

RESOLUTION NO. 2025-70
RESOLUTION NO. 2025-02 (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 2025-26 AND AUTHORIZING
FINANCE DIRECTOR TO MAKE APPROPRIATE ACCOUNTING AND
BUDGETARY ENTRIES

WHEREAS, Greystar Real Estate Partners (“Greystar”), as the management agent of Abrams Park Sustainable Community Housing, has submitted a draft FY 2025-26 budget; and

WHEREAS, Greystar submitted a budget letter describing highlights of the proposed Abrams Park Housing Area FY 2025-26 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, City staff has reviewed the budget package for FY 2025-26; 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 2025-26, 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 24th day of June 2025, by the following vote:

AYES: COUNCIL MEMBERS: McAdams, McCarthy, Biala, Visscher, Delgado

NOES: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None

ABSTAIN: COUNCIL MEMBERS: None

Bruce C. Delgado, Mayor

ATTEST:

Anita Sharp, Deputy City Clerk



**Abrams Park
682 Wahl Court
Marina, CA 93933**

May 15, 2025

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

Re: Abrams Park FY 2025/2026 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:** Our budgeted exterior re-paint project began in late April, early May, which is a multi-year project and will continue in the 25/26 budget year.
- 2) **Landscaping/Asphalt Repairs/Preventative Maintenance:** Our budgeted road work project began in the second quarter with a targeted completion date of early June. This project addresses asphalt repairs and tree root damage on the main roads throughout the Community. The Ingman parking lot expansion was completed earlier in the fiscal year in addition to remaining solar lighting additions and one full unit renovation.
Our annual roof preventative maintenance, tree trimming, gutter cleaning, irrigation repairs and replanting projects were completed, with our remaining dryer vent cleaning project scheduled for completion before the end of the 24/25 FY. Additionally, a reserves study was completed by a consultant to reassess current capital needs. Gopher abatement has been a continual project year over year with the assistance of ADM.
- 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.
- 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 continues 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 of (2.7%), 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 – The targeted Rental Increase applies the allowable 2.7% 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 the proposed Budget, a year over year increase of 2.3% in overall Total Rental Income from the 24/25 fiscal year reforecast to the proposed 25/26 budget year totals \$90,082. This figure includes a budgeted 2.7% increase for all market rate in place residents at lease renewal in addition to new occupant move ins at current market rates, with a turnover ratio of 1% annually. This accounts for 63% of the resident population in Abrams Park. 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	\$2,350
Remodeled – Two BR	\$2,500
Four Bedroom	\$3,225- \$3,350
Remodeled – Four BR	\$3,450

* Note: Five 2-Bedroom homes and ten 4-Bedroom homes have additional features that warrant higher than average rental rates.

The Average of HUD Fair Market Rents (FMR) published in April 2025 and the Monterey County Housing Authority Peninsula Payment Standards published in January 2025 are as follows:

Unit Bedroom Size	Fair Market Rent	Utility Allowance	Adjusted Rental Amount
Two Bedroom	\$3,191.00	\$268.00	\$2,923.00
Four Bedroom	\$4,825.00	\$438.00	\$4,387.00

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 an allowance for utilities 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 \$1,971, while the average four-bedroom in-place market rent at Abrams Park is \$2,540.

Affordable Rents

Affordable rental rates are derived from median income schedules published by governmental agencies. Rental rates at Abrams 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 2025. Rental increases are not being proposed for the proposed budget year.

Maximum Household Income Limits for 2025 as published in April 2025.

Income Category	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person
50% Very Low	\$57,850	\$65,100	\$72,300	\$78,100	\$86,850	\$89,650	\$95,450
60% Low/Lower	\$92,600	\$104,150	\$115,700	\$125,000	\$134,250	\$143,500	\$152,750
80% Low	\$100,300	\$112,850	\$125,400	\$135,450	\$145,450	\$155,500	\$165,550

Projected Revenue and Expenses in FY 26/25

FY 25/26 budget includes \$4,028,481 in Total Revenue vs. FY 24/25 budget of \$3,893,159. Further, FY 25/26 budget includes \$1,531,533 in Total Operating Expenses vs. FY 24/25 budget of \$1,408,546 resulting in an increase of (\$122,987) or 8.74% variance.

Expenses

Expenses include Operating Expense projections and relevant changes from the FY 2024/2025 budget to the FY 2025/2026 proposed 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 2025/2026 are 8.74% higher than the Estimated Actuals for FY 2024/2025. 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 accounts for \$1.8M in annual distributions.

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) Continuation of the exterior re-paint project - \$388,225
- 2) Path Light Poles and Fixtures - \$8,000
- 3) Gutter Cleaning - \$8,800
- 4) Roof Maintenance - \$16,038
- 5) Dryer Vent Cleaning - \$6,015
- 6) Termite Inspection \$5,808
- 7) Landscape Upgrades, Tree Trimming, Irrigation Repairs and Replanting - \$43,145
- 8) Unit renovations x1- \$40,810
- 9) R&R of Concrete Walkways and Driveways - \$90,100

Capital Reserve Fund

Adoption of the proposed budget will result in a contribution of \$5,529 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.

Furthermore, a Capital Reserve Study was completed by a consulting firm to further assess future costs to maintain the project over a span of 30+ years. The reserves study, is currently under review to reassess all long-term capital needs. While this evaluation is underway, the proposed budget includes a provisional allocation per unit specifically designed to address immediate capital needs identified in the 25/26 fiscal year. This funding approach ensures that essential capital priorities can be addressed without delay, while allowing flexibility to adjust future allocations based on the final outcomes of the reassessment. **(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,
Vanessa Gonzales
Regional Manager

Cc: Sumer Perkins, Director of Real Estate Greystar
Cc: Analily Puckett, Community Manager

Attachments:

- B. Fiscal Year 2025/26 Budget Summary
- G. Capital Improvement Plan/Reserve Withholding

Attachment B - Budget Summary

Abrams Park
Budget Year 2025-2026



	Fiscal Year 2024-25					Proposed Fiscal Year 2025-26				
	Approved Budget	Estimated Year End	Variance of Estimated Year End to Approved		Proposed	Variance from Fiscal Year 2024-25 Approved		Variance from Fiscal Year 2024-25 Estimated		
			Var \$ / #	Var %		Var \$ / #	Var %	Var \$ / #	Var %	
TOTAL RENTAL INCOME-RESIDENTIAL	\$ 3,844,181	\$ 3,886,015	\$ 41,833	1.1%	\$ 3,976,096	\$ 131,915	3.4%	\$ 90,082	2.3%	
Other Income-Residential	48,978	55,844	6,866	14.0%	52,384	3,406	7.0%	(3,460)	-6.2%	
TOTAL INCOME	\$ 3,893,159	\$ 3,941,859	\$ 48,700	1.3%	\$ 4,028,481	\$ 135,321	3.5%	\$ 86,622	2.2%	
EXPENSES										
Payroll & Benefits	\$ 440,927	\$ 421,867	\$ 19,060	4.3%	\$ 442,745	\$ (1,818)	-0.4%	\$ (20,878)	-4.9%	
Repairs & Maintenance	121,868	118,891	2,977	2.4%	130,242	(8,374)	-6.9%	(11,351)	-9.5%	
Make-Ready / Redecorating	81,299	54,694	26,605	32.7%	52,433	28,866	35.5%	2,260	4.1%	
Contract Services	98,525	89,159	9,366	9.5%	93,802	4,723	4.8%	(4,644)	-5.2%	
Advertising / Marketing / Promotions	3,607	3,550	58	1.6%	3,560	47	1.3%	(11)	-0.3%	
Office Expenses	40,696	43,946	(3,250)	-8.0%	46,456	(5,761)	-14.2%	(2,511)	-5.7%	
Other General & Administrative	49,958	42,065	7,893	15.8%	49,224	734	1.5%	(7,159)	-17.0%	
Utilities	201,108	205,330	(4,222)	-2.1%	230,786	(29,678)	-14.8%	(25,456)	-12.4%	
Management Fees	96,621	98,240	(1,619)	-1.7%	99,763	(3,142)	-3.3%	(1,523)	-1.6%	
Taxes	58,751	55,963	2,788	4.7%	59,000	(249)	-0.4%	(3,037)	-5.4%	
Insurance	215,187	244,017	(28,830)	-13.4%	323,521	(108,334)	-50.3%	(79,504)	-32.6%	
TOTAL OPERATING EXPENSES	\$ 1,408,546	\$ 1,377,719	\$ 30,827	2.2%	\$ 1,531,533	\$ (122,987)	-8.7%	\$ (153,814)	-11.2%	
NET OPERATING INCOME	\$ 2,484,613	\$ 2,564,140	\$ 17,872	0.7%	\$ 2,496,947	\$ 12,334	0.5%	\$ (67,192)	-2.6%	
Less Distributions	\$ 1,782,216	\$ 1,782,220	\$ (4)	0.0%	\$ 1,782,220	\$ (4)	0.0%	\$ 0	0.0%	
Less Capital / Renovation Expense	1,443,284	1,253,012	190,272	13.2%	1,072,592	370,692	25.7%	180,420	14.4%	
Less Other: Partnership/Ownership expenses, prepaids, escrow	-	127,078	(127,078)	-100.0%	-	-	0.0%	127,078	100.0%	
Net Transfer-in from Capital Reserves	(1,025,000)	(1,025,000)	-	0.0%	(1,072,592)	47,592	0.0%	47,592	0.0%	
TOTAL NON-OPERATING	\$ 2,200,500	\$ 2,137,310	\$ 63,190	2.9%	\$ 1,782,220	\$ 418,280	19.0%	\$ 355,090	16.6%	
NET CASH	\$ 284,113	\$ 426,830	\$ 142,717	50.2%	\$ 714,727	\$ 430,614	151.6%	\$ 287,898	67.5%	

Attachment C - Income Budget Summary

Detailed Budgetary Comparison - Abrams Park

	Fiscal Year 2024-25			
	Approved Budget	Estimated Year-End	Variance of Estimated Year End to Approved	
			Variance \$	Variance %
INCOME				
Potential Rent	\$ 3,908,157	\$ 3,952,552	\$ 44,396	1.1%
Vacancy Loss	(13,815)	(18,967)	(5,151)	37.3%
Non Revenue Units	(47,160)	(47,544)	(384)	0.8%
Bad Debt	(3,000)	(27)	2,973	-99.1%
TOTAL RENTAL INCOME-RESIDENTIAL	\$ 3,844,181	\$ 3,886,015	\$ 41,833	1.1%
Other Income-Residential	48,978	55,844	6,866	14.0%
TOTAL INCOME	\$ 3,893,159	\$ 3,941,859	\$ 48,700	1.3%

Fiscal Year 2025-26			Fiscal Year 2025-26 Budget Assumptions and Notes
Proposed Budget	Variance From Fiscal Year 2024-25 Estimated Year-End		
	Variance \$	Variance %	
\$ 4,044,186	\$ 91,634	2.3%	Assumes current market rents starting at \$333,751 per month, reflecting a 2.3% projected increase in Market rents for the FY 2025-26.
(18,962)	5	0.0%	Assumes an average annual occupancy rate of 99%, with a projection of 6 move-outs, 6 move-in's, 105 lease renewals at 2.7%; and an average economic occupancy rate of 98.3%.
(47,928)	(384)	0.8%	Assumes one (1) exempt staff unit and the shared office and community center for Abrams and Preston Park.
(1,200)	(1,173)	4345.4%	Assumes \$100/month for bad debt rent write-off.
\$ 3,976,096	\$ 90,082	2.3%	
52,384	(3,460)	-6.2%	Other residential income includes application fees, damages, late fees, pet rent, and interest income. The annual reduction is related to vendor rebates received in the prior year. Vendor rebates are not typically budgeted.
\$ 4,028,481	\$ 86,622	2.2%	

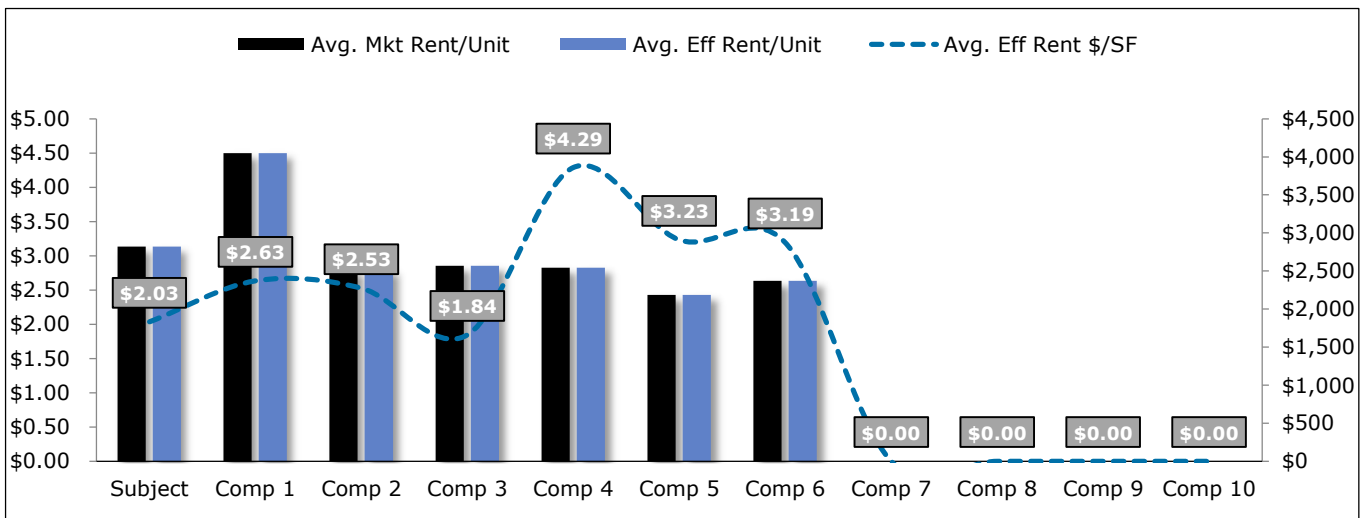
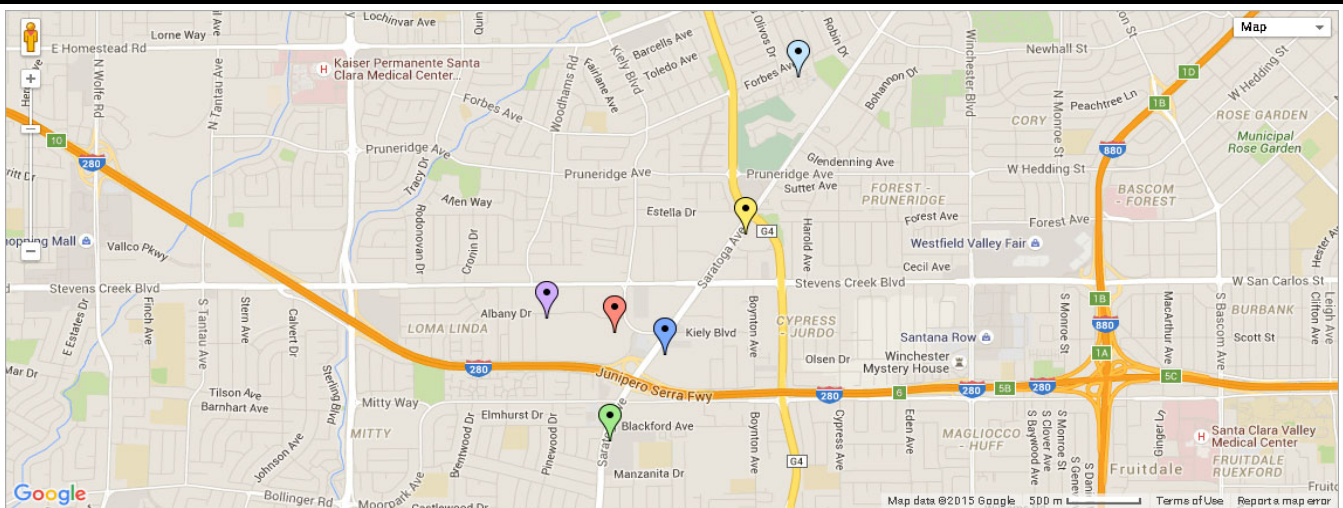
Attachment D - Abrams Park Market Study



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	Abrams Park	1978	194	99%	1386	\$2,820	\$2.03	\$2,820	\$2.03
Comp 1	Shadow Market	1973	3	100%	1538	\$4,047	\$2.63	\$4,047	\$2.63
Comp 2	Marina Square Apartments	1978	48	98%	1000	\$2,525	\$2.53	\$2,525	\$2.53
Comp 3	Preston Park	1987	354	99%	1393	\$2,569	\$1.84	\$2,569	\$1.84
Comp 4	Sunbay Suites	1989	266	100%	593	\$2,544	\$4.29	\$2,544	\$4.29
Comp 5	Marina Del Sol	1977	108	98%	677	\$2,188	\$3.23	\$2,188	\$3.23
Comp 6	Shoreline Apartments	1973	84	96%	742	\$2,370	\$3.19	\$2,370	\$3.19
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)			1057	99%	1048	\$2,556	\$2.78	\$2,556	\$2.78
Total/Avg. (Market less Subject)			863	99%	972	\$2,497	\$2.94	\$2,497	\$2.94

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Attachment E - Affordable Rent Amounts

Affordable Unit Calculations - FY 25/26 Rent Levels

(A) MAXIMUM HOUSEHOLD INCOME LIMITS (ANNUAL)

HUD AMI Limit	Number of Persons							
	1	2	3	4	5	6	7	8
Very Low (50% of AMI)	50,600	57,850	65,100	72,300	78,100	83,850	89,650	95,450
Low (80% of AMI)	81,000	92,600	104,150	115,700	125,000	134,250	143,500	152,750

Source: California Department of Housing and Community Development, 2025

	2 Bedroom		3 Bedroom (Preston Only)		4 Bedroom	
	24/25	23/24	24/25	23/24	24/25	23/24
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 (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

Attachment F - Expense Budget Summary

Detailed Budgetary Comparison - Abrams Park

	Fiscal Year 2024-25				Fiscal Year 2025-26			Fiscal Year 2025-26 Budget Assumptions and Notes
	Approved Budget	Estimated Year-End	Variance of Estimated Year-End to Approved		Proposed	Variance From Fiscal Year 2024-25 Estimated Year-End		
			Variance \$	Variance %		Variance \$	Variance %	
EXPENSES								
Payroll and Benefits	\$ 440,927	\$ 421,867	\$ (19,060)	-4.3%	\$ 442,745	\$ 20,878	4.9%	Assumes a full time staff of 14 employees, with 40% billed to Abrams Park. The annual variance is associated with using a leasing agent, in lieu of a vacant position.
Repairs and Maintenance	121,868	118,891	(2,978)	-2.4%	130,242	\$ 11,352	9.5%	The \$11,352 variance represents an inflationary increase.
Make-Ready / Redecorating	81,299	54,694	(26,606)	-32.7%	52,433	(2,261)	-4.1%	The Make-Ready / Redecorating costs are more closely in alignment with the estimated year-end amounts.
Contract Services	98,525	89,159	(9,366)	-9.5%	93,802	\$ 4,643	5.2%	The \$4,643 increase in costs were based on current contract terms. In the prior year, savings resulted from partially using in-house staff for cleaning, rather than contract services.
Advertising / Marketing / Promotions	3,607	3,550	(57)	-1.6%	3,560	\$ 10	0.3%	This line item includes funding for monthly newsletter, marketing services, and resident events.
Office Expenses	40,696	43,946	3,250	8.0%	46,456	\$ 2,511	5.7%	This line item reflects office supplies, postage meter, tenant screening fees, telephones, and alarms. The increase is based on contract costs.
Other General and Administrative	49,958	42,065	(7,893)	-15.8%	49,224	\$ 7,160	17.0%	The majority of the increase reflects mandatory, below-market-rate compliance monitoring fees. These services were less in the prior year due to only a partial year of implementation.
Utilities	201,108	205,330	4,222	2.1%	230,786	\$ 25,457	12.4%	The most significant increase in this category is related to water and sewer charges to align with published rates.
Management Fees	96,621	98,240	1,619	1.7%	99,763	\$ 1,523	1.6%	Management fee is based on 2.5% of gross receipts.
Taxes	58,751	55,963	(2,788)	-4.7%	59,000	\$ 3,037	5.4%	Tax increases were estimated based on a provided schedule. They align closely with the prior year approved budget.
Insurance	215,187	244,017	28,830	13.4%	323,521	\$ 79,505	32.6%	Insurance premium costs were based on renewal amounts that were provided in March 2025. A significant amount of this increase was imposed by the carrier as a result of the California wildfires.
TOTAL OPERATING EXPENSES	\$ 1,408,546	\$ 1,377,719	(30,827)	-2.2%	\$ 1,531,533	\$ 153,814	11.2%	

Abrams Park

CAPITAL REPLACEMENT AND RENOVATION EXPENDITURES - 2025/2026

Attachment G

6/16/2025

Project	Detail	Completed					
		2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029	2029 - 2030
Projected Replacement Reserve Fund Balance		\$2,708,728	\$2,708,728	\$2,708,728	\$2,590,438	\$2,697,604	\$1,132,366
Projected Replacement Reserve Fund Contribution		\$1,286,653	\$1,072,592	\$700,000	\$700,000	\$700,000	\$700,000
<u>Common Area</u>							
320 - Pole Light Fixture - Replace		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
321 - Light Poles - Replace		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
322 - Bollard Lights - Replace		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
323 - Path Light Fixtures - Replace		\$ -	2,000	\$ -	\$ -	\$ -	\$ -
329 - Path Light Poles - Replace		\$ -	6,000	\$ -	\$ -	\$ -	\$ -
403 - Mailboxes - Replace		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
409 - Metal Benches/Trash Cans - Replace		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1403 - Monument Signs - Replace		\$ -	\$ -	10,000	\$ -	\$ -	\$ -
1404 - Bulletin Boards - Replace		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Paved Surfaces</u>							
202 - Asphalt (Brostrom) - Overlay		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
202 - Asphalt (Court) - Overlay		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
203 - Asphalt (Brostrom) - Seal/Repair		\$ 221,585	\$ -	\$ -	\$ -	\$ -	\$ -
203 - Asphalt (Courts) - Seal/Repair		\$ -	\$ -	169,950	\$ -	\$ -	\$ -
205 - Concrete Walkways - Repair		\$ -	26,500	\$ -	29,175	\$ -	30,951
206 - Concrete Driveways - Repairs		\$ -	63,600	\$ -	70,019	\$ -	74,284
<u>Fences/Gates</u>							
502 - Chain Link Fencing - Replace		\$ -	4,000	\$ -	\$ -	460,038	\$ -
505 - Wood Fencing - Replace		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>BUILDINGS</u>							
101 - Balcony Deck - Inspection		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
106 - Balconies - Replace/Rebuild		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
110 - Entry Landings - Reseal/Repair		\$ -	\$ -	39,200	\$ -	\$ -	\$ -
111 - Entry Landings - Repair/Rebuild		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
112 - Entry Landing Railings - Replace		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
114 - Entry Stair Railings - Replace		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
115 - Entry Stairs/Stringers - Replace		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
324 - Wall Lights - Replace		\$ -	15,000	95,000	\$ -	\$ -	\$ -
326 - Solar Flood Lights - Replace		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
332 - Address Lights - Replace		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
701 - Exterior Doors - Replace		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
703 - Garage Doors - Replace		\$ -	\$ -	\$ -	\$ -	372,620	\$ -
712 - Sliding Glass Doors - Replace		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1115 - Building Surfaces - Repair/Repaint	Repaint of exterior buildings, 2 yr project	\$ 388,225	388,225	\$ -	\$ -	\$ -	\$ -
1190 - Windows - Replace		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1303 - Comp Shingle Roof - Replace		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1312 - Gutters/Downspouts - Replace		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Mechanical Systems</u>							
705 - Garage Door Operators - Replace		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1811 - Plumbing - Replace/Reline/Repair		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1840 - Cable - Rewire		\$ -	\$ -	\$ -	\$ -	953,951	\$ -
<u>Landscape</u>							
1001 - Backflow Devices - Replace		\$ -	\$ -	10,000	\$ -	\$ -	\$ -
1006 - Irrigation System - Repair/Replace		\$ 14,319	12,425	6,556	6,556	6,556	6,556

Attachment F

Project	Detail	Completed					
		2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029	2029 - 2030
1008 - Trees - Trim/Remove		\$ 13,200	\$ 14,520	\$ 12,407	\$ 12,407	\$ 12,407	\$ 12,407
1009 - Landscaping - Replenish		\$ 11,700	\$ 16,200	\$ 8,196	\$ 8,196	\$ 8,196	\$ 8,196
<u>Special Projects</u>							
Lighting - Replacement & Additions - Solar		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parking Expansion (Ingman)		\$ 195,000	\$ -	\$ -	\$ -	\$ -	\$ -
Playgrounds		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>UNITS</u>							
Full Unit Renovations	\$40k each (Budget 1 per yr based on scope and as needed). Includes CM fee.	\$ 40,810	\$ 40,810	\$ 40,810	\$ 40,810	\$ 40,810	\$ 40,810
Occupied Unit Renovations	Paint, reglaze and repair of tubs, kitchen countertops, bathroom vanity.	\$ 104,090	\$ 114,499	\$ 115,000	\$ 115,000	\$ 100,000	\$ 100,000
Dishwasher	Replacement (assume 10 year life). Represents 13 units.	\$ 5,660	\$ 6,228	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Refrigerators	Replacement (assume 15 year life). Represents 12 units.	\$ 9,974	\$ 10,971	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Stove/Rangehood	Replacement (assume 15 year life). Represents 13 units.	\$ 14,023	\$ 15,420	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Garbage Disposal	Replacement (assume 10 year life). Represents 22 units	\$ 3,014	\$ 3,314	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
Hot Water Heaters	Replacement (assume 15 year life). Represents 12 units.	\$ 9,408	\$ 10,353	\$ 12,000	\$ 15,000	\$ 15,000	\$ 15,000
Carpet	Replacement (assume 10 year life). Represents 17 units.	\$ 25,954	\$ 28,548	\$ 30,000	\$ 30,000	\$ 20,000	\$ 20,000
Vinyl	Replacement (assume 10 year life). Represents 12 units	\$ 87,352	\$ 96,072	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000
HVAC Furnace	Replacement (assume 15 year life). Represents 12 units.	\$ 26,300	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000
Plumbing Repairs-Major (Water Intrusion)	As needed basis only - emergencies	\$ 76,946	\$ 76,946	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Plumbing Repairs-Major (Washer Boxes Replace)	Replacement (Assume 30 year life). Represents 12 units.	\$ -	\$ 18,300	\$ 9,571	\$ 9,571	\$ 9,571	\$ 9,571
<u>PROPERTY MANAGEMENT & PM PROJECTS</u>							
Resident Business Center (Preston Park- shared)	Resident Business Center	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Leasing Office (Preston Park - shared)	Leasing Office	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Office Computers	Purchase New	\$ 1,243	\$ -	\$ 3,500	\$ -	\$ -	\$ 3,500
Maintenance Vehicles	Purchase New	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,000
Roof Preventative Maintenance Project	Annual	\$ 14,580	\$ 16,038	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000
Gutter Cleaning - Preventative Maintenance Project	Annual	\$ 8,000	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800
Dryer Vent Cleaning - Preventative Maintenance Project	Annual (starting in 25/26 FY)	\$ -	\$ 6,015	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
Termite Inspection - Preventative Maintenance Project	Annual	\$ 5,280	\$ 5,808	\$ 5,800	\$ 5,800	\$ 5,800	\$ 5,800
Reserve Study Expense	Every three (3) years	\$ 9,990	\$ -	\$ -	\$ -	\$ 9,990	\$ -
Capital Expenses - uninflated (included as Capital Assets in the Standard Budget)		\$ 1,286,653	\$ 1,072,592	\$ 818,290	\$ 592,834	\$ 2,265,239	\$ 585,375
Ending Replacement Reserve Fund Balance - uninflated		\$2,708,728	\$2,708,728	\$2,590,438	\$2,697,604	\$1,132,366	\$1,246,991

June 13, 2025

Item No. **13b**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of June 24, 2025

Chair and Board Members of
Abrams B Non-Profit Corporation

Corporation Board Meeting
of June 24, 2025

**CITY COUNCIL AND ABRAMS B NON-PROFIT CORPORATION
BOARD CONSIDER ADOPTING RESOLUTION NO. 2025-, AND 2025-
(NPC), APPROVING ABRAMS B HOUSING AREA BUDGET FOR FY
2025-26 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. 2025-, and Resolution No. 2025- (NPC), approving the Abrams B Housing Area Budget for FY 2025-2026; 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. Greystar has been retained to provide property management services.

ANALYSIS:

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

- Attachment A Greystar Abrams Park FY 2025/2026 Proposed Budget Memo
- Attachment B Abrams Park Budget Summary
- Attachment C Abrams Park Income
- Attachment D Market Survey
- Attachment E Affordable Rents
- Attachment F Abrams Park Expenses
- Attachment G Abrams Park Capital Budget Projections 2025-2026

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.

Attachment A: Greystar Abrams Park FY 2025/2026 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 B: Abrams Park Budget Summary

This document provides an overall summary of the Approved Fiscal Year 2024-25 Budget and the estimated year-end results; and the Proposed Fiscal Year 2025-26 Budget. In addition to net income from operations, the worksheet also includes non-operating revenues and expenses, such as ownership distributions, capital/renovation expenses, and contributions from capital reserves.

At the close of Fiscal Year 2024-25, the Abrams Park net income from operations is estimated to be \$2.6 million. This is \$79,527 or 3.2% greater than the original budget. This variance resulted from projected total revenues that are projected to be \$48,700 greater than the original budget and a \$30,827 reduction in expenses. The net difference in non-operating revenues and expenditures, such as capital and renovation expenses; owner distributions, and transfers-in from capital reserves was

\$63,190 less than anticipated. The decrease in non-operating expenses was primarily due to projects that were carried forward in the capital improvement plan.

In Fiscal Year 2025-26, Abrams Park is anticipated to yield net income of \$2.5 million. This is \$12,334 or 0.5% greater than the Approved budget, and \$67,192 or 2.6% less than the Fiscal Year 2024-25 Estimated Year-End amount. The Fiscal Year 2025-26 Proposed Budget includes \$1.8 million in owner distributions, capital/renovation expenditures of \$1.1 million, and transfer-in from capital reserves of just over \$1.1 million.

Details and assumptions related to revenues, expenditures, and estimated cash balances are provided within the subsequent sections and attachments.

Attachment C: Abrams Park Income

The Fiscal Year 2024-25 estimated ending income for Abrams Park was \$3,941,859. This represents an increase of \$48,700 or 1.3% greater than the Approved Budget. The budgetary variance reflects rental income that was \$41,833 or 1.1% greater than initially projected. This net increase can be primarily attributed to market rent increases.

The Proposed Fiscal Year 2025-26 revenues are projected to be \$4,028,481 or \$135,321 greater than the Fiscal Year 2024-25 Approved Budget; and \$86,622 or 2.2% greater than the Estimated Year-End results. The projected increase includes \$90,082 or 2.3% in additional rental income, net of a minor reduction in Other Income. The proposed budget includes a 2.7% increase for all market rate in-place residents at lease renewal; and an estimate to adjust lease rates to reflect market conditions for new occupants.

Supporting line item details, as well as assumptions are included in Attachment C.

Attachment D: Market Survey

Current market survey for five 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 E: Affordable Rents

The current year affordable rents calculation is included in Attachment E and the Proposed Budget Memo. There are currently 46-Very Low-Income qualifying units, 18-Low/Lower Income, and 4-Low Income qualifying units.

Attachment F: Abrams Park Expenses

In Fiscal Year 2024-25, the estimated amount of operating expenses for Abrams Park is projected to be \$1,377,719. This represents a decrease of \$30,827 or 2.2% when compared to the Approved Budget. The budgetary variance primarily reflects increased insurance costs of \$28,830.

The Proposed Fiscal Year 2025-26 expenses are projected to be \$1,513,533. This reflects an increase of \$122,987 when compared to the Fiscal Year 2024-25 approved budget; and \$153,814 or 11.2% greater than the estimated year-end amounts. The proposed expense budget contains estimates that reflect the rising costs of goods, services, and utilities; as well as an additional \$79,504 increase to insurance premiums. This increase was partially driven by the rising coverage costs that resulted from the California wildfires.

Supporting line item details, as well as assumptions are included in Attachment F.

Attachment G: Abrams Park Capital Budget Projections

A five-year projection of capital projects is included in Attachment G. The beginning balance of the Capital Reserve set aside funds is approximately \$2.7 million. The Proposed Budget includes an additional transfer-in of \$1,072,592 from cash flow and lender reserve accounts and capital expenses in the same amount. The budget includes \$524,122 for unit renovations; and appliances, new flooring and interior paint for occupied units in need. The remaining \$548,470 includes \$388,225 to paint the exterior of the remaining half of the units within the property; \$90,100 for concrete repairs, and the balance for path lighting, fencing, and landscaping.

The Capital Reserve is estimated to be \$2.7 million at the end FY 2025-26.

2025-26 Budget Changes and Highlights

The property today has been able to fund much of the initial capital improvements that were identified when the City acquired the property. In prior years, an internal document was developed to serve as the foundation for setting aside reserve funds and maintaining the property. In Fiscal Year 2024-25, a formal Capital Funding Plan was developed to provide a roadmap for setting aside capital reserves, funding capital improvements, and replacing equipment and appliances. Staff is in the process of reviewing the details; however preliminary information indicates that the City will need to set aside a greater amount of funds to be consistent with the Plan.

In Fiscal Year 2024-25, Phase I of an exterior painting project commenced, which included painting half of the Abrams Park units. This phase should be completed this summer. Funding for the second half of the units, or Phase II, has been incorporated into the proposed Fiscal Year 2025-26 budget.

There is no proposed change to the City's ownership distribution. The proposed annual distribution of \$1.8 million. This includes a \$670,000 allocation to the General Fund, a \$758,000 transfer to the Abrams B Debt Service Fund for principal and interest payments on the Abrams B Housing Revenue Bonds; and the remainder apportioned through the debt service escrow process to fund insurance, reserve set-asides and various administrative fees.

FISCAL IMPACT:

Should the City Council and Corporation Board elect to approve the Proposed FY 2025-26 Budget, the owner distribution will be \$1,782,220.

CONCLUSION:

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

Respectfully submitted,

Tori Hannah
Finance Director
City of Marina

REVIEWED/CONCUR:

Layne P. Long
City Manager
City of Marina