 507,439	\$ (85,978)	-17%	\$ 20,813
Administrative Expenses	\$ 112,263	\$ 127,336	\$ (15,073)	-12%	\$ 5,544
Utilities Expense	\$ 44,873	\$ 19,472	\$ 25,401	130%	\$ 2,216
Operating and Maintenance	\$ 55,336	\$ 74,594	\$ (19,258)	-26%	\$ 2,733
Taxes and Insurance	\$ 29,069	\$ 63,009	\$ (33,940)	-54%	\$ 1,436
Resident Services	\$ 6,417	\$ 6,343	\$ 74	1%	\$ 317
Total Operating Expenses	\$ 247,958	\$ 290,754	\$ (42,796)	-15%	\$ 12,245
Net Operating Income	\$ 173,503	\$ 216,685	\$ (43,182)	-20%	\$ 8,568
Replacement Reserves	None	None			
Debt Service	None	None			
Capital Expense	\$ 51,559				
Net Cash Flow	\$ 121,944	\$ 216,685	\$ (94,741)	-44%	\$ 6,022
Debt Service Coverage Ratio					
Operating Expense PUPM	\$ 3,061				
Operating Expense PUPY	\$ 36,735				
Number of Units	27				
Months In YTD	9				



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701 Atlantic Avenue • Alameda, California 94501-2161

To: Board of Directors
From: Louie So, Chief Financial Officer

Prepared By: Louie So, Chief Financial Officer

Date: June 26, 2024

Re: Accept Alameda Affordable Housing Corporation's (AAHC) One Year Budget for Fiscal Year July 1, 2024 to June 30, 2025.
5.C.

BACKGROUND

Alameda Affordable Housing Corporation (AAHC) adopts its annual budget in the last quarter of each fiscal year, concurrently with the annual budget for the Housing Authority of the City of Alameda (AHA). The AAHC budget includes the property budgets for the properties owned by AAHC (Pulte Homes, Anne B. Diament, China Clipper, Stanford House, Lincoln-Willow Apartments, Independence Plaza, Esperanza, Eagle Village, and Parrot Village). It also includes administrative costs in operating the Alameda Affordable Housing Trust Fund (AAHTF), which is offset by funding from AHA. Further operating costs include an allocation of overhead and salaries from AHA to AAHC, and must pay mortgage payments for Independence Plaza, Esperanza, Eagle Village, and Parrot Village.

DISCUSSION

The AHA and AAHC combined budget is presented in the June 2024 Memo to the AHA Board of Commissioners. AAHC is defined as a blended component unit of AHA, as the two legal entities have the same Board members and therefore have effective common control. AHA and AAHC are so intertwined in substance and operate so closely, HUD deems that the two legal entities are to be presented as one. Therefore, it's recommended that the AAHC's budget be reviewed in totality with AHA. A description of the budgeting method and key highlights can be found in the AHA budget agenda item in the June 2024 Board of Commissioners meeting.

The attached table shows the proposed budget for the Fiscal Year July 1, 2024 to June 30, 2025 for the properties owned by AAHC, AHA overhead allocated to AAHC, and expected operating costs for the AAHTF.

As discussed in the AHA Board of Commissioners memorandum, a transition of the Independence Plaza under the Faircloth to Rental Assistance Demonstration (RAD) program



may yield additional project based vouchers and stabilize income going forward. This budget is conservative and does not include the increase in rents to the payment standards if the project-based vouchers were available to Independence Plaza, nor the possible early payoff of the Independence Plaza mortgage with Northmarq. Additionally, no matching grant income from the State of California Housing Trust Fund is presented as funding is contingent on the success of AAHTF's funding application and sufficient funding reserved by the State of California.

FISCAL IMPACT

The operating budget for Fiscal Year 2024-2025 reflects a Net Income after Depreciation of \$5,533,206. Any projected cash flow will service residual receipts payments for the acquisition loan, per property transfer documents between AHA and AAHC.

CEQA

N/A

RECOMMENDATION

Accept Alameda Affordable Housing Corporation's (AAHC) One Year Budget for Fiscal Year July 1, 2024 to June 30, 2025.

ATTACHMENTS

1. AAHC - BUDGET FINAL - 6.2024

Respectfully submitted,
Louie So
Louie So, Chief Financial Officer



**Attachment A: Summary FY 2024-2025 Budget
Alameda Affordable Housing Corporation**

**Does not include Island City Development and Low-Income Housing Tax Credit Partnerships*

A		B	C	D	E
Account Name		FY 2023-2024 BUDGET	FY 2024-2025 BUDGET	C less: B (Next Year Budget versus Current Year Budget)	%
1	Rental Income and HAP Income, net of vacancy	13,748,477	14,095,039	346,562	3%
2	Tax Increment Payment - Independence Plaza	2,886,976	2,561,722	-325,254	-11%
3	OPERATING INCOME	16,635,453	16,656,761	21,308	0%
4	LESS: OPERATING EXPENSE	-6,810,265	-9,645,935	-2,835,670	42%
5	NET INCOME BEFORE DEPRECIATION	9,825,188	7,010,826	-2,814,362	-29%
6	LESS: DEPRECIATION	-1,477,620	-1,477,620	0	0%
7	NET INCOME AFTER DEPRECIATION	8,347,568	5,533,206	-2,814,362	-34%



Housing Authority
of the
City of Alameda

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

To: Honorable Chair and Members of the Board of Commissioners

From: Sylvia Martinez, Director of Housing Development

Date: June 26, 2024

Re: Accept an update to the Independence Plaza Faircloth to RAD transaction; Authorize the Executive Director to submit a Mixed Finance Development Application to the U.S. Housing and Urban Development using Rental Assistance Demonstration (RAD) program and negotiate and approve minor Amendments in documents.

BACKGROUND

Independence Plaza (IP) is currently owned by Alameda Affordable Housing Corporation (AAHC), a non-profit instrumentality of the Housing Authority of the City of Alameda (AHA). The property was originally developed by AHA in 1990 and continuously owned and operated in good condition. In 2019, the AHA transferred the property (including both the land and improvements) to AAHC because of a federal requirement and provided a \$34,200,000 seller carryback loan to cover the market value of the property.

IP consists of five (5), four-story multifamily residential buildings situated between Atlantic and Constitution Avenues. The project has a total of 186 units - 159 one-bedroom, one-bathroom units and 27 two-bedroom, one-bathroom units. Ten units are accessible, and 4 units have sight/hearing features; twenty other units were upgraded recently for accessibility features. The site contains a community room, laundry, elevators, property management and social service offices and parking. The property currently has a project-based voucher (PBV) contract for 25 units with an expiration date in 2040. This HAP contract covers non-Faircloth to RAD units and will remain in place. A small number of VASH PBV units are also in the process of being added to this site.

As discussed in previous Board updates, the Independence Plaza Faircloth to RAD transaction is a refinancing of IP, without rehabilitation, that is proposed to financially restructure its operations to deal with an expiring operating subsidy and permanent loan. Per the 2024 Physical Needs Assessment, no renovation is required at the time of the transaction.



AHA is proposing to convert 120 public housing units to 120 project-based voucher units through a RAD conversion. The remaining 41 units will remain at 80% AMI (two units are manager's units). AHA requests that the ultimate PBV contract for the Faircloth to RAD units be a mix of one- and two-bedroom units, and may change over time, so that the property can respond to the needs of tenants, including reasonable accommodation for a live-in aide, or adjustments to household size and composition. AHA anticipates placing the 120 vouchers on the property with the expectation that most, but not quite all, of the existing tenants will qualify and agree to participate in the voucher program. Any excess vouchers would be held until a qualified tenant leases an available unit and the voucher can be transferred to that qualified household.

In May 2024, the Board approved an application and up to a \$3 million grant to this project through the Alameda Affordable Housing Trust Fund (AAHTF) and State of California Local Housing Trust Fund (LHTF) application. Given the state's budget issues, the LHTF application may not move forward.

DISCUSSION

Staff has prepared the HUD application for the Independence Plaza Faircloth to RAD transaction and plans to submit before the end of June 2024. Staff wishes to update the Board on additional details and receive approval to submit the application to HUD. Any revisions and further updates will be brought to the Board in August.

A summary of the refined plan is below and in the attached presentation:

1. Authorize Splitting the existing Seller carryback Loan at IP into two parts - When AHA transferred ownership of the property to AAHC, it provided a loan of 100% of the appraised value of the land and improvements. This loan has been partially repaid down to a balance of approximately \$30,000,000. AHA wishes to have the land returned, and instead to provide a ground lease and a note to prepay all ground lease payments. AAHC will retain the portion of the seller note that covers the improvements. The net loan balance of \$30,000,000 will not change but will be split into two: \$10,600,000 for the ground lease and \$19,400,000 for improvements. Legally, this request may require that two new loans be made, in lieu of amending the existing seller carryback loan. Both loans will be repaid by 75% of residual receipts and surplus cash flow from operating the property, split *pari passu* (on a shared basis depending on the differing sizes of the two loans).
2. AHA to accept the transfer back of the land, approve a long-term ground lease to AAHC, and create a separate loan to prepay all the ground lease payment at the fair market transfer value of \$10,600,000. AHA prefers to retain ownership of the land in its transactions. This is a ground lease structure that AHA has used frequently and helps provide long-term control and regulatory agreement for the use of the site. The value of the transfer is shown above.
3. Authorize the previously approved \$3 million grant to be structured as a loan, if needed - In May 2024, the Board approved up to \$3 million in a grant from the

Housing Authority to AAHC. As that application may not move forward, staff would like to ask the Board to make the funds as a loan directly to AAHC for this transaction, if needed. It is proposed that this \$3 million dollar loan be consolidated into one of the new loans proposed. The \$3 million dollars will pay off the existing Northmarq loan and help create a \$1.8 million replacement reserve to support the project over the next 20 years (existing reserves of approximately \$600,000 that are held by Northmarq will also be used for this HUD required reserve). Staff estimates that this amount will be sufficient for the transaction, but will bring an update to the Board in August.

The \$3 million dollars will be added to the improvements loan:

Existing Loan Balance	\$30,000,000	
Split ground lease (2019 land value)	\$10,600,000	
Split loan for improvements		\$19,400,000
Additional loan		<u>\$3,000,000</u>
Final balance of 2nd loan		\$22,400,000

4. Authorize an application to HUD for the Faircloth to RAD transaction. The two loans are proposed at 0% interest, on a residual receipts basis from 75% of cash flow, paid quarterly. The cash flow included in the HUD application (attached) is conservative, because it does not include any extra income from tenant-based vouchers. There are typically 40 or more tenant-based vouchers at the site, which could yield an estimated \$400,000 or more a year in additional income not shown here because they are not 'guaranteed.'

Staff continues to look for ways to reduce the overall cost to AHA, including assistance from other funding partners, etc. However, in order to submit a complete application, the full commitment must be shown at this time. The source of this loan may derive from a combination of funding sources:

- Reserve Policy funds
- AAHC/IP operations cash flow - FY 2024-25
- Other public and private funders, if available. If an LHTF application becomes feasible, it will be attempted. Also, staff has reached out to other local funding partners to see if any sources might be available.

Legal documents will be drafted but not signed until HUD has reviewed and made any comments. The final legal documents will be provided to the Board in August, along with any material changes. For ease of complying with HUD review comments, staff is asking for the Executive Director to be able to negotiate and approve minor amendments. It is anticipated that AHA will receive HUD approval in September 2024 to begin the transaction.

Potential additional financial support for the IP Faircloth transaction:

AHA will negotiate with HUD regarding the need to provide support for the Faircloth vouchers at Independence Plaza for the period before HUD begins to support the project through additional federal funds. The amount of additional support ranges from nearly \$1,000,000 for an entire calendar year, or less, if not all vouchers are utilized immediately. Staff is discussing the best approach with HUD and will bring back a recommendation in August 2024.

Phased Approach to Voucher Lease Up

Staff estimates that there may be a phased approach to the voucher lease up of the 120 new project-based vouchers. There may not be enough households currently that income qualify and choose to participate. Also, rents will need to lift to the payment standards of \$2557 for a one-bedroom and \$3108 for a two-bedroom, even if the tenant's portion goes down or stays the same. Thus, staff needs to review and implement in light of all local and state regulations regarding rent increases.

Staff is starting income certifications for existing residents to pre-qualify them for the vouchers and will have a better understanding of who qualifies after this task is done. It is possible to obtain the contract with HUD for 120 vouchers, but to fill over time. Staff estimates that lease up may be extended over 2025. Staff will bring a proposal on how to prioritize households and fill these voucher opportunities to the Board in August.

FISCAL IMPACT

AHA has already approved up to \$3 million for this transaction and the existing seller carryback loan (in 2019). The income from the Independence Plaza property will increase significantly once the additional vouchers are added. Repayment is anticipated in less than 5 years for the additional loan amount. The remaining note balances will be repaid within 30 years. IP would retain 25% of its cash flow and would have the benefit of a \$1,800,000 deposit for replacement reserves. The project will be stabilized and continue to serve vulnerable seniors into the future.

CEQA

Not applicable.

RECOMMENDATION

Accept an update to the Independence Plaza Faircloth to RAD transaction; Authorize the Executive Director to submit a Mixed Finance Development Application to the U.S. Housing and Urban Development using Rental Assistance Demonstration (RAD) program and negotiate and approve minor Amendments in documents.

ATTACHMENTS

1. June 2024 Independence Plaza Transaction Update
2. HUD 50156 Workbook_IP

Respectfully submitted,



Sylvia Martinez, Director of Housing Development

**Accept an update to the Independence
Plaza Faircloth to RAD transaction;
Authorize the Executive Director to submit
a Mixed Finance Development Application
to the U.S. Housing and Urban
Development using Rental Assistance
Demonstration (RAD) program and
negotiate and approve minor Amendments
in documents.**

June 26, 2024

Independence Plaza Refi Proposal

- Need:** Replace expiring operating subsidy
- Proposal:** Use 120 Faircloth vouchers to provide tenant relief and add financial stability
- Timing:** May-December 2024
- Cost:** Estimated \$3-4 million in new funds and maintaining existing IP loans

Proposal to HUD – Key items

1. Pay off Northmarq, and create a large replacement reserve (HUD requirement)
2. Maintain existing loans from AHA to IP – The balance will remain the same, but there will be some restructuring
3. Extend approximately \$3 million in new loans
4. Structure an MITW rental supplement, as needed, for the initial 2-12 months of operations
5. Phased approach to voucher lease up

1. Pay off Northmarq; create reserve

As described in May 2024, IP needs to pay off its existing lender (Northmarq). Also, HUD will require a \$1.8 million replacement reserve. When IP pays off Northmarq, Northmarq will release approximately \$600,000 in its own replacement reserves which will roll over to the HUD reserve requirement. In all, approximately \$3 million in new funds will be required.

2. Maintain existing loan-AHA to AAHC/IP

- AHA built IP. In 2019, it transferred land + buildings to AAHC. It made a \$34,200,000 loan to AAHC for this 'purchase.'
- AAHC has paid down that loan to approx. \$30 million.
- Now, AHA wants the land back. It will offer a 99 year ground lease, plus a loan for \$10,600,000 (to prepay all ground lease payments at market value).
- AHA will maintain the \$19,400,000 'building' value on its existing loan to AAHC.
- These loans are at 0% interest. The terms may need to be extended.

Why does AHA want to own the land?

- *Owning the land gives AHA long term control of the property. Any changes have to come back to AHA for approval.*
- *The ground lease allows AHA to require a regulatory agreement with an affordability covenant, and to receive reports and notices.*
- *This structure is conservative, ‘belt and suspenders,’ and is being used throughout AHA’s portfolio with AAHC, ICD, and other developers.*
- *AHA doesn’t charge interest, because its motivation is long-term affordability and control of current and future uses of the property.*

3. Extend \$3 million in new loans

- In May 2024, AHA approved a \$3 million grant to this transaction, hoping to get a matching grant from the State LHTF program. The State may not hold a competition for LHTF match, so likely that \$3 million will be needed as a direct loan.
- To streamline, this \$3 million will likely be added to the existing 'building' loan of \$19,400,000 and repaid from its share of cash flow (residual receipts).
- As shown in the cash flow, once the 120 vouchers are in place, these loans are paid off rapidly.

4. Structure the MTW supplement

- In the end, full rent on these units will be paid by a combination of:
 - 30% of tenant income (the “tenant portion”),
 - the “Faircloth rent” of approximately \$900/mo; and
 - An MTW supplement (fills the gap to reach the AHA payment standards of \$2557 (1 bedroom) and \$3108 (2 bedroom))
- Once the HAP contract with HUD is established, HUD will fill that gap on an annual basis for 20 years. But in the first 2-12 months, AHA may need to provide that supplement. This would be an additional \$200k-\$1 million from AHA sources.
- AHA staff is working with HUD on how to structure this and will bring back a proposal for review in August.

5. Phased Approach - Voucher Lease Up

- There may not be enough existing households that are qualified for the vouchers, although we know that some tenants are very low income and could benefit immediately.
- Since rents will be lifted to the payment standards, even if the tenants themselves are paying much less, staff needs to review in light of all local and state regulations regarding rent increases.
- Staff is currently starting income certifications for existing residents.
- Staff will bring a proposal for the phased approach in August for Board approval.

Updated Sources/Uses

Uses:		Amount
Ground lease		\$ 10,600,000
Buildings		\$ 19,400,000
Replacement Reserves		\$ 1,800,000
Repay Northmarq		\$ 1,800,000
Legal & escrow		\$ 250,000
		\$ 33,850,000
Sources		Amount
	Terms	
AHA Ground lease loan	20-55 year loan; 0% interest	\$ 10,600,000
AHA loan	20-55 year loan; 0% interest	\$ 22,400,000
Northmarq reserves		\$ 627,300
Project cash flow		\$ 222,700
		\$ 33,850,000

Staff Recommendation

Accept an update to the Independence Plaza Faircloth to RAD transaction; Authorize the

Executive Director to submit a Mixed

Finance Development Application to the U.S.

Housing and Urban Development using

Rental Assistance Demonstration (RAD)

program and negotiate and approve minor

Amendments in documents.

Applicant PHA/Grantee: Housing Authority of the City of Alameda
 Grant Name, if applicable: NA
 Phase/Project Name: Independence Plaza Faircloth Transaction
 PIC Development Number: CA062000000

	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031
Operating Income									
Unrestricted (Market Rate) Unit Rent	0	0	0	0	0	0	0	0	0
Affordable/Restricted Rent	1,045,764	1,066,679	1,088,013	1,109,773	1,131,969	1,154,608	1,177,700	1,201,254	1,225,279
Total Non-Public Housing Rental Income	1,045,764	1,066,679	1,088,013	1,109,773	1,131,969	1,154,608	1,177,700	1,201,254	1,225,279
Housing Choice Voucher/PBRA									
Tenant Rent	196,824	200,760	204,776	208,871	213,049	217,310	221,656	226,089	230,611
Voucher/PBRA Amount	458,988	468,168	477,531	487,082	496,823	506,760	516,895	527,233	537,778
Total Housing Choice Voucher/PBRA	655,812	668,928	682,307	695,953	709,872	724,069	738,551	753,322	768,388
Public Housing Rental Income									
Tenant Rent	963,348	982,615	1,002,267	1,022,313	1,042,759	1,063,614	1,084,886	1,106,584	1,128,716
Public Housing Operating Subsidy	2,246,916	2,291,854	2,337,691	2,384,445	2,432,134	2,480,777	2,530,392	2,581,000	2,632,620
Total Public Housing Rental Income	3,210,264	3,274,469	3,339,959	3,406,758	3,474,893	3,544,391	3,615,279	3,687,584	3,761,336
Gross Rental Income	4,911,840	5,010,077	5,110,278	5,212,484	5,316,734	5,423,068	5,531,530	5,642,160	5,755,003
Other Income (laundry, interest, etc.)	15,000	15,300	15,606	15,918	16,236	16,561	16,892	17,230	17,575
Gross Income	4,926,840	5,025,377	5,125,884	5,228,402	5,332,970	5,439,629	5,548,422	5,659,390	5,772,578
Less Vacancy Allowance	147,805	150,761	153,777	156,852	159,989	163,189	166,453	169,782	173,177
Effective Gross Income	4,779,035	4,874,615	4,972,108	5,071,550	5,172,981	5,276,441	5,381,969	5,489,609	5,599,401

Operating Expenses

Administration/Salaries	809,654	833,944	858,962	884,731	911,273	938,611	966,769	995,772	1,025,645
Property Management Fee	109,368	112,649	116,029	119,509	123,095	126,787	130,591	134,509	138,544
Office Expenses	222,838	229,523	236,409	243,501	250,806	258,330	266,080	274,063	282,285
Insurance	252,601	260,179	267,984	276,024	284,305	292,834	301,619	310,667	319,987
Accounting	300,817	309,842	319,137	328,711	338,572	348,729	359,191	369,967	381,066
Maintenance	884,553	911,090	938,422	966,575	995,572	1,025,439	1,056,203	1,087,889	1,120,525
Utilities	289,860	298,556	307,512	316,738	326,240	336,027	346,108	356,491	367,186
Security	0	0	0	0	0	0	0	0	0
Real Estate Taxes/PILOT	36,000	37,080	38,192	39,338	40,518	41,734	42,986	44,275	45,604
Supportive Services	285,903	294,480	303,314	312,414	321,786	331,440	341,383	351,625	362,173
Replacement Reserve	92,500	94,304	96,143	98,017	99,929	101,877	103,864	105,889	107,954
Other	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Total Operating Expenses	3,284,094	3,381,646	3,482,105	3,585,558	3,692,096	3,801,810	3,914,794	4,031,147	4,150,970
Net Operating Income	1,494,941	1,492,970	1,490,003	1,485,992	1,480,885	1,474,631	1,467,175	1,458,461	1,448,431

Debt Service

Permanent Mortgage #1:									
Other: Seller Note									
Other: Seller Notes	1,121,206	1,119,727	1,117,502	1,114,494	1,110,664	1,105,973	1,100,381	1,093,846	1,086,323
Total Debt Service	1,121,206	1,119,727	1,117,502	1,114,494	1,110,664	1,105,973	1,100,381	1,093,846	1,086,323
Debt Coverage Ratio	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33
Fee: identify									
Fee: identify									
Fee: identify									

Cash Flow Available for Distribution	373,735	373,242	372,501	371,498	370,221	368,658	366,794	364,615	362,108
Distribution: AHA 1st trust deed									
Distribution: AHA 2nd trust deed									
Distribution: identify									
Distribution: identify									
Distribution: identify									
Income	373,735	373,242	372,501	371,498	370,221	368,658	366,794	364,615	362,108

Fill out the section below for PBV Projects**Calculating Cash Flow as a % of Operating**

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Cash Flow Available for Distribution (NOI - Debt Service)	373,735	373,242	372,501	371,498	370,221	368,658	366,794	364,615	362,108
- less Deferred Developer Fee(s)	0	0	0	0	0	0	0	0	0
- less Operating Reserve Replenishment	0	0	0	0	0	0	0	0	0
Net Cash Flow	373,735	373,242	372,501	371,498	370,221	368,658	366,794	364,615	362,108
Operating Expenses	3,284,094	3,381,646	3,482,105	3,585,558	3,692,096	3,801,810	3,914,794	4,031,147	4,150,970
Net Cash Flow as a % of Operating Expenses	11%	11%	11%	10%	10%	10%	9%	9%	9%

Operating Pro Forma

Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
0	0	0	0	0	0	0	0	0	0	0
1,249,785	1,274,780	1,300,276	1,326,282	1,352,807	1,379,863	1,407,461	1,435,610	1,464,322	1,493,609	1,523,481
1,249,785	1,274,780	1,300,276	1,326,282	1,352,807	1,379,863	1,407,461	1,435,610	1,464,322	1,493,609	1,523,481
235,223	239,927	244,726	249,620	254,613	259,705	264,899	270,197	275,601	281,113	286,735
548,533	559,504	570,694	582,108	593,750	605,625	617,737	630,092	642,694	655,548	668,659
783,756	799,431	815,420	831,728	848,363	865,330	882,637	900,289	918,295	936,661	955,394
1,151,290	1,174,316	1,197,802	1,221,758	1,246,193	1,271,117	1,296,540	1,322,470	1,348,920	1,375,898	1,403,416
2,685,273	2,738,978	2,793,758	2,849,633	2,906,625	2,964,758	3,024,053	3,084,534	3,146,225	3,209,149	3,273,332
3,836,563	3,913,294	3,991,560	4,071,391	4,152,819	4,235,875	4,320,593	4,407,005	4,495,145	4,585,048	4,676,748
5,870,103	5,987,506	6,107,256	6,229,401	6,353,989	6,481,069	6,610,690	6,742,904	6,877,762	7,015,317	7,155,623
17,926	18,285	18,651	19,024	19,404	19,792	20,188	20,592	21,004	21,424	21,852
5,888,030	6,005,790	6,125,906	6,248,424	6,373,393	6,500,861	6,630,878	6,763,496	6,898,765	7,036,741	7,177,476
176,641	180,174	183,777	187,453	191,202	195,026	198,926	202,905	206,963	211,102	215,324
5,711,389	5,825,617	5,942,129	6,060,972	6,182,191	6,305,835	6,431,952	6,560,591	6,691,802	6,825,639	6,962,151

1,056,415	1,088,107	1,120,750	1,154,373	1,189,004	1,224,674	1,261,415	1,299,257	1,338,235	1,378,382	1,419,733
142,700	146,981	151,391	155,933	160,611	165,429	170,392	175,504	180,769	186,192	191,777
290,753	299,476	308,460	317,714	327,245	337,062	347,174	357,590	368,317	379,367	390,748
329,587	339,475	349,659	360,149	370,953	382,082	393,544	405,350	417,511	430,036	442,937
392,498	404,273	416,401	428,893	441,760	455,013	468,663	482,723	497,205	512,121	527,484
1,154,141	1,188,765	1,224,428	1,261,161	1,298,996	1,337,966	1,378,105	1,419,448	1,462,031	1,505,892	1,551,069
378,202	389,548	401,234	413,271	425,669	438,439	451,592	465,140	479,094	493,467	508,271
0	0	0	0	0	0	0	0	0	0	0
46,972	48,381	49,832	51,327	52,867	54,453	56,087	57,769	59,503	61,288	63,126
373,039	384,230	395,757	407,629	419,858	432,454	445,428	458,790	472,554	486,731	501,333
110,059	112,205	114,393	116,624	118,898	121,217	123,581	125,990	128,447	130,952	133,505
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
4,274,366	4,401,441	4,532,306	4,667,074	4,805,862	4,948,789	5,095,980	5,247,562	5,403,666	5,564,427	5,729,985
1,437,023	1,424,176	1,409,823	1,393,898	1,376,329	1,357,046	1,335,972	1,313,029	1,288,137	1,261,211	1,232,166

1,077,768	1,068,132	1,057,367	1,045,423	1,032,247	1,017,784	1,001,979	984,772	966,103	945,909	924,125
1,077,768	1,068,132	1,057,367	1,045,423	1,032,247	1,017,784	1,001,979	984,772	966,103	945,909	924,125
1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33

359,256	356,044	352,456	348,474	344,082	339,261	333,993	328,257	322,034	315,303	308,042
359,256	356,044	352,456	348,474	344,082	339,261	333,993	328,257	322,034	315,303	308,042

Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
359,256	356,044	352,456	348,474	344,082	339,261	333,993	328,257	322,034	315,303	308,042
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
359,256	356,044	352,456	348,474	344,082	339,261	333,993	328,257	322,034	315,303	308,042
4,274,366	4,401,441	4,532,306	4,667,074	4,805,862	4,948,789	5,095,980	5,247,562	5,403,666	5,564,427	5,729,985
8%	8%	8%	7%	7%	7%	7%	6%	6%	6%	5%