



California Affordable Housing Agency

AGENDA

THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS CALIFORNIA AFFORDABLE HOUSING AGENCY

December 11, 2023

11:00 am

806 W. 19th Street
Merced, CA 95340
(209) 384-0001

Zoom

<https://us06web.zoom.us/j/5600363167?pwd=RmZTR0NabzcrY0ZYQlZyYUd6blpwZz09>

Meeting ID: 560 036 3167

Passcode: 293018

Phone Number:

1(720) 707-2699

Executive Committee Member Locations

2039 Forest Avenue Suite 10
Chico, California 95928

1612 Sisk Road
Modesto, California 95350

1402 D Street
Brawley, California 92227

1400 West Hillcrest Drive
Newbury Park, California 91302

815 W. Ocean Ave
Lompoc, CA 93436

- I. CALL TO ORDER AND ROLL
- II. DIRECTORS' AND/OR AGENCY ADDITIONS/DELETIONS TO THE AGENDA

(M/S/C): ____ / ____ / ____

III. APPROVAL OF MEETING MINUTES

1. September 11, 2023

(M/S/C): ____/____/____

IV. UNSCHEDULED ORAL COMMUNICATIONS

NOTICE TO THE PUBLIC

At this time, any person(s) may comment on any item that is not on the Agenda. Please state your name and address for the record. Action will not be taken on an item that is not on the Agenda. If it requires action, it will be referred to Staff and/or placed on the next Agenda. In order that all interested parties have an opportunity to speak, please limit comments to a maximum of five (5) minutes.

V. FINANCIAL REPORT OF ADMINISTRATOR

Financial Report – September 2023

VI. RESOLUTION, ACTION AND INFORMATION ITEMS

A. RESOLUTIONS:

None.

B. ACTION ITEMS:

None.

C. INFORMATION/DISCUSSION ITEM(S)

1. Executive Director's Report and Year End Summary;
2. Executive Director's Evaluation;
3. Current update on Trio Program;
4. CalAHA Annual Retreat 2024 Planning;
5. Current update on prospective projects and financings;
6. Current update on member projects and administrative matters.

VII. CLOSED SESSION

1. Executive Director Evaluation (Government Code Section 54957.6)
(One Matter)

VIII. DIRECTORS' COMMENTS

I X. SCHEDULING OF FUTURE EXECUTIVE BOARD MEETINGS

(The second Monday of the month): 10 am on January 8, 2024; February 12, 2024; March 11, 2024; April 8, 2024; May 13, 2024; June 10, 2024; July 8, 2024; August 12, 2024; September 9, 2024; October 14, 2024; November 11, 2024 and December 9, 2024.

X. ADJOURNMENT



California Affordable Housing Agency

MINUTES

THE EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS CALIFORNIA AFFORDABLE HOUSING AGENCY MEETING

September 11, 2023
10:00 a.m.

806 West 19th Street
Merced, CA

- I. The Board Meeting of the Executive Board of the California Affordable Housing Agency was called to order by Bob Havlicek at 10:02 a.m. The roll was taken and a quorum declared present. The following Executive Board Members were present for the meeting:

CalAHA Executive Board Members Present:

1. Bob Havlicek, Chairperson and Executive Director, Housing Authority of the County of Santa Barbara
2. Jim Kruse, Vice Chair and Executive Director, Stanislaus Regional Housing Authority
3. Kirk Mann, Secretary/Treasurer and Executive Director, Imperial Valley Housing Authority
4. Ed Mayer, Executive Director, Housing Authority of the County of Butte
5. Michael Nigh, Executive Director, Housing Authority of the County of Ventura

Absent:

None

Others Present:

6. Thomas E. Lewis, General Counsel

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(209) 384-0001



7. Nick Benjamin, Executive Director - CalAHA
8. Kao Xiong, Law Office of Thomas E. Lewis
9. Patrick Howard, Evergreen Pacific Capital
10. Julie Wunderlich, Bond Counsel – Jones Hall

II. Directors' and/or Agency Additions/Deletions to the Agenda:

(M/S/C): E. Mayer/J. Kruse -Motion to approve
Approved: 5-0

III. Approval of the Minutes:

1. Minutes of August 14, 2023

(M/S/C): K. Mann/E. Mayer -Motion to approve
Approved: 5-0

IV. Unscheduled Oral Communication:

None.

V. FINANCIAL REPORT OF ADMINISTRATOR:

Mr. Benjamin provided a brief overview of the current financials. Mr. Benjamin indicated that we have monthly interest coming in and we will start to see more money coming to the agency in the next few months from ACRC.

VI. RESOLUTION, ACTION AND INFORMATION/DISCUSSION ITEMS:

A. RESOLUTION ITEMS:

None.

B. ACTION ITEMS:

1. **Action Item 2023-01A**
Acceptance/Approval 2022 FY Agency Audit

Mr. Benjamin indicated that the audit came back clean with no findings of any kind. Mr. Benjamin recommends the Board accept the audit as presented.

Mr. Mayer asked if the Olive Tree Apartment audit was rolled into the main audit. Mr. Lewis indicated that Olive Tree is required to have a separate audit and rolled into the main audit.

(M/S/C): E. Mayer/M. Nigh -Motion to approve
Approved: 5-0

2. Action Item 2023-02A Proposal to modify Legal Services Contract

Mr. Benjamin indicated that Mr. Mayer had asked about Mr. Lewis' and his contracts regarding annual review. Mr. Benjamin reviewed Mr. Lewis' rate and wanted to show some history. For 15 years, Mr. Lewis was at \$190/hour. It is appropriate given the current situations to increase to \$275/hour for Mr. Lewis and \$150/hour for Kao Xiong. Mr. Lewis has done a great job for the agency and will continue to do so.

Mr. Mayer expressed his support of increasing Mr. Lewis' rate and questioned what his billable hours are last year. Mr. Lewis indicated that his hours has increased because of the development aspect. However, CalAHA is first priority of his time. Mr. Mayer indicated that the agency has overhead and he supports the rate increase.

Mr. Lewis indicated that Olive Tree project is in the process of being sold and will net the agency \$1.3M and ACRC contract will bring in more income.

Mr. Nigh asked what Mr. Lewis' rates are for his other clients. Mr. Lewis indicated that the only ones he charges more are private clients, but all other nonprofits are similar in rate. Mr. Kruse indicated that the rate will align with the current economic. He is supportive of the rate increase.

Mr. Lewis indicated that he and Mr. Benjamin have been discussing the purchase of another property, operate it for 5 years and sell it again. The ACRC contract will also bring in additional income as they don't have staff so we're looking at more consulting work. Mr. Mann and Mr. Havlicek both expressed support for the rate increase for Mr. Lewis since there is income coming in.

(M/S/C): E. Mayer/M. Nigh -Motion to approve
Approved: 5-0

C. INFORMATION/DISCUSSION ITEMS.

1. Executive Director's Report – Mr. Benjamin indicated that we are waiting to hear from Dawson's Holding regarding Olive Tree project. His focus now is to work with ARCA's 21 regional centers. He is currently putting together training modules together. The regional centers are pretty eager to learn. Mr. Lewis indicated that we already sent out questionnaires to all the regional centers and have received a couple back. The regional centers are anxious to learn.
2. Current update on Trio Program: None.
3. Current update on prospective projects and financings: Mr. Benjamin indicated that Mr. Mann's agency has a small 4-6 unit project and they're looking into using manufactured units. However, it is such a small project, how should they finance? The Board shared ideas on financing options.
4. Current update on member projects and administrative matters: Mr. Lewis indicated that he recently met with the new Executive Director of Livermore Housing Authority. She has only been there for one year and they have multiple projects. She is interested in joining CalAHA and does have one commissioner who is supportive. She will try to do a special meeting for Mr. Lewis to attend and do a Brown Act training.

Mr. Lewis indicated that the available dates for next year's retreat are March 18 and March 25, 2024. NAHRO's meeting is toward the end of March as well. The prices for Corque Hotel in Solvang, CA are reasonable compared to SF Marriott. There is a ballroom, however they're limited on audio. We can look into purchasing an Owl audio/visual system and connect to the projector. The Board expressed that both dates will work and interest in the Owl system.

VIII. CLOSED SESSION:

None.

IX. DIRECTORS' COMMENTS:

None.

X. SCHEDULING OF FUTURE EXECUTIVE BOARD MEETINGS:

(The second Monday of the month):

September 11, 2023; October 9, 2023; November 13, 2023; December 11, 2023

XI. ADJOURNMENT:

Meeting adjourned @ 10:41 am.

Secretary

Date

CALIFORNIA AFFORDABLE HOUSING AGENCY JPA
COMPILED FINANCIAL STATEMENTS
SEPTEMBER 2023

Grey B. Roberts & Co.
2824 Park Avenue, Suite B
Merced, CA 95348

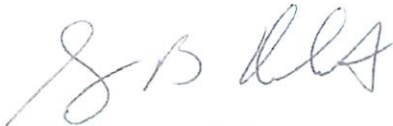
GREY B. ROBERTS & CO.
CERTIFIED PUBLIC ACCOUNTANTS
2824 PARK AVENUE, SUITE B
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TELEPHONE (209) 383-2442
FAX (209) 383-3583

Board of Directors
California Affordable Housing Agency JPA

We have compiled the accompanying cash basis statement of net assets of the general fund of California Affordable Housing Agency JPA as of September 30, 2023, and the related cash basis statement of activities for the nine months ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all the disclosures and the Statement of Cash Flows required by generally accepted accounting principles. If the omitted disclosures and statements were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.



October 12, 2023

California Affordable Housing Agency

Balance Sheet

As of September 30, 2023

	Sep 30, 23
ASSETS	
Current Assets	
Checking/Savings	
Cash	42,000.00
Mechanics Bank Checking	146,774.69
Mechanics Money Market	1,409,963.02
F & M Bank - Checking	5,385.91
F & M Bank - Money Market	22,958.05
Total Checking/Savings	1,627,081.67
Other Current Assets	
Accounts Receivable	
Housing Assistance Receivable	16,768.00
Ben Harvy Investments, LLC	50,097.33
A/R Court of Fountains	101,263.70
Accounts Receivable - Other	2,663.84
Total Accounts Receivable	170,792.87
Intercompany Due To	13,436.17
Prepaid Insurance	6,810.36
Tenant Security Deposits	21,035.00
Mortgage Escrow Deposits	-854.29
Other Reserves	437,903.59
Total Other Current Assets	649,123.70
Total Current Assets	2,276,205.37
Fixed Assets	
Other Reserves court of Fountai	721,961.92
Land Olive Tree Apartments	110,000.00
Buildings and Improvements	1,333,018.03
Depreciation Building and Improvements	-381,594.00
Total Fixed Assets	1,783,385.95
Other Assets	
AHA Organizational Costs	21,902.48
Accum Amort of Costs	-21,902.48
Bond and loan fees	173,999.52
Accumulated amortizations	-37,539.52
Total Other Assets	136,460.00
TOTAL ASSETS	4,196,051.32

See accountants' report and notes to financial statements

California Affordable Housing Agency
Balance Sheet
As of September 30, 2023

	Sep 30, 23
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	39,981.82
Total Accounts Payable	39,981.82
Other Current Liabilities	
Accrued Interest	27,324.00
Deposit	154,900.00
Direct Deposit Liabilities	50,000.00
Tenant Security Deposits (L)	12,057.00
Series 2004A Bonds	20,000.00
U. S. Dept of Ag Note Payable	1,299.00
Series 2009A Bonds	-8,333.34
LT Portion of Bonds Payable	760,684.00
Current Portion of Notes Pay	215,280.00
LT Portion of Notes Payable	980,447.00
Bonds payable Court of Fountain	721,962.03
Issuer Holding Acct	296,884.00
Total Other Current Liabilities	3,232,503.69
Total Current Liabilities	3,272,485.51
Total Liabilities	3,272,485.51
Equity	
Change in Net Assets	-45,285.00
Unrestricted Net Assets	-819,602.00
Restricted Net Assets	776,639.00
Owner Contributions	175,000.00
Fund Balance	1,137,315.45
Net Income	-300,501.64
Total Equity	923,565.81
TOTAL LIABILITIES & EQUITY	4,196,051.32

See accountants' report and notes to financial statements

California Affordable Housing Agency

Profit & Loss

January through September 2023

	Jan - Sep 23
Ordinary Income/Expense	
Income	
Other Income	3,420.00
Total Income	3,420.00
Expense	
Administrative Expenses	3,500.00
Bank fees/wires	1,058.49
Insurance Expense	-309.00
Accounting & Auditing Fee	6,233.00
Legal Expense	161,041.25
Training & Travel	865.10
Contract Costs	126,000.00
Office Supplies	226.96
Office Rent	8,000.00
Other Administrative Costs	-13,800.00
Website & Internet Expenses	865.00
Annual Retreat/Conference	39,798.84
Dues & Memberships	5,672.16
Conference fees	1,550.00
Total Expense	340,701.80
Net Ordinary Income	-337,281.80
Other Income/Expense	
Other Income	
Interest Income	36,780.16
Total Other Income	36,780.16
Net Other Income	36,780.16
Net Income	-300,501.64

See accountants' report and notes to financial statements



CaliforniaAffordableHousingAgency

December 11, 2023

TO: CalAHA Executive Committee

FROM: Nick Benjamin, Executive Director

SUBJECT: CalAHA 2023 Year in Review

With the closing of the year upon us, it is beneficial to look behind us as we continue to move forward. Shown below is a bullet list of accomplishments/events from 2023. The joint (Tom Lewis, myself and assisted by Kao Xiong) accomplishments listed were achieved by the commitment and support of you, the CalAHA Executive Committee. As we enter a new year, I remain confident that both challenges and opportunities will be addressed and overcome with the same combination of commitment and support.

Thank you all for a good year!!

2023 Highlights

- Planned and conducted the first “in person” Agency Annual Meeting/Retreat in three years. The retreat was marked by a healthy turnout, (members and nonmembers) informative sessions and much positive feedback.
- Added two new member agencies: City of San Luis Obispo HA and Santa Paula HA to the JPA (net increase in membership to 21 agencies since Santa Clara HA removed itself from the JPA).
- Marketed and sold/placed in escrow our minimal cash flow asset Olive Tree Apartments (escrow scheduled to close April of 2024).
- In response to a referral from a JPA member (Yolo County HA/Ian Evans) we negotiated and implemented a consultant training contract for the State of California Department of Disabled Services (DDS) administered by the Alta

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(209) 384-0001



Regional Center in Sacramento. To date, we have completed three successful trainings (San Diego, Santa Barbara, and Sacramento). Work is continuing in the areas of development of training materials (modules) and individual outreach to respective regional centers.

Next UP: A look into the coming year-Potential Revenue

- The regional center consultant contract allows for \$400,000 in direct training funding and \$37,000 for travel expenses. Our involvement/service to the regional centers will produce between \$200,000 on the low side and \$275,000 in billable hours/income for the JPA.
- The sale of the Olive Tree Apartments will net (after cost of sale) an estimated \$1.2M for the JPA.
- Various acquisition and or partnership opportunities will provide revenue on a deal-by-deal basis.

Current projects in the deal pipeline are:

- Restructure/capital needs financing for three tax credit projects at the Housing Authority of the County of Butte (HACB).
- Small rental housing project (3-6 units of manufactured housing) for the Imperial Valley Housing Authority (IVHA).
- Large multi-family project (180-201 units mixed bedroom sizes) in Merced, CA. The project will be developed by Tom Seaman/Coldbrook Foundation. An optimum ownership structure is still being investigated.
- Purchase/Lease Back of multi-family housing located in Modesto, CA (Rumble Road) by use of Aspen Real Estate Financial/CTL Capital model. Stanislaus Regional Housing Authority.
- Construction and sale of Edwards Estates Phase II homes should begin construction during the first six months of 2024.