



California Affordable  
Housing Initiatives, Inc.

**Board of Directors**

GREGORY D HARTWIG  
ANNE GRIFFITH  
PATRICIA WELLS

Executive Director

Patricia Wells

In accordance with Article III, Section 7, of the Bylaws California Affordable Housing Initiatives Inc., NOTICE IS HEREBY GIVEN that the **Regular Meeting (Affiliate Meeting)** of the California Affordable Housing Initiatives Board of Directors has been called. The meeting will be held as follows:

**California Affordable Housing Initiatives Inc.**

**Regular Meeting (Affiliate Meeting)**

**Thursday, September 12, 2024 at 5:30 PM**



## **AGENDA**

### **Regular Meeting (Affiliate Meeting)**

### **September 12, 2024, 5:30 PM**

#### **Zoom Information**

*To participate via teleconference, please use the zoom link below.*

**Join                      Zoom                      Meeting**  
**[pwd=oid0CGeK7tSeU0J41N4y4R1GPrnaZu.1](https://oakha-org.zoom.us/j/82444308436?pwd=oid0CGeK7tSeU0J41N4y4R1GPrnaZu.1)**

**Online:** [https://oakha-org.zoom.us/j/82444308436?](https://oakha-org.zoom.us/j/82444308436?pwd=oid0CGeK7tSeU0J41N4y4R1GPrnaZu.1)

**Meeting ID (access code):** 824 4430 8436      **Meeting Password:** 561246  
*Closed Caption – provided through the link.*

*To participate by Telephone: 1-669-219-2599*

**Meeting ID (access code):** 824 4430 8436      **Meeting Password:** 561246

#### **1. Roll Call**

*(AB 2449 Compliance) The Chair/Clerk of the Board will confirm that there are three (3) Directors in the same, properly noticed meeting room within the jurisdiction of the City of Oakland, accessible to the public. Each Director who is accessing the meeting remotely must disclose verbally whether they are requesting to meet remotely under AB2449 due to: (1) just cause (notice required), or (2) emergency circumstances. For "emergency circumstances" the request must be approved by a majority vote of the Board of Directors for the emergency circumstance to be used as a justification to participate remotely. All Directors meeting remotely must provide a general description of the circumstances relating to need to appear remotely at the given meeting. A Director must a/so publicly disclose at the meeting prior to any action whether any 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.*

#### **2. Modifications to the Agenda**

*(Allows for any change in the order of business or the announcement of the postponement or continuation of agenda items.) The Board can only take action on items listed on this agenda unless a finding is made that an emergency exists.*

#### **3. Approval of the Minutes**

3.1      2023-1059 Approval of Minutes for the June 13, 2024 Regular Board Meeting.

##### **Attachment(s)**

[Draft Minutes For The June 13, 2024 Regular CAHI Meeting](#)

#### **4. Recognition of people wishing to address the Board**

*If you need special assistance to participate in the meetings of the California Affordable Housing Initiatives Inc., Board of Directors, please contact (510) 874-1510 (TDD: 800-618-4781). Notification 48 hours prior to the meeting will enable the California Affordable Housing Initiatives, Inc., Board of Directors to make reasonable arrangements to ensure accessibility.*

*All public comment on action items will be taken at the public comment portion of the meeting. You may comment via zoom by "raising your hand" or by submitting an e-mail to [publiccomments@oakha.org](mailto:publiccomments@oakha.org) or call using the zoom participant number. You may request to make a public comment by "raising your*

hand” through Zoom’s video conference or phone feature, as described below. Requests will be received only during the designated times in which to receive such requests and only for eligible Agenda items. Public comments will be subject to the appropriate time limit of three (3) minutes.

To comment by Zoom video conference, click the "Raise Your Hand" button to request to speak when Public Comment is being taken on the eligible Agenda item. You will then be unmuted, during your turn, and allowed to make public comments. After the allotted time of three (3) minutes, you will then be re-muted. Instructions on how to "Raise Your Hand" is available at: <https://support.zoom.us/hc/en-us/articles/205566129> - Raise-Hand-In- Webinar.

To comment by phone, please call on one of the phone numbers listed below. You will be prompted to "Raise Your Hand" by pressing "\*9" to request to speak when Public Comment is being taken on the eligible Agenda Item. You will then be unmuted, during your turn, and allowed to make public comments. After the allotted time of three (3) minutes, you will then be re-muted. Please unmute yourself by pressing \*6. Instructions of how to raise your hand by phone are available at: <https://support.zoom.us/hc/en-us/articles/201362663> - Joining-a-meeting-by phone.

## 5. Old or Unfinished Business

## 6. New Business

- 6.1 24-1455 Election of Chair and Vice-Chair of the CAHI Board of Directors.

**Attachment(s)**

[Staff Report - Chair and Vice-Chair Election](#)

- 6.2 24-1410 Adopt a resolution authorizing the Chief Executive Officer to renew the Fidelity Bond Insurance policy with the Housing Authority Insurance Group and to make payment of the annual insurance premiums in the amount not to exceed \$370,000 for the renewal term from October 1, 2024 to September 30, 2025.

**Attachment(s)**

[Staff Report - Fidelity Bond Insurance Policy Renewal Resolution](#)

- 6.3 24-1465 Presentation of Financial Status Report for the Period July 1, 2023 through June 30, 2024

**Attachment(s)**

[Staff Report - Financial Status Report: July 2023 to June 2024 4th Quarter Financials Presentation](#)

## 7. Reports

- 7.1 24-1466 Update on the status of the Annual Contribution Contract for Project-Based Section 8 Contract Administration Services between California Affordable Housing Initiatives, Inc., and the U.S. Department of Housing and Urban Development

**Attachment(s)**

[Staff Report - Update Annual Contribution Contract for Project-Based Section 8](#)

**8. Announcements**

**9. Adjournment**

# ITEM

## 3.1



California Affordable  
Housing Initiatives, Inc.

**Board of Directors Regular Meeting Minutes  
Draft  
June 13, 2024**

**1. Roll Call**

Director Wells called the meeting to order at 5:40 PM.

*(AB 2449 Compliance) The Chair of the Board will confirm that there are two (2) directors in the same, properly noticed meeting room within the jurisdiction of the City of Oakland, accessible to the public. Each Director who is accessing the meeting remotely must disclose verbally whether they are requesting to meet remotely under AB 2449 due to: (1) just cause (notice required), or (2) emergency circumstances. For “emergency circumstances” the request must be approved by a majority vote of the Board of Directors for the emergency circumstance to be used as a justification to participate remotely. All Directors meeting remotely must provide a general description of the circumstances relating to need to appear remotely at the given meeting. A Director 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 to such individuals.*

Director Wells motioned to approve the virtual presence of Director Hartwig. Director Griffith seconded the motion, and it was passed by the following vote:

**Ayes 3 – Wells, Griffith, Hartwig**

**Present 3** – Director Wells, Director Hartwig, and Director Griffith were present for the roll call.

**2. Approval of the Minutes**

**2.1 Approval of the Minutes of the Regular Meeting of March 21, 2024**

A motion was made by Director Wells and seconded by Director Hartwig for the approval of the minutes of the March 21, 2024, Regular Meeting. The motion carried by the following vote:

**Ayes 3** – Wells, Hartwig, Griffith

CAHI Board Meeting Minutes  
June 13, 2024  
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3. Modifications to the Agenda

There were no modifications to the agenda.

A motion was made by Director Wells and seconded by Director Hartwig to approve the agenda. The motion carried by the following vote:

**Ayes 3** – Wells, Hartwig, Griffith

4. Recognition of People Wishing to Address the Board

There were no persons wishing to address the Board.

5. New Business

5.1 Designation of Officers for Secretary and Treasurer.

Anna Kaydanovskaya, Director of Asset Management, noted that the current CAHI Secretary and Treasurer are respectively, Duane Hopkins and Victor Madamba. She recommended that Mr. Hopkins and Mr. Madamba continue to serve as Secretary and Treasurer, respectively.

A motion was made by Director Wells and seconded by Director Hartwig to have Mr. Hopkins and Mr. Madamba continue to serve as CAHI Secretary and CAHI Treasurer, respectively. The motion carried by the following vote:

**Ayes 3** – Wells, Hartwig, Griffith

5.2 Adopt a resolution to approve the Fiscal Year 2025 Budget.

Anna Kaydanovskaya, Director of Asset Management provided an overview of the Fiscal Year 2025 budget. She then answered questions from the Board.

A motion was made by Director Wells and seconded by Director Hartwig to adopt a resolution approving the Fiscal Year 2025 Budget. The motion carried by the following vote:

**Ayes 3** – Wells, Hartwig, Griffith

5.3 Presentation of the Unaudited Comparative Financial Statements dated March 31, 2024, and 2023.

Anna Kaydanovskaya, Director of Asset Management provided a presentation on the unaudited financial statements for the quarter ending

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March 31, 2024, comparing financials to the same quarter ending March 31, 2023. She then answered questions from the board.

- 5.4 Adopt a resolution authorizing and approving Procurement Policy changes Duane Hopkins, Chief Officer of Program and Finance Administration presented the updates to the Procurement Policy. He then answered questions from the Board. Director Griffith requested additional clarification on the payment tables provided in the addendum.

A motion was made by Director Wells and seconded by Director Hartwig to table this item requesting to adopt a resolution authorizing and approving Procurement Policy changes. The motion carried by the following vote:

**Ayes 3** – Wells, Hartwig, Griffith

## 6. Reports

- 6.1 Status update on 77<sup>th</sup> and Bancroft development.

Tom Deloye, Chief Officer of Real Estate Development, provided an update on the development status of the 77<sup>th</sup> and Bancroft project, and then answered questions from the board.

- 6.2 Update on the status of the Annual Contribution Contract for Project-Based Section 8 Contract Administration Services between California Affordable Housing Initiatives, Inc., and the U.S. Department of Housing and Urban Development.

Duane Hopkins, Chief Officer of Program and Finance Administration provided an update on the status of the Annual Contribution Contract for Project-Based Section 8 Contract Administration Services between California Affordable Housing Initiatives, Inc., and the U.S. Department of Housing and Urban Development. He then answered questions from the Board.

- 6.3 Status update on the Local Housing Support Program.

Anna Kaydanovskaya, Director of Asset Management, provided an update on the Local Housing Support Program. She then answered questions from the Board.

## 7. Announcements

No announcements were made.



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8. Adjournment

A motion was made by Director Wells and seconded by Director Hartwig for the meeting to adjourn. The motion carried by the following vote:

**Ayes 3** – Wells, Hartwig, Griffith

The meeting adjourned at 6:58 PM.

**CALIFORNIA AFFORDABLE HOUSING INITIATIVES, INC.**

By: \_\_\_\_\_  
Duane Hopkins, Secretary

# ITEM

## 6.1

## ITEM 6.1



California Affordable  
Housing Initiatives, Inc.

**TO:** Board of Directors  
**FROM:** Patricia Wells, Chief Executive Officer *PW*  
**SUBJECT:** Election of Chair and Vice-Chair of the CAHI Board of Directors.  
**DATE:** September 12, 2024

**Type:** Action

24-1455

### **BACKGROUND**

CAHI Bylaws Article III, Section 6 state that “At the quarterly meeting held during the first quarter of each fiscal year, the Board of Directors shall elect officers. The Chair and Vice-Chair shall be elected during even years and shall serve a two-year term”. Anne Griffith, Chair, and Gregory Hartwig, Vice-Chair are the officers of the Board of Directors of California Affordable Housing Initiatives, Inc., with their terms expired on July 23, 2024.

### **ACTION REQUESTED**

Staff recommend that the Board elect Directors to the positions of Chair and Vice-Chair for two-year terms beginning September 12, 2024, and ending September 11, 2026, pursuant to Article III, Section 6 of the Amended Bylaws of California Affordable Housing Initiatives, Inc. adopted on April 11, 2011.

# ITEM

## 6.2

## ITEM 6.2



California Affordable  
Housing Initiatives, Inc.

**TO:** Board of Directors

**FROM:** Patricia Wells, Chief Executive Officer *PW*

**SUBJECT:** Adopt a resolution authorizing the Chief Executive Officer to renew the Fidelity Bond Insurance policy with the Housing Authority Insurance Group and to make payment of the annual insurance premiums in the amount not to exceed \$370,000 for the renewal term from October 1, 2024 to September 30, 2025.

**DATE:** September 12, 2024

**Type:** Action 24-1410

### **RECOMMENDATION**

It is recommended that the board adopts a resolution authorizing the Executive Director to renew the Fidelity Bond Insurance policy with the HAI Group and to make payment of the annual insurance premiums in the amount not to exceed \$370,000 for the renewal term from October 1, 2024 to September 30, 2025.

### **FISCAL IMPACTS/CONSIDERATION**

The funds in the amount of \$370,000 in premium for fidelity insurance were included in the California Affordable Housing Initiatives' FY 2025 annual operation budget approved on June 13, 2024.

### **BACKGROUND**

The Annual Contributions Contract (ACC) states that CAHI must carry "adequate fidelity bond coverage, as required by HUD, to compensate the PHA and HUD for any theft, fraud or other loss of program property resulting from action or non-action by PHA officers or employees or other individuals with administrative functions or responsibility for contract administration under the ACC." The amount of the fidelity bond should be sufficient to cover the maximum possible monthly Housing Assistance Payments (HAPs) that can be received by the PBCA. Per additional HUD guidance, "the PBCA should increase the normal coverage of one month's net payments by an amount that gives them comfort in discharging their fiduciary

responsibilities”.

CAHI estimates the required coverage to be \$75 million, based on the average monthly HAP disbursements. To provide continuity of coverage and compliance with HUD requirements, staff completed the renewal prior to the expiration date and ensured coverage beginning October 1, 2024.

CAHI worked with the Housing Authority Insurance (HAI) Group to obtain the insurance coverage. Due to the large amount of coverage required, HAI previously provided quotes for the policy period 2023 to 2024 from the three current carriers to provide the full amount of required coverage. For the policy period of October 2023 to October 2024, Great American Insurance Group provided \$30 million in coverage for an annual premium of \$202,135. RLI Insurance Company provided \$15 million in coverage for an annual premium of \$51,342. Berkley Crime provided \$22 million in coverage for an annual premium of \$54,441. The combined annual premium for the general and excess liability coverage was \$307,900 for \$67 million. For the renew period of 2024 to 2025, the estimated required coverage increased from \$67 million to \$75 million. Staff have renewed the fidelity application, but have not received quotes for the policy period 2024 to 2025.

Factoring in rate increases and the increase in requested coverage, staff factored in a 20% increase in premium and request that the Boards of Directors adopt a resolution authorizing the Executive Director to renew the Fidelity Bond Insurance policy with the HAI Group, and to make payment of the annual insurance premiums in the amount not to exceed \$370,000 for the renewal term from October 1, 2024 to September 30, 2025. Staff will return to the Board of Directors to report on the actual amount at the next Board of Directors' meeting.

### **ACTION REQUESTED**

It is recommended that the Board adopt a resolution authorizing the Executive Director to renew the Fidelity Bond Insurance policy with the Housing Authority Insurance Group and to make payment of the annual insurance premiums in the amount not to exceed \$370,000 for the renewal term of October 1, 2024, to September 30, 2025.

### **Attachments:**

Resolution

**CALIFORNIA AFFORDABLE HOUSING INITIATIVES, INC.**

On Motion of Director:

Seconded by Director:

and approved by the following vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

EXCUSED:

**THE FOLLOWING RESOLUTION WAS ADOPTED:**

**NUMBER:**

**ADOPT A RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO RENEW THE FIDELITY BOND INSURANCE POLICY WITH THE HOUSING AUTHORITY INSURANCE GROUP AND TO MAKE PAYMENT OF THE ANNUAL INSURANCE PREMIUMS IN THE AMOUNT NOT TO EXCEED \$370,000 FOR THE RENEWAL TERM FROM OCTOBER 1, 2024, TO SEPTEMBER 30, 2025.**

At a duly constituted meeting of the Board of Directors of California Affordable Housing Initiatives, Inc. (CAHI), held on September 12, 2024, the following resolution was adopted:

WHEREAS, CAHI is required by the Annual Contributions Contract (ACC) to carry adequate fidelity bond coverage; and

WHEREAS, CAHI estimates the required coverage to be \$75 million which is equal to one month's Housing Assistance Payment; and

WHEREAS, CAHI has worked with the Housing Authority Insurance Group to obtain coverage through Great American Insurance Group, RLI Insurance Company and Berkley Crime; and

WHEREAS, for the policy term of 2023 to 2024, Great American Insurance Group previously provided \$30 million coverage for an annual premium of \$202,135, RLI Insurance Company provided \$15 million coverage for an annual premium of \$51,324 and Berkley Crime provided \$22 million coverage for an annual premium of \$54,441; and

WHEREAS, CAHI have not received quotes for the term of 2024 to 2025; and

WHEREAS, CAHI factored in a 20% increase in premium to cover the required increase in coverage; and

WHEREAS, the Fidelity Bond insurance coverage will be in place from October 1, 2023 to October 1, 2024 with no lapse in coverage.

NOW, THEREFORE, BE IT RESOLVED:

THAT, the Board of Directors adopts a resolution authorizing the Executive Director to renew the Fidelity Bond Insurance policy with the HAI Group and to make payment of the annual insurance premiums in the amount not to exceed \$370,000 for the renewal term from October 1, 2024, to September 30, 2025.

THAT, the Chief Executive Officer is authorized to take all steps necessary, appropriate and consistent to implement this resolution; and

THAT, this resolution shall become effective immediately.

#### CERTIFICATE OF SECRETARY

I hereby certify that the foregoing is a full, true and correct copy of the resolution adopted by the Board of Directors at a meeting of said Board held on the aforementioned date, and that this resolution is in full force and effect.

\_\_\_\_\_  
*Duane A. Hopkins, Secretary*

**ADOPTED: September 12, 2024**

**RESOLUTION NUMBER:**



# ITEM

## 6.3

## ITEM 6.3



California Affordable  
Housing Initiatives, Inc.

**TO:** Board of Directors

**FROM:** Patricia Wells, Chief Executive Officer *PW*

**SUBJECT:** Presentation of Financial Status Report for the Period July 1, 2023 through June 30, 2024

**DATE:** September 12, 2024

**Type:** Informational 24-1465

### **RECOMMENDATION**

This item is informational only. No action is requested.

### **FISCAL IMPACTS/CONSIDERATION**

No funding is requested for this item.

### **BACKGROUND**

This presentation provides supplemental information to the Fiscal Year 2024 Financial Report, July 1, 2023, through June 30, 2024.

Fund Revenue and Expenditure Trends below:

Revenue:

- Housing Assistant Payments is higher than budget by 4.4%.
- Admin Fee Earned is higher than budget by 11.9%.
- Money market rates remain high, earning a higher interest income of 114.6% compared to budget.

Expenses:

- Admin Fees - CGI is higher than budget by 1.7%.
- Administrative Expenses is lower than budget by 52.4% due to staff vacancies and lower operating expenses.
- Maintenance and Operations Expenses are lower by 68.2% due to lower building materials and other contract costs.
- Other Non-Operating Expenses are lower than budget attributed to Capital Outlay

associated with the 77th and Bancroft project.

Overall results from CAHI operations finished the FY2024 with a Net Surplus of \$12.5M.

\*\*\*\*\*

#### PRESENTATION CHANGES

The following changes have been made to the location of selected items in FY2024 financial report to make the document more readily understandable.

- Revenues:
  - Interest Income – moved from the “Non-Operating Items” expense section at the bottom of the Statement of Revenues, Expenses to the “Other Income” revenue section.

\*\*\*\*\*

#### FINANCIAL SUMMARY

Below is a summary of the FY 2024 results for the California Affordable Housing Initiatives.

Total Revenue	\$879,072,029
Total Operating Expense	\$866,542,541
<b>Net Operating Revenue (Expenses)</b>	<b>\$12,529,489</b>
Less:	
Capital Items	\$63,411
Other Non Operating Expenses (includes depreciation)	\$651,676
<b>Net Revenue (Expenses)</b>	<b>\$11,814,402</b>
<b>Projected Cash Flow (depreciation add back \$400,513)</b>	<b>\$12,214,915</b>

#### ACTION REQUESTED

No formal action is requested. This is an informational item to inform the Board of Directors.

#### **Attachments:**

[4th Quarter Financials Presentation](#)



Keller Plaza

# California Affordable Housing Initiatives, Inc.

## Financial Statements Q4FY2024 (UNAUDITED)

Q4FY2024

# Statement of Financial Position – Assets



CALIFORNIA AFFORDABLE HOUSING INITIATIVES, INC.				
Statement of Financial Position				
For the 12 months ended 6/30/2024				
(Unaudited)				
ASSETS	FY24 YTD	FY23 YTD	Variance	Variance%
<b>Current Assets</b>				
Cash Account - IOC	\$82,386,771	\$69,413,642	\$12,973,129	19%
Cash Account - Admin Fee	\$11,036,075	\$12,278,368	(\$1,242,292)	-10%
Cash Account - HAP	\$291,886	\$159,899	\$131,987	83%
Restricted Funds	\$17,723,090	\$0	\$17,723,090	100%
<b>Total Cash</b>	<b>\$111,437,823</b>	<b>\$81,851,909</b>	<b>\$29,585,914</b>	<b>36%</b>
Accounts Receivable - HUD	\$4,283,451	\$1,864,714	\$2,418,737	130%
Leases Receivable GASB 87 - Current	\$540,605	\$540,605	\$0	0%
Accounts Receivable - OHA	\$79,493	\$3,235	\$76,258	2357%
<b>Total Accounts and Notes Receivable</b>	<b>\$4,903,549</b>	<b>\$2,408,554</b>	<b>\$2,494,995</b>	<b>104%</b>
Prepaid Insurance	\$121,125	\$121,599	(\$474)	0%
<b>Total Current Assets</b>	<b>\$116,462,497</b>	<b>\$84,382,061</b>	<b>\$32,080,436</b>	<b>38%</b>
<b>Non Current Assets</b>				
Nondepreciable				
Land	\$4,697,712	\$4,697,712	\$0	0%
Depreciable				
Buildings	\$1,155,205	\$1,155,205	\$0	0%
Site Improvements	\$9,646,499	\$9,646,499	\$0	0%
Less: Accumulated Depreciation	(\$3,676,877)	(\$3,276,365)	(\$400,513)	12%
<b>Depreciable, Net</b>	<b>\$7,124,826</b>	<b>\$7,525,339</b>	<b>(\$400,513)</b>	<b>-5%</b>
Construction In Process	\$812,272	\$791,913	\$20,359	3%
Security Equipment	\$42,778	\$0	\$42,778	100%
Net OPEB & Pension Asset	\$200,161	\$233,690	(\$33,529)	-14%
Net Pension Asset - GASB 68	\$7,035	\$7,035	\$0	0%
Leases Receivable GASB 87 - Long Term	\$18,495,397	\$18,495,397	\$0	0%
<b>Total Noncurrent Assets</b>	<b>\$31,380,180</b>	<b>\$31,751,085</b>	<b>(\$370,905)</b>	<b>-1%</b>
<b>Deferred Outflow of Resources</b>				
Pension Related Items	\$141,267	\$141,267	\$0	0%
OPEB Related Items	\$46,534	\$74,736	(\$28,202)	-38%
<b>Total Deferred Outflow of Resources</b>	<b>\$187,801</b>	<b>\$216,003</b>	<b>(\$28,202)</b>	<b>-13%</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$148,030,479</b>	<b>\$116,349,150</b>	<b>\$31,681,329</b>	<b>27%</b>

## Assets:

### Total Current Assets:

Increased +\$32.1M or +38% YOY

driven by:

- Increase of +\$29.6M in Cash
  - IOC +\$12.9M or +19%
  - CAHI restricted funds up by +\$17.7M
  - Partially offset by the decrease in Cash Admin fee -\$1.2M or -10%
- A/R increased +\$2.5M, more than doubled compared to prior year

### Total Non-Current Assets:

Land and Net Depreciation remained flat YOY, due to straight-line depreciation calculation

### Def. Outflow Resources:

With a slight increase due to OPEB change in investment

Q4FY2024



## Statement of Financial Position – Liabilities

CALIFORNIA AFFORDABLE HOUSING INITIATIVES, INC.				
Statement of Financial Position				
For the 12 months ended 6/30/2024				
(Unaudited)				
LIABILITIES	FY24 YTD	FY23 YTD	Over/(Under)	% Variance
<b>Current Liabilities</b>				
Accounts Payable - Other	\$2,779,664	\$1,242,035	\$1,537,628	124%
Accounts Payable - HUD	\$285,859	\$159,899	\$125,960	79%
Accrued Current Liabilities	\$48,483	\$45,993	\$2,490	5%
Accounts Payable - OHA	\$164,264	\$98,019	\$66,246	68%
Unearned Revenue	\$17,552,293	\$71,644	\$17,480,649	100%
<b>Total Current Liabilities</b>	<b>\$20,830,562</b>	<b>\$1,617,589</b>	<b>\$19,212,973</b>	<b>100%</b>
<b>Non Current Liabilities</b>				
Net Pension Liabilities	\$51,836	\$57,265	(\$5,429)	-9%
<b>Total Non Current Liabilities</b>	<b>\$51,836</b>	<b>\$57,265</b>	<b>(\$5,429)</b>	<b>-9%</b>
<b>Deferred Inflow of Resources</b>				
GASB 87 Leases	\$18,435,085	\$18,435,085	\$0	0%
Pension Related Items	\$69,500	\$69,500	\$0	0%
OPEB Related Items	\$1,381	\$63,112	(\$61,731)	-98%
<b>Total Deferred Inflow of Resources</b>	<b>\$18,505,966</b>	<b>\$18,567,697</b>	<b>(\$61,731)</b>	<b>0%</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>\$39,388,364</b>	<b>\$20,242,551</b>	<b>\$19,145,813</b>	<b>95%</b>
<b>NET POSITION</b>				
Restricted Net Assets	\$18,014,976	\$0	\$18,014,976	100%
Net Investment In Capital Assets	\$12,677,587	\$13,014,963	(\$337,376)	-3%
Unrestricted	\$77,949,551	\$83,091,635	(\$5,142,084)	-6%
<b>Total Net Position</b>	<b>\$108,642,114</b>	<b>\$96,106,598</b>	<b>\$12,535,516</b>	<b>13%</b>
<b>Total Liabilities, Deferred Inflows and Net Assets</b>	<b>\$148,030,479</b>	<b>\$116,349,150</b>	<b>\$31,681,329</b>	<b>27%</b>

### Liabilities:

#### Total Current Liabilities:

Increased +\$19.2M YOY

Primary driven by the increase:

- Unearned revenue +\$17.5M
- A/P CGI +\$1.5M or +124%
- A/P HUD +126K or +79%

#### Total Non-Current Liabilities & Def. inflow:

- Remains flat YOY

#### Total Net Position:

- Increased +12.5M or +13% YOY, driven by increase of restricted net asset +18.0M. partially offset by the decrease of unrestricted net asset of - \$4.5M or -6%

Q4FY2024

# Statement of Activities – Overview

CALIFORNIA AFFORDABLE HOUSING INITIATIVES, INC.						
Statement of Revenues, Expenses and Changes in Net Position						
For the 12 months ended 6/30/2024						
(Unaudited)						
	FY24 YTD Actual	FY24 YTD Budget	FY YTD Actual vs Budget (\$)	FY YTD Actual vs Budget (%)	FY23 YTD Actual	Current Year vs. Prior Year (%)
<b>Revenue</b>						
<b>HAP and Admin Income</b>						
HAP Earned	\$ 848,261,768	\$ 812,785,173	\$ 35,476,595	4.4%	\$ 788,828,063	7.5%
Admin Fee Earned	\$ 25,510,907	\$ 22,801,022	\$ 2,709,885	11.9%	\$ 23,506,245	8.5%
<b>Total HAP &amp; Admin Income</b>	<b>\$ 873,772,675</b>	<b>\$ 835,586,195</b>	<b>\$ 38,186,480</b>	<b>4.6%</b>	<b>\$ 812,334,307</b>	<b>7.6%</b>
<b>Other Income</b>						
Investment Income	\$ 4,399,946	\$ 2,050,102	\$ 2,349,844	114.6%	\$ 1,703,914	158.2%
Rental Income Commercial	\$ 899,409	\$ 899,409	\$ (0)	0.0%	\$ 1,446,123	-37.8%
<b>Total interest and other income</b>	<b>\$ 5,299,355</b>	<b>\$ 2,949,511</b>	<b>\$ 2,349,844</b>	<b>79.7%</b>	<b>\$ 3,150,037</b>	<b>68.2%</b>
<b>Total Revenue</b>	<b>\$ 879,072,029</b>	<b>\$ 838,535,706</b>	<b>\$ 40,536,323</b>	<b>4.8%</b>	<b>\$ 815,484,344</b>	<b>7.8%</b>
<b>Expenses</b>						
<b>Direct Expenses</b>						
HAP Payments	\$ 848,261,768	\$ 812,785,173	\$ 35,476,595	4.4%	\$ 788,828,063	7.5%
Admin Fees - CGI	\$ 16,589,962	\$ 16,311,466	\$ 278,496	1.7%	\$ 15,563,587	6.6%
<b>Total Direct Expenses</b>	<b>\$ 864,851,730</b>	<b>\$ 829,096,639</b>	<b>\$ 35,755,091</b>	<b>4.3%</b>	<b>\$ 804,391,649</b>	<b>7.5%</b>
<b>Indirect Expenses</b>						
Total Administrative Expenses	\$ 521,471	\$ 1,094,519	\$ (573,048)	-52.4%	\$ 535,330	-2.6%
Total Utility, Maintenance & Other Services	\$ 132,316	\$ 416,500	\$ (284,184)	-68.2%	\$ 12,034	999.5%
General Expenses	\$ 321,937	\$ 471,850	\$ (149,913)	-31.8%	\$ 319,073	0.9%
Other Non Operating Expenses	\$ 715,087	\$ 2,585,680	\$ (1,870,593)	-72.3%	\$ 603,747	18.4%
<b>Total Indirect Expenses</b>	<b>\$ 1,690,811</b>	<b>\$ 4,568,550</b>	<b>\$ (2,877,739)</b>	<b>-63.0%</b>	<b>\$ 1,470,185</b>	<b>15.0%</b>
<b>Total Expenses</b>	<b>\$ 866,542,541</b>	<b>\$ 833,665,189</b>	<b>\$ 32,877,352</b>	<b>3.9%</b>	<b>\$ 805,861,834</b>	<b>7.5%</b>
Net Surplus/(Deficit)	\$ 12,529,489	\$ 4,870,517	\$ 7,658,971	157.3%	\$ 9,622,510	30.2%
Net Position, Beginning of Period	\$ 96,106,598	\$ 96,106,598	\$ -	0.0%	\$ 86,484,088	11.1%
<b>Net Position, End of Period</b>	<b>\$ 108,636,087</b>	<b>\$ 100,977,116</b>	<b>\$ 7,658,971</b>	<b>7.6%</b>	<b>\$ 96,106,598</b>	<b>13.0%</b>

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## Statement of Activities – Revenue



CALIFORNIA AFFORDABLE HOUSING INITIATIVES, INC.						
Statement of Revenues, Expenses and Changes in Net Position						
For the 12 months ended 6/30/2024						
(Unaudited)						
	FY24 YTD Actual	FY24 YTD Budget	FY YTD Actual vs Budget (\$)	FY YTD Actual vs Budget (%)	FY23 YTD Actual	Current Year vs. Prior Year (%)
<b>Revenue</b>						
<b>HAP and Admin Income</b>						
HAP Earned	\$ 848,261,768	\$ 812,785,173	\$ 35,476,595	4.4%	\$ 788,828,063	7.5%
Admin Fee Earned	\$ 25,510,907	\$ 22,801,022	\$ 2,709,885	11.9%	\$ 23,506,245	8.5%
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Investment Income	\$ 4,399,946	\$ 2,050,102	\$ 2,349,844	114.6%	\$ 1,703,914	158.2%
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<b>Total interest and other income</b>	<b>\$ 5,299,355</b>	<b>\$ 2,949,511</b>	<b>\$ 2,349,844</b>	<b>79.7%</b>	<b>\$ 3,150,037</b>	<b>68.2%</b>
<b>Total Revenue</b>	<b>\$ 879,072,029</b>	<b>\$ 838,535,706</b>	<b>\$ 40,536,323</b>	<b>4.8%</b>	<b>\$ 815,484,344</b>	<b>7.8%</b>

### **Revenue:**

Increased +\$38.2M or +4.6% compared to budget and +7.6% compared to prior year

Primary increase is driven by:

- HAP earned of +\$35.5M
- Admin fee earned +\$2.7M

### **Other Income:**

Increased +\$2.3M or +80% compared to budget and more than double compared to prior year.

- Investment income unrestricted increase primarily driven by interest rates



# Statement of Activities – Expenses



CALIFORNIA AFFORDABLE HOUSING INITIATIVES, INC.						
Statement of Revenues, Expenses and Changes in Net Position						
For the 12 months ended 6/30/2024						
(Unaudited)						
	FY24 YTD Actual	FY24 YTD Budget	FY YTD Actual vs Budget (\$)	FY YTD Actual vs Budget (%)	FY23 YTD Actual	Current Year vs. Prior Year (%)
<b>Expenses</b>						
<b>Direct Expenses</b>						
HAP Payments	\$ 848,261,768	\$ 812,785,173	\$ 35,476,595	4.4%	\$ 788,828,063	7.5%
Admin Fees - CGI	\$ 16,589,962	\$ 16,311,466	\$ 278,496	1.7%	\$ 15,563,587	6.6%
<b>Total Direct Expenses</b>	<b>\$ 864,851,730</b>	<b>\$ 829,096,639</b>	<b>\$ 35,755,091</b>	<b>4.3%</b>	<b>\$ 804,391,649</b>	<b>7.5%</b>
<b>Indirect Expenses</b>						
Total Administrative Expenses	\$ 521,471	\$ 1,094,519	\$ (573,048)	-52.4%	\$ 535,330	-2.6%
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Other Non Operating Expenses	\$ 715,087	\$ 2,585,680	\$ (1,870,593)	-72.3%	\$ 603,747	18.4%
<b>Total Indirect Expenses</b>	<b>\$ 1,690,811</b>	<b>\$ 4,568,550</b>	<b>\$ (2,877,739)</b>	<b>-63.0%</b>	<b>\$ 1,470,185</b>	<b>15.0%</b>
<b>Total Expenses</b>	<b>\$ 866,542,541</b>	<b>\$ 833,665,189</b>	<b>\$ 32,877,352</b>	<b>3.9%</b>	<b>\$ 805,861,834</b>	<b>7.5%</b>
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<b>Net Position, End of Period</b>	<b>\$ 108,636,087</b>	<b>\$ 100,977,116</b>	<b>\$ 7,658,971</b>	<b>7.6%</b>	<b>\$ 96,106,598</b>	<b>13.0%</b>

## **Direct Expenses:**

Total direct expenses increased +\$35.8M or +4.3% compared to budget and increase of +7.5% compared to prior year

- +\$35.5M higher HAP payments compared to the budget amount for FY24, and +1.7% higher admin fees - CGI compared to budget amount for FY24. Increases in direct expense is aligned with revenue earned

## **Indirect Expenses:**

Total indirect expenses decreased +\$2.9M or -63% compared to budget & increased +15% compared to prior year

- Administrative Expenses is lower than the budget amount due to lower administrative salaries, and lower other admin expenses
- Utility and maintenance expenses were also lower than the budget amount to less usage of contract costs
- Non-Operating Expense is lower than the budget due to unused funds in Capital Outlay and Community Reinvestment

Q4FY2024



Thank you for your time.  
Questions?



Keller Plaza Apartments

Q4FY2024

## Detail



HAP and Miscellaneous Income	FY24 YTD Actual	FY24 YTD Budget	VAR	FY24 Annual Budget
HCV Subsidy	\$873,772,675	\$835,586,195	\$38,186,480	\$835,586,195
Miscellaneous Other Income	\$6,160	\$0	\$6,160	\$0
Rental Income Commercial (1540 Webs	\$893,249	\$899,409	-\$6,160	\$899,409
Investment Income - Unrestricted	\$4,399,946	\$2,050,102	\$2,349,844	\$2,050,102
Grand Total	\$879,072,029	\$838,535,706	\$40,536,323	\$838,535,706

Administrative Expenses	FY24 YTD Actual	FY24 YTD Budget	VAR	FY24 Annual Budget
Total Miscellaneous Admin Expenses	\$188,440	\$128,810	\$59,630	\$128,810
Total Legal Expense	\$170,039	\$210,000	-\$39,961	\$210,000
Total Administrative Salaries	\$114,687	\$340,509	-\$225,822	\$340,509
Total Other Admin Expenses	\$48,305	\$415,200	-\$366,895	\$415,200
Grand Total	\$521,471	\$1,094,519	-\$573,048	\$1,094,519

Maintenance and Operation Expenses	FY24 YTD Actual	FY24 YTD Budget	VAR	FY24 Annual Budget
Total Contract Costs	\$125,728	\$373,500	-\$247,772	\$373,500
Total General Maint Expense	\$836	\$0	\$836	\$0
Total Materials	\$274	\$43,000	-\$42,726	\$43,000
Grand Total	\$126,838	\$416,500	-\$289,662	\$416,500

Utilities	FY24 YTD Actual	FY24 YTD Budget	VAR	FY24 Annual Budget
Electricity	\$55	\$0	\$55	\$0
Sewer	\$1,774	\$0	\$1,774	\$0
Other Utility Expenses	\$3,649	\$0	\$3,649	\$0
Grand Total	\$5,478	\$0	\$5,478	\$0

General Expenses	FY24 YTD Actual	FY24 YTD Budget	VAR	FY24 Annual Budget
Fidelity Bond Insurance	\$304,296	\$434,000	-\$129,705	\$434,000
Property Insurance	\$10,944	\$12,000	-\$1,056	\$12,000
Liability Insurance	\$5,664	\$25,000	-\$19,336	\$25,000
Employment Practices Liability Insurance	\$702	\$850	-\$148	\$850
Insurance Expenses Directors and Officers	\$331	\$0	\$331	\$0
Grand Total	\$321,937	\$471,850	-\$149,913	\$471,850

Direct Expenses	FY24 YTD Actual	FY24 YTD Budget	VAR	FY24 Annual Budget
HAP Payments	\$848,261,768	\$812,785,173	\$35,476,595	\$812,785,173
Admin Fees-CGI	\$16,589,962	\$16,311,466	\$278,496	\$16,311,466
Grand Total	\$864,851,730	\$829,096,639	\$35,755,091	\$829,096,639

Other Non-Operating Expenses	FY24 YTD Actual	FY24 YTD Budget	VAR	FY24 Annual Budget
Community Reinvestment	\$4,346	\$300,000	-\$295,654	\$300,000
Capital Outlay	\$63,411	\$1,500,000	-\$1,436,590	\$1,500,000
Capital Outlay (Contra)	-\$63,411	\$0	-\$63,411	\$0
CID Cost Allocation Expenses	\$19,058	\$30,000	-\$10,942	\$30,000
COCC Cost Allocation Expenses	\$64,397	\$97,059	-\$32,662	\$97,059
COCC Occ. Bldgs Cost Allocation Exp	\$2,928	\$0	\$2,928	\$0
Accrued Vacation Expense	-\$6,387	\$0	-\$6,387	\$0
Depreciation	\$400,513	\$400,513	\$0	\$400,513
Excess Salary Reimbursement Exp	\$200,043	\$220,364	-\$20,321	\$220,364
OPEB & Retirees Medical - GASB 75	\$30,188	\$37,744	-\$7,556	\$37,744
Grand Total	\$715,087	\$2,585,680	-\$1,870,593	\$2,585,680

Q4FY2024

# ITEM 7.1

## ITEM 7.1



California Affordable  
Housing Initiatives, Inc.

**TO:** Board of Directors

**FROM:** Patricia Wells, Chief Executive Officer *PW*

**SUBJECT:** Update on the status of the Annual Contribution Contract for Project-Based Section 8 Contract Administration Services between California Affordable Housing Initiatives, Inc., and the U.S. Department of Housing and Urban Development

**DATE:** September 12, 2024

**Type:** Informational 24-1466

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### **BACKGROUND**

Staff will provide an update on the annual contribution contract for project-based section 8 contract administration (PBCA) services between California Affordable Housing Initiatives, Inc. and the U.S. Department of Housing and Urban Development (HUD) and will also provide an update on the status of the draft solicitation and PBCA rebid. Staff will be available to answer questions from the Board.