



California Affordable
Housing Initiatives, Inc.

TO: Chair Anne Griffith
Vice-Chair Gregory D. Hartwig
Director Patricia Wells

NOTICE OF REGULAR BOARD MEETING

In accordance with Article III, Section 7, of the Bylaws of the California Affordable Housing Initiatives, Inc., NOTICE IS HEREBY GIVEN that a **Regular Meeting of the Board of Directors** will be held as follows:

BOARD OF DIRECTORS MEETING

Thursday, December 09, 2021 at 5:15 pm

NOTE: In accordance with Governor Newsom's issued Executive Order N-29-20, dated March 17, 2020, Suspending Brown Act Requirements for public meetings due to COVID-19, a local legislative body is authorized to hold public meetings via teleconferencing and make public meetings accessible "telephonically or electronically" to all members of the public seeking to observe and to address the legislative body.

Join Zoom Meeting

Phone one- +16699009128,,94046900896#,,,,*931265#
tap: or +12133388477,,94046900896#,,,,*931265#

Meeting URL: <https://oakha-org.zoom.us/j/94046900896?pwd=YjVOVkpHckw3cE5qK0M1VTNsZFpxUT09>

Meeting ID: 940 4690 0896

Passcode: 931265

Join by Telephone

For higher quality, dial a number based on your current location.

	US: +1 669 900 9128 US (San Jose)
	+1 669 219 2599 US (San Jose)
	+1 213 338 8477 US (Los Angeles)
	+1 301 715 8592 US (Washington D.C.)
Dial:	Toll-free 833 548 0276 US Toll-free
	833 548 0282 US Toll-free
	877 853 5257 US Toll-free
	888 475 4499 US Toll-free

Meeting ID: 940 4690 0896

Password: 931265

If you need special assistance to participate in the meeting, please contact CAHI at (510) 238-5300 (English TTY 800-735-2929 or Spanish TTY 800-855-3000). Notification at least 48 hours prior to the meeting will allow reasonable accommodations to ensure accessibility.




California Affordable
Housing Initiatives, Inc.

**Board of Directors Meeting
December 09, 2021
AGENDA**

- I. Roll Call
- II. 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 or a need arose after agenda posting.
- III. Approval of Minutes
 - A. Special Meeting of October 18, 2021
- IV. New Business
 - A. Consideration of a Resolution to Approve an Amendment to the Subcontract Agreement between CAHI and CGI Extending the Contract Term and Budget
 - B. Presentation of the Unaudited Comparative Financial Statements dated September 30, 2021 and 2020
- V. Recognition of persons wishing to address the Board
- VI. Written Communications
- VII. Announcements
- VIII. Adjournment

CALIFORNIA AFFORDABLE HOUSING INITIATIVES, INC.

By: 
Patricia Wells, Chief Executive Officer



DRAFT
Board of Directors Special Meeting Minutes
October 18, 2021

I. Roll Call

Chair Anne Griffith and Director Wells were present on the Zoom conference meeting.

II. Modifications to the Agenda

There were no modifications to the agenda.

III. Approval of Minutes

A. Regular Meeting of September 27, 2021

Director Griffith moved to approve the minutes of the regular meeting of September 27, 2021. Director Wells seconded the motion. All Directors voted to approve the minutes as submitted.

IV. Old Business

A. Consideration of a Resolution to Authorize Oakland Housing Authority to Pursue a Proposed Development Plan for 77th and Bancroft

Duane Hopkins, CAHI Secretary and OHA Chief Officer of Programs and Finance Administration, introduced the continuation of the discussion for the proposed development plan for 77th and Bancroft. Duane Hopkins, Alexandra Stroud from Urban Focus, and Helen Dunlap from Dunlap Consulting presented the development plan for 77th and Bancroft and answered questions from the Board.

Directors Griffith moved to approve the resolution to authorize Oakland Housing Authority to pursue a development plan for 77th and Bancroft. Director Wells seconded the motion. All Directors voted to approve the resolution to authorize Oakland Housing Authority to pursue a development plan for 77th and Bancroft.

CAHI Board Meeting Minutes

October 18, 2021

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B. Status Update on CAHI Sites

Duane Hopkins, CAHI Secretary and OHA Chief Officer of Programs and Finance Administration, provided an update on the CAHI-owned sites located at 2530 9th Avenue, 1236 E. 17th Street, and 1540 Webster. Deni Adaniya, Assistant Director for OHA's Real Estate Department also provided updates on 2530 9th Avenue and answered questions from the Board.

V. Recognition of persons wishing to address the Board

There were no persons wishing to address the Board.

VI. Written Communications

There were no written communications

VII. Announcements

There were no announcements

VIII. Adjournment

Director Griffith motioned to adjourn. Director Wells seconded the motion. All Directors voted to adjourn the special meeting at 5:10 pm.

CALIFORNIA AFFORDABLE HOUSING INITIATIVES, INC.


By: _____
Duane Hopkins, Secretary

ITEM: IV.A



Memo

To: Board of Directors

From: Patricia Wells, Chief Executive Officer 

Date: November 30, 2021

Re: Consideration of a Resolution to Approve an Amendment to the Subcontract Agreement between CAHI and CGI Extending the Contract Term and Budget

This memorandum forwards a resolution to approve an amendment to the subcontract agreement between CAHI and CGI to extend the contract term and budget.

Background

The contract with CGI began on October 1, 2004 for a 3-year term with two 1-year option terms ending on September 30, 2009. Since that time, eight (8) amendments have been executed to extend the contract through December 31, 2018. The amendments have been exercised as CAHI received notification of HUD Annual Contribution Contract (ACC) funding amendments, which have been on an inconsistent schedule as HUD navigated challenges with their rebid process and funding challenges.

The history of the ACC amendments are:

- October 1, 2009 to September 30, 2010 (1-year)
- October 1, 2010 to September 30, 2011 (1-year)
- October 1, 2011 to December 31, 2012 (five 3-month intervals)
- January 1, 2013 to December 31, 2014 (eight 3-month intervals)

Amendment to CGI's Subcontract Agreement

- January 1, 2015 to December 31, 2017 (six 6-months intervals)
- January 1, 2017 to December 31, 2018 (1-year)
- January 1, 2019 to June 30, 2019 (6-months)
- July 1, 2019 to September 30, 2019 (3-months)
- October 1, 2019 to January 31, 2022 (16-months with two 6-month extensions)

Previously, CAHI requested approval for authorization for a non-competitive procurement from HUD. However, HUD responded that the Annual Contributions Contract (ACC) between HUD and CAHI is a performance-based contract and therefore procurement requirements between PHA's, their instrumentalities and/or subcontractors are not required.

In October 2021, HUD notified CAHI of a tenth amendment to the ACC. The tenth amendment to the ACC includes a contract extension effective February 01, 2022 through January 31, 2023 with an option by HUD for four additional six-month extensions. CAHI and CGI have agreed to continue PBCA operations at a negotiated budget amount with the same scope of services as outlined in the ACC, throughout the term of the tenth amendment. The negotiated budget includes a decrease in CGI fees for the first five months of the subcontract agreement, in connection with the company's physical office move and switch to a hybrid-remote work model.

The following language regarding the term is included in the 14th Amendment to the Subcontract Agreement between CAHI and CGI:

3. Term

Except as provided in Article 4 below, the parties to this Agreement will be bound to continue participation under this Agreement through January 31, 2023. This option will automatically extend for up to four additional and successive extension terms of six (6) calendar months each should HUD elect to execute the additional Extension terms with a potential ending date of January 31, 2025 should HUD execute all extensions. The parties to this Agreement understand that this renewal will be at HUD's sole discretion and that performance is the paramount factor in renewal determinations.

The following language regarding the budget is included as follows:

Non-CSP Payments

ACC Amendment Operations Phase: The parties cost for the contract administration operation has been budgeted jointly and agreed upon by both parties. From February 1, 2022 through June 30, 2022, CGI will be paid a fee of \$686,548, total fees not to exceed \$3,432,740 for the first 5-month

Amendment to CGI's Subcontract Agreement

period of the extension plus CGI's share of the unallocated earnings from HUD administrative fees. From July 1, 2022 through January 31, 2023, CGI will be paid a fee of \$707,144, total fees not to exceed \$4,950,008 for the 7-month period of the remaining extension plus CGI's share of the unallocated earnings from HUD administrative fees. Total CGI fees not to exceed \$8,382,748 for the total 12 months of the extension. CGI will invoice CAHI monthly for operation fees and CGI's share of the unallocated earnings.

From February 1, 2022 through June 30, 2022 CAHI will retain a fee of \$67,191, total fees not to exceed \$335,955 for the first 5-month period of the extension plus CAHI's share of the unallocated earnings from HUD administrative fees. From July 1, 2022 through January 31, 2023 CAHI will retain a fee of \$69,206, total fees not to exceed \$484,442 for the 7-month period of the remaining extension plus CAHI's share of the unallocated earnings from HUD administrative fees. Total CAHI fees not to exceed \$820,397 for the total 12 months of the extension.

Should the Contract be extended or there is a material change in budget, such as a change in Oakland office lease, both parties may negotiate a change to their fees.

Proposed Action

It is recommend that the Board of Directors approve the contract extension with CGI in accordance with the amendment to the Subcontract Agreement and permit the CEO of CAHI to execute such amendment

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: 96

**RESOLUTION APPROVING
FOURTEENTH AMENDMENT TO SUBCONTRACT AGREEMENT
BETWEEN CAHI AND CGI**

At a duly constituted meeting of the Board of Directors of California Affordable Housing Initiatives, Inc. (CAHI), held on December 09, 2021, the following resolution was adopted:

WHEREAS, a Subcontract Agreement ("Contract," dated August 16, 2004), was entered into by and between CAHI and CGI for the period beginning on May 4, 2004 and ending on September 30, 2009. The Contract set the compensation for Specialized Business Processing Services at an annual jointly budgeted amount and divided unallocated earnings based on funds received from the U.S. Department of Housing and Urban Development ("HUD"); and

WHEREAS, the first contract amendment was executed for an additional year to September 30, 2010 pending HUD's rebid process; and

WHEREAS, the second contract amendment was executed for another year to September 30, 2011 pending HUD's rebid process; and

WHEREAS, the third contract amendment was executed for the same period of time as HUD's amended ACC extension which was a 15 month extension ending December 31, 2012 ; and

WHEREAS, CAHI executed a 2nd Amendment to the ACC with HUD for up to 24 months at 3 month intervals extending to December 31, 2014 which resulted in a fourth contract amendment being executed between CAHI and CGI; and

WHEREAS, CAHI received another Amendment to the ACC from HUD extending the contract for up to 36 months in 6 month intervals up to December 31, 2017; and

WHEREAS, HUD extended the ACC for an additional year to December 31, 2018; and

WHEREAS, HUD extended the ACC for an additional 6-months to June 30, 2019; and

WHEREAS, HUD extended the ACC for an additional 3-month term to September 30, 2019; and

WHEREAS, HUD extended the ACC for an additional 16-month term to January 31, 2021, and

WHEREAS, HUD extended the ACC for an additional two 6-month terms to January 31, 2022; and

WHEREAS, HUD recently extended the ACC for an additional year term to January 31, 2023 with up to four additional 6-month terms to January 31, 2025; and

WHEREAS, CAHI has determined that it needs additional services from CGI for the same amount of time that HUD extends the amended ACC with CAHI; and

WHEREAS, the CAHI Board of Directors must authorize the Chief Executive Officer to extend the Contract with CGI for one year to January 31, 2023, which will automatically extend for up to four additional and successive 6-month terms to January 31, 2025, should HUD elect to execute the additional extension terms, for a negotiated budgeted amount approved by CAHI.

NOW, THEREFORE, BE IT RESOLVED:
THAT, CAHI and CGI agree to amend the Contract as follows:

A. To revise Section C of the Contract to read as follows:

3. Term

Except as provided in Article 4 below, the parties to this Agreement will be bound to continue participation under this Agreement through January 31, 2023. This option will automatically extend for up to four additional and successive extension terms of six (6) calendar months each should HUD elect to execute the additional Extension terms with a potential ending date of January 31, 2025 should HUD execute all extensions. The parties to this Agreement understand that this renewal will be at HUD's sole discretion and that performance is the paramount factor in renewal determinations.

To revise Appendix "B" by updating the current "Operations Phase" subsection to adjust CAHI and CGI Non-CSP fees effective February 1, 2022, to read as follows:

Non-CSP Payments

ACC Amendment Operations Phase: The parties cost for the contract administration operation has been budgeted jointly and agreed upon by both parties. From February 1, 2022 through June 30, 2022, CGI will be paid a fee of \$686,548, total fees not to exceed \$3,432,740 for the first 5-month period of the extension plus CGI's share of the unallocated earnings from HUD administrative fees. From July 1, 2022 through January 31, 2023, CGI will be paid a fee of \$707,144, total fees not to exceed \$4,950,008 for the 7-month period of the remaining extension plus CGI's share of the unallocated earnings from HUD administrative fees. Total CGI fees not to exceed \$8,382,748 for the total 12 months of the extension. CGI will invoice CAHI monthly for operation fees and CGI's share of the unallocated earnings.

From February 1, 2022 through June 30, 2022 CAHI will retain a fee of \$67,191, total fees not to exceed \$335,955 for the first 5-month period of the extension plus CAHI's share of the unallocated earnings from HUD administrative fees. From July 1, 2022 through January 31, 2023 CAHI will retain a fee of \$69,206, total fees not to exceed \$484,442 for the 7-month period of the remaining extension plus CAHI's share of the unallocated earnings from HUD administrative fees. Total CAHI fees not to exceed \$820,397 for the total 12 months of the extension.

Should the Contract be extended or there is a material change in budget, such as a change in Oakland office lease, both parties may negotiate a change to their fees.

THAT, the Chief Executive Officer, on behalf of California Affordable Housing Initiatives, Inc., is hereby authorized to take all actions necessary to implement the foregoing 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.

Duane Hopkins, Secretary

ADOPTED: December 09, 2021

RESOLUTION NUMBER: 96



ITEM: IV.B

California Affordable Housing Initiatives MEMORANDUM

To: Board of Directors

From: Patricia Wells, Chief Executive Officer

^{DS}
PW

Subject: Presentation of the Unaudited Comparative Financial Statements dated September 30, 2021 and 2020

Date: December 09, 2021

This presentation provides supplemental information to the California Affordable Housing Initiatives, Inc. (CAH) unaudited Financial Statements dated September 30, 2021 and 2020.

Financial Highlights are as follows:

Statement of Financial Position: September 30, 2021 and 2020

Assets:

- Total Current Assets increase by 12% primarily due to net admin fees (cash) received for the twelve months from HUD.
- Total Non-Current Assets decreased slightly due to depreciation of Capital Assets.

Liabilities:

- Total Liabilities increase of \$488k represent payables incurred in the normal course of operations.
- CAHI do not have any debt.

Briefing on FY21 Q3 Financials

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Statement of Activities: Comparing 1st Quarter Actuals vs Budget

Revenue:

- Housing Assistance Payment Revenue slightly below budget and Administrative Fee Revenue increased attributable to increased portfolio and fees earned for assisting in processing the COVID19 supplemental payment claims.
- Interest Income decreased to lower interest rates. Previous year's interest resulted from higher negotiated interest from the bank for money market funds. These rates were lower in the current year due to COVID-19 Pandemic.

Expenses:

- Total direct expenses were higher by 6%.
 - HAP payments pass through from HUD to the property owners. The expenses equal the revenue for HAP. Both revenue and expenses were higher.
 - Administrative expenses to pay CGI contract costs for administering the program were higher.
- Total Indirect expenses (net depreciation) represent decreased of 45%.
 - Lower bank fees reflect normal cost for the current year. Higher bank fees recognize in the prior year to reimburse OHA for unbilled fees.
 - Depreciation expense is a noncash item and represents 32% of Total Indirect Expenses.

Overall, CAHI continues to realize a change in net assets (surplus) of about \$1.9M in the 1st quarter of the fiscal year. Cash continues to remain the primary asset of the organization and results in over 82% of the equity position of the organization.

**Management
Use
Only**

CALIFORNIA AFFORDABLE HOUSING INITIATIVES, INC.

FINANCIAL STATEMENTS

September 30, 2021 and 2020

UNAUDITED

CALIFORNIA AFFORDABLE HOUSING INITIATIVES, INC.

Statement of Financial Position

Sept, 2021 and 2020

	September-21	September-20	\$ Change	% Change
Current Assets				
Cash Account - Admin Fee	21,789,391	14,229,229	7,560,162	35%
Cash Account - HAP	299	2,902	(2,604)	-872%
Cash Account - IOC	45,555,586	45,541,475	14,111	0%
Petty Cash Fund	100	100	-	0%
Accounts Receivable - HUD	2,290,558	1,817,730	472,828	21%
Prepaid Insurance	3,779	(227)	4,006	106%
Accounts Receivable -Other	-	2,043	(2,043)	0%
Accounts Receivable-OHA	8,600	-	8,600	100%
Total Current Assets	69,648,312	61,593,253	8,055,059	12%
Non Current Assets				
Nondepreciable:				
Land	4,697,712	4,697,712	-	0%
Depreciable :				
Buildings	10,801,703	10,801,703	-	0%
Less: Accumulated Depreciation	(2,575,467)	(2,173,909)	(401,558)	16%
Depreciable, Net	8,226,236	8,627,794	(401,558)	-5%
Construction In Process	99,221	59,307	39,914	40%
Net Pension & OPEB Assets	147,965	148,773	(808)	-1%
Utility Deposits Advances	-	-	-	0%
Total Non Current Assets	13,171,133	13,533,585	(362,452)	-3%
Deferred Outflow of Resources	135,585	61,710	73,875	54%
Total Assets	82,955,031	75,188,548	7,766,482	9%
Liabilities				
Current Liabilities				
Accounts Payable - Other	1,535,071	1,202,295	332,777	22%
Accounts Payable - HUD	299	2,902	(2,604)	-872%
Accrued Wages Payable	(62)	(13,711)	13,649	-21964%
Accrued Current Liabilities	45,000	128	44,872	100%
Accounts Payable - OHA	235,832	141,470	94,362	40%
Unearned Revenue	-	-	-	0%
Accrued Compensation Expenses	3,915	3,915	-	0%
Total Current Liabilities	1,820,055	1,336,999	483,056	27%
Non Current Liability				
Accrued Compensation Expenses	8,017	8,017	-	0%
Net Pension Liabilities	48,369	44,720	3,649	8%
Total Non Current Liabilities	56,386	52,737	3,649	6%
Total Liabilities	1,876,441	1,389,736	486,705	26%
Deferred Inflow of Resources	37,323	51,065	(13,743)	-37%
Total Liabilities and Deferred Inflows	1,913,764	1,440,801	472,962	25%
Net Assets				
Restricted	485	280	205	42%
Net investment in capital assets	13,123,297	13,483,895	(360,599)	-3%
Unrestricted	67,917,486	60,263,571	7,653,914	11%
Total Net Asset	81,041,267	73,747,747	7,293,520	9%
Total Liabilities and Equity	82,955,031	75,188,548	7,766,482	9%

CALIFORNIA AFFORDABLE HOUSING INITIATIVES, INC.				
'Statement of Activities				
For the three month ended September 30, 2021				
REVENUE	YTD Actuals	YTD Budget	% Change	Last Year Actual
HAP and Admin Income				
HAP Earned	186,846,011	193,763,904	-3.7%	175,680,536
Admin Fee Earned	6,163,959	5,548,812	10.0%	5,302,006
			0.0%	
Total HAP and Admin	\$ 193,009,970	\$ 199,312,716	-3.3%	\$ 180,982,542
Interest Income and Other				
Interest Income	6,365	8,689	-36.5%	4,746
Miscellaneous Other Income	195,686	216,121	-10.4%	191,849
Total Interest Income and Other	202,050	224,810	-11.3%	196,595
Total Revenue	\$193,212,020	\$199,537,526	-3.3%	\$ 181,179,137
EXPENSES				
Direct Expenses :				
HAP Payments	186,846,011	193,763,904	-3.7%	175,680,536
Admin Fees - CGI	4,105,172	3,806,821	7.3%	3,558,519
Total Direct Expense	190,951,182	197,570,725	-3.5%	179,239,055
Indirect Expenses:				
Administrative Expenses	107,017	196,853	-83.9%	75,379
Maintenance and Operation	17,755	27,687	-55.9%	13,419
General Expenses	73,713	74,320	-0.8%	68,962
Depreciation Expenses	100,128	0	100.0%	99,083
Other Non Operating Expenses	18,981	160,189	-744.0%	59,573
Total Indirect Expenses	317,595	459,049	-44.5%	316,416
Total Expenses	191,268,777	198,029,774	-3.5%	179,555,472
Net Surplus/(Deficit)	1,943,243	1,507,752	22.4%	1,623,666

CALIFORNIA AFFORDABLE HOUSING INITIATIVES**Statement of Cash Flow****For the three months ended September 30, 2021**

Cash Flow from Operating Activities	<u>Sep-21</u>	<u>Sep-20</u>
Receipt from Housing assistance payment and Administration	736,264,611	689,329,450
Receipt from customer and others	25,978,421	22,182,891
Payment to vendor and supplier for good and service	(18,378,343)	(15,736,044)
Housing assistance payment on behalf of tenant	(736,267,215)	(689,352,695)
Net Cash provided by operating activities	<u>7,597,473.32</u>	<u>6,423,601.24</u>
Cash Flow from capital and related financial activities		
Acquisition of capital asset	(39,914)	(83,598)
Interest Income	14,110	388,992
Net Cash provided by capital and financing activities	<u>(25,804.44)</u>	<u>305,394.36</u>
Net Cash Flow during this period	7,571,669	6,728,996
Cash at Beginning (Per Trial Balance)	59,773,707	53,044,712
Ending Cash Balance	<u>67,345,376</u>	<u>59,773,708</u>
Ending Balance Per Trial Balance	67,345,376	59,773,707