

RESOLUTION NO. 2021-84
RESOLUTION NO. 2021-03 (PPSC-NPC)

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA AND
THE PRESTON PARK SUSTAINABLE COMMUNITY NON-PROFIT
CORPORATION APPROVING PRESTON PARK HOUSING AREA BUDGET
FOR FY 2021-2022 AND AUTHORIZING FINANCE DIRECTOR TO MAKE
APPROPRIATE ACCOUNTING AND BUDGETARY ENTRIES

WHEREAS, Greystar(“Alliance”), now Greystar Real Estate Partners, as the management agent of Preston Park Sustainable Community Housing, has submitted a draft FY 2021-2022 budget; and

WHEREAS, City staff, Greystar staff, and the Tenant’s Association representatives Paula Pelot and Denise Turley have met in preparation of this budget; and

WHEREAS, the staff of Greystar and the City of Marina have worked collectively on preparing a budget to be presented to the City Council and Board of Preston Park Sustainable Community Non-Profit Corporation; and

WHEREAS, Alliance submitted a budget letter describing highlights of the proposed Preston Park Housing Area FY 2021-2022 Budget and accompanied by updated proposed budgets; and

WHEREAS, the rental revenues are used to provide funds for debt service payments on the 2016 Preston Park property purchase; and

WHEREAS, in 2010, the City Council adopted a rent formula. The Council Policy has been further clarified for In Place, market-rate residents as follows: In Place, market-rate residents (residents who are not on a Below Market Rate program), rent may increase by the lesser of CPI-U for SF/OAK/SJ for February over February annually or 3% but no more than the average of the Monterey County Housing Authority Payment Standard and the HUD Fair Market Rent (FMR) documentation schedule, reduced by an average household amount for Water/Meter, Sewer and Garbage costs in the former Fort Ord community as an equivalent rent. If an individual’s current equivalent rent exceeds the averaged FMR, then no increase will be assessed. If an individual’s equivalent rent is less than the averaged FMR but exceeds it after the allowable increase is added, then the alternative increase will only be sufficient to meet the averaged FMR; and

WHEREAS, anticipated Owner revenues for Owner Distributions for FY 2021-2022 will be approximately \$1,750,000. This funding is available for city staff support for Preston Park which includes assistance with the affordable housing program, developing a long-term capital improvement program, and help with developing ideas for potential development and expansion of the property; and

WHEREAS, City staff has reviewed the budget package for FY 2021-2022; and

WHEREAS, the City Council of Marina and the Board of the Preston Park Sustainable Community Non-Profit Corporation reviewed and considered the proposed budgets.

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NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Marina and the Corporation Board of the Preston Park Sustainable Community Non-Profit Corporation do hereby:

1. Approve the Preston Park Housing Area Budget for FY 2021-2022; and
2. Authorize the Finance Director to make appropriate accounting and budgetary entries.
3. That staff comes back with financial impact of in-place units not paying full market rate.

PASSED AND ADOPTED, by the City Council of the City of Marina and the Corporation Board of the Preston Park Sustainable Community Non-Profit Corporation at a regular meeting duly held on the 13th day of July 2021, by the following vote:

AYES: COUNCIL MEMBERS: Medina Dirksen, Biala, Delgado

NOES: COUNCIL MEMBERS: Burnett, Berkley

ABSENT: COUNCIL MEMBERS: None

ABSTAIN: COUNCIL MEMBERS: None

Bruce C. Delgado, Mayor

ATTEST:

Anita Sharp, Deputy City Clerk

**Preston/Abrams Park
682 Wahl Court
Marina, CA 93933
831-384-0119**

April 29, 2021

Mr. Layne Long
City Manager
City of Marina
211 Hillcrest Avenue
Marina, CA 93933

Re: Preston Park FY 2021/2022 Proposed Budget

Dear Mr. Long,

It has been a pleasure to continue to work with residents and the City of Marina over the last year. With the combination of wonderful residents and effective staff, a number of positive changes have been seen at Preston Park:

- 1) **Building Maintenance:** Asphalt repairs and a slurry coat were completed throughout the property in April 2021. All the basketball courts are receiving new striping and netting throughout Preston Park as well. The garage door springs were replaced throughout all of the property and backflow cages were rebuilt and painted. New mailboxes were purchased which will be installed court by court within the next four months. Lastly, lighting additions were installed throughout Preston Park to increase visibility. However, there are still a few lighting inadequacies which are addressed in the Capital Improvement Program.
- 2) **Tree Trimming/Irrigation repairs:** The annual tree trimming, fire clearance and common area clearance projects were completed this Fiscal Year. Irrigation repairs were made routinely throughout the property as well. In addition, bark was added for extra curb appeal along Preston Drive. Lastly, gopher abatement process is underway with a monthly service.
- 3) **Units of Long-Term Residents:** In a typical year, several long-term residents go through the process to refresh their flooring, paint and appliances. These services are extended to long-term residents upon notification or inspection indicating replacement is necessary based on age or condition. These assessments were put on hold due to COVID-19 but resumed in April 2021 when Monterey County moved into the Orange Tier.
- 4) **Green Initiatives:** In addition to the Marina Coast Water District's and other utility conservation programs, Greystar purchases and installs water or energy saving devices as replacement fixtures as needed. PG&E continues to work directly with income eligible residents to weatherize their homes at no cost to the resident or the community.

Greystar looks to continue to provide the residents at Preston Park a comfortable and quality living experience. Continued capital improvements throughout the community will allow this property to remain a desirable neighborhood for renters, as well as a continued source of affordable housing for the general populace of Marina.

Revenues

The primary source of revenue is rents, Section 8 voucher payments from the Housing Authority of the County of Monterey, and associated charges to residents such as late fees.

At a regular meeting on the 2nd of June, 2010, the City Council of the City of Marina adopted a rent formula stating that the annual increase in market rents for in-place residents shall be capped at the lesser of three percent (3%) or the Department of Labor's Consumer Price Index for San Francisco-Oakland-San Jose, All Items, for All Urban Consumers (referred to as CPI-U) Average percentage for the previous year (February to February) to be applied to the next fiscal year (currently 1.6%), provided that the increased rent for in-place tenants does not exceed the market rent charged to move-in residents.

Proposed Budget – Targeted Rental Increase applies the allowable 1.6% Rental Increase to in-place residents who are currently under the Fair Market Rental Rate as computed by averaging rates from the Monterey County Housing Authority and the HUD Fair Market Rent schedule and is adjusted for a determined amount for the Water, Sewer and Garbage that residents pay directly to the provider for those services. A reduced Rental Increase amount proportionate to their current rent would be applied to households that may not qualify for the standard Rental Increase.

Current Market Rent Conditions

The market rent for new move-ins is calculated by comparable market rent levels in the competitive market throughout the year. As shown in **Attachment A**, the proposed Budget results in a 2.6% increase in Total Income (\$183,553). Per the approved rent formula in 2010, the market rents for new move-ins are fluid throughout the year and change according to market conditions. Currently, market rents for incoming residents are as follows:

Unit Size	Current Rent Range for Incoming Market Rate Residents
Two Bedroom	\$1,900 - \$2,025
Upgraded/Remodeled – Two BR	\$2,000 - \$2,575*
Three Bedroom	\$2,375 - \$2,400
Upgraded/Remodeled – Three BR	\$2,600 - \$2,650*

* Note: Nineteen 2-Bedroom homes and five 3-Bedroom home have additional features that warrant higher than average rental rates.

The Averaged HUD Fair Market Rents (FMR) and the Monterey County Housing Authority Peninsula Payment Standard for January 1, 2021 are as follows:

Unit Bedroom Size	Averaged HUD Fair Market & HA Peninsula Payment Standard Rent	Utility Allowance	Adjusted Rental Amount
Two Bedroom	\$1,872.00	\$160.27	\$1,711.73
Three Bedroom	\$2,679.00	\$160.27	\$2,518.73

A number of in-place market renters in Preston Park homes are leasing below the Averaged HUD FMR and the MCHA Peninsula Payment Standard. The Averaged HUD FMR and HA Peninsula Payment Standard above include allowance for Utilities, which are currently paid directly by Preston Park residents in addition to their monthly rental amount. The two-bedroom average in-place market rent at Preston Park is \$1,671 (effectively \$1,831), while the average three-bedroom units at Preston Park rent at \$2,090 (effectively \$2,250).

Affordable Rents

Affordable rental rates are derived from median income schedules published by governmental agencies. Rental rates at Preston Park are based upon 50% and 60% and 80% of the median income for Monterey County. The U.S. Department of Housing and Urban Development calculates the maximum household income by family size in Monterey County, generally once a year. As of the date of this memo, the rental rates are based upon families at 50% and 60% and 80% of the Monterey County median income for 2020.

Expenses

Expenses as outlined in **Attachment D** include Operating Expense projections and variances from the FY 21/22 budget. Operating expenses typically include expenditures for routine maintenance of the property, redecorating expenses as they apply to unit turns, and expenditures relating to the daily operations of the Leasing Office. Overall, total operating expenses proposed for FY 21/22 are 1.9% higher than the estimated actual expenses for FY 20/21 (\$34,988). Greystar seeks to maximize cost savings, e.g. lower utilities expenses through installation of water/energy saving devices, while contending with cost increases.

Projected Revenue and Expenses in FY 20/21

FY 20/21 budget includes \$7,001,037 in Total Revenue vs. FY 20/21 forecast of \$7,028,160 resulting in a \$27,123 positive variance. Further, FY 20/21 budget includes \$1,882,817 in Total Operating Expenses vs. FY 20/21 forecast of \$1,872,422 resulting in a \$10,396 positive variance. Preston Park is projected to outperform FY 20/21 budgeted expectations by \$37,519.

Owner Distributions

The proposed budget reflects an Owner Distributions of \$1,750,000.

Capital Expenses

Expenses categorized as Capital Expenses directly impact the long-term value of the community, including roof replacements, exterior painting, large-scale landscaping improvements, and interior upgrades including appliances and carpeting/vinyl. Note that amounts labeled for interior upgrades in future budget years are placeholders and are anticipated to change based on Annual Inspection findings.

Recommended capital projects include:

- 1) Exterior Paint Project- \$700,000
- 2) Placeholder for additional parking - \$765,496
- 3) Lighting Additions \$50,000

Capital Reserves Fund

Adoption of the proposed budget will result in a maximum contribution of \$2,516 per unit during this fiscal year. Please note the replacement reserve only conceptualizes typical replacements. It does not contemplate or allow for unknown expenses which are typical, particularly as a building continues to age.

In reviewing the physical needs of the property, and in conjunction with recommendations from the City of Marina Building Department, Greystar recommends the maximum reserve withholding per unit per year going forward. This withholding would ensure that the asset holds adequate reserves to perform necessary replacements and repairs to protect the useful life of the buildings **(Attachment F)**.

We will continue to look for new ways to improve our services over the coming year and remain committed to meeting the objectives set by the City of Marina.

Please feel free to contact me at (831) 384-0119 should you have additional questions or concerns.

Regards,

Victor Vo-Khuong
Community Manager

Cc: Kristin Torrice, Regional Property Manager, Greystar

Attachments:

- A. FY 2021/22 Budget Revenue Summary
- C. BMR Rent Calculation Documentation
- D. FY 2020/21 Budget Highlights of Operating Expenses
- F. Capital Improvement Plan/Reserve Withholding

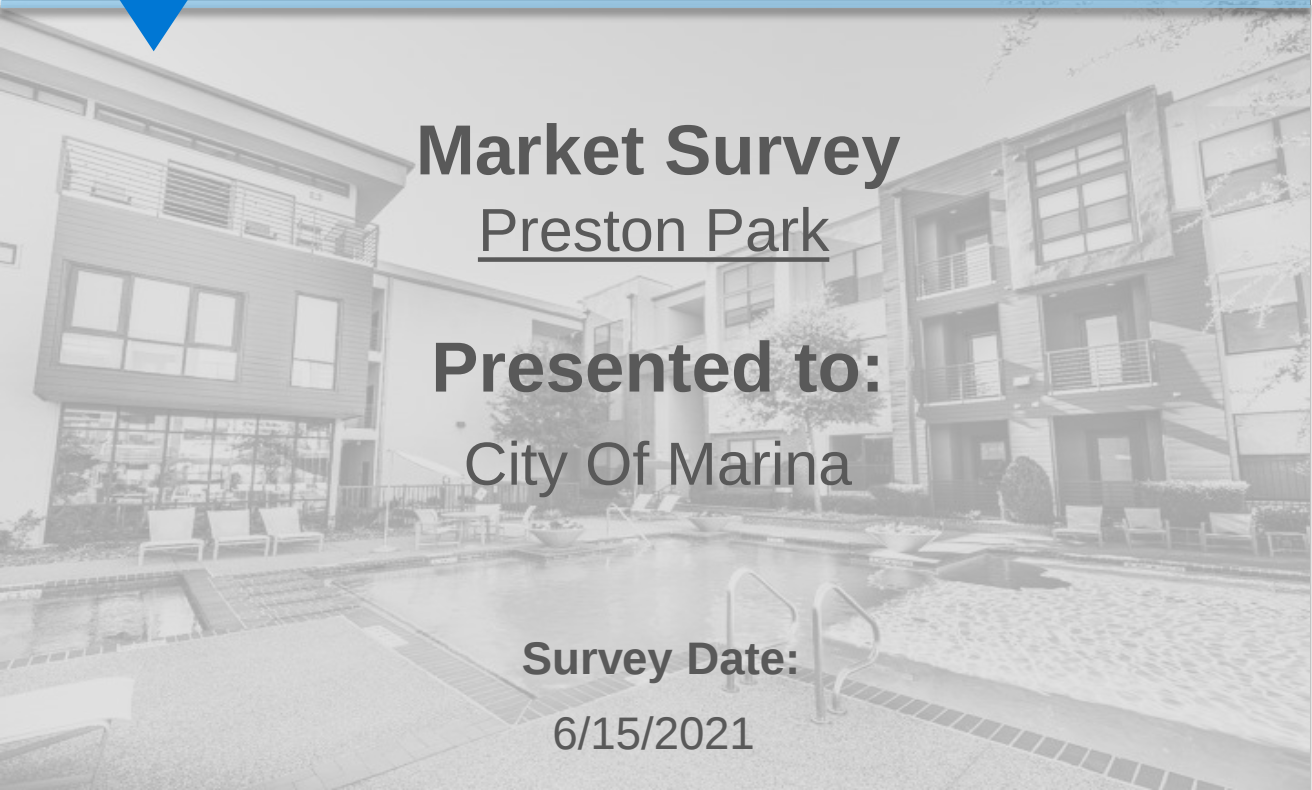
Preston Park Budget Memo Attachment A - Revenue Summary

2021/2022 Budget

Revenue	Approved Budget FY 2020/2021	Estimated Actuals FY 2020/2021	Proposed FY 2021/2022		Variance of Approved Budget From 2020/2021 Estimated Actuals	%	Comments		Variance of Proposed Budget from FY 2020/2021 Estimated Actuals	%	Comments		2021/2022 Proposed Budget vs. 2020/2021 Approved Budget	%
GROSS MARKET POTENTIAL	\$6,900,882	\$6,975,590	\$7,158,093	I	\$74,708	1.1%	Increase due to achieving Market Rents upon turnover.	I	\$182,503	2.6%	Increase due to achieving Market Rents upon turnover and projected in place target rental increases of 1-3%.	I	\$257,211	3.7%
OTHER INCOME	\$40,271	\$40,703	\$41,753	I	\$432	1.1%	Increased damage fees resulting from higher turnover than expected offset decrease in late fees.	I	\$1,050	2.6%	FY 21/22 budget reflects FY 20/21 actuals for pet fees, damage fees, application fees, and NSF fees. Includes late fees starting in May of 2022.	I	\$1,482	3.7%
MISCELLANEOUS INCOME	\$59,884	\$11,867	\$11,867	D	(\$48,017)	-80.2%	Reflects Interest Income being much lower than expected from Bridge Bank account due to change in interest rates.		\$0	0.0%	Reflects actuals from FY 20/21 for new Bridge Bank account.	D	(\$48,017)	-80.2%
TOTAL INCOME	\$7,001,037	\$7,028,160	\$7,211,713	I	\$27,123	0.4%	Increase due to achieving Market Rents upon turnover.	I	\$183,553	2.6%	Increase due to achieving Market Rents upon turnover and projected in place target rental increases of 1-3%.	I	\$210,676	3.0%
NET INCOME	\$5,118,220	\$5,155,739	\$5,304,303	I	\$37,519	0.7%	Increase due to Total Income detailed above as well as Operating Expenses being 0.6% less than anticipated in FY 20/21.	I	\$148,564	2.9%	Increase due achieving Market Rents upon turnover and projected in place target rental increases of 1-3%. Operating expenses offset NOI with a 1.9% increase in Operating Expenses detailed on Attachment D.	I	\$186,083	3.6%

I -- DESIGNATES INCREASE

D -- DESIGNATES DECREASE

A grayscale photograph of the Preston Park apartment complex, showing modern multi-story buildings with balconies and a swimming pool in the foreground.

Market Survey

Preston Park

Presented to:
City Of Marina

Survey Date:
6/15/2021

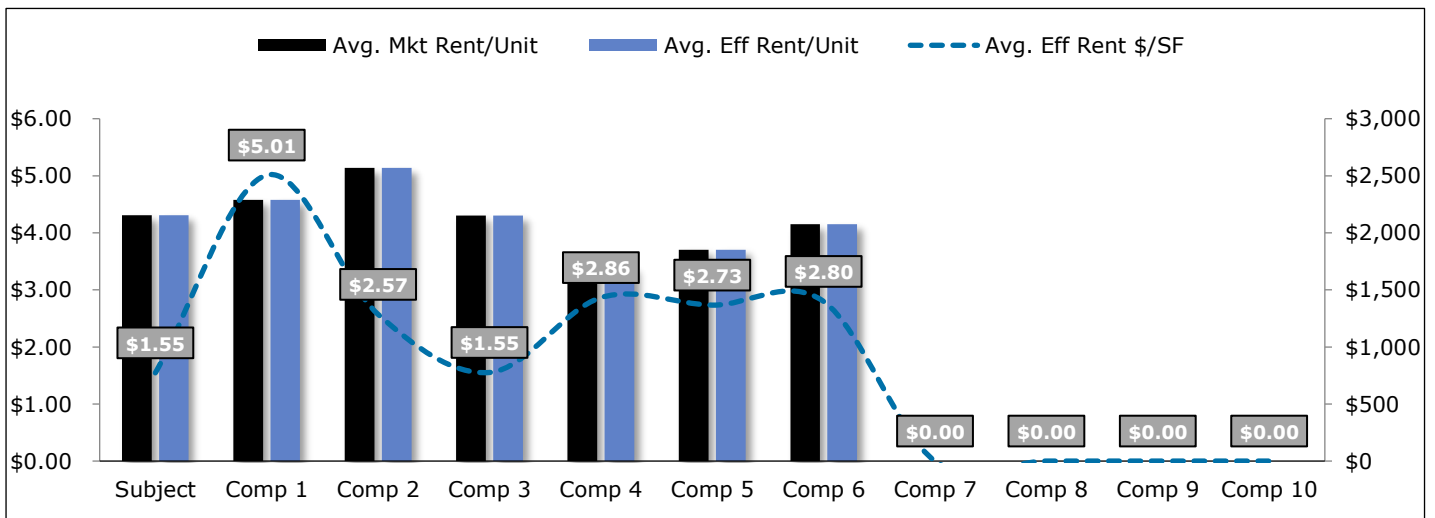
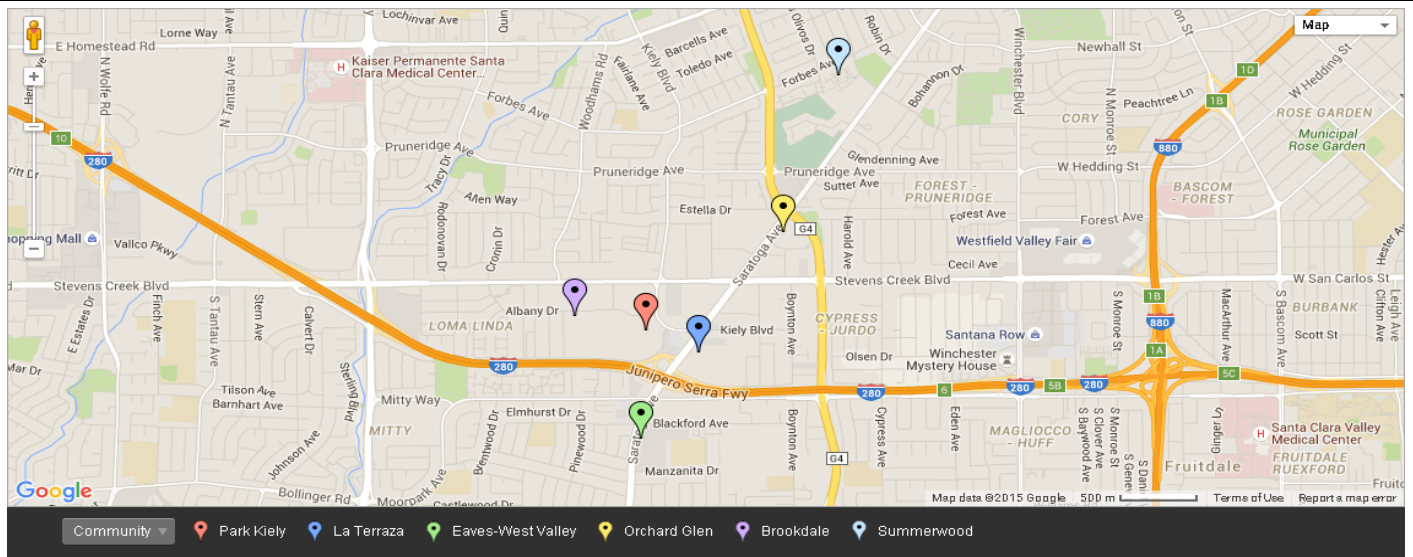
Properties Included in Survey:

Preston Park
Shadow Market
Marina Square Apartments
Abrams Park
Sunbay Suites
Marina Del Sol
Shoreline Apartments
7
8
9
10

GREYSTAR: THE GLOBAL LEADER IN RENTAL HOUSING™

	Property Name	Year Built	# of units	% Occupied	Avg. Unit Size (SF)	Avg. Mkt Rent/Unit	Avg. Mkt Rent \$/SF	Avg. Eff Rent/Unit	Avg. Eff Rent \$/SF
Subject	Preston Park	1987	354	99%	1393	\$2,153	\$1.55	\$2,153	\$1.55
Comp 1	Shadow Market	1973	16	100%	457	\$2,289	\$5.01	\$2,289	\$5.01
Comp 2	Marina Square Apartments	1978	48	100%	1000	\$2,570	\$2.57	\$2,570	\$2.57
Comp 3	Abrams Park	1978	194	100%	1386	\$2,152	\$1.55	\$2,152	\$1.55
Comp 4	Sunbay Suites	1989	266	97%	593	\$1,699	\$2.86	\$1,699	\$2.86
Comp 5	Marina Del Sol	1977	108	100%	677	\$1,850	\$2.73	\$1,850	\$2.73
Comp 6	Shoreline Apartments	1973	84	95%	742	\$2,076	\$2.80	\$2,076	\$2.80
Comp 7	7	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 8	8	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 9	9	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 10	10	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Total/Avg (Market)			1070	99%	1038	\$2,024	\$2.19	\$2,024	\$2.19
Total/Avg. (Market less Subject)			716	99%	862	\$1,960	\$2.51	\$1,960	\$2.51

Marina I O



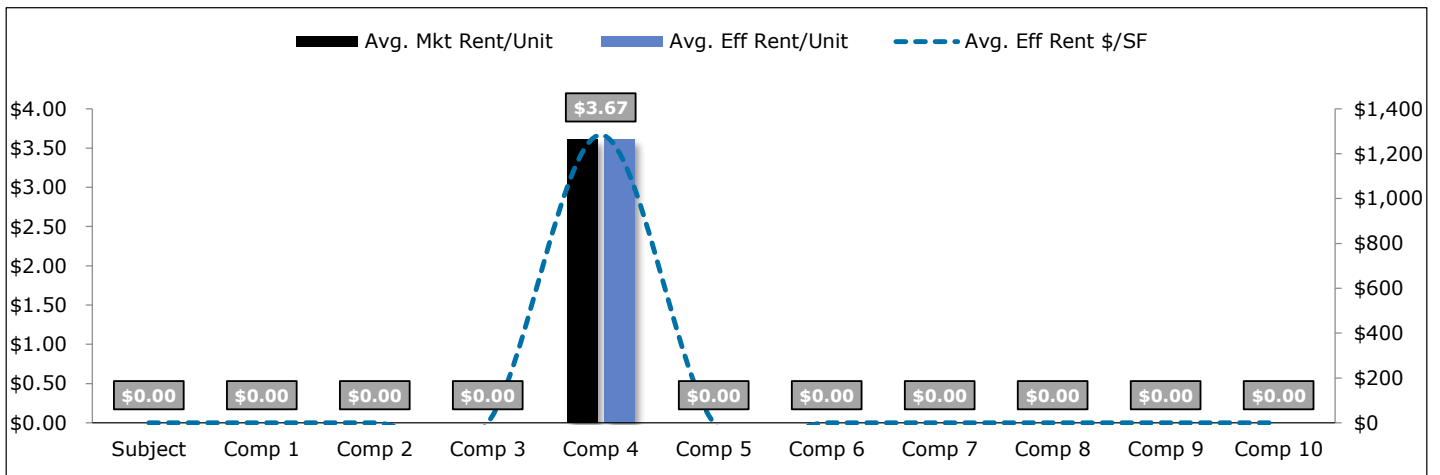
GREYSTAR: THE GLOBAL LEADER IN RENTAL HOUSING™

Property	Preston Park	Shadow Market	Marina Square	Abrams Park	Sunbay Suites	Marina Del Sol	Shoreline	7	8	9	10
	Subject	1	2	3	4	5	6	7	8	9	10
PROPERTY INFORMATION											
Owner	City Of Marina	Variable	Greystar	City of Marina	Sunbay Resort Associates	Pioneer Properties	N/A				
Management Company	Greystar	variable	Greystar	Greystar	Sunbay Suites	Pioneer Properties	Greystar				
Total Number of Units	354	16	48	194	266	108	84				
Location (City)	Marina	Marina	Marina	Marina	Seaside	Marina	Marina				
Class	0	A	A	A	A	A	A				
Product Type	Townhome	Townhome	Townhome	Townhome	Townhome	Townhome	Townhome				
Year Built	1987	1973	1978	1978	1989	1977	1973				
DEPOSITS AND FEES											
Application Fee	\$45	\$0	\$35	\$48	\$50	\$35	\$42	\$0	\$0	\$0	\$0
Deposit (Ref Non-Ref)	rent 1.5 rent	\$0 \$0	\$1 \$2400	\$0 \$250	\$250 \$250	\$1000 \$0	\$500 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0
Admin or Redec Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pet Deposit Pet Fee	no pets \$0	\$0 \$0	\$0 \$0	\$250 \$0	\$0 \$0	\$500 \$0	\$350 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0
Pet Rent	no pets	\$0	\$0	\$25	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UTILITIES											
Electric	Metered	N/A	Metered	Metered	Metered	Metered	Metered	N/A	N/A	N/A	N/A
Gas	Metered	N/A	Metered	Metered	Metered	Metered	Metered	N/A	N/A	N/A	N/A
Water & Sewer	Metered	N/A	Metered	Metered	Metered	Metered	Metered	N/A	N/A	N/A	N/A
Trash Valet Trash	\$0 \$0	\$0 \$0	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0
Pest Control	weekly	N/A	N/A	Weekly	weekly	Not billed back	N/A	N/A	N/A	N/A	N/A
Cable Internet	na na	\$0 \$0	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0
PARKING AND STORAGE											
Covered Parking	1 \$0	1 \$0	1 \$0	1 \$0	1 \$0	1 \$0	1 \$0				
Garages (Attached)	1 \$0	1 \$0	1 \$0	1 \$0	1 \$0	1 \$0	1 \$0				
Garages (Detached)	1 \$0	1 \$0	1 \$0	1 \$0	1 \$0	1 \$0	1 \$0				
Other Parking	1 \$0	1 \$0	1 \$0	1 \$0	1 \$0	1 \$0	1 \$0				
Storage Rent	1 \$0	1 \$0	1 \$0	1 \$0	1 \$0	1 \$0	1 \$0				
Surface Parking	1 \$0	1 \$0	1 \$0	1 \$0	1 \$0	1 \$0	1 \$0				
COMMUNITY AMENITIES											
Basketball Court											
Billiards Room											
Business Center											
Car Wash											
Coffee Bar/Internet Cafe											
Conference Room											
Dog Park											
Exterior Breezeways											
Fitness Center											
Jacuzzi/Spa											
Jogging/Walking Trails											
Laundry											
Media Room (Theatre)											
On-Site Retail or Restaurants											
Outdoor Fireplace											
Outdoor Kitchen											
Playground/Tot Lot											
Pool(s)											
Recycle Bins											
Roof Deck											
Tanning Bed											
Tennis Courts											
WiFi											
CONVENIENCE											
Concierge											
Dry Cleaner Drop Off											
Elevator(s)											
Maid Service											
Trash Chutes											
Valet Parking											
SECURITY											
Access Gates											
Audible/Monitored Alarms											
Controlled Building Access											
Guard House											
Patrol Service											
Security Cameras											
Security Officer											
Telegate											
APARTMENT FEATURES											
Accent Wall											
Built-in Desk											
Ceiling Fan(s)											
Ceilings - 9' or Greater											
Crown Molding											
Fireplace											
Flooring - Carpet											
Flooring - Ceramic Tile											
Flooring - Wood/Faux Wood											
French Doors											
Garden Tub(s)											
Outside /Extra Storage											
Private Patio/Balcony											
Recessed Lighting											
Separate Dining Room											
Sunroom /Solarium											
Utility Room											
Walk-in Closet(s)											
Washer Dryer Connection											
Washer Dryer Included											
KITCHEN											
Appliances - Black											
Appliances - Stainless/SS Look											
Appliances - White											
Countertops - Granite/Marble											
Dishwasher											
Disposal											
Kitchen Island											
Pantry											

Standard Unit Types

	Property Name	Year Built	# of units	% of Property	Avg. Unit Size (SF)	Avg. Mkt Rent/Unit	Avg. Mkt Rent \$/SF	Avg. Eff Rent/Unit	Avg. Eff Rent \$/SF
Subject	Preston Park	1987	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 1	Shadow Market	1973	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 2	Marina Square Apartments	1978	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 3	Abrams Park	1978	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 4	Sunbay Suites	1989	32	12%	345	\$1,265	\$3.67	\$1,265	\$3.67
Comp 5	Marina Del Sol	1977	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 6	Shoreline Apartments	1973	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 7	7	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 8	8	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 9	9	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 10	10	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Total/Avg (Market)			32	12%	345	\$1,265	\$3.67	\$1,265	\$3.67
Total/Avg. (Market less Subject)			32	12%	345	\$1,265	\$3.67	\$1,265	\$3.67

Studio Analysis | Standard



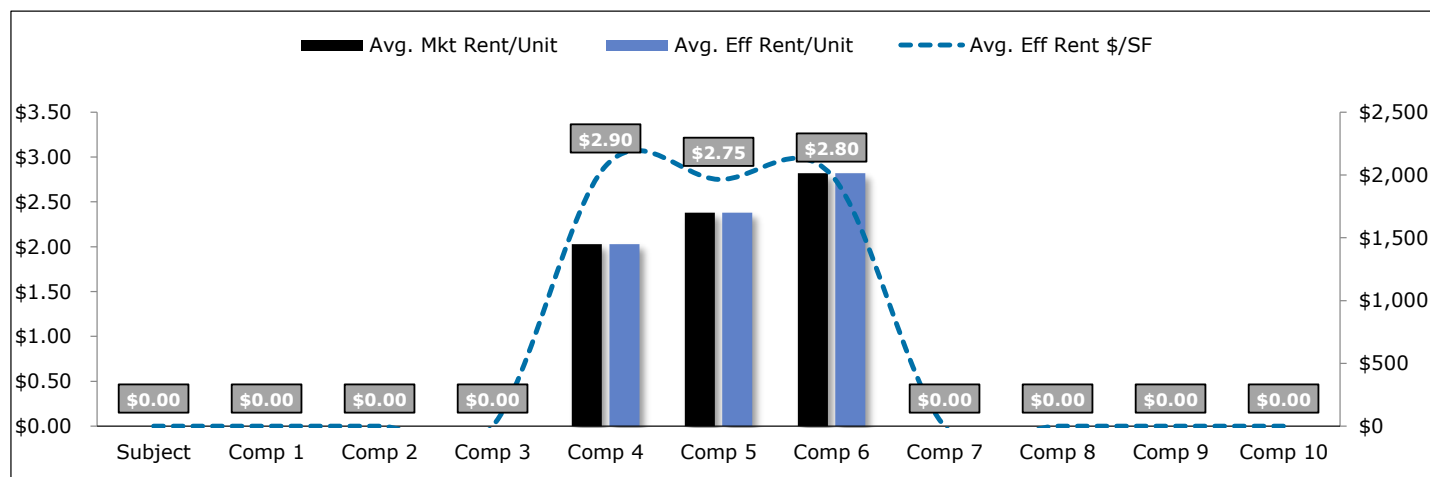
Renovated Unit Types

	Property Name	Year Built	# of units	% of Property	Avg. Unit Size (SF)	Avg. Mkt Rent/Unit	Avg. Mkt Rent \$/SF	Avg. Eff Rent/Unit	Avg. Eff Rent \$/SF
Subject	Preston Park	1987	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 1	Shadow Market	1973	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 2	Marina Square Apartments	1978	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 3	Abrams Park	1978	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 4	Sunbay Suites	1989	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 5	Marina Del Sol	1977	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 6	Shoreline Apartments	1973	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 7	7	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 8	8	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 9	9	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 10	10	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Total/Avg (Market)			0	0%	0	\$0	\$0.00	\$0	\$0.00
Total/Avg. (Market less Subject)			0	0%	0	\$0	\$0.00	\$0	\$0.00

Standard Unit Types

	Property Name	Year Built	# of units	% of Property	Avg. Unit Size (SF)	Avg. Mkt Rent/Unit	Avg. Mkt Rent \$/SF	Avg. Eff Rent/Unit	Avg. Eff Rent \$/SF
Subject	Preston Park	1987	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 1	Shadow Market	1973	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 2	Marina Square Apartments	1978	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 3	Abrams Park	1978	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 4	Sunbay Suites	1989	64	24%	500	\$1,450	\$2.90	\$1,450	\$2.90
Comp 5	Marina Del Sol	1977	54	50%	618	\$1,700	\$2.75	\$1,700	\$2.75
Comp 6	Shoreline Apartments	1973	72	86%	720	\$2,015	\$2.80	\$2,015	\$2.80
Comp 7	7	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 8	8	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 9	9	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 10	10	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Total/Avg (Market)			190	53%	617	\$1,735	\$2.82	\$1,735	\$2.82
Total/Avg. (Market less Subject)			190	53%	617	\$1,735	\$2.82	\$1,735	\$2.82

One Bedroom Analysis | Standard



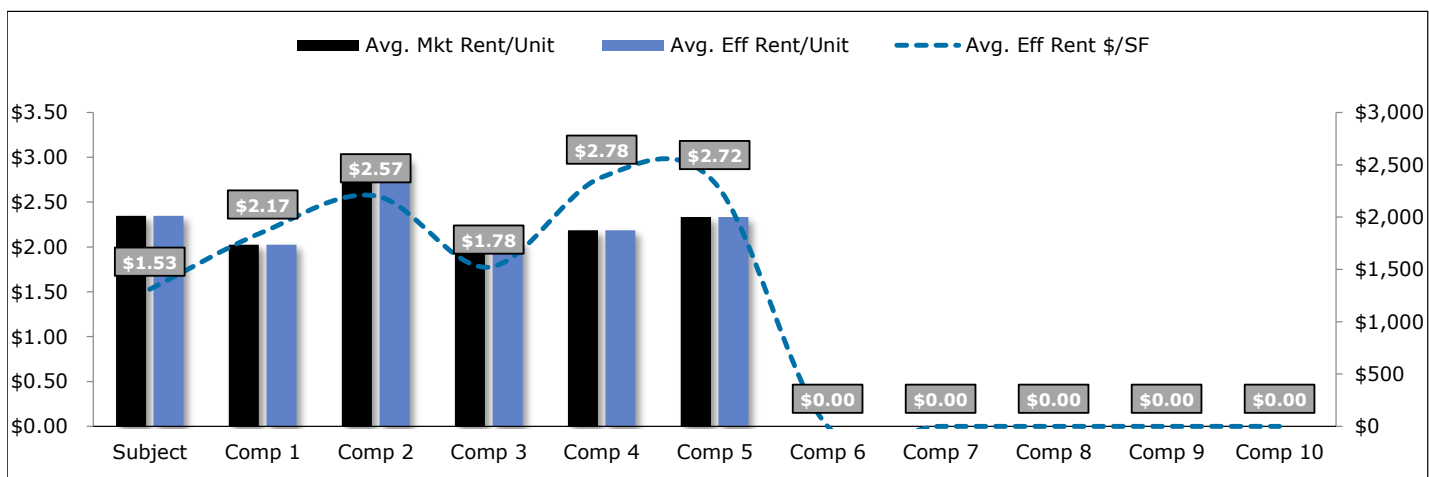
Renovated Unit Types

	Property Name	Year Built	# of units	% of Property	Avg. Unit Size (SF)	Avg. Mkt Rent/Unit	Avg. Mkt Rent \$/SF	Avg. Eff Rent/Unit	Avg. Eff Rent \$/SF
Subject	Preston Park	1987	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 1	Shadow Market	1973	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 2	Marina Square Apartments	1978	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 3	Abrams Park	1978	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 4	Sunbay Suites	1989	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 5	Marina Del Sol	1977	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 6	Shoreline Apartments	1973	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 7	7	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 8	8	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 9	9	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 10	10	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Total/Avg (Market)			0	0%	0	\$0	\$0.00	\$0	\$0.00
Total/Avg. (Market less Subject)			0	0%	0	\$0	\$0.00	\$0	\$0.00

Standard Unit Types

	Property Name	Year Built	# of units	% of Property	Avg. Unit Size (SF)	Avg. Mkt Rent/Unit	Avg. Mkt Rent \$/SF	Avg. Eff Rent/Unit	Avg. Eff Rent \$/SF
Subject	Preston Park	1987	122	34%	1317	\$2,012	\$1.53	\$2,012	\$1.53
Comp 1	Shadow Market	1973	9	56%	807	\$1,737	\$2.17	\$1,737	\$2.17
Comp 2	Marina Square Apartments	1978	48	100%	1000	\$2,570	\$2.57	\$2,570	\$2.57
Comp 3	Abrams Park	1978	92	47%	1000	\$1,775	\$1.78	\$1,775	\$1.78
Comp 4	Sunbay Suites	1989	170	64%	675	\$1,875	\$2.78	\$1,875	\$2.78
Comp 5	Marina Del Sol	1977	54	50%	736	\$2,000	\$2.72	\$2,000	\$2.72
Comp 6	Shoreline Apartments	1973	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 7	7	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 8	8	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 9	9	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 10	10	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Total/Avg (Market)			495	59%	934	\$1,969	\$2.25	\$1,969	\$2.25
Total/Avg. (Market less Subject)			373	64%	809	\$1,955	\$2.48	\$1,955	\$2.48

Two Bedroom Analysis | Standard



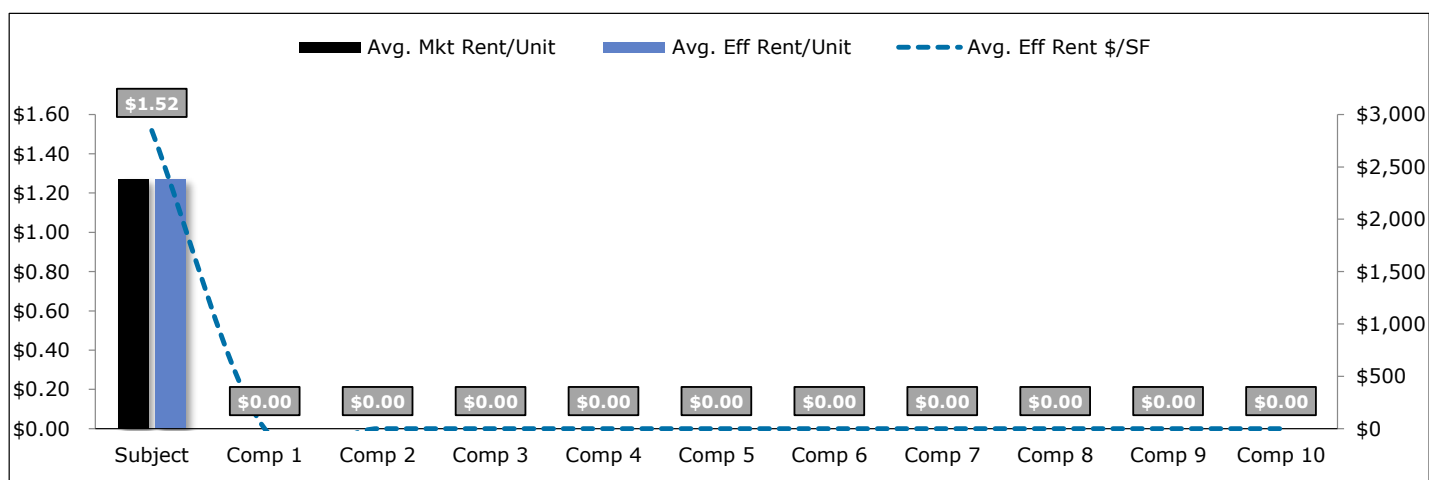
Renovated Unit Types

	Property Name	Year Built	# of units	% of Property	Avg. Unit Size (SF)	Avg. Mkt Rent/Unit	Avg. Mkt Rent \$/SF	Avg. Eff Rent/Unit	Avg. Eff Rent \$/SF
Subject	Preston Park	1987	15	4%	1290	\$2,331	\$1.81	\$2,331	\$1.81
Comp 1	Shadow Market	1973	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 2	Marina Square Apartments	1978	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 3	Abrams Park	1978	4	2%	1000	\$2,250	\$2.25	\$2,250	\$2.25
Comp 4	Sunbay Suites	1989	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 5	Marina Del Sol	1977	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 6	Shoreline Apartments	1973	12	14%	875	\$2,442	\$2.79	\$2,442	\$2.79
Comp 7	7	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 8	8	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 9	9	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 10	10	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Total/Avg (Market)			31	7%	1092	\$2,363	\$2.25	\$2,363	\$2.25
Total/Avg. (Market less Subject)			16	8%	906	\$2,394	\$2.66	\$2,394	\$2.66

Standard Unit Types

	Property Name	Year Built	# of units	% of Property	Avg. Unit Size (SF)	Avg. Mkt Rent/Unit	Avg. Mkt Rent \$/SF	Avg. Eff Rent/Unit	Avg. Eff Rent \$/SF
Subject	Preston Park	1987	120	34%	1572	\$2,388	\$1.52	\$2,388	\$1.52
Comp 1	Shadow Market	1973	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 2	Marina Square Apartments	1978	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 3	Abrams Park	1978	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 4	Sunbay Suites	1989	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 5	Marina Del Sol	1977	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 6	Shoreline Apartments	1973	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 7	7	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 8	8	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 9	9	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 10	10	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Total/Avg (Market)			120	34%	1572	\$2,388	\$1.52	\$2,388	\$1.52
Total/Avg. (Market less Subject)			0	0%	0	\$0	\$0.00	\$0	\$0.00

Three Bedroom Analysis | Standard



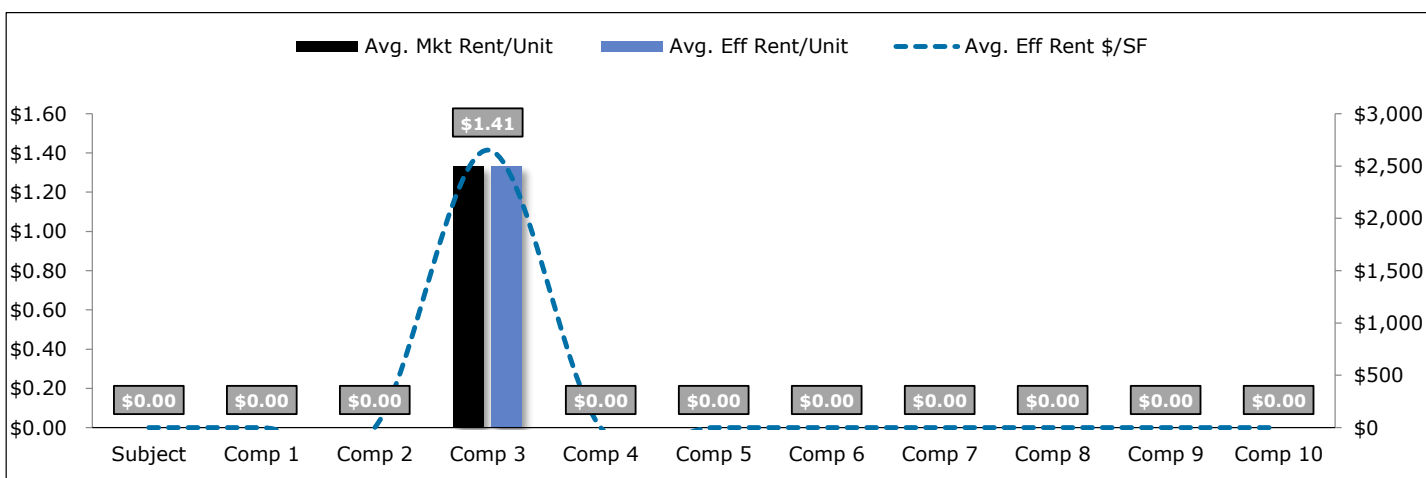
Renovated Unit Types

	Property Name	Year Built	# of units	% of Property	Avg. Unit Size (SF)	Avg. Mkt Rent/Unit	Avg. Mkt Rent \$/SF	Avg. Eff Rent/Unit	Avg. Eff Rent \$/SF
Subject	Preston Park	1987	5	1%	1572	\$2,625	\$1.67	\$2,625	\$1.67
Comp 1	Shadow Market	1973	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 2	Marina Square Apartments	1978	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 3	Abrams Park	1978	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 4	Sunbay Suites	1989	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 5	Marina Del Sol	1977	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 6	Shoreline Apartments	1973	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 7	7	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 8	8	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 9	9	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 10	10	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Total/Avg (Market)			5	1%	1572	\$2,625	\$1.67	\$2,625	\$1.67
Total/Avg. (Market less Subject)			0	0%	0	\$0	\$0.00	\$0	\$0.00

Standard Unit Types

	Property Name	Year Built	# of units	% of Property	Avg. Unit Size (SF)	Avg. Mkt Rent/Unit	Avg. Mkt Rent \$/SF	Avg. Eff Rent/Unit	Avg. Eff Rent \$/SF
Subject	Preston Park	1987	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 1	Shadow Market	1973	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 2	Marina Square Apartments	1978	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 3	Abrams Park	1978	88	45%	1765	\$2,497	\$1.41	\$2,497	\$1.41
Comp 4	Sunbay Suites	1989	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 5	Marina Del Sol	1977	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 6	Shoreline Apartments	1973	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 7	7	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 8	8	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 9	9	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 10	10	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Total/Avg (Market)			88	45%	1765	\$2,497	\$1.41	\$2,497	\$1.41
Total/Avg. (Market less Subject)			88	45%	1765	\$2,497	\$1.41	\$2,497	\$1.41

Four Bedroom Analysis | Standard



Renovated Unit Types

	Property Name	Year Built	# of units	% of Property	Avg. Unit Size (SF)	Avg. Mkt Rent/Unit	Avg. Mkt Rent \$/SF	Avg. Eff Rent/Unit	Avg. Eff Rent \$/SF
Subject	Preston Park	1987	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 1	Shadow Market	1973	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 2	Marina Square Apartments	1978	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 3	Abrams Park	1978	10	5%	1760	\$2,548	\$1.45	\$2,548	\$1.45
Comp 4	Sunbay Suites	1989	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 5	Marina Del Sol	1977	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 6	Shoreline Apartments	1973	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 7	7	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 8	8	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 9	9	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Comp 10	10	0	0	0%	0	\$0	\$0.00	\$0	\$0.00
Total/Avg (Market)			10	5%	1760	\$2,548	\$1.45	\$2,548	\$1.45
Total/Avg. (Market less Subject)			10	5%	1760	\$2,548	\$1.45	\$2,548	\$1.45

Calculation of Affordable Units FY 21/22 Rent Levels

(A) MAXIMUM HOUSEHOLD INCOME LIMITS (ANNUAL)

HUD AMI Level	Number of Persons								
	1	2	3	4	5	6	7	8	9*
Very Low (50% AMI)	\$ 35,600	\$ 40,700	\$ 45,800	\$ 50,850	\$ 54,950	\$ 59,000	\$ 63,100	\$ 67,150	\$ 71,190
Low/Lower (60% AMI)	\$42,720	\$48,840	\$54,960	\$61,020	\$65,940	\$70,800	\$75,720	\$80,580	\$85,432
Low (80%) AMI	\$56,950	\$65,100	\$73,250	\$81,350	\$87,900	\$94,400	\$100,900	\$107,400	\$113,890

Source: HUD Median Income for Monterey County 2019 at <https://www.huduser.gov/portal/datasets/il/il2021/2021summary.odn>

* 9-Person Income Limits are calculated as 140% of the 4-person limits with rounding as per HUD Guidelines

(B) MAXIMUM MONTHLY HOUSING COST (Rent + Utility Allowance)

HUD Area Median Income (AMI) Level	Number of Bedrooms		
	2BD ¹	4BD ²	3BD ³
Very Low (50% AMI)	\$ 1,091	\$ 1,406	\$1,260
Low/Lower (60% AMI)	\$ 1,310	\$ 1,688	\$1,512
Low (80%) AMI	\$ 1,744	\$ 2,248	\$2,015

Notes:

¹ Calculated as 2BD AMI @ 50%, 60% and 80% for 3 persons x 30% and then divided by 12 months

² Calculated as 4BD AMI @ 50%, 60% and 80% for 6 persons x 30% and then divided by 12 months

³ Calculated as 3BD AMI @ 50%, 60% and 80% for 4.5 persons x 30% and then divided by 12 months (Preston Park Only)

(C) AFFORDABLE UNITS RENT CALCULATION USING 50%/60%/80% BRACKET LESS HAMC (HCV Program) UTILITIES ALLOWANCE^{5,6}

	2BD		3BD (Preston Only)		4BD	
	21/22	20/21	21/22	20/21	21/22	20/21
Very Low (50% AMI)	\$ 1,091	\$ 1,091	\$1,260	\$ 1,260	\$ 1,406	\$ 1,406
Less Utilities	\$ (202)	\$ (202)	\$ (264)	\$ (264)	\$ (328)	\$ (328)
Monthly Rent Net of Utilities	\$ 889	\$ 889	\$996	\$ 996	\$ 1,078	\$ 1,078
Low/Lower (60% AMI)	\$ 1,310	\$ 1,310	\$1,512	\$ 1,512	\$ 1,688	\$ 1,688
Less Utilities	\$ (202)	\$ (202)	\$ (264)	\$ (264)	\$ (328)	\$ (328)
Monthly Rent Net of Utilities	\$ 1,108	\$ 1,108	\$1,248	\$ 1,248	\$ 1,360	\$ 1,360
Low/Lower (80% AMI)	\$ 1,744	\$ 1,744	\$2,015	\$ 2,015	\$ 2,248	\$ 2,248
Less Utilities	\$ (202)	\$ (202)	\$ (264)	\$ (264)	\$ (328)	\$ (328)
Monthly Rent Net of Utilities	\$ 1,542	\$ 1,542	\$1,751	\$ 1,751	\$ 1,920	\$ 1,920

⁵ Source for Utilities Deduction in the HAMC HVC Program Utilities Allowances for Apts & Townhouses 21-22

⁶ Utilities (UTA-Apts/Townhouses Allowances) used for calc are "HEATING (Natural Gas)", "COOKING (Natural Gas)", "OTHER ELECTRIC", WATER HEATING (Natural Gas), WATER, SEWER, and "TRASH COLLECTION"

Preston Park Budget Memo Attachment D - Highlights of Operating Expenses

<u>Operating Expenses</u>	Approved Budget FY 2020/2021	Estimated Actuals FY 2020/2021	Proposed FY 2021/2022		Variance of Approved Budget From 2020/2021 Estimated Actuals	%	Comments		Variance of Proposed Budget from FY 2020/2021 Estimated Actuals	%	Comments		2021/2022 Proposed Budget vs. 2020/2021 Approved Budget	%
PAYROLL	\$584,631	\$593,703	\$620,361	I	\$9,072	1.6%	Increase due to higher than expected Insurance Benefits costs.	I	\$26,658	4.5%	Increase due to slight increases in Insurance Benefit and Workers Compensation costs as well as annual merit increases for team members of 1-3%.	I	\$35,730	6.1%
LANDSCAPING	\$51,745	\$48,595	\$50,921	D	(\$3,149)	-6.1%	Decrease due to a lower than expected cost for the monthly landscape management contract.	I	\$2,326	4.8%	Increase to allow for the anticipated maintenance contract vendor increase.	D	(\$824)	-1.6%
UTILITIES	\$125,549	\$124,249	\$130,461	D	(\$1,300)	-1.0%	Decrease due to lower than anticipated rate increase for Water & Sewer.	I	\$6,212	5.0%	2021/2022 budget based upon 2020/2021 actuals with an a 5% increase in rates.	I	\$4,912	3.9%
REDECORATING	\$132,520	\$173,305	\$181,911	I	\$40,785	30.8%	Increase due to a higher than anticipated number of turns in the FY 20/21.	I	\$8,606	5.0%	2021/2022 budget based upon 2010/2021 actuals with an approximate 5% increase in rates.	I	\$49,391	37.3%
MAINTENANCE	\$124,555	\$131,129	\$136,109	I	\$6,574	5.3%	Increase due to higher than anticipated costs for Electrical Supplies & Repairs and Pest Control Services.	I	\$4,980	3.8%	2021/2022 budget based upon 2020/2021 actuals with an approximate 3-4% increase in rates.	I	\$11,554	9.3%
MARKETING	\$11,258	\$12,353	\$12,752	I	\$1,095	9.7%	Increase due to higher than anticipated costs for the Rent Café monthly fee.	I	\$399	3.2%	2021/2022 budget based upon 2020/2021 actuals.	I	\$1,494	13.3%
ADMINISTRATIVE	\$100,493	\$90,484	\$84,711	D	(\$10,009)	-10.0%	Decrease due to lower than anticipated legal fees, postage and Telephone costs.	D	(\$5,773)	-6.4%	Decrease due to Telephone contract which was renegotiated at a lower rate in Q3 2020.	D	(\$15,782)	-15.7%
INSURANCE & TAXES	\$334,561	\$345,238	\$353,001	I	\$10,677	3.2%	Reflects higher rates than anticipated.	I	\$7,763	2.2%	Increase due to anticipated Insurance premium.	I	\$18,440	5.5%
NON-ROUTINE MAINTENANCE	\$242,480	\$178,150	\$156,890	D	(\$64,330)	-26.5%	Positive variance due to concrete repairs, backflow cage replacements and mailbox replacements being less than anticipated.	I	(\$21,260)	-11.9%	FY 21/22 budget includes trip hazard removal, gutter cleaning, annual inspection supplies, a roof preventive maintenance inspection, tree trimming, irrigation replacements and unforeseen maintenance events.	D	(\$85,590)	-35.3%
MANAGEMENT FEES	\$175,026	\$175,214	\$180,293	I	\$188	0.1%	Increase due to higher than anticipated Total Income.	I	\$5,079	2.9%	Increase due to increase in Total Income.	I	\$5,267	3.0%
TOTAL OPERATING EXPENSES	\$1,882,817	\$1,872,422	\$1,907,410	D	(\$10,396)	-0.6%	Decrease due to lower than expected costs in expense categories detailed above.	I	\$34,989	1.9%	Increase due to expense category increases detailed above.	I	\$24,593	1.3%

I -- DESIGNATES INCREASE
D -- DESIGNATES DECREASE



	Total Budget	Prior Year Forecast	Variance %
ACTUAL POTENTIAL RENT	\$ 7,357,236	\$ 7,170,795	2.6%
TOTAL GROSS POTENTIAL MARKET RENT	\$ 7,158,093	\$ 6,975,590	2.6%
OTHER INCOME	\$ 41,753	\$ 40,703	2.6%
MISCELLANEOUS INCOME	\$ 11,867	\$ 11,867	(0.0)%
TOTAL INCOME	\$ 7,211,713	\$ 7,028,160	2.6%
TOTAL PAYROLL	\$ 620,361	\$ 593,703	(4.5)%
LANDSCAPING	\$ 50,921	\$ 48,595	(4.8)%
UTILITY EXPENSE	\$ 130,461	\$ 124,249	(5.0)%
MARKETING	\$ 12,752	\$ 12,353	(3.2)%
ADMINISTRATIVE	\$ 84,711	\$ 90,484	6.4%
MAINTENANCE	\$ 136,109	\$ 131,129	(3.8)%
REDECORATING	\$ 181,911	\$ 173,305	(5.0)%
MANAGEMENT FEES	\$ 180,293	\$ 175,214	(2.9)%
INSURANCE	\$ 206,429	\$ 205,645	(0.4)%
TAXES	\$ 146,572	\$ 139,593	(5.0)%
NON-ROUTINE MAINTENANCE	\$ 156,890	\$ 178,150	11.9%
TOTAL OPERATING EXP	\$ 1,907,410	\$ 1,872,422	(1.9)%
NET OPERATING INCOME	\$ 5,304,303	\$ 5,155,739	2.9%
PARTNERSHIP EXPENSE	\$ 1,750,000	\$ 1,750,000	0.0%
DEBT SERVICES	\$ 1,516,790	\$ 1,516,790	(0.0)%
NON-ROUTINE IMPROVEMENTS	\$ 811,426	\$ 230,550	(252.0)%
NON-ROUTINE CAPITAL EXPENDITURES	\$ 1,061,700	\$ 218,193	(386.6)%
TOTAL NON-OPERATING EXP	\$ 5,139,916	\$ 3,715,533	(38.3)%
TOTAL NET INCOME	\$ 164,387	\$ 1,440,206	(88.6)%



Entity: PC-prepar (Preston Park)
Alliance Budget Detail Report w/ Notes

		Budget Jul-21	Budget Aug-21	Budget Sep-21	Budget Oct-21	Budget Nov-21	Budget Dec-21	Budget Jan-22	Budget Feb-22	Budget Mar-22	Budget Apr-22	Budget May-22	Budget Jun-22	Total Budget	\$/SF	\$/Unit	Prior Year Forecast	Bud Yr vs Forecast Var	
																		\$	%
6400-0470	Computer Expense	500	500	500	500	500	500	500	500	500	500	500	500	\$ 6,000	\$ 0.01	\$ 17	\$ 5,960	\$ (40)	(0.7)%
6400-0488	Cloud Based Budget Solution	21	821	21	5,021	441	21	896	21	21	21	21	21	\$ 7,345	\$ 0.01	\$ 21	\$ 7,278	\$ (67)	(0.9)%
6400-0560	Gov Licenses Fees/Permits	-	500	-	-	200	200	200	200	120	-	-	-	\$ 1,420	\$ 0.00	\$ 4	\$ 1,420	\$ -	0.0%
6400-0815	Other Uniforms	-	450	450	450	450	-	450	450	-	450	450	450	\$ 4,050	\$ 0.01	\$ 12	\$ 4,050	\$ -	0.0%
TOTAL ADMINISTRATIVE		\$ 6,092	\$ 7,452	\$ 7,517	\$ 11,242	\$ 6,772	\$ 5,792	\$ 9,152	\$ 6,242	\$ 5,822	\$ 6,432	\$ 6,152	\$ 6,042	\$ 84,711	\$ 0.17	\$ 241	\$ 90,484	\$ 5,773	6.4%
6500-0010	Building & Structure	634	634	634	634	634	634	634	634	634	634	634	634	\$ 7,604	\$ 0.02	\$ 22	\$ 7,242	\$ (362)	(5.0)%
6500-0380	Electrical Supplies	2,506	2,506	2,506	2,506	2,506	2,506	2,506	2,506	2,506	2,506	2,506	2,506	\$ 30,072	\$ 0.06	\$ 85	\$ 28,640	\$ (1,432)	(5.0)%
6500-0410	Plumbing Supplies	1,651	1,651	1,651	1,651	1,651	1,651	1,651	1,651	1,651	1,651	1,651	1,651	\$ 19,813	\$ 0.04	\$ 56	\$ 19,236	\$ (577)	(3.0)%
6500-0450	HVAC Maint. Contract	-	800	550	-	1,200	150	400	800	550	500	800	150	\$ 5,900	\$ 0.01	\$ 17	\$ 5,881	\$ (19)	(0.3)%
6500-0600	Misc. Supplies	185	185	185	185	185	185	185	185	185	185	185	185	\$ 2,220	\$ 0.00	\$ 6	\$ 2,148	\$ (72)	(3.4)%
6500-0690	Pest Control	1,305	1,305	1,305	1,305	1,305	1,305	1,305	1,305	1,305	1,305	1,305	1,305	\$ 15,659	\$ 0.03	\$ 44	\$ 14,913	\$ (745)	(5.0)%
6500-0870	Security R&M	2,952	-	-	-	2,300	-	-	-	-	5,219	2,800	-	\$ 13,271	\$ 0.03	\$ 38	\$ 13,037	\$ (234)	(1.8)%
6500-0970	Maintenance Guarantee	986	986	986	986	986	986	986	986	986	986	986	986	\$ 11,834	\$ 0.02	\$ 34	\$ 11,270	\$ (563)	(5.0)%
6500-1010	Windows	252	252	252	252	252	252	252	252	252	252	252	252	\$ 3,028	\$ 0.01	\$ 9	\$ 3,028	\$ (0)	(0.0)%
6500-1020	Drapes/Blinds	512	512	512	512	512	512	512	512	512	512	512	512	\$ 6,147	\$ 0.01	\$ 17	\$ 5,854	\$ (292)	(5.0)%
6500-1040	Keys	650	650	650	650	650	650	650	650	650	650	650	650	\$ 7,800	\$ 0.02	\$ 22	\$ 7,505	\$ (295)	(3.9)%
6500-1110	Alarm Expense	210	35	35	210	35	35	210	35	35	210	35	35	\$ 1,120	\$ 0.00	\$ 3	\$ 1,108	\$ (12)	(1.0)%
6500-1470	Equipment	350	350	350	350	350	350	350	350	350	350	350	350	\$ 4,200	\$ 0.01	\$ 12	\$ 4,178	\$ (22)	(0.5)%
6500-1490	Carpet Repair	620	620	620	620	620	620	620	620	620	620	620	620	\$ 7,442	\$ 0.02	\$ 21	\$ 7,088	\$ (355)	(5.0)%
TOTAL MAINTENANCE		\$ 12,814	\$ 10,487	\$ 10,237	\$ 9,862	\$ 13,187	\$ 9,837	\$ 10,262	\$ 10,487	\$ 10,237	\$ 15,581	\$ 13,287	\$ 9,837	\$ 136,108	\$ 0.28	\$ 387	\$ 131,129	\$ (4,980)	(3.8)%
6600-0010	Redec-General Cleaning	712	712	712	712	1,212	712	712	712	712	712	712	712	\$ 9,043	\$ 0.02	\$ 26	\$ 8,636	\$ (407)	(4.7)%
6600-0040	Redec-Painting Supplies	2,985	2,985	2,985	2,985	2,985	2,985	2,985	2,985	2,985	2,985	2,985	2,985	\$ 35,821	\$ 0.07	\$ 102	\$ 34,115	\$ (1,705)	(5.0)%
6600-0050	Redec-Painting Contract	7,992	7,992	7,992	7,992	7,992	7,992	7,992	7,992	7,992	7,992	7,992	7,992	\$ 95,907	\$ 0.20	\$ 272	\$ 91,340	\$ (4,567)	(5.0)%
6600-0180	Redec-Appliance Repair	83	83	83	83	83	83	83	83	83	83	83	83	\$ 1,000	\$ 0.00	\$ 3	\$ 1,019	\$ 19	1.8%
6600-0310	Redec-Other	3,345	3,345	3,345	3,345	3,345	3,345	3,345	3,345	3,345	3,345	3,345	3,345	\$ 40,140	\$ 0.08	\$ 114	\$ 38,195	\$ (1,945)	(5.1)%
TOTAL REDECORATING		\$ 15,118	\$ 15,118	\$ 15,118	\$ 15,118	\$ 15,618	\$ 15,118	\$ 15,118	\$ 15,118	\$ 15,118	\$ 15,118	\$ 15,118	\$ 15,118	\$ 181,911	\$ 0.37	\$ 517	\$ 173,305	\$ (8,606)	(5.0)%
7000-0010	Management Fees - #1	14,764	14,807	14,807	14,807	14,807	14,807	15,245	15,245	15,245	15,245	15,259	15,257	\$ 180,293	\$ 0.37	\$ 512	\$ 175,214	\$ (5,078)	(2.9)%
TOTAL MANAGEMENT FEES		\$ 14,764	\$ 14,807	\$ 14,807	\$ 14,807	\$ 14,807	\$ 14,807	\$ 15,245	\$ 15,245	\$ 15,245	\$ 15,245	\$ 15,259	\$ 15,257	\$ 180,293	\$ 0.37	\$ 512	\$ 175,214	\$ (5,078)	(2.9)%
7100-0010	Property Insurance	15,568	15,568	15,568	15,568	15,568	15,568	15,568	15,568	15,568	15,568	15,568	15,568	\$ 186,816	\$ 0.38	\$ 531	\$ 186,815	\$ (1)	(0.0)%
7100-0090	Other Insurance	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	\$ 16,445	\$ 0.03	\$ 47	\$ 15,662	\$ (783)	(5.0)%
7100-0055	Flood Insurance	-	-	-	-	-	-	3,168	-	-	-	-	-	\$ 3,168	\$ 0.01	\$ 9	\$ 3,168	\$ (0)	(0.0)%
TOTAL INSURANCE		\$ 16,938	\$ 16,938	\$ 16,938	\$ 16,938	\$ 16,938	\$ 16,938	\$ 20,106	\$ 16,938	\$ 16,938	\$ 16,938	\$ 16,938	\$ 16,938	\$ 206,429	\$ 0.42	\$ 586	\$ 205,645	\$ (784)	(0.4)%
7200-0010	Real Estate Taxes	12,214	12,214	12,214	12,214	12,214	12,214	12,214	12,214	12,214	12,214	12,214	12,214	\$ 146,572	\$ 0.30	\$ 416	\$ 139,593	\$ (6,978)	(5.0)%
TOTAL TAXES		\$ 12,214	\$ 12,214	\$ 12,214	\$ 12,214	\$ 12,214	\$ 12,214	\$ 12,214	\$ 12,214	\$ 12,214	\$ 12,214	\$ 12,214	\$ 12,214	\$ 146,572	\$ 0.30	\$ 416	\$ 139,593	\$ (6,978)	(5.0)%
7400-0150	Building & Structures	-	24,390	-	-	-	-	-	-	-	-	-	-	\$ 24,390	\$ 0.05	\$ 69	\$ 17,650	\$ (6,740)	(38.2)%
7400-0240	Electrical	-	-	-	-	-	-	-	-	-	-	-	-	\$ 0	\$ -	\$ -	\$ (0)	\$ (0)	(100.0)%
7400-0420	Landscaping	-	5,000	5,000	5,000	5,000	5,000	5,000	-	5,000	5,000	-	-	\$ 40,000	\$ 0.08	\$ 114	\$ 40,000	\$ -	0.0%
7400-0610	Doors	625	-	-	625	-	-	625	-	-	625	-	-	\$ 2,500	\$ 0.01	\$ 7	\$ 2,500	\$ -	0.0%
7400-0840	Other Non-Routine Service	5,000	10,000	5,000	-	5,000	30,000	5,000	20,000	5,000	-	5,000	-	\$ 90,000	\$ 0.18	\$ 256	\$ 118,000	\$ 28,000	23.7%
TOTAL NON-ROUTINE MAINTENANCE		\$ 5,625	\$ 39,390	\$ 10,000	\$ 5,625	\$ 10,000	\$ 35,000	\$ 10,625	\$ 20,000	\$ 10,000	\$ 5,625	\$ 5,000	\$ 0	\$ 156,890	\$ 0.32	\$ 446	\$ 178,150	\$ 21,260	11.9%
TOTAL OPERATING EXP		\$ 166,709	\$ 179,969	\$ 150,277	\$ 150,054	\$ 153,976	\$ 193,442	\$ 159,561	\$ 162,360	\$ 150,405	\$ 151,752	\$ 148,700	\$ 140,205	\$ 1,907,410	\$ 3.89	\$ 5,419	\$ 1,872,422	\$ (34,988)	(1.9)%
NET OPERATING INCOME		\$ 423,839	\$ 412,296	\$ 441,988	\$ 442,211	\$ 438,289	\$ 398,823	\$ 450,237	\$ 447,439	\$ 459,393	\$ 458,046	\$ 461,648	\$ 470,093	\$ 5,304,303	\$ 10.82	\$ 15,069	\$ 5,155,739	\$ 148,564	2.9%
NON-OPERATING EXPENSES																			
8200-0200	Other Partnership Expenses	145,833	145,833	145,833	145,833	145,833	145,833	145,833	145,833	145,833	145,833	145,833	145,833	\$ 1,750,000	\$ 3.57	\$ 4,972	\$ 1,750,000	\$ 0	0.0%
TOTAL PARTNERSHIP EXPENSE		\$ 145,833	\$ 145,833	\$ 145,833	\$ 145,833	\$ 145,833	\$ 145,833	\$ 145,833	\$ 145,833	\$ 145,833	\$ 145,833	\$ 145,833	\$ 145,833	\$ 1,750,000	\$ 3.57	\$ 4,972	\$ 1,750,000	\$ 0	0.0%
8300-0040	Debt Service - Principal	126,399	126,399	126,399	126,399	126,399	126,399	126,399	126,399	126,399	126,399	126,399	126,399	\$ 1,516,790	\$ 3.09	\$ 4,309	\$ 1,516,790	\$ (0)	(0.0)%
TOTAL DEBT SERVICES		\$ 126,399	\$ 126,399	\$ 126,399	\$ 126,399	\$ 126,399	\$ 126,399	\$ 126,399	\$ 126,399	\$ 126,399	\$ 126,399	\$ 126,399	\$ 126,399	\$ 1,516,790	\$ 3.09	\$ 4,309	\$ 1,516,790	\$ (0)	(0.0)%
8400-0360	Paving & Landscape	-	-	-	-	-	-	-	-	-	-	-	811,426	\$ 811,426	\$ 1.65	\$ 2,305	\$ 230,550	\$ (580,876)	(252.0)%
TOTAL NON-ROUTINE IMPROVEMENTS		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 811,426	\$ 1.65	\$ 2,305	\$ 230,550	\$ (580,876)	(252.0)%
8500-0250	Site Improvements	22,475	22,475	22,475	22,475	22,475	22,475	22,475	22,475	22,475	22,475	22,475	22,475	\$ 269,700	\$ 0.55	\$ 766	\$ 218,193	\$ (51,507)	(23.6)%
8500-0760	Landscaping	-	-	-	-	-	-	-	50,000	-	-	-	-	\$ 50,000	\$ 0.10	\$ 142	\$ 0	\$ (50,000)	0.0%
8500-0930	Painting & Staining	-	-	-	-	-	-	-	-	-	-	-	742,000	\$ 742,000	\$ 1.51	\$ 2,108	\$ 0	\$ (742,000)	0.0%
TOTAL NON-ROUTINE CAPITAL EXPENDITURES		\$ 22,475	\$ 22,475	\$ 22,475	\$ 22,475	\$ 22,475	\$ 22,475	\$ 22,475	\$ 72,475	\$ 22,475	\$ 22,475	\$ 22,475	\$ 22,475	\$ 764,475	\$ 2.17	\$ 3,016	\$ 218,193	\$ (843,507)	(386.6)%
TOTAL NON-OPERATING EXP		\$ 294,708	\$ 294,708	\$ 294,708	\$ 294,708	\$ 294,708	\$ 294,708	\$ 294,708	\$ 344,708	\$ 294,708	\$ 294,708	\$ 294,708	\$ 1,848,134	\$ 5,139,916	\$ 10.48	\$ 14,602	\$ 3,715,533	\$ (1,424,383)	(38.3)%
TOTAL NET INCOME		\$ 129,132	\$ 117,589	\$ 147,280	\$ 147,504	\$ 143,581	\$ 104,116	\$ 155,530	\$ 102,731	\$ 164,686	\$ 163,339	\$ 166,941	\$ (1,378,041)	\$ 164,387	\$ 0.34	\$ 467	\$ 1,440,206	\$ (1,275,819)	(88.6)%

	Attachment F	
CAPITAL EXPENDITURES - 2021/2022 Preston Park Budget		
PRESTON PARK - REVISED PHYSICAL NEEDS ASSESSMENT (5 Year Look Forward - Alliance Residential Recommendation)		
Project	Detail	2021-2022
Roof	Repair/*Replacement	\$ -
Exterior Paint	*Full Paint	\$ 600,000
Exterior Unit Doors	Replacement	\$ -
Building Exterior	Dryrot Repairs	\$ 100,000
Lighting	Replacements and Additions	\$ -
Resident Business Center	FF&E	\$ 50,000
Landscape/ Irrigation	*Replacement / Upgrades	\$ -
Leasing Office / Signage	Upgrades: Wheelchair Access	\$ -
Parking	Parking/Island Expension	\$ 765,496
Playgrounds	Replacement/Upgrades	\$ -
New Office Computers	Replace existing old computers	\$ -
Maintenance Trucks		\$ -
Seal Coat Streets	*Seal Coat Streets	\$ -
Applicable Construction Management Expenses	Miscellaneous (see * items)	\$ 87,930
Dishwasher	Replacement (assume 10 year life). Represents 24 units	\$ 8,400
Refrigerators	Replacement (assume 15 year life). Represents 24 units	\$ 15,600
Stove/Rangehoods	Replacement (assume 15 year life). Represents 24 units	\$ 12,600
Garbage Disposal	Replacement (assume 10 year life). Represents 12 units	\$ 1,200
Hot Water Heaters	Replacement (assume 15 year life). Represents 24 units	\$ 14,400
Carpet	Replacement (assume 10 year life). Represents 36 units.	\$ 129,400
Vinyl	Replacement (assume 10 year life). Represents 36 units.	\$ 71,100
HVAC Furnace	Replacement (assume 15 year life). Represents 4 units.	\$ 17,000
Capitla Expenses		\$ 1,873,126

Attachment F							
CAPITAL EXPENDITURES - 2019/2020 Preston Park Budget							
PRESTON PARK - REVISED PHYSICAL NEEDS ASSESSMENT (5 Year Look Forward - Greystar Recommendation)						Updated: 4/1/2021	
Project	Detail	Committed/C ompleted 2020-2021	2021 - 2022	2022 - 2023	2023-2024	2024-2025	2025-2026
Projected Replacement Reserve Fund Balance		\$ 800,000	\$ 1,241,921	\$ 259,459	\$ 327,183	\$ 874,907	\$ 1,562,631
Projected Replacement Reserve Fund Contribution		\$ 890,664	\$ 890,664	\$ 890,664	\$ 890,664	\$ 890,664	\$ 890,664
Roof	Repair/*Replacement						
Exterior Paint	*Full Paint		\$ 600,000	\$ 600,000			
Exterior Unit Doors	Replacement						
Building Exterior	Dry rot Repairs	\$ -	\$ 100,000				
Lighting	Replacement and Additions	\$ -	\$ 50,000				
Resident Business Center	FF&E		\$ -	\$ 25,000			
Landscape/ Irrigation	*Replacement / Upgrades	\$ -	\$ -				
Leasing Office / Signage	Upgrades: Wheelchair Access	\$ -					
Parking Expansion	Additional Parking Spaces		\$ 765,496				
Playgrounds	Replacement/Upgrades						
Duct Cleaning	Cleaning/Repairing Heater vents	\$ -			\$ 145,000		
New Office Computers	Replace existing old computers		\$ -			\$ 5,000	
Maintenance Vehicles	Needed for hauling etc...						
Seal Coat Streets	* Seal Coat Streets (estimated completion date in this FY: 5/15/2021)	\$ 217,500					
Applicable Construction Management Expenses	Miscellaneous (see * items)	\$ 13,050	\$ 87,930				
Dishwasher	Replacement (assume 10 year life). Represents 24 units	\$ 7,542	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400	\$ 8,400
Refrigerators	Replacement (assume 15 year life). Represents 24 units	\$ 13,295	\$ 15,600	\$ 15,600	\$ 15,600	\$ 15,600	\$ 15,600
Stove/Range hood	Replacement (assume 15 year life). Represents 24 units	\$ 9,850	\$ 12,600	\$ 13,440	\$ 13,440	\$ 13,440	\$ 13,440
Garbage Disposal	Replacement (assume 10 year life). Represents 12 units	\$ 860	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200
Hot Water Heaters	Replacement (assume 15 year life). Represents 24 units	\$ 14,300	\$ 14,400	\$ 16,800	\$ 16,800	\$ 16,800	\$ 16,800
Carpet	Replacement (assume 10 year life). Represents 36 units.	\$ 105,134	\$ 129,400	\$ 80,400	\$ 80,400	\$ 80,400	\$ 80,400
Vinyl	Replacement (assume 10 year life). Represents 36 units.	\$ 51,260	\$ 71,100	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000
HVAC Furnace	Replacement (assume 15 year life). Represents 4 units.	\$ 15,952	\$ 17,000	\$ 17,100	\$ 17,100	\$ 17,100	\$ 17,100
Capital Expenses - uninflated (included as Capital Assets in the Standard Budget)		\$ (448,743)	\$ (1,873,126)	\$ (822,940)	\$ (342,940)	\$ (202,940)	\$ (197,940)
Ending Replacement Reserve Fund Balance - uninflated		\$ 1,241,921	\$ 259,459	\$ 327,183	\$ 874,907	\$ 1,562,631	\$ 2,255,355

Attachment G Preston Park Cash Allocations

Preston Park Cash Balances, 3/23/21			
Accounts	Actual Bank Balance	Suggested Allocation	Estimated Allocation at Year End from Proposed Budget
Operating	\$142,492	\$142,492	\$142,492
Security Deposit	\$565,317	\$565,317	\$565,317
Bridgebank Reserve	\$6,402,409	Capital Reserve	Capital Reserve
		\$1,241,821	\$259,459
		Bridgebank Loan Reserve	Bridgebank Loan Reserve
		\$5,160,588	\$6,307,337
Total	\$7,110,218	\$7,110,218	\$7,274,605

\$6,402,409

Preston Park has a net income of roughly \$5,100,000 per year reflecting average income and operating expenses. Both operating income and expenses increase 2-3% per year.

\$1,750,000 is distributed annually to the City of Marina from the Operating account.

\$1,516,790 is spent annually for debt service.

As a result, Preston Park sweeps around \$1.83M per year from Operating to the Bridgebank Reserve. Quarterly sweeps occur when the operations account gets above \$200,000.

\$5,100,000

-\$1,750,000

-\$1,516,790

\$1,833,210

-\$890,664

\$942,546

Swept to Bridgebank Reserve account annually from Operations

Amount left each year for Bridgebank Loan Reserves

If \$1,241,821 is allocated from the existing Bridgebank Reserve fund of \$6,402,409 for Capital projects, it will be enough to support projects forecasted in the next 30 years as \$890,664 is allocated for Capital projects annually.

Approximately \$942K will be available each year for the Bridgebank Loan Reserves. The \$890,664 allocation for Capital projects can be decreased as well in future years which would increase the annual contribution to the Bridgebank Loan Reserves.

Approximate numbers based on past year averages

FY	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Bridgebank Loan Reserve	\$5,160,558	\$6,307,377	\$7,249,923	\$8,192,469	\$9,135,015
NOI	\$2,037,483	\$1,833,210	\$1,833,210	\$1,833,210	\$1,833,210
Capital Expense	-\$890,664	-\$890,664	-\$890,664	-\$890,664	-\$890,664
Ending Bridgebank Loan Reserve	\$6,307,377	\$7,249,923	\$8,192,469	\$9,135,015	\$10,077,561

June 29, 2021

Item No. **4b**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of July 13, 2021

Chair and Board Members of
Preston Park Sustainable Community Non-Profit Corporation

Corporation Board Meeting
of July 13, 2021

**CITY COUNCIL AND PRESTON PARK SUSTAINABLE COMMUNITY
NON-PROFIT CORPORATION BOARD CONSIDER ADOPTING
RESOLUTION NO. 2021-, AND 2021- (PPSC-NPC), APPROVING
PRESTON PARK HOUSING AREA BUDGET FOR FY 2021-22 AND
AUTHORIZING FINANCE DIRECTOR TO MAKE APPROPRIATE
ACCOUNTING AND BUDGETARY ENTRIES**

REQUEST:

It is requested that the City Council and Corporation Board consider:

1. Adopting Resolution No. 2021- and Resolution No. 2021- (PPSC-NPC), approving the Preston Park Sustainable Community Non-Profit Corporation Preston Park Housing Area Budget for FY 2021-22; and
2. Authorizing Finance Director to make appropriate accounting and budgetary entries.

BACKGROUND:

The City of Marina purchased the 354-apartment unit community of Preston Park in 2016. Greystar Residential has been retained to provide property management services.

City staff, Greystar staff, and Tenant's Association representatives have met to review and discuss the preparation of the Preston Park Sustainable Community Non-Profit Corporation Preston Park Housing Area Budget for FY 2021-22.

ANALYSIS:

The budget package provided for the City Council's consideration includes:

- Greystar Preston Park FY 2021/2022 Proposed Budget Memo
- Attachment A Preston Park Income
- Attachment B Market Survey
- Attachment C BMR Rent Calculation Documentation
- Attachment D Preston Park Expenses
- Attachment E Preston Park Standard Budget
- Attachment F Preston Park Capital Budget Projections 2021-2022
- Attachment G Preston Park Cash Allocations

Information in each of the sections below is intended to highlight each of these pieces of the budget package. Please refer to the attachments themselves for greater details.

Greystar Preston Park FY 2021/2022 Proposed Budget Memo

This document provides larger capital project accomplishments for the year, summary of revenue/rents, summary of expenses and capital budget spending.

Attachment A Preston Park Income

Summarizes the performance of the current year revenues and projects revenues for 2021/2022 budget year. Revenue for FY 2020-2021 revenue is projected to end \$27,123 over budget. The additional revenue is a result of rent increases and turnover of units to market rate. Net revenue for FY 2020-2021 actual is estimated to close \$37,519 over budget. FY 2020-2021 budget revenue totals \$7,211,713. This is a \$210,676 increase over FY 2020-2021 FY budget, primarily due to turnover of units to market rate.

In 2010, the City Council adopted a rent formula. As a matter of practice, this Council Policy has been further clarified for In Place, market-rate residents. In Place, market-rate residents (residents who are not on a Below Market Rate program), rent may increase by the lesser of CPI-U for SF/OAK/SJ for February over February annually or 3% but no more than the average of the Monterey County Housing Authority Payment Standard and the HUD Fair Market Rent (FMR) documentation schedule, reduced by an average household amount for Water/Meter, Sewer and Garbage costs in the former Fort Ord community as an equivalent rent. If an individual's current equivalent rent exceeds the averaged FMR, then no increase will be assessed. If an individual's equivalent rent is less than the averaged FMR but exceeds it after the allowable increase is added, then the alternative increase will only be sufficient to meet the averaged FMR.

Attachment B Market Survey

Current market survey for 5 similar apartment communities in Marina, plus a "shadow market" or non-apartment complex comparable units. This survey is used to determine the rents for new market rate move-in tenants. The survey is updated throughout the year to reflect the most recent market rents of the comparable apartment homes in Marina.

Attachment C BMR Rent Calculation Documentation

Current year BMR rent calculations included in the proposed Alliance budget memo for the current 20-Very Low-Income qualifying units and 30-Low Income qualifying units.

Attachment D Preston Park Expenses

Summary of all operating expenses. FY 2020-2021 is estimated to close with \$10,396 in expenses less than budgeted. Proposed FY 2021-2022 operating expenses total \$1,907,410. This is a \$24,593 increase over FY 2020-2021 FY budget, primarily due to increased insurance and maintenance expenses including trip hazard removal, gutter cleaning, annual inspection supplies, a roof preventive maintenance inspection, tree trimming, irrigation replacements and unforeseen maintenance events.

Attachment E Preston Park Standard Budget

This document contains a summary sheet supported by the detailed budget line items. The summary sheet combines the Revenue and Operating Expenses described in the Attachments above, and adds accounting for the debt service of \$1,516,790, the City's distribution of \$1,750,000 and the Replacement Reserve (capital project set-aside) of \$890,664.

Attachment F Preston Park Capital Budget Projections

A five-year projection of capital projects. This sheet also provides accounting for the Capital Reserve. The beginning balance of the Capital Reserve set aside funds is \$1,241,921. The capital expenditures for FY 2021-2022 equal \$1,873,126 with the largest expenditure being a parking expansion project. Each year there is a \$890,664 set-aside contribution (Replacement Reserve) in the budget. The final Capital Reserve set aside funds for FY 2020-2021 equal \$295,459.

Attachment G Preston Park Cash Allocations

This attachment is an accounting of all cash on hand and how it is allocated for the Preston Park bank accounts. Demonstrated are the actual bank balances for each of the three bank accounts that are maintained by Preston Park. The operating account is a checking account and used to pay ongoing operating expenses. The Security Deposit account is a trust account where security deposits are held. The final account is a savings account for the property's reserves. This account handles the reserves for capital expenses and reserves to debt retirement. Excess cash in the Operating account is annual swept into the debt retirement portion of the reserve account where they are dedicated towards buying down the debt. The reserve account currently \$1,241,921 for capital expenses and \$5,160,588 in debt retirement reserves. To fund the \$1,873,126 in capital expenses this year, the Capital Reserve is being drawn down by \$982,462 to result in an ending balance of \$259,459. The Loan Reserve is increasing \$1,146,749 from net revenues next fiscal year to end with a balance of \$6,307,337. The table below demonstrates the account balances.

Preston Park Cash Balances, 3/23/21

Accounts	Actual Bank Balance	Suggested Allocation	Estimated Allocation at Year End from Proposed Budget
Operating	\$142,492	\$142,492	\$142,492
Security Deposit	\$565,317	\$565,317	\$565,317
Bridgebank Reserve	\$6,402,409	<u>Capital Reserve</u> \$1,241,821 <u>Bridgebank Loan Reserve</u> \$5,160,588	<u>Capital Reserve</u> \$259,459 <u>Bridgebank Loan Reserve</u> \$6,307,337
Total	\$7,110,218	\$7,110,218	\$7,274,605

The table below is provided to demonstrate the project Loan Reserve. In 5-years the City will be looking to refinance the \$36 million loan for the property. The projected loan balance of \$10 million in 2025/2026 exceeds the funds that will be necessary to buy down the loan and qualify for a conventional loan.

Approximate numbers based on past year averages

FY	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Bridgebank Loan Reserve	\$5,160,558	\$6,307,377	\$7,249,923	\$8,192,469	\$9,135,015
NOI	\$2,037,483	\$1,833,210	\$1,833,210	\$1,833,210	\$1,833,210
Capital Expense	-\$890,664	-\$890,664	-\$890,664	-\$890,664	-\$890,664
Ending Bridgebank Loan Reserve	\$6,307,377	\$7,249,923	\$8,192,469	\$9,135,015	\$10,077,561

FISCAL IMPACT:

Should the City Council and Corporation Board elect to approve this request for the FY 2020-2021 Budget, the owner distribution as proposed will be \$1,750,000. This owner distribution is does not need to pay the Preston Park's debt service as these expenses are paid form the property Budget.

CONCLUSION:

This request is submitted for City Council and PPSC-NPC Corporation Board consideration and possible action.

Respectfully submitted,

Matt Mogensen
Assistant City Manager
City of Marina

REVIEWED/CONCUR:

Layne P. Long
City Manager
City of Marina