RESOLUTION NO. 2022-102
RESOLUTION NO. 2022-01 (NPC)

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA AND THE ABRAMS B NON-PROFIT CORPORATION APPROVING ABRAMS B HOUSING AREA BUDGET FOR FY 2022-2023 AND AUTHORIZING FINANCE DIRECTOR TO MAKE APPROPRIATE ACCOUNTING AND BUDGETARY ENTRIES

WHEREAS, Alliance Residential Company ("Alliance"), now Greystar Real Estate Partners, as the management agent of Abrams B Housing Area, has submitted a draft FY 2022-2023 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 Abrams B Non-Profit Corporation; and

WHEREAS, Alliance submitted a budget letter describing highlights of the proposed Abrams Park Housing Area FY 2022-2023 Budget and accompanied by updated proposed budgets; and

WHEREAS, the rental revenues are used to provide funds for debt service payments on the Abrams 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 2022-2023 will be approximately $1,532,220. This owner distribution is used to pay the Abrams B Housing Area debt payment of $735,000 with the remainder of $420,000 being General Fund proceeds. This funding is available for city staff support for Abrams 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 2022-2023; and

WHEREAS, the City Council of Marina and the Board of the Abrams B Non-Profit Corporation reviewed and considered the proposed budgets.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Marina and the
Corporation Board of the Abrams B Non-Profit Corporation do hereby:

1. Approve the Abrams Park Housing Area Budget for FY 2022-2023, and;
2. Authorize the Finance Director to make appropriate accounting and budgetary entries.

PASSED AND ADOPTED, by the City Council of the City of Marina and the Corporation Board of the Abrams B Non-Profit Corporation at a regular meeting duly held on the 3rd day of August 2022, by the following vote:

AYES: COUNCIL MEMBERS: Medina Dirksen, Burnett, Berkley, Biala, Delgado
NOES: COUNCIL MEMBERS: None
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

July 28, 2022

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

Re: Abrams Park FY 2022/2023 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 in Abrams Park:

1) **Building Upgrades:** Lighting improvements were completed throughout the property. Mailboxes will be replaced throughout the property in July.
2) **Landscaping/Asphalt Repairs:** The annual tree trimming, fire clearance and common area clearance projects are currently underway and was completed in June. The asphalt was also repaired Ingman Court. Trip hazard mitigation will be completed in July. Irrigation repairs were made routinely throughout the property as well. Lastly, gopher abatement process is underway with a monthly service. Roof preventative maintenance will be completed in July.
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 Abrams 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 a source of housing that is essential to the general populace of Marina.

Revenue

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.

The City Council of the City of Marina and the Corporation Board of the Abrams B Non-Profit Corporation adopted rent formulas at a regular meeting held on the 2nd of June 2010. The formula states 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, 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 3% 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 3% increase in Total Income ($32,203.80). Per the Marina City Council 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	$1,800 - $1,950
Remodeled – Two BR	$2,350
Four Bedroom	$2,570 - $2,700
Remodeled – Four BR	$2,800 - $3,150

* Note: Four 2-Bedroom homes and eight 4-Bedroom homes 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 December 2020 are as follows:

Unit Bedroom Size	**Fair Market Rent**	**Utility Allowance**	**Adjusted Rental Amount**
Two Bedroom	$2,056.00	$157.02	$1,898.98
Four Bedroom	$3,220.50	$157.02	$3,063.48

A number of in-place market renters in Abrams Park homes are leasing below the averaged Fair Market Rent. The Fair Market Rates above include allowance for some utilities, which are currently paid directly by Abrams Park residents in addition to their monthly rental amount. The two-bedroom average in-place market rent at Abrams Park is $1,564.00 (effectively $1,721), while the average four-bedroom units at Abrams Park rent at $2,206.00 (effectively $2,363).

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 2022. A rental increase is proposed per calculations using published information from the County of Monterey and Housing Authority**.**

Maximum Household Income Limits for 2022 as published in April 2022.

Income Category	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person	Nine Person
50%Very Low	$45,500	$51,200	$56,850	$61,400	$65,950	$70,500	$75,050	$79,590
60% Low/Lower	$54,600	$61,440	$68,220	$73,680	$79,140	$90,060	$90,060	$95,512
80% Low	$72,800	$81,900	$91,000	$98,300	$105,600	$112,850	$120,150	$127,400

Projected Revenue and Expenses in FY 21/22

FY 22/23 budget includes $3,727,758 in Total Revenue vs. FY 21/22 forecast of $3,680,031. Further, FY 22/23 budget includes $1,221,259 in Total Operating Expenses vs. FY 21/22 forecast of $1,140,345 resulting in a $80,914 unfavorable variance.

Expenses

Expenses as outlined in **Attachment D** include Operating Expense projections and relevant changes from the FY 2022/23 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 2021/22 are 7.1% higher than the Estimated Actuals for FY 2021/22. Greystar seeks to maximize cost savings, e.g., lower utilities expenses through installation of water/energy saving devices, while contending with cost increases.

Owner Distributions

The proposed budget repeats the previous years' Owner Distributions $1,532,220.

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) Asphalt repair, seal coat, Trip Hazards – $170,000
2) Parking Space Additions - $100,000
3) Gutter Cleaning - $10,000
4) Landscape Upgrades & Tree Trimming - $40,000
5) Lighting Additions - $78,000

Capital Reserve Fund
Adoption of the proposed budget will result in a contribution of $2,811 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: Sumer Perkins, Director of Real Estate Greystar

Attachments:

- A. FY 2022/23 Budget Revenue Summary
- C. BMR Rent Calculation Documentation
- D. FY 2021/22 Budget Highlights of Operating Expenses
- F. Capital Improvement Plan/Reserve Withholding

Abrams Park Budget Memo Attachment A - Revenue Summary

2022/2023 Budget – Targeted Increase

Revenue	**Approved Budget FY 2021/2022**	**Estimated Actuals FY 2021/2022**	**Proposed FY 2022/2023**		**Variance of Approved Budget From 2021/2022 Estimated Actuals**	**%**	**Comments**		**Variance of Proposed Budget from FY 2021/2022 Estimated Actuals**	**%**	**Comments**		**2021/2022 Proposed Budget vs. 2021/2022 Approved Budget**	**%**
GROSS MARKET POTENTIAL	$3,767,298	$3,688,811	$3,769,114	D	($78,487)	-2.1%	Decrease in Estimated Actual versus Approved Budget due to assuming increase in market rent in January 2022 that did not occur.	I	$80,303	2.2%	Increase in Proposed Budget to Estimated Actual due to proposed budget assuming Market Rent increase upon turnover and renwal at 1-3%.	I	$1,816	0.0%
TOTAL RENTAL INCOME (Gross Potential Rent minus vacancy, non-rev units, bad debt)	$3,658,850	$3,654,039	$3,704,163	D	($4,811)	-0.1%	Decrease in Estimated Actual versus Approved Budget due to assuming increase in market rent in January 2022 that did not occur ; Offset by significant savings in vacancy loss and non-revenue units.	I	$50,124	1.4%	Increase in Proposed Budget to Estimated Actual due to proposed budget assuming above increase in Market Rent offset by assumption of 98% vacancy at higher market rate versus forecast of 99% at current market rates; assumes increase in bad debt write-offs.	D	$45,313	1.2%
MISCELLANEOUS INCOME	$24,380	$25,991	$23,595	I	$1,611	6.6%	Decrease in Estimated Actual versus Approved Budget due to increase in late fees after COVID.	D	($2,396)	-9.2%	Decrease in Proposed Budget versus Estimated Actual due to interest income and one-time vendor rebate from 2021/2022.	D	($785)	-3.2%
TOTAL INCOME	**$3,683,230**	**$3,680,031**	**$3,727,758**	**D**	**($3,200)**	-0.1%	**Decrease due to not achieving Market Rents increase assumptions upon turnover.**	**I**	**$47,728**	1.3%	**Increase due to achieving Market Rents upon turnover and projected in place target rental increases of 1-3%.**	**I**	**$44,528**	**1.2%**
NET INCOME	**$2,445,740**	**$2,539,685**	**$2,506,499**	**I**	**$93,945**	3.8%	**Increase due to Total Income detailed above as well as Operating Expenses being 4.24% less than anticipated in FY 21/22.**	**D**	**($33,186)**	**-1.3%**	**Increase due achieving Market Rents upon turnover and projected in place target rental increases of 1-3%. Operating expenses offset NOI with a 7.1% increase in Operating Expenses detailed on Attachment D.**	**I**	**$60,759**	**2.5%**

I -- DESIGNATES INCREASE

D -- DESIGNATES DECREASE

ATTACHMENT B

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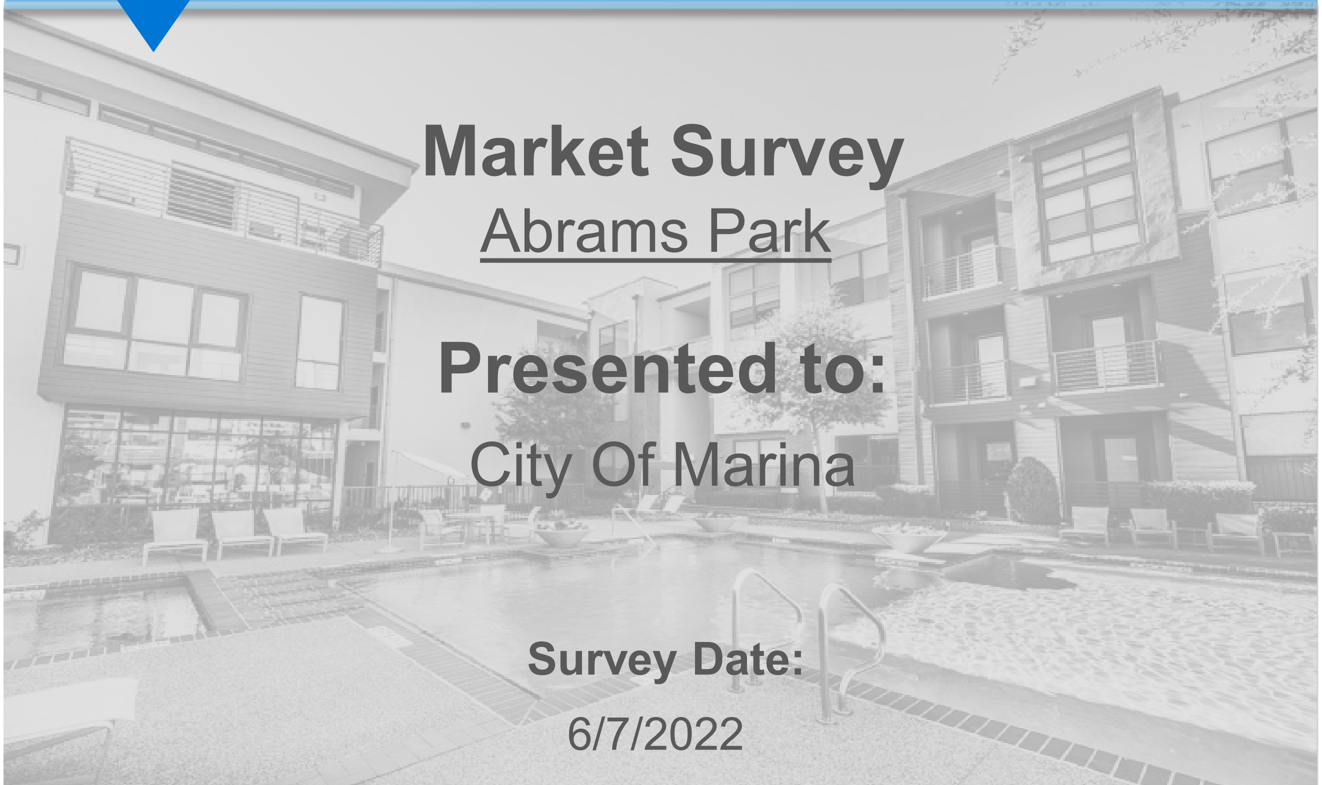

Market Survey

Abrams Park

Presented to:

City Of Marina

Survey Date:

6/7/2022

Properties Included in Survey:

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

V2.2

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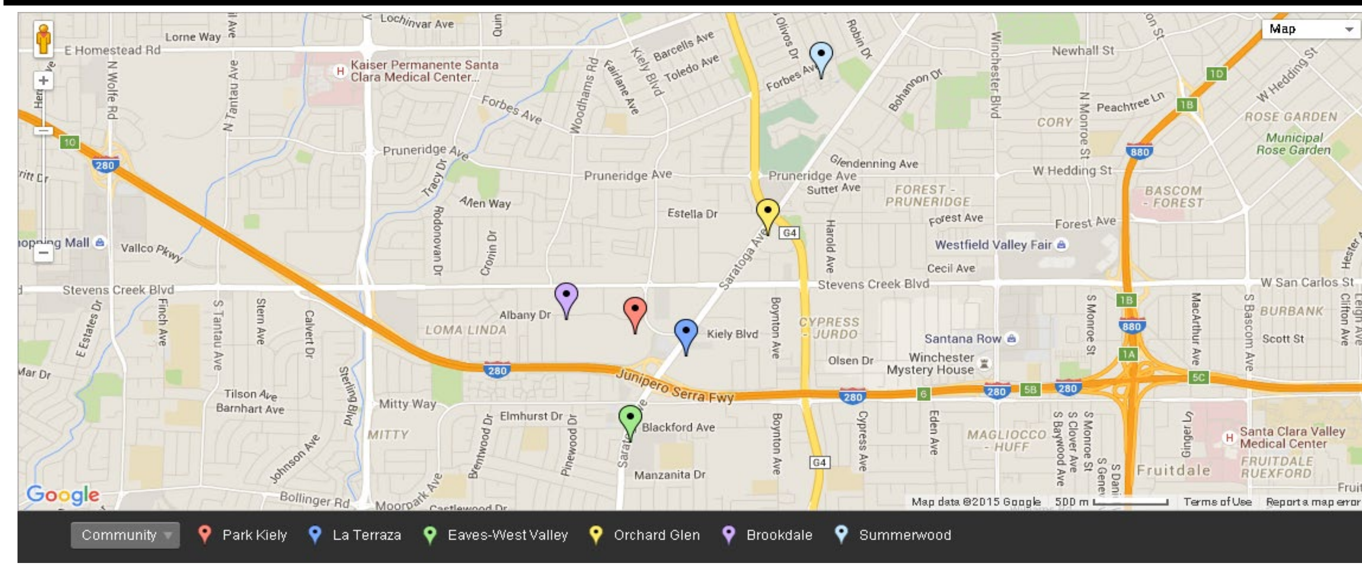
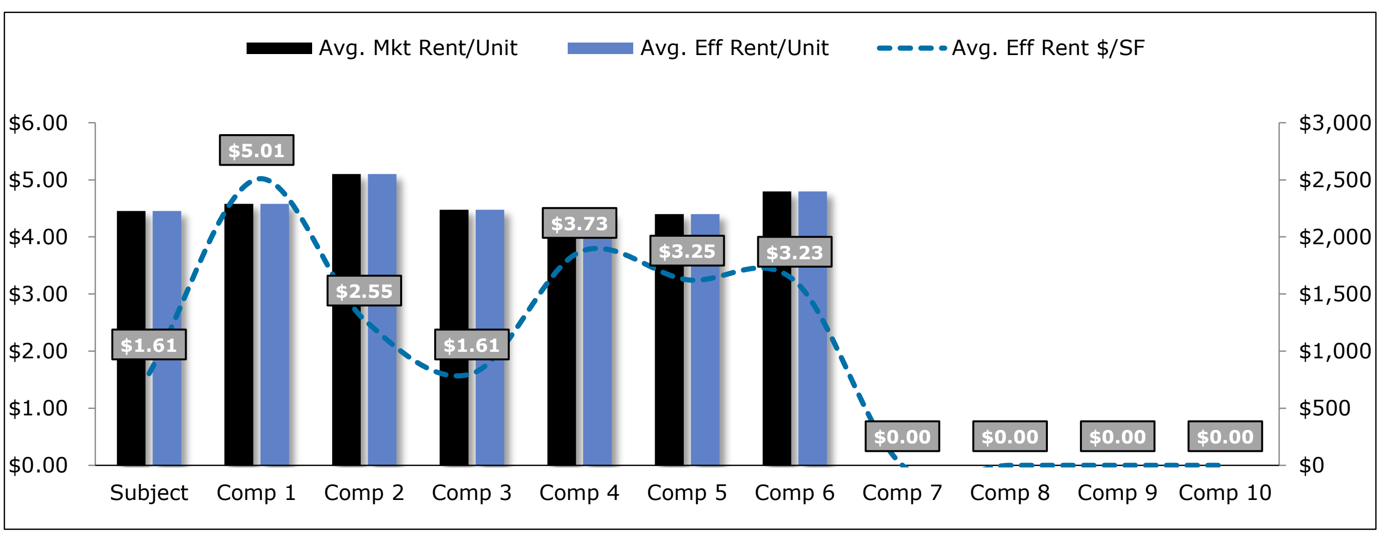
	Property Name	Year Built	# of units	% Occupied	Avg. Unit Size (SF)	Avg. Mkt Rent/Unit	Avg. Mkt Rent $/SF	Avg. Eff Rent/Unit	Avg. Eff Rent $/SF
Subject	Abrams Park	1978	194	9948%	1386	$2,227	$1.61	$2,227	$1.61
Comp 1	Shadow Market	1973	16	100%	457	$2,289	$5.01	$2,289	$5.01
Comp 2	Marina Square Apartments	1978	48	100%	1000	$2,550	$2.55	$2,550	$2.55
Comp 3	Preston Park	1987	354	99%	1393	$2,237	$1.61	$2,237	$1.61
Comp 4	Sunbay Suites	1989	266	90%	593	$2,215	$3.73	$2,215	$3.73
Comp 5	Marina Del Sol	1977	108	100%	677	$2,200	$3.25	$2,200	$3.25
Comp 6	Shoreline Apartments	1973	84	98%	742	$2,397	$3.23	$2,397	$3.23
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***	***1505%***	***1038***	***$2,254***	***$2.52***	***$2,254***	***$2.52***
Total/Avg. (Market less Subject)			***876***	***98%***	***961***	***$2,260***	***$2.72***	***$2,260***	***$2.72***

Marina I 0





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Property	Abrams Park	Shadow Market	Marina Square Apartments	Preston Park	Sunbay Suites	Marina Del Sol	Shoreline Apartments	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	194	16	48	354	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	1978	1973	1978	1987	1989	1977	1973				
DEPOSITS AND FEES											
Application Fee	$45	$0	$35	$45	$50	$35	$42	$0	$0	$0	$0
Deposit (Ref | Non-Ref)	rent I 1.5 rent	$0 I $0	$1 I $2400	$0 I $250	$250 I $250	$1000 I $0	$500 I $0	$0 I $0	$0 I $0	$0 I $0	$0 I $0
Admin or Redec Fee	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Pet Deposit | Pet Fee	no pets I $0	$0 I $0	$0 I $0	$250 I $0	$0 I $0	$500 I $0	$350 I $0	$0 I $0	$0 I $0	$0 I $0	$0 I $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 I $0	$0 I $0	N/A I N/A	N/A I N/A	N/A I N/A	N/A I N/A	N/A I N/A	$0 I $0	$0 I $0	$0 I $0	$0 I $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 I na	$0 I $0	N/A I N/A	N/A I N/A	N/A I N/A	N/A I N/A	N/A I N/A	$0 I $0	$0 I $0	$0 I $0	$0 I $0
PARKING AND STORAGE	(# I $)										
Covered Parking	I $0	I $0	I $0	I $0	1 I $0	1 I $0	1 I $0				
Garages (Attached)	1 I $0	I $0	I $0	1 I $0	I $0	I $0	I $0				
Garages (Detached)	I $0	I $0	1 I $0	I $0	I $0	I $0	I $0				
Other Parking	1 I $0	I $0	I $0	I $0	1 I $0	1 I $0	1 I $0				
Storage Rent	I $0	I $0	1 I $0	I $0	1 I $0	1 I $0	1 I $0				
Surface Parking	I $0	I $0	I $0	I $0	I $0	I $0	I $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											

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Property	Abrams Park	Shadow Market	Marina Square Apartments	Preston Park	Sunbay Suites	Marina Del Sol	Shoreline Apartments	7	8	9	10
KITCHEN											
Appliances - Black											
Appliances - Stainless/SS Look											
Appliances - White											
Countertops - Granite/Marble											
Dishwasher											
Disposal											
Kitchen Island											
Pantry											

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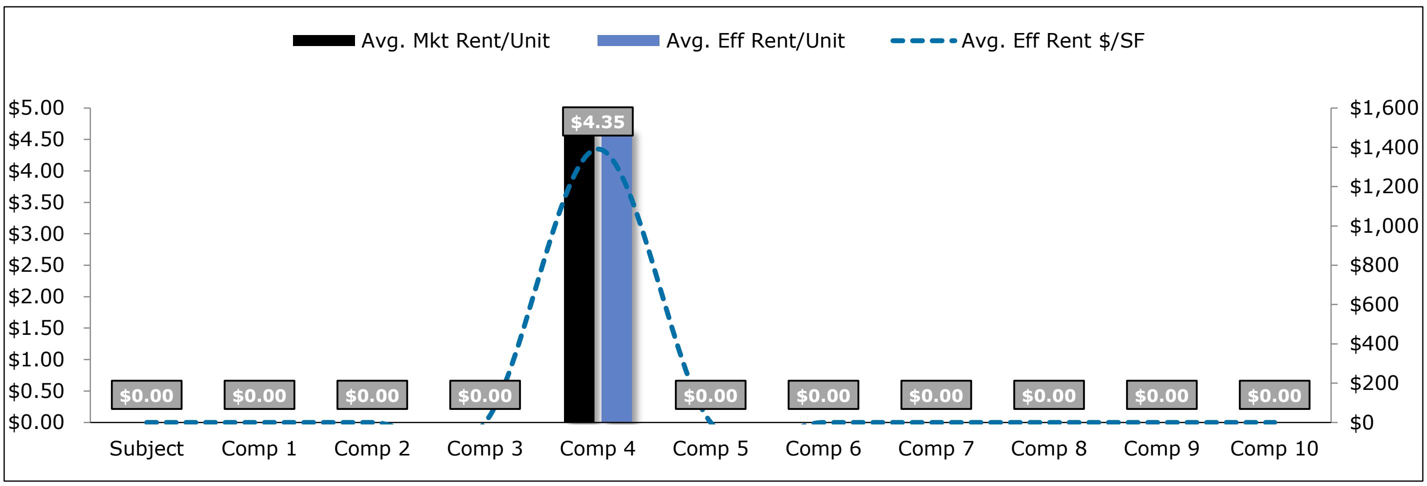
Standard Unit Types

	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	Abrams Park	1978	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	Preston Park	1987	0	0%	0	$0	$0.00	$0	$0.00
Comp 4	Sunbay Suites	1989	32	12%	345	$1,500	$4.35	$1,500	$4.35
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***	***$1,500***	***$4.35***	***$1,500***	***$4.35***
Total/Avg. (Market less Subject)			***32***	***12%***	***345***	***$1,500***	***$4.35***	***$1,500***	***$4.35***

Studio Analysis l 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	Abrams Park	1978	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	Preston Park	1987	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***

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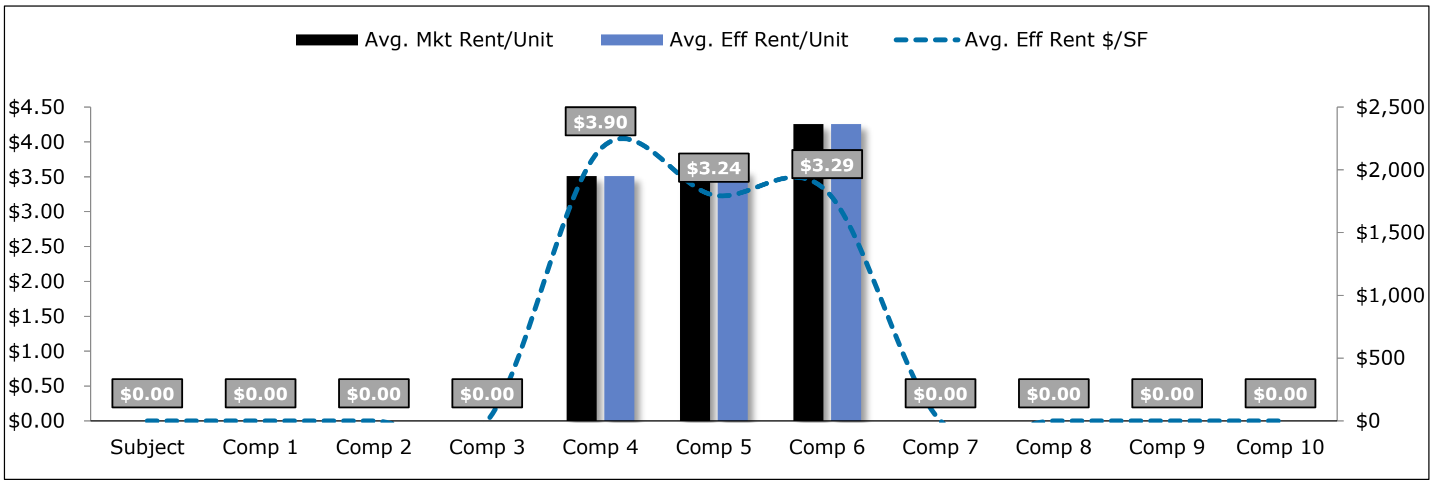
Standard Unit Types

	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	**Abrams Park**	**1978**	**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	Preston Park	1987	0	0%	0	$0	$0.00	$0	$0.00
Comp 4	Sunbay Suites	1989	64	24%	500	$1,950	$3.90	$1,950	$3.90
Comp 5	Marina Del Sol	1977	54	50%	618	$2,000	$3.24	$2,000	$3.24
Comp 6	Shoreline Apartments	1973	72	86%	720	$2,366	$3.29	$2,366	$3.29
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***	***$2,122***	***$3.48***	***$2,122***	***$3.48***
Total/Avg. (Market less Subject)			***190***	***53%***	***617***	***$2,122***	***$3.48***	***$2,122***	***$3.48***

One Bedroom Analysis l Standard



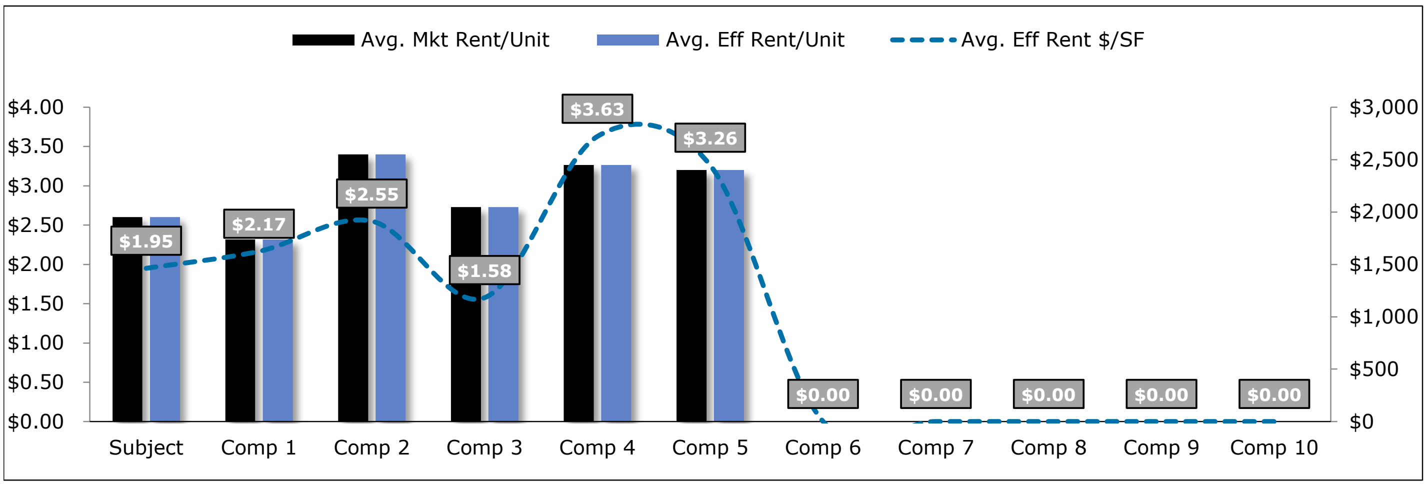
Renovated Unit Types

	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	**Abrams Park**	**1978**	**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	Preston Park	1987	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	**Abrams Park**	**1978**	**4**	**2%**	**1000**	**$1,950**	**$1.95**	**$1,950**	**$1.95**
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	$2,550	$2.55	$2,550	$2.55
Comp 3	Preston Park	1987	210	59%	1298	$2,046	$1.58	$2,046	$1.58
Comp 4	Sunbay Suites	1989	170	64%	675	$2,450	$3.63	$2,450	$3.63
Comp 5	Marina Del Sol	1977	54	50%	736	$2,400	$3.26	$2,400	$3.26
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***	***55%***	***983***	***$2,266***	***$2.57***	***$2,266***	***$2.57***
Total/Avg. (Market less Subject)			***491***	***66%***	***983***	***$2,268***	***$2.58***	***$2,268***	***$2.58***

Two Bedroom Analysis l 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	**Abrams Park**	**1978**	**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	Preston Park	1987	19	5%	1261	$2,283	$1.81	$2,283	$1.81
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	$2,583	$2.95	$2,583	$2.95
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***	***10%***	***1111***	***$2,399***	***$2.25***	***$2,399***	***$2.25***
Total/Avg. (Market less Subject)			***31***	***10%***	***1111***	***$2,399***	***$2.25***	***$2,399***	***$2.25***

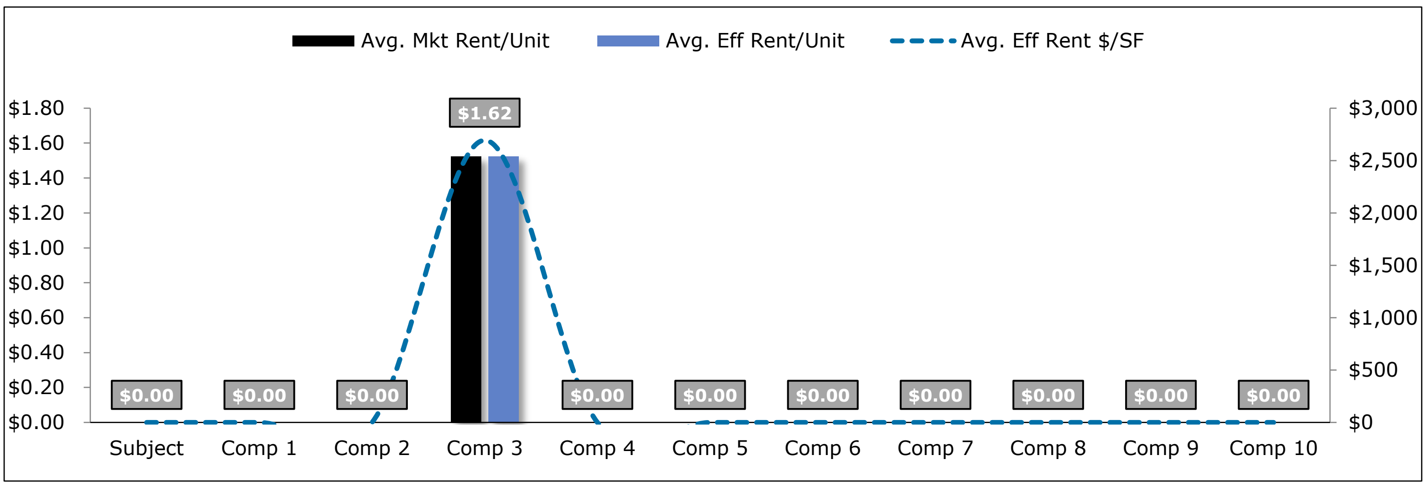
ATTACHMENT B

GREYSTAR: THE GLOBAL LEADER IN RENTAL HOUSING™

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	**Abrams Park**	**1978**	**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	Preston Park	1987	120	34%	1572	$2,541	$1.62	$2,541	$1.62
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***	***$2,541***	***$1.62***	***$2,541***	***$1.62***
Total/Avg. (Market less Subject)			***120***	***34%***	***1572***	***$2,541***	***$1.62***	***$2,541***	***$1.62***

Three Bedroom Analysis l 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	**Abrams Park**	**1978**	**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	Preston Park	1987	5	1%	1572	$2,836	$1.80	$2,836	$1.80
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***	***$2,836***	***$1.80***	***$2,836***	***$1.80***
Total/Avg. (Market less Subject)			***5***	***1%***	***1572***	***$2,836***	***$1.80***	***$2,836***	***$1.80***

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ATTACHMENT B

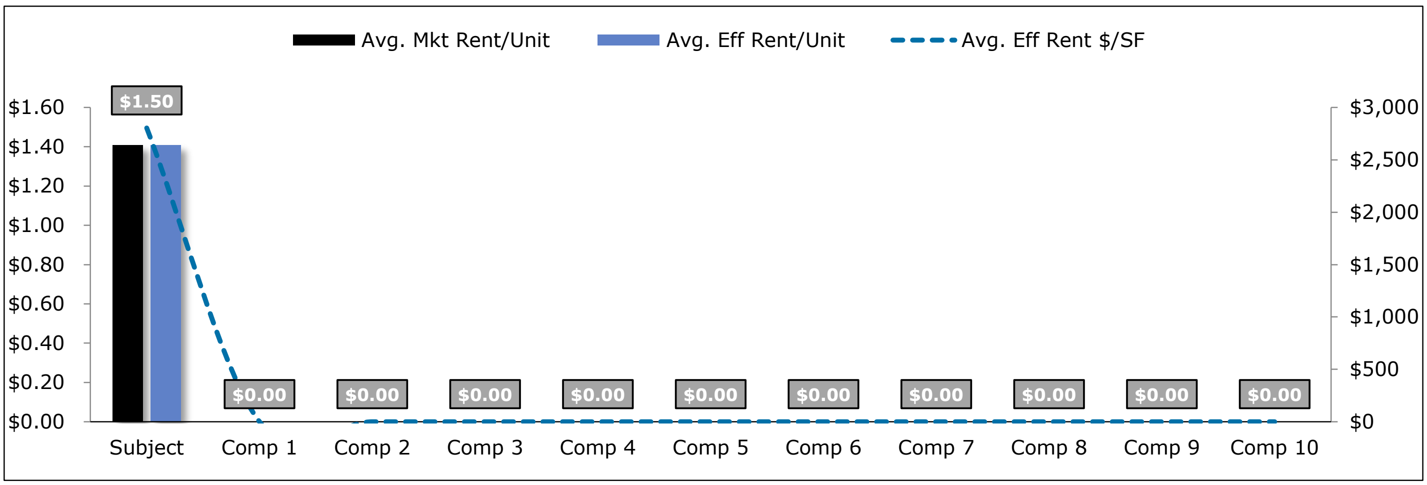
GREYSTAR™

GREYSTAR: THE GLOBAL LEADER IN RENTAL HOUSING™

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	**Abrams Park**	**1978**	**88**	**45%**	**1765**	**$2,639**	**$1.50**	**$2,639**	**$1.50**
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	Preston Park	1987	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)			***88***	***45%***	***1765***	***$2,639***	***$1.50***	***$2,639***	***$1.50***
Total/Avg. (Market less Subject)			***0***	***0%***	***0***	***$0***	***$0.00***	***$0***	***$0.00***

Four Bedroom Analysis l 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	**Abrams Park**	**1978**	**10**	**5%**	**1760**	**$2,644**	**$1.50**	**$2,644**	**$1.50**
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	Preston Park	1987	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)			***10***	***5%***	***1760***	***$2,644***	***$1.50***	***$2,644***	***$1.50***
Total/Avg. (Market less Subject)			***0***	***0%***	***0***	***$0***	***$0.00***	***$0***	***$0.00***

ATTACHMENT C

Calculation of Affordable Units FY 22/3 Rent Levels

Used for 2BD

Used for 3 BD (4.5 Persons)

Used for 4 BD

(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 22-23*

[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"

Abrams Park Budget Memo Attachment D - Highlights of Operating Expenses

ATTACHMENT D

Operating Expenses	Approved Budget FY 2021/2022	Estimated Actuals FY 2021/2022	Proposed FY 2022/2023		Variance of Approved Budget From FY 2021/2022 Estimated Actuals	%	Comments		Variance of Proposed Budget from FY FY 2021/2022 Estimated Actuals	%	Comments		2022/2023 Proposed Budget vs. FY 2021/2022 Approved Budget	%
PAYROLL	$405,851	$382,587	$427,297	D	$23,264	5.7%	Decrease in Estimated Budget over Approved Budget due to open positions during FY.	I	($44,711)	-11.7%	Increase in Proposed Budget over Estimated Budget due to open positions in 2021/2022 FY; assumes annual merit increase of 3% and increase in tax and benefit costs.	I	($21,446)	-5.3%
CONTRACT SERVICES	$61,626	$51,835	$79,526	D	$9,791	15.9%	Decrease in Estimated Budget over Approved Budget due to savings in Landscape and General Maintenance Contract.	I	($27,691)	-53.4%	Increase in Proposed Budget over Estimated Budget due to addition of nightly courtesy patrol in new budget year, plus 10% increase in Pest Control and Landscape contracts.	I	($17,900)	-29.0%
UTILITIES	$154,404	$107,393	$118,944	D	$47,011	30.4%	Decrease based on actuals.	I	($11,551)	-10.8%	2022/2023 budget based upon 2021/2022 actuals with an a 10% increase in rates.	D	$35,460	23.0%
REDECORATING	$90,513	$84,026	$81,720	D	$6,487	7.2%	Decrease in Estimated Budget over Approved Budget due to reduced turnover.	D	$2,306	2.7%	Tracking YOY, budget assumes slight increase in turnover YOY.	D	$8,793	9.7%
MAINTENANCE	$74,532	$81,726	$89,650	I	($7,194)	-9.7%	Increase in Estimated Budget over Approved Budget due to increased in cleaning supplies, misc. repairs and supplies budgeted in Contracts under General Maintenance.	I	($7,924)	-9.7%	Increase in Proposed Budget over Estimated Budget due inflation.	I	($15,118)	-20.3%
MARKETING	$3,735	$4,191	$3,184	I	($456)	-12.2%	Tracking from Estimated Budget over Approved Budget	D	$1,007	24.0%	Tracking YOY with slight decrease.	D	$551	14.8%
ADMINISTRATIVE	$79,040	$71,524	$69,852	D	$7,516	9.5%	Tracking from Estimated Budget over Approved Budget	D	$1,672	2.3%	Decrease in Proposed Budget over Estimated Budget due to reducing costs in multiple GL's.	D	$9,188	11.6%
INSURANCE & TAXES	$275,709	$260,311	$257,892	D	$15,399	5.6%	Reflects higher rates than anticipated.	D	$2,419	0.9%	Increase due to anticipated tax increase and insurance premium.	D	$17,817	0.0%
NON-ROUTINE MAINTENANCE	$129,150	$108,909	$240,528	D	$20,241	15.7%		I	($131,619)	-120.9%	FY 22/23 budget includes trip hazard removal, gutter cleaning, annual inspection supplies, a roof preventive maintenance inspection, tree trimming, irrigation replacements and unforeseen maintenance events.	I	($111,378)	-86.2%
MANAGEMENT FEES	$92,081	$96,754	$93,194	I	($4,674)	-5.1%	Increase from Estimated Budget over Approved Budget due to increase in income.	D	$3,560	3.7%	Increase due to increase in Total Income.	I	($1,113)	-1.2%
TOTAL OPERATING EXPENSES	**$1,366,640**	**$1,249,255**	**$1,461,787**	**D**	**$117,385**	8.6%	**Decrease due to expense category increases detailed above.**	**I**	**($212,532)**	-17.0%	**Increase due to expense category increases detailed above.**	**I**	**($95,147)**	**-7.0%**

I -- DESIGNATES INCREASE
D -- DESIGNATES DECREASE

GREYSTAR™ FORESIGHT2020 aabrpar (Abrams Park)
Summary Report

	Reforecast Year		Budget Year		
	Reforecast	Original Budget	Budget Year	Budget vs Reforecast Var $	Var %
Potential Rent	3,688,811	3,767,298	3,769,114	80,303	2.2%
Net Potential Rent	3,688,426	3,767,298	3,769,114	80,689	2.2%
Vacancy Loss	(19,377)	(66,372)	(38,857)	(19,480)	(100.5)%
Non Revenue Units	(12,878)	(35,826)	(19,842)	(6,964)	(54.1)%
Bad Debt	(2,131)	(6,250)	(6,252)	(4,121)	(193.4)%
Total Rental Income-Residential	**$ 3,654,039**	**$ 3,658,850**	**$ 3,704,163**	**$ 50,124**	**1.4%**
Other Income-Residential	25,991	24,380	23,595	(2,396)	(9.2)%
Total Income	**$ 3,680,031**	**$ 3,683,230**	**$ 3,727,758**	**$ 47,728**	**1.3%**
EXPENSES					
Payroll & Benefits	382,587	405,851	427,297	(44,711)	(11.7)%
Repairs & Maintenance	81,726	74,532	89,650	(7,924)	(9.7)%
Make-Ready / Redecorating	84,026	90,513	81,720	2,306	2.7%
Contract Services	51,835	61,626	79,526	(27,691)	(53.4)%
Advertising / Marketing / Promotions	4,191	3,735	3,184	1,007	24.0%
Office Expenses	38,038	36,734	35,230	2,807	7.4%
Other General & Administrative	33,486	42,306	34,622	(1,136)	(3.4)%
Utilities	107,393	154,404	118,944	(11,551)	(10.8)%
Controllable Expenses	**$ 783,280**	**$ 869,700**	**$ 870,173**	**$ (86,893)**	**(11.1)%**
Management Fees	96,754	92,081	93,194	3,560	3.7%
Taxes	50,927	56,592	50,928	(1)	(0.0)%
Insurance	209,384	219,117	206,964	2,420	1.2%
Non-Controllable Expenses	**$ 357,065**	**$ 367,790**	**$ 351,086**	**$ 5,979**	**1.7%**
Total Operating Expenses	**$ 1,140,345**	**$ 1,237,490**	**$ 1,221,259**	**$ (80,914)**	**(7.1)%**
Total Operating / Non Recoverable Expenses	**$ 1,140,345**	**$ 1,237,490**	**$ 1,221,259**	**$ (80,914)**	**(7.1)%**
Net Operating Income	**$ 2,539,685**	**$ 2,445,740**	**$ 2,506,499**	**$ (33,186)**	**(1.3)%**
Routine Replacement Expense	108,909	129,150	240,528	(131,619)	(120.9)%
Capital / Renovation Expense	243,047	-	431,680	(188,633)	(77.6)%
NOI After Replacements	**$ 2,187,729**	**$ 2,316,590**	**$ 1,834,291**	**$ (353,438)**	**(16.2)%**
Partnership / Owner Expenses	(737)	-	-	(737)	(100.0)%
Total Non-Operating Expense	**$ (737)**	**$ 0**	**$ 0**	**$ (737)**	**(100.0)%**
Net Income	**$ 2,188,467**	**$ 2,316,590**	**$ 1,834,291**	**$ (354,176)**	**(16.2)%**

ATTACHMENT F

	Attachment F						
CAPITAL EXPENDITURES - 2022/2023 Abrams Park Budget							
ABRAMS - REVISED PHYSICAL NEEDS ASSESSMENT (5 Year Look Forward - Greystar Recommendation)					Updated: 7/19/2022		
Project	**Detail**	**Committed/ Completed 2021 - 2022**	**2022 - 2023**	**2023 - 2024**	**2024 - 2025**	**2025 - 2026**	**2026 - 2027**
Projected Replacement Reserve Fund Balance		***$833,667***	***$1,027,051***	***$918,983***	***$296,511***	***$172,539***	***$376,867***
Projected Replacement Reserve Fund Contribution		***$545,340***	***$545,340***	***$545,340***	***$545,340***	***$545,340***	***$545,340***
Building & Structure	Repairs	$ 29,265					
Dry Rot Repairs	Dry Rot on Windows, Eaves, Siding			$ 50,000	$ -		
Windows / Sliding Glass Doors	*Replace Windows/Sliding Doors (estimated completion date in this FY 4/30/2021)						
Paving/Sidewalks	Asphalt repair, seal coat, Trip Hazards	$ 140,138	$ 170,000				
Duct Cleaning		$ -				$ 95,000	
Toilet/showerhead/aerator retrofit							
Parking	Add parking spaces	$ 1,100	$ 100,000	$ 425,000			
Lighting			$ 78,000				
Landscape and irrigation		$ 15,755	$ 40,000				
Fence repairs / slat replacement							
Roof	Repairs/Replacement/Gutter Cleaning	$ 13,183	$ 10,000				
Exterior Paint	Full Community Paint			$ 400,000	$ 400,000		
Playground Upgrades							
Mailbox Replacenent	Replacement	$ 17,649					
Maintenance Vehicle	Purchase New						
Computers	Purchase New				$ 5,000		
Exterior Unit Doors	Steel Front/Back Doors						
Construction Management Fee	6% Fee on Construction Projects (see * for applicable items)	$ 9,536	$ 14,880	$ 52,500	$ 24,000	$ 5,700	$ -
Dishwasher	Replacement (assume 10 year life). Represents 12 units	$ 5,919	$ 4,200	$ 4,200	$ 4,200	$ 4,200	$ 4,200
Refrigerators	Replacement (assume 15 year life). Represents 24 units	$ 9,510	$ 15,600	$ 15,600	$ 15,600	$ 15,600	$ 15,600
Stove/Rangehoods	Replacement (assume 15 year life). Represents 15 units	$ 21,753	$ 8,400	$ 8,400	$ 8,400	$ 8,400	$ 8,400
Garbage Disposal	Replacement (assume 10 year life). Represents 12 units	$ 1,553	$ 1,200	$ 1,200	$ 1,200	$ 1,200	$ 1,200
Hot Water Heaters	Replacement (assume 15 year life). Represents 16 units	$ 9,523	$ 11,196	$ 11,200	$ 11,200	$ 11,200	$ 11,200
Carpet	Replacement (assume 10 year life). Represents 32 units	$ 41,161	$ 88,752	$ 88,512	$ 88,512	$ 88,512	$ 88,512
Vinyl	Replacement (assume 10 year life). Represents 32 units	$ 29,930	$ 51,180	$ 51,200	$ 51,200	$ 51,200	$ 51,200
HVAC Furnace	Replacement (assume 15 year life). Represents 8 units @ $7,400ea.	$ 5,980	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000
Capital Expenses - uninflated (included as Capital Assets in the Standard Budget)		$ (351,956)	$ (653,408)	$ (1,167,812)	$ (669,312)	$ (341,012)	$ (240,312)
Ending Replacement Reserve Fund Balance - uninflated		***$1,027,051***	***$918,983***	***$296,511***	***$172,539***	***$376,867***	***$681,895***

July 29, 2022 Item No. **11b**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of August 3, 2022

Chair and Board Members of
Abrams B Non-Profit Corporation

Corporation Board Meeting
of August 3, 2022

CITY COUNCIL AND ABRAMS B NON-PROFIT CORPORATION BOARD CONSIDER ADOPTING RESOLUTION NO. 2022-, AND 2022-(NPC), APPROVING ABRAMS B HOUSING AREA BUDGET FOR FY 2022-22 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. 2022- and Resolution No. 2022- (NPC), approving the Abrams B Housing Area Budget for FY 2022-2023, and;
2. Authorizing Finance Director to make appropriate accounting and budgetary entries.

BACKGROUND:

The City of Marina is the owner of the 194-unit Abrams Park Housing Area. Alliance Residential Company has been retained to provide property management services.

City staff, Greystar staff, and Tenant's Association representatives have met to discuss the preparation of the Abrams B Housing Area Budget for FY 2022-23.

ANALYSIS:

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

- Alliance Residential Abrams Park FY 2022/2023 Proposed Budget Memo
- Attachment A Abrams Park Income
- Attachment B Market Survey
- Attachment C BMR Rent Calculation Documentation
- Attachment D Abrams Park Expenses
- Attachment E Abrams Park Standard Budget
- Attachment F Abrams Park Capital Budget Projections 2022-2023

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.

Alliance Residential Abrams Park FY 2022/2023 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 Abrams Park Income

Summarizes the performance of the current year revenues and projects revenues for 2021/2022 budget year. Revenue for FY 2021-2022 is projected to end $3,200 under what was budgeted. The decrease in revenue is attributed primarily to low turnover of units to market rate. Net revenue for FY 2021-2022 actual is estimated to close $93,945 more than budgeted due to operating expenses being lower than expected. FY 2022-2023 budget revenue totals $3,727,758. This is a $44,528 increase over FY 2021-2022 FY budget, primarily due to turnover of units to market rate.

In 2010, the City Council adopted a rent formula. 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 49-Very Low-Income qualifying units and 23-Low Income qualifying units.

Attachment D Abrams Park Expenses
Summary of all operating expenses. FY 2021-2022 is estimated to close with $117,385 in expenses under budget. This is primarily due to a decrease in operating expenses. Proposed FY 2022-2023 operating expenses total $1,461,787. This is a $95,147 increase over FY 2021-2022 FY budget, primarily due to the addition of a nightly safety security patrol and an increase in capital expenses.

Attachment E Abrams 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 City's distribution of $1,532,220 and the Replacement Reserve (capital project set-aside) of $545,340. It should be noted that the Abrams B Housing Area debt payment of $735,000 is paid through the City's distribution with the remainder of $420,000 being General Fund proceeds.

Attachment F Abrams 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 $1,027,051. The capital expenditures for FY 2022-2023 equal $653,408. Larger projects this year include parking improvements, sidewalk repairs, safety lighting additions and increase in heater unit replacements. Each year there is a $545,340 set-aside contribution (Replacement Reserve) in the budget. The final Capital Reserve set aside funds for FY 2022-2023 will be $918,983.

FISCAL IMPACT:
Should the City Council and Corporation Board elect to approve this request for the FY 2022-2023 Budget, the owner distribution as proposed will be $1,532,220. This owner distribution is used to pay the Abrams B Housing Area debt payment of $735,000 with the remainder of $420,000 being General Fund proceeds.

CONCLUSION:

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

Respectfully submitted,

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Matt Mogensen
Assistant City Manager
City of Marina

REVIEWED/CONCUR:

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Layne P. Long
City Manager
City of Marina