



California Affordable  
Housing Initiatives, Inc.

TO: Chair Marlene Hurd  
Vice-Chair Gregory D. Hartwig  
Director Eric Johnson

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## NOTICE OF REGULAR BOARD MEETING

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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**

**Tuesday June 6, 2017 at 1:30 PM**

In the Executive Conference Room at the Oakland Housing Authority, at 1619 Harrison St., Oakland, California.

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.

## 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. Regular Meeting of February 28, 2017
- IV. New Business
  - A. Briefing on FY2017 Third Quarter Financials
  - B. Consideration of Approval of FY2018 Budget
- V. Recognition of persons wishing to address the Board
- VI. Written Communications
- VII. Announcements
- VI. Adjournment to Closed Session

Tuesday June 6, 2017 immediately following the Meeting

In the Executive Conference Room, Second Floor,  
1619 Harrison Street, Oakland, California.

Purpose: **Pursuant to Government Code Section 54956.8 - Conference with Real Property Negotiators in regard to loan type and amount, terms of repayment and extension of due diligence period:**

Property: 2530 9th Avenue, Oakland, CA

Negotiating Parties:

California Affordable Housing Initiatives: Phil Neville, Bridget Galka, Deni Andaya, and Michelle Brewer, legal counsel  
Oakland Community Land Trust, Steve King  
Resources for Community Development, Carolyn Bookhart

**CALIFORNIA AFFORDABLE HOUSING INITIATIVES, INC.**

By:   
Eric Johnson, Chief Executive Officer



California Affordable  
Housing Initiatives, Inc.

## **Board of Directors Meeting Minutes February 28, 2017**

California Affordable Housing Initiatives, Inc. (CAHI) Board of Directors convened a regular meeting at the Oakland Housing Authority in Oakland, California on the above date. The meeting was called to order at 1:30 p.m.

### I. Roll Call

Directors Marlene Hurd, Greg Hartwig and Eric Johnson participated in the meeting.

### II. Modifications to the Agenda

There were no modifications to the agenda.

### III. Approval of Minutes

#### A. Regular Meeting of October 3, 2016

Director Johnson moved to approve the minutes of the regular meeting of October 3, 2016. Director Hartwig seconded the motion. The Directors voted unanimously to approve the minutes as provided.

### IV. New Business

#### A. Designation of Audit Committee to Review Annual Audit

Director Johnson described its purpose then motioned to create the Audit Committee comprised of Directors Hurd and Hartwig. Director Hartwig moved to approve the motion with Director Hurd seconding the motion. The Board voted unanimously to designate the two Directors to the Audit Committee.

#### B. Consideration and Approval of FY2016 Audit

Tracy Stabler, Treasurer, explained the audit and stated that there were no findings. She presented the financial statement and explained the pension

adjustments and the investments in Capital Assets, which included a gain on the sale of two properties, during the last fiscal year. Ms. Stabler discussed the notes at the end of the audit report. Director Hurd moved to approve the FY2016 Audit with Director Hartwig seconding the motion. All Board members voted to approve the FY2016 Audit.

C. Briefing on Quarterly Financials

Tracy Stabler, Treasurer, presented the quarterly financials for the period ending December 31, 2016. She stated that the total assets have increased and pointed out the depreciation of 1540 Webster St. She stated that the progress at the half-year mark is on point.

D. Consideration and Authorization of a Contract with Syserco, Inc.

Director Johnson explained the memo regarding the contract with Syserco, Inc. William Bailey, OHA Director of Capital Improvements, described the HVAC building system and testing that is needed on a regular schedule. A 5-year contract is being proposed for testing and preventative maintenance of the current system at 1540 Webster St. Director Johnson moved to approve the contract with Syserco, Inc. for a period of 5 years at an amount not to exceed \$56,846. Director Hurd seconded the motion. All Directors voted to approve the 5 year contract with Syserco, Inc. for the terms discussed.

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

There being no further business, the regular meeting was adjourned at 1:55 p.m.

Submitted By: \_\_\_\_\_


LeeAnn Farner, Secretary



California Affordable  
Housing Initiatives, Inc.

# Memo

To: Board of Directors

From:  Eric Johnson, Chief Executive Officer

Date: May 25, 2017

Re: Briefing FY2017 Third Quarter Financials

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Staff will present information on the FY2017 Third Quarter financials at the CAHI Board of Directors meeting. Staff will also be available to answer any questions regarding the financials.

For  
Management  
Use  
Only

**CALIFORNIA AFFORDABLE HOUSING INITIATIVES, INC.**

**FINANCIAL STATEMENTS**

**For the Nine Months Ended March 31 , 2017 and 2016**

**UNAUDITED**

**CALIFORNIA AFFORDABLE HOUSING INITIATIVES, INC.**

Statement of Financial Position  
March 31, 2017 and 2016

	2017	2016	\$ Change	% Change
<b>Assets</b>				
<b>Current Assets</b>				
Cash Account - Admin Fee	6,511,238	4,437,358	2,073,880	32%
Cash Account - HAP	204	160	44	22%
Cash Account - IOC	28,748,129	24,745,383	4,002,746	14%
Petty Cash Fund	100	100	0	0%
Accounts Receivable - HUD	1,652,902	1,235,036	417,866	25%
Accounts Receivable - Other	106,911	119,459	-12,548	-12%
Prepaid Insurance	118,810	110,433	8,377	7%
<b>Total Current Assets</b>	<b>37,138,294</b>	<b>30,647,929</b>	6,490,364	17%
<b>Non Current Assets</b>				
Net OPEB Assets	8,450	5,418	3,032	36%
Other Long Term Assets	-	11,776	-11,776	
Nondepreciable				
Land - 1540 Webster St and 5 Buildings	4,697,712	4,697,712	0	0%
Purchased in March 2013				
Depreciable				
Building - 1540 Webster St.	10,680,333	10,680,333	0	0%
Less: Accumulated Depreciation	(802,179)	(154,027)	-648,152	81%
Depreciable, Net	9,878,154	10,526,306	-648,152	-7%
Capital Improvement /Construction In Progress	66,512	24,150	42,362	
<b>Total Non Current Assets</b>	<b>14,650,828</b>	<b>15,265,362</b>	-614,534	-4%
<b>Deferred Outflow of Resources</b>	<b>24,622</b>	<b>67,572</b>	-42,950	-174%
<b>Total Assets and Deferred Outflows</b>	<b>51,813,744</b>	<b>45,980,863</b>	5,832,881	11%
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts Payable - CGI	2,019,031	1,091,207	927,824	46%
Accounts Payable - HUD	206	162	44	21%
Accounts Payable - Other	-	110,430	-110,430	
Accounts Payable - OHA	1,239,749	513,272	726,477	59%
<b>Total Current Liabilities</b>	<b>3,258,986</b>	<b>1,715,071</b>	1,543,915	47%
<b>Non Current Liabilities</b>				
Net Pension Liabilities	1,696	22,997	-21,301	-1256%
<b>Total Liabilities</b>	<b>3,260,682</b>	<b>1,738,068</b>	1,522,614	47%
<b>Deferred Inflow of Resources</b>	<b>14,244</b>	<b>46,809</b>	-32,565	-229%
<b>Total Liabilities and Deferred Inflows</b>	<b>3,274,926</b>	<b>1,784,877</b>	1,490,049	45%
<b>Net Assets</b>				
Unrestricted	48,538,818	44,195,986		
<b>Total Liabilities, Deferred Inflows and Net Assets</b>	<b>51,813,744</b>	<b>45,980,863</b>		

**CALIFORNIA AFFORDABLE HOUSING INITIATIVES, INC.**

Statement of Activities

For the Nine Months Ended March 31, 2017 and 2016

	2017	2016	\$ Change	% Change
<b>REVENUE</b>				
HAP and Admin Revenue				
HAP Earned	404,286,720	361,477,237	42,809,483	11%
Admin Fee Earned	14,348,135	11,421,657	2,926,478	20%
Total HAP and Revenue	418,634,855	372,898,894	45,735,961	11%
Interest Income and Other				
Interest Income	13,784	2,165	11,619	84%
Rental Income	547,302	380,105	167,197	31%
Gain on sale of land	-	1,560,000	-1,560,000	
Total Interest Income and Other	561,085	1,942,270	-1,381,185	-246%
<b>Total Revenue</b>	<b>419,195,941</b>	<b>374,841,164</b>	<b>44,354,776</b>	<b>11%</b>
<b>EXPENSES</b>				
Direct Expenses				
HAP Payments	404,286,720	361,477,237	42,809,483	11%
Admin Fees - CGI	9,441,365	8,083,146	1,358,219	14%
Total Direct Expense	413,728,085	369,560,383	44,167,702	11%
Indirect Expenses				
Salary	103,523	102,173	1,350	1%
Fringe Benefits	46,414	42,019	4,395	9%
Admin Expenses	32,741	14,856	17,885	55%
Fidelity Insurance	165,394	157,705	7,690	5%
Other Insurance	7,068	9,545	-2,476	-35%
Legal Fees	20,157	80,292	-60,135	-298%
Maintenance and Repairs	10,929	12,261	-1,332	-12%
Allocated Overhead Exp.	57,184	51,639	5,545	10%
Miscellaneous Exp.	3,284	7,158	-3,874	-118%
Depreciation Exp.	291,282	31,506	259,776	89%
Total Indirect Expenses	737,976	509,154	228,822	31%
<b>Total Expenses</b>	<b>414,466,061</b>	<b>370,069,537</b>	<b>44,396,524</b>	<b>11%</b>
Change in Net Assets	4,729,880	4,771,627	-41,748	-1%
Net Assets , Beginning of Period	43,808,939	39,424,359		
<b>Net Assets , End of Period</b>	<b>48,538,819</b>	<b>44,195,986</b>		






California Affordable  
Housing Initiatives, Inc.

# Memo

To: Board of Directors

From:  Eric Johnson, Chief Executive Officer

Date: May 25, 2017

Re: Consideration and Approval of FY2018 Budget

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The CAHI Budget for the fiscal year ending June 30, 2018 will be presented at the Board of Directors meeting. The budget has been developed by CAHI in consultation with CGI, our business processing partner. After presentation and discussion of the budget process, the Board will be asked to approve the budget for the next fiscal year. Staff will be available to answer any questions regarding the FY 2018 budget.

**CALIFORNIA AFFORDABLE HOUSING INITIATIVES, INC.**

**RESOLUTION APPROVING  
FY 2018 BUDGET**

At a duly constituted meeting of the Board of Directors of California Affordable Housing Initiatives, Inc. (CAHI), held on June 6, 2017, the following resolution was adopted:

WHEREAS, the Board of Directors must approve an operating budget for CAHI for the fiscal year ending June 30, 2018; and

WHEREAS, the Board of Directors has reviewed and discussed the budget for the fiscal year ending June 30, 2018; and

WHEREAS, the Board of Directors has determined that the budget reflects the financial plan for CAHI for the fiscal year ending June 30, 2018;

NOW, THEREFORE, BE IT RESOLVED:

THAT, the proposed budget for the fiscal year July 1, 2017 to June 30, 2018 is hereby adopted; 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.

Dated: \_\_\_\_\_, 2017

\_\_\_\_\_  
LeeAnn Farner, Secretary

# CAHI Annual Operating Budget Fiscal Year Ending June 30, 2018

Acct #	Account Description	A FY 2017	B FY 2018	B-A Variance	% Variance
<b>REVENUE</b>					
3410-01-000	Sec 8 HAP Earned	486,245,406	530,909,397	44,663,991	9%
3410-02-000	Sec 8 Admin Fee Income	15,642,048	18,921,360	3,279,312	21%
<b>Sub Total</b>	<b>Net Operating Subsidy - HAP</b>	<b>501,887,454</b>	<b>549,830,757</b>	<b>47,943,303</b>	<b>10%</b>
<b>Total</b>	<b>Net Operating Subsidy - Total</b>	<b>501,887,454</b>	<b>549,830,757</b>	<b>47,943,303</b>	<b>10%</b>
3610-00-000	Investment Income - Unrestricted	1,000	1,000	-	
3650-00-000	Misc Other Income	715,292	797,722	82,430	12%
<b>Sub Total</b>	<b>Other Revenue</b>	<b>716,292</b>	<b>798,722</b>	<b>82,430</b>	<b>12%</b>
<b>Total</b>	<b>Total Revenue</b>	<b>502,603,746</b>	<b>550,629,479</b>	<b>48,025,733</b>	<b>10%</b>
<b>Total</b>	<b>Total Inflow from Operations</b>	<b>502,603,746</b>	<b>550,629,479</b>	<b>48,025,733</b>	<b>10%</b>
<b>ADMINISTRATIVE EXPENSES</b>					
4110-00-000	Salaries - Reg.	253,549	253,594	45	0%
4110-03-000	Employee Benefit Contributions - Admin	69,908	78,780	8,872	13%
<b>Sub Total</b>	<b>Administrative Salaries</b>	<b>323,457</b>	<b>332,374</b>	<b>8,917</b>	<b>3%</b>
4130-04-000	General Legal Expense	100,000	100,000	-	
4140-00-000	Staff Training	1,000	1,000	-	
4150-00-000	Staff Travel	3,600	3,600	-	
4160-00-000	Meetings	-	250	250.00	
4171-00-000	Auditing Fees	20,000	20,000	-	
4190-20-000	Bank Fees	3,000	-	(3,000)	
4190-04-000	Office Supplies	1,800	1,500	(300)	
4190-10-000	Computer Licenses & Maintenance Contracts	500	500	-	
4190-15-000	Cell Phones/Pagers	1,200	1,700	500	
4190-22-000	Other Admin Expenses	-	3,500	3,500	
<b>Sub Total</b>	<b>Miscellaneous Admin Expenses</b>	<b>131,100</b>	<b>132,050</b>	<b>950</b>	<b>1%</b>
<b>Total</b>	<b>Administrative Expenses</b>	<b>454,557</b>	<b>464,424</b>	<b>9,867</b>	<b>2%</b>
4420-00-001	Materials- Building	-	2,000	2,000	
4420-00-000	Materials - Paint	-	1,000	1,000	
4430-01-000	Contract - Alarm Extinguisher	-	4,000		
4430-07-000	Contract - Pest Control	-	7,200	7,200	
4430-13-000	Contract - HVAC	6,000	35,000	29,000	
4430-16-000	Contract - Lock Repair	-	1,000	1,000	
4430-17-000	Contract - Elevator Monitoring	3,000	4,000	1,000	33%
4430-20-000	Routine Make Ready	-	5,000	5,000	
4430-21-000	Roofs & Decks Routine	5,000	-	(5,000)	
<b>Total</b>	<b>Maintenance &amp; Operations</b>	<b>14,000</b>	<b>59,200</b>	<b>45,200</b>	
<b>GENERAL</b>					
4510-10-000	Property Insurance	-	10,000	10,000	-
4510-20-000	Liability Insurance	25,000	25,000	-	-
4540-00-000	Workmen's Compensation	11,049	13,000	1,951	18%
4550-00-000	Fidelity Bond Insurance	215,000	240,000	25,000	12%
4565-00-000	Employment Practices Liability	372	400	28	8%
<b>Sub Total</b>	<b>Insurance</b>	<b>251,421</b>	<b>288,400</b>	<b>36,979</b>	<b>15%</b>
4590-00-000	Management Fee Paid (CGI)	10,832,064	13,927,368	3,095,304	29%
<b>Sub Total</b>	<b>Other General Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>Other General Expenses</b>	<b>11,083,485</b>	<b>14,215,768</b>	<b>3,132,283</b>	<b>28%</b>
<b>Total</b>	<b>Routine Operating Expenses</b>	<b>11,552,042</b>	<b>14,739,392</b>	<b>3,187,350</b>	<b>28%</b>
<b>Total</b>	<b>Excess Operating Revenue over Operating Exp</b>	<b>491,051,704</b>	<b>535,890,087</b>	<b>44,838,383</b>	<b>9%</b>
<b>NON-ROUTINE EXPENDITURES</b>					
4700-00-000	All Other (HAP)	486,245,406	530,909,397	44,663,991	9%
<b>Sub Total</b>	<b>HAP - Housing Assistance Payments</b>	<b>486,245,406</b>	<b>530,909,397</b>	<b>44,663,991</b>	<b>9%</b>
<b>Total</b>	<b>Non-Routine Expenses</b>	<b>497,797,448</b>	<b>545,648,789</b>	<b>47,851,341</b>	<b>10%</b>
5205-00-001	COCC Allocation	45,000	100,000	55,000	
5205-00-004	CID Allocation (1540 Webster - Landscaping)	130,400	68,600	(61,800)	
<b>Sub Total</b>	<b>Allocations</b>	<b>175,400</b>	<b>168,600</b>	<b>(6,800)</b>	<b>-4%</b>
<b>Total</b>	<b>Total Revenue</b>	<b>502,603,746</b>	<b>550,629,479</b>	<b>48,025,733</b>	<b>10%</b>
<b>Total</b>	<b>Total Expenses</b>	<b>497,972,848</b>	<b>545,817,389</b>	<b>47,844,541</b>	<b>10%</b>
<b>Total</b>	<b>Excess Revenue over Expenses</b>	<b>4,630,898</b>	<b>4,812,090</b>	<b>181,192</b>	<b>4%</b>
5510-00-000	Capital Outlay	380,000	30,000	(350,000)	-92%
5520-00-000	OPEB	12,642	39,726	27,084	
<b>Total</b>	<b>Total Expenses incl. CapEx</b>	<b>498,365,490</b>	<b>545,887,115</b>	<b>47,521,625</b>	<b>10%</b>
<b>Total</b>	<b>Excess Revenue over Expenses &amp; CapEx</b>	<b>4,238,256</b>	<b>4,742,364</b>	<b>504,108</b>	<b>12%</b>