



June 21, 2024

**TO:** CADA Board of Directors

**SUBJECT: June 28, 2024, Board Meeting  
AGENDA ITEM 5  
FY 2024 – 2025 GENERAL OPERATIONS BUDGET AND CAPITAL  
INVESTMENT PROGRAM BUDGET**

**CONTACT:** Noelle Mussen, Finance Director [CADA]

**RECOMMENDED ACTION:**

Staff recommends that the Board adopt the attached resolutions (Attachments 4-8), carrying out the following actions:

1. Approving the FY 24-25 General Operations Budget of \$34,363,781, the FY 24-25 Capital Investment Program (CIP) Budget consisting of the Development Projects of \$450,000 and Major Construction Projects Budget of \$4,419,000;
2. Approving an increase of \$260,000 in the FY 06-07 CIP Development Project Budget;
3. Approving an increase of \$8,025,000 in the FY 20-21 CIP Development Project Budget;
4. Approving an increase of \$4,000,000 in the FY 21-22 CIP Development Project Budget; and
5. Approving the closure of the FY 21-22 CIP Major Construction Budget.

The resolution (Attachment 4) adopting the FY 24-25 General Operations Budget establishes the transfer threshold for budget changes the Executive Director may make without prior approval by the Board for FY 24-25, providing authority for up to a cumulative seven percent (7%) adjustment authority of a major expense category's annual operating budget. The resolution also continues the policy of providing the Executive Director with the authority to submit applications for project funding but requiring Board action prior to the acceptance of such funding.

**BACKGROUND**

Annually, in the spring of each year, management staff submits budget requests to the CADA Finance Director for the upcoming fiscal year. This information is compiled, further refined, and then presented to the Executive Director for review and approval prior to being presented to the Board for adoption.

In accordance with CADA budget policy, the **General Operations Budget** reflects funding sources and expenditures for the Authority's ongoing operational activities. The **Capital Investment Program Budgets (CIP)** are multi-year budgets that reflect specifically-identified major construction and development projects originally approved for expenditure in a given fiscal year. All budgets meet CADA's balanced-budget directive so that total budgeted revenues always equal total budgeted expenditures.

The activities of multiple funds are consolidated into the budget presented for adoption by the Board in an All Funds format, which means that all funds are presented within the budget. **Attachment 1** provides a description of each fund.

## **FISCAL IMPACT**

### **FY 24-25 GENERAL OPERATIONS BUDGET**

The proposed FY 24-25 General Operations Budget supports CADA's annual operations exclusive of specific major construction and development project activities, which are reflected in the CIP budgets. The General Operations budget is summarized in **Table 1** and discussed below:

**TABLE 1: SUMMARY BUDGET COMPARISON**

|  | <b>FY 2023-24</b>    | <b>FY 2024-25</b>      |                      |
|--|----------------------|------------------------|----------------------|
| <b>Sources of Funds:</b>               | <b>Final Budget</b>  | <b>Proposed Budget</b> | <b>Difference</b>    |
| Rental Income                          | \$ 9,494,750         | \$ 10,111,390          | \$ 616,640           |
| Tax increment                          | 7,670,000            | 8,036,000              | 366,000              |
| Investment Income                      | 670,000              | 872,000                | 202,000              |
| Other                                  | 33,100               | 33,600                 | 500                  |
| Release of CIP Carry Over Funds        | -                    | 371,387                | 371,387              |
| Utilization of Bond Proceeds           | -                    | 12,000,000             | 12,000,000           |
| Utilization of Reserves                | 125,648              | 195,360                | 69,712               |
| Utilization of Fund Balance            | 2,406,452            | 2,744,518              | 338,066              |
| Contribution to Available Fund Balance | (929)                | (474)                  | 455                  |
| <b>Total Funding Sources</b>           | <b>\$ 20,399,021</b> | <b>\$ 34,363,781</b>   | <b>\$ 13,964,760</b> |
| <b>Uses of Funds:</b>                  |                      |                        |                      |
| Salaries                               | \$ 3,157,000         | \$ 3,393,500           | \$ 236,500           |
| Benefits                               | 1,925,836            | 2,654,044              | 728,208              |
| Post Employment Trust contribution     | 210,000              | 158,000                | (52,000)             |
| Outside Services                       | 2,181,079            | 2,213,710              | 32,631               |
| Maintenance & Repair                   | 2,521,510            | 2,238,108              | (283,402)            |
| Utilities                              | 1,395,300            | 1,400,300              | 5,000                |
| Overhead                               | 818,581              | 772,635                | (45,946)             |
| Land Acquisition                       | 2,176,100            | -                      | (2,176,100)          |
| Debt Service                           | 3,168,512            | 3,337,215              | 168,703              |
| Contributions to Reserves              | 1,438,981            | 1,042,269              | (396,712)            |
| Investment in Major Construction       | 1,226,620            | 4,419,000              | 3,192,380            |
| Investment in Development              | 179,502              | 12,735,000             | 12,555,498           |
| <b>Total Uses of Funds</b>             | <b>\$ 20,399,021</b> | <b>\$ 34,363,781</b>   | <b>\$ 13,964,760</b> |

### **General Operations – Sources of Funds**

CADA's primary funding sources consist of Rental Income, Tax Increment Revenue and Investment Income. In addition, if necessary to meet CADA's balanced-budget directive, the Available Fund Balance is utilized as a funding source. The tables below break out funding sources.

## **Rental Income**

|                           | FY 2023-24<br>Final Budget | FY 2024-25<br>Proposed Budget | Difference        |
|---------------------------|----------------------------|-------------------------------|-------------------|
| Residential Rent          | \$ 9,710,500               | \$ 10,154,000                 | \$ 443,500        |
| Special Management Rent   | 2,020,000                  | 2,061,718                     | 41,718            |
| Commercial Rental Revenue | 515,000                    | 515,000                       | -                 |
| Ground Lease Revenue      | 156,000                    | -                             | (156,000)         |
| Parking                   | 312,700                    | 340,700                       | 28,000            |
| Special Management Fees   | 272,950                    | 392,872                       | 119,922           |
| Other Rental Revenue      | 38,900                     | 37,100                        | (1,800)           |
| Rental Vacancy Loss       | (1,135,000)                | (1,135,000)                   | -                 |
| Loss to Lease*            | (1,606,800)                | (1,501,500)                   | 105,300           |
| Low Income Subsidy        | (789,500)                  | (753,500)                     | 36,000            |
|                           | <u>\$ 9,494,750</u>        | <u>\$ 10,111,390</u>          | <u>\$ 616,640</u> |

\*"Loss to Lease" is defined as losses incurred due to receipt of lease revenue lower than market rate revenue.

Rental Income consists primarily of residential rental income net of the vacancy loss, loss to lease and the CADA low income subsidy. The proposed net increase is mainly due to the following:

- Residential Rental Revenue is proposed to increase by \$485,218, of which \$41,000 is for Special Management properties. This reflects an increase to the FY 23-24 estimated revenue level at year-end; the Terrace's income being moved to the Residential Rent category instead of Ground Lease Rent following CADA's purchase of the site; and an estimated 2% increase rental income reflecting anticipated additional revenue due to current vacant units turning over and then achieving the current market rent.
- Parking Revenue is proposed to increase \$28,000 to reflect the estimated year-end revenue level in FY 23-24.
- Rental Vacancy Loss will not change, staff is planning on utilizing more contracted work to facilitate expedited turnover of vacant units and anticipates this vacancy loss will not increase but will instead decrease over time.
- Loss to Lease is proposed to decrease by \$105,300 to reflect estimated year-end FY 23-24 expense levels. This proposed decrease is to account for current tenants whose rents have been brought to the current market rent level over time or new tenants paying the current market rent. CADA does not automatically increase all resident lease rates to the full market rate. Rate increases are usually capped at between 2-5% regardless of the market rate.

## **Tax Increment Revenue**

|               | FY 2023-24<br>Final Budget | FY 2024-25<br>Proposed Budget | Difference        |
|---------------|----------------------------|-------------------------------|-------------------|
| Capitol Area  | \$ 4,850,000               | \$ 5,100,000                  | \$ 250,000        |
| R Street area | 2,820,000                  | 2,936,000                     | 116,000           |
|               | <u>\$ 7,670,000</u>        | <u>\$ 8,036,000</u>           | <u>\$ 366,000</u> |

CADA's total Tax Increment is proposed to increase to \$8,036,000. This reflects an increase of \$250,000 in the Capitol Area for a total of \$5,100,000, and an increase of \$116,000 in the R Street Area for a total of \$2,936,000. The proposed increases are due to increases in property values over the last fiscal year, including sales of property, and a 2% property tax increase imposed by the County Tax Assessor. These balances are based on prior year collections and the current Tax Assessor's reports.

Tax Increment revenues fund payment of the following: Bond Debt Service; the I-Bank Debt Service for the 16 Powerhouse alleyway infrastructure project; DGS loans; Development and Major Construction expenses; contributions to the R Street Reserves and R Street Affordable Housing Reserves; low-income subsidies for residents on CADA rent-assistance programs; R Street staff salaries and benefits; and contributions, when necessary, to meet budgeted expenses that exceed rental revenue for CADA's General Fund and Special Management properties.

### **Interest and Other Investment Income**

|  | FY 2023-24<br>Final Budget | FY 2024-25<br>Proposed Budget | Difference        |
|--|----------------------------|-------------------------------|-------------------|
| Interest Income on Investments with City | \$ 322,000                 | \$ 324,000                    | \$ 2,000          |
| Bond-related Interest Income             | 350,000                    | 550,000                       | 200,000           |
| Interest Income - reserve allocation     | (2,000)                    | (2,000)                       | -                 |
|  | <u>\$ 670,000</u>          | <u>\$ 872,000</u>             | <u>\$ 202,000</u> |

Staff proposes a \$202,000 increase to this category. The increase is in the Bond-related income account as interest rates have increased and are anticipated to stay at current levels through next year. Staff is projecting the majority of the proceeds will remain invested and earn interest throughout the majority of the next fiscal year, so staff is proposing to increase this account to reflect the estimated year-end revenue level in FY 23-24.

### **Utilization of Financial Resources**

|  | FY 2023-24<br>Final Budget | FY 2024-25<br>Proposed Budget | Difference        |
|--|----------------------------|-------------------------------|-------------------|
| Utilization of Available Fund Balance                    |                            |                               |                   |
| - General Fund Balance Utilization - Originally Budgeted |                            | \$ -                          | -                 |
| - General Fund Balance Utilization - Prior Year TI       | 2,406,452                  | -                             | (2,406,452)       |
| - General Fund Balance Utilization - Pension             | -                          | 613,000                       | 613,000           |
| - General Fund Balance Utilization - Major Construction  | -                          | 2,131,518                     | 2,131,518         |
|  | <u>2,406,452</u>           | <u>2,744,518</u>              | <u>338,066</u>    |
| Utilization of Reserves                                  |                            |                               |                   |
| - Development Interest Reserve Draw Down                 |                            | 155,360                       | 155,360           |
| - Equipment Replacement Reserve Draw Down                | 156,500                    | 40,000                        | (116,500)         |
| - Development Reserve Draw Down                          | 125,648                    | -                             | (125,648)         |
|  | <u>282,148</u>             | <u>195,360</u>                | <u>(86,788)</u>   |
| Contribution to Available Fund Balance                   |                            |                               |                   |
| - Special Management Funds                               | 929                        | 474                           | (455)             |
| - Bond Funds   | -                          | -                             | -                 |
|  | <u>929</u>                 | <u>474</u>                    | <u>(455)</u>      |
|  | <u>\$ 2,689,529</u>        | <u>\$ 2,940,352</u>           | <u>\$ 250,823</u> |

The Utilization of Available Fund Balance is used to budget available funds that have accumulated over prior years in the Fund Balance account that are either unreserved or unrestricted. This account is used in various ways and changes from year to year based on budget needs in a given fiscal year. These funds can be used to balance the budget and are only drawn down if there is a need by Year End. In addition, tax increment revenue received but not utilized or budgeted for in a prior year is made available through this account, usually at Mid-Year.

There is a proposed Utilization of Fund Balance for FY 24-25 to meet CADA's balanced budget Directive to meet specific needs in the next fiscal year for Pensions and Major Construction, which is detailed further later in this report.

In prior years, budgets for two Special Management Funds (17th Street Commons and Fremont/Wilshire) reflected positive cash flow. This excess revenue was budgeted to Fund Balance in order to meet the balanced budget directive yet remains available for future years' needs. In FY 24-25, the estimated excess is \$176 for 17th Street Commons and \$298 for Fremont/Wilshire.

## **General Operations – Uses of Funds**

### **Employee Services and Benefits**

|                               | FY 2023-24<br>Final Budget | FY 2024-25<br>Proposed Budget | Difference        |
|-------------------------------|----------------------------|-------------------------------|-------------------|
| Salaries                      | \$ 3,157,000               | \$ 3,393,500                  | \$ 236,500        |
| PERS Retirement               | 773,000                    | 1,441,000                     | 668,000           |
| Post Employment Trust Contrib | 215,000                    | 158,000                       | (57,000)          |
| Other                         | 1,147,836                  | 1,213,044                     | 65,208            |
|                               | <u>\$ 5,292,836</u>        | <u>\$ 6,205,544</u>           | <u>\$ 912,708</u> |

The Salaries and Benefits category is proposed to increase by a net 15%. The major items that are contributing to the increase are the following:

- Salaries are proposed to increase the current budget by \$236,500. This includes a general increase to staff salaries of 4%. This allows for salary adjustments due to staff performance, and provides a budget for the Asset Management and Facilities Maintenance Director position.
- CalPERS Retirement reflects a proposed net increase of \$668,000. This is a result of current staffing levels, CalPERS payroll rates, the flat fee CalPERS imposes to cover CADA's unfunded liabilities, an additional payment, and restructuring of the unfunded liability.

The new CalPERS Classic payroll rate increased from 13.26%, to 13.31%, and the new PEPPRA (Public Employee Pension Reform Act) rate increased from 8% to 8.18% for currently vested benefits only. The flat fee for Classic members increased from \$414,075 to \$499,075 and from \$0 to \$4,738 for PEPPRA members. Classic members are public employees hired before January 1, 2014. Of CADA's 46 full-time employees, 14 are Classic members and 32 are PEPPRA members.

Additionally, for the existing Unfunded Liability, staff proposes to budget for the "Fresh Start" proposal as presented to the Board in October last year and discussed as part of the 10-Year Financial Forecast recently. The Fresh Start proposal has the goal of reducing the unfunded liability balance and controlling the annual required payments into the future by

stabilizing and full-funding CADA's pension trust sooner. This proposal accomplishes this by paying into the pension trust a large one-time additional discretionary payment and working with CalPERS to restructure the unfunded liability payment schedule. The budget proposes a one-time payment of \$500,000 and an additional \$114,000 to add to the required annual fee to fund a total annual flat fee to \$613,075.

- Post-Employment Trust Contribution for Other Post-Employment Benefits (OPEB) reflects a proposed decrease of \$57,000. This annual contribution is calculated through an actuarial report completed every two years. A new report was completed in the current year for the FY 24-25 and FY 25-26 contributions. The budget reflects the annual contribution less the current years retiree medical expense that is funded through this trust.

### **Outside Services**

|                              | FY 2023-24<br>Final Budget | FY 2024-25<br>Proposed Budget | Difference       |
|------------------------------|----------------------------|-------------------------------|------------------|
| Insurance                    | 713,000                    | 760,000                       | 47,000           |
| Special Management Insurance | 141,500                    | 159,000                       | 17,500           |
| Temporary Outside Services   | 140,000                    | 120,000                       | (20,000)         |
| Other                        | 1,186,579                  | 1,174,710                     | (11,869)         |
|                              | <u>\$ 2,181,079</u>        | <u>\$ 2,213,710</u>           | <u>\$ 32,631</u> |

Outside Services is proposed to be increased by a net 1%. The major items that contributed to the net changes are as follows:

- The Insurance category is proposed to increase by \$64,500. This is based on cost information received from our insurance carrier. Similar to the current year, this increase is not due to CADA's loss experience but a result of cost increases occurring within the insurance industry, including increased replacement values for all properties due to the rising cost of materials. These increases are reflected in the increases to our premium rates which are, unfortunately, higher than in previous years.
- Temporary Outside Services is proposed to be decreased by \$20,000. This account was increase in prior years with the increase use of temporary workers in the Maintenance staff. Maintenance anticipates the use of more contracted work as compare to temporary workers to facilitate the timely turnover of vacant apartments.

### **Maintenance & Repair**

|                    | FY 2023-24<br>Final Budget | FY 2024-25<br>Proposed Budget | Difference          |
|--------------------|----------------------------|-------------------------------|---------------------|
| Cabinets           | \$ 167,500                 | \$ 105,000                    | \$ (62,500)         |
| Countertop         | -                          | 51,000                        | 51,000              |
| Flooring           | 361,000                    | 214,000                       | (147,000)           |
| State Fire Marshal | 50,000                     | 10,000                        | (40,000)            |
| landscaping        | 265,627                    | 166,937                       | (98,690)            |
| Other              | 1,677,383                  | 1,691,171                     | 13,788              |
|                    | <u>\$ 2,521,510</u>        | <u>\$ 2,238,108</u>           | <u>\$ (283,402)</u> |

Maintenance & Repair is proposed to decrease by a net 11%. The major items that contribute to the net changes are as follows:

- During the prior year the budget included an increase for unit rehabilitation in the Flooring account reflecting anticipated increases in the general cost of supplies and materials and the planned use of other more expensive but longer-lasting materials such as quartz countertops and Laminated Vinyl Plank (LVP) flooring instead of carpet. Because the Maintenance and Repair Accounts should be used for general turns requiring no special materials, funds for the more major turns have been moved and included in the proposed FY 24-25 CIP budget for rehabilitation expenditures.
- Staff is also proposing to split the Countertop/Cabinets account into two separate accounts for better tracking of ongoing costs.
- The State Fire Marshal category is proposed to decrease by \$40,000. This was increased in prior years in anticipation of increased billings from the Fire Marshal. CADA has not experienced these increases in recent years and staff is proposing to reduce this account.
- Landscaping is proposed to decrease by \$98,000. This account was increased in the prior year for additional landscaping and tree services that have been completed. This contract will be going out to bid this year and, with a new, more detailed scope of work, staff anticipates that the contract amount will come in closer to this budgeted amount.

### **Utilities**

|                      | FY 2023-24<br>Final Budget | FY 2024-25<br>Proposed Budget | Difference      |
|----------------------|----------------------------|-------------------------------|-----------------|
| Garbage              | \$ 153,500                 | \$ 167,500                    | 14,000          |
| SMUD/Electricity     | 152,000                    | 179,500                       | 27,500          |
| PG&E/Gas             | 418,800                    | 395,300                       | (23,500)        |
| Water/Sewer          | 588,000                    | 575,000                       | (13,000)        |
| Admin Utilities      | 28,000                     | 28,000                        | -               |
| Admin/Mait Utilities | 55,000                     | 55,000                        | -               |
|                      | <u>\$ 1,395,300</u>        | <u>\$ 1,400,300</u>           | <u>\$ 5,000</u> |

Utilities are proposed to be increased by a net \$5,000. The majority of this net change is due to increases to Garbage and SMUD Electricity, offset by decreases in PG&E Gas and Water/Sewer expenses. For the PG&E account, the decrease reflects staff efforts to move away from inefficient gas energy sources and move towards more efficient electrical energy sources.

For Water accounts there has been a reduction in expenses, so even with potential increases to rates, staff is proposing the decrease to the water and no changes to the other utility accounts.

### **Overhead**

|                        | FY 2023-24<br>Final Budget | FY 2024-25<br>Proposed Budget | Difference         |
|------------------------|----------------------------|-------------------------------|--------------------|
| Leased Facilities Rent | 24,000                     | -                             | (24,000)           |
| Board Expenses         | 37,000                     | 7,000                         | (30,000)           |
|                        | 79,080                     | 87,840                        | 8,760              |
| Other                  | 678,501                    | 677,795                       | (706)              |
|                        | <u>\$ 818,581</u>          | <u>\$ 772,635</u>             | <u>\$ (45,946)</u> |

Overhead is proposed to be decreased by 5%. The major items that contribute to the net changes are as follows:

- Lease Facilities Rent is proposed to be closed. This account was for the rental of parking spaces for the Capital Athletic Club. Since these spaces are no longer needed this account should be closed.
- Board Expenses are proposed to be decreased by \$30,000. In the prior year this account was increase to allow a consultant to update CADA's strategic plan.
- Special Management Property fees is a cost to the Somerset, Biele, 17<sup>th</sup> Street Commons and Fremont/Wilshire special management properties which are paid to CADA as part of its regulatory agreements with its regulatory agencies.

### **Debt Service**

|  | FY 2023-24<br>Final Budget | FY 2024-25<br>Proposed Budget | Difference        |
|--|----------------------------|-------------------------------|-------------------|
| Debt Service General Fund - principal paid | \$ 220,100                 | \$ 294,119                    | 74,019            |
| Debt Service General Fund - Interest paid  | 62,462                     | 168,601                       | 106,139           |
| Bond Debt Service - Principal Paid         | 1,340,090                  | 1,357,859                     | 17,769            |
| Bond Debt Service - Interest Paid          | 1,245,860                  | 1,216,636                     | (29,224)          |
| Tax Increment Pledge - Eviva Midtown       | 300,000                    | 300,000                       | -                 |
|  | <u>\$ 3,168,512</u>        | <u>\$ 3,337,215</u>           | <u>\$ 168,703</u> |

The Debt Service line item's proposed adjustment follows the current amortization schedules and the addition of a new debt service in the total amount of \$180,550 for the purchase of the new Maintenance Office at 525 S Street. The budget reflects a \$168,700, or 5%, increase in debt service to be paid.

### **Investment in the Capital Investment Program (CIP)**

|   | FY 2023-24<br>Final Budget | FY 2024-25<br>Proposed Budget | Difference       |
|---|----------------------------|-------------------------------|------------------|
| The Investment in Major Construction is proposed to be funded as follows: |                            |                               |                  |
| - Tax Increment Funded  | \$ 1,115,620               | 1,876,095                     | \$ 760,475       |
| - Tax Increment Funded Prior Year   | 100,000                    | -                             |                  |
| - Released CIP funding from Tax Increment                                 | -                          | 371,387                       | 371,387          |
| - Affordable Housing Funded   | -                          | -                             | -                |
| - Operations Funded (General Fund)  | -                          | 2,131,518                     | 2,131,518        |
| - Operations Funded (Special Management)                                  | 11,000                     | 40,000                        | 29,000           |
|   | <u>1,226,620</u>           | <u>4,419,000</u>              | <u>3,292,380</u> |

The Investment in Development is proposed to be funded as follows:

|                                   |                |                   |                   |
|-----------------------------------|----------------|-------------------|-------------------|
| - Tax Increment Funded            | \$ 179,502     | 735,000           | \$ 555,498        |
| - Tax Increment Funded Prior Year | -              | -                 |                   |
| - Bond Investment Revenue Funded  | -              | 12,000,000        | 12,000,000        |
| - Development Reserve Revenue     | -              | -                 | -                 |
| - Grant Funding                   | -              | -                 | -                 |
|                                   | <u>179,502</u> | <u>12,735,000</u> | <u>12,555,498</u> |



The New Investment in the Major Construction category is proposed to be increased compared to the prior year for CADA's general housing stock, commercial and former ground lease properties. This funding is required to meet CADA's anticipated capital improvement needs in the year ahead including budgeting for improvements to individual units for flooring and cabinet/countertop improvements, the new Maintenance Warehouse office improvements, conversions of central heating and hot water systems to electric, roof replacements, window replacements, and other pressing physical improvements.

The Investment in Development category is proposed to be increased in the next fiscal year reflecting the needed funding for project predevelopment expenses, and project support for our two projects that will need gap financing in the next year (805 R Street and 16<sup>th</sup> and T Streets), the majority of which will be funded from 2020 CADA bond proceeds.

### **Special Management Funds**

CADA maintains several Special Management properties, three of which require annual budget approval by the regulatory agencies that provided project construction funding. The Somerset Parkside and Biele Place budgets were submitted to the State of California's Department of Housing and Community Development (HCD) and have been approved by that agency. Staff expects the California Housing Finance Agency (CalHFA) will approve the submitted budget for 17<sup>th</sup> Street Commons. These funds are incorporated into the proposed CADA budget. Any changes made by CalHFA will be brought to the Board at Mid-Year.

With regard to the 17<sup>th</sup> Street Commons and Fremont/Wilshire Special Management properties, these continue to be self-supporting, with projected positive operations by the end of the coming fiscal year.

## **MAJOR CONSTRUCTION CAPITAL INVESTMENT PROGRAM (CIP)**

Major Construction CIP budgets are multi-year budgets for individual projects initially funded in a given fiscal year. These budgets remain active and open for a total of three years.

### **Major Construction (CIP) Budget FY 21-22**

This budget is proposed to be closed at year-end FY 23-24. Usually, any remaining funding is carried forward to the new CIP budget. For this budget, funding is still needed until June to complete unit upgrades on vacant units and various repairs to the Capital Athletic Club. Remaining unused funds will not be finalized until the end of June, so staff is proposing to use funds that remain for the CADA mid-year budget revision.

For Special Management, the Fremont Wilshire property has a current budget of \$371,387 for replacement of balconies and stairs, but the project was not completed in the current year and it was determined that this project needed to be reevaluated. Staff have determined that the existing balconies and railings are structurally sound and while it might be desirable in the long term to replace them with an entirely steel version, it is not necessary to do so. So, this funding is currently not needed for this property and has been made available to be used to fund the proposed FY 24-25 Major Construction budgets.

### **Major Construction (CIP) Budget FY 22-23**

There is no proposed revision to this budget.

## **Major Construction (CIP) Budget FY 23-24**

There is no proposed revision to this budget.

## **Major Construction (CIP) Budget FY 24-25 (Attachment 2)**

The FY 24-25 Major Construction Program budget is proposed to total \$4,419,000, of which \$40,000 is allocated for capital improvements at Special Management properties, with \$1,876,095 funded by current tax increment; \$371,387 funded from tax increment carryover from the prior year; \$40,000 funded from equipment reserves to fund the Special Management properties; and \$2,131,518 funded from the available fund balance.

Of the total \$4.4 million budget, \$2,247,482 is proposed to be allocated for various projects in several CADA residential buildings, including funds to improve two vacant commercial units (the former Simon's space and the former University of Beer office space) and funding of \$1,025,000 to continue residential unit improvements to flooring, cabinets, and countertops, reflecting a shift to utilizing more modern and more durable materials which will reduce costs to CADA for unit turns into the future.

The remaining funding of \$2,131,518 from the available fund balance is to fund two large projects and part of a third project in the next fiscal year. \$1,336,000 is needed to remodel the 525 S Street property to move, rehabilitate (remediation, roof and HVAC), and set up a new Maintenance office and warehouse at that property. \$670,000 is needed for the Capitol Athletic Club to replace the HVAC and boiler system along with tenant improvements to the property. The remaining \$125,518 funds along with tax increment, is proposed for multiple kitchen and lobby rehabilitations at the Dean for \$300,000, which will make these apartments more competitive in the marketplace and better able to command high rents, while maintaining the historical qualities of this building, which, as CADA's flagship building, is appropriate.

As noted above, CIP budgets are three-year budgets, and as such, these expenditures are able to be implemented over a three-year period. Please see **Attachment 2** for detail on proposed projects and their funding sources.

## **DEVELOPMENT CAPITAL INVESTMENT PROGRAM (CIP)**

Development CIP Budgets are multi-year budgets for individual projects initially funded in a given fiscal year. These budgets consist of Development Projects and Bond Projects (using unexpended proceeds from the 2020 Bond Issue), which stay open for the life of the project. Below are the currently budgeted project years with proposed changes. The remaining budgeted project years have no proposed changes. Please see **Attachment 3** for proposed adjustments by project.

### **FY 06-07 Budget Revisions**

Overall, the FY 06-07 Development Budget is proposed to be increased by \$260,000 to increase the East End Gateway Site 5, 6 & 7 Project budget. This increase is needed to make funding available for likely pre-development expenditures for design and other professional services for this project, which is situated on 16<sup>th</sup> Street between N and O Streets.

### **FY 20-21 Budget Revisions**

Overall, the FY 20-21 Development Budget with the CACDC is proposed to be increased for the 805 R Street project. The increase would be for \$8,025,000, to fund an \$8 million project gap financing need and \$25,000 for the planned groundbreaking and other miscellaneous expenses. This will be funded from 2020 Bond proceeds.

## **FY 21-22 Budget Revisions**

Overall, the FY 21-22 Development Budget with the CACDC is proposed to be increased by \$4 million to fund the gap financing need for the 16T project, located at 16<sup>th</sup> & T Streets. This will be funded from 2020 bond proceeds.

## **FY 24-25 Budget Revisions**

Overall, the FY 24-25 Development Budget is proposed to be increased by \$450,000 to provide funding for a new S Street Pedestrian Streetscape improvement project for off-site Infrastructure improvements, if the 16T project receives the applied for Affordable Housing Sustainable Communities (AHSC) funding. Part of this funding requires CADA, with the City of Sacramento, to make pedestrian improvements to the S Street corridor to facilitate bicycle and pedestrian connections and in conjunction with the planned ACE Rail commuter rail station to be constructed between 19<sup>th</sup> and 20<sup>th</sup> Streets and between P and S Streets.

## **Bond Projects Capital Investment Program Budget Revisions**

Currently, there are \$24.5 million in taxable bond proceeds from the 2020 bond issue that are available and undesignated. The below adjustments to the 805 R Street and 16<sup>th</sup> and T Street projects for gap financing are proposed. The proceeds have been budgeted for the following:

**TABLE 3 - 2020 Taxable Bond Proceeds**

|                              | <u>Original<br/>Budget</u> | <u>Previous<br/>Budgeted</u> | <u>Current<br/>Proposed</u> | <u>Total<br/>Budget</u> | <u>Remaining<br/>Proceeds</u> |
|------------------------------|----------------------------|------------------------------|-----------------------------|-------------------------|-------------------------------|
| <u>Funding Sources</u>       |                            |                              |                             |                         |                               |
| Available Proceeds           | 30,000,000                 | (5,400,100)                  | (12,000,000)                | (17,400,100)            | 12,599,900                    |
| <u>Development Expenses</u>  |                            |                              |                             |                         |                               |
| Courtyard Site 16A - Sonrsia | -                          | 2,633,100                    | -                           | 2,633,100               | -                             |
| 805 R street                 | -                          | 1,000,000                    | 8,000,000                   | 9,000,000               | -                             |
| 16th and T Street            | -                          | -                            | 4,000,000                   | 4,000,000               | -                             |
| O Street Streetscape         | -                          | 1,767,000                    | -                           | 1,767,000               | -                             |
|                              | <u>\$ 30,000,000</u>       | <u>\$ 5,400,100</u>          | <u>\$ 12,000,000</u>        | <u>\$ 17,400,100</u>    | <u>\$ -</u>                   |

## **DESIGNATED RESERVES**

Designated Reserves reflects the balances anticipated to be held by CADA as of Year-End, net of budgeted contributions and withdrawals. Overall, Designated Reserves balances as of June 30, 2024, are anticipated to be in the range of \$13.1 million. **Table 4** below provides a summary of budgeted activity and projected reserve account balances by fund.

Proposed Reserve activities of note include:

- Projected withdrawals of \$40,000 from Special Management Fund Reserves consisting of the following:
  - \$40,000 to the Somerset Parkside Equipment Replacement Reserve to completed the current contract for replacement of bathroom and kitchen cabinets, countertops and flooring throughout the units as they become vacant.

- Required reserve contributions of \$104,883 to the Special Management Equipment Reserve.
- A proposed contribution to reserves of \$358,958 for the R Street Housing Set-Aside fund and \$578,428 for the R Street Development Reserve.

**TABLE 4 - Designated Reserves**

| <u>Designated Reserves (General Operation)</u>  | Projected<br>6/30/24 | (Draws)             | Contributions     | Projected<br>6/30/25 |
|---|----------------------|---------------------|-------------------|----------------------|
| Operations Contingency                          | \$ 685,144           | \$ -                | \$ -              | 685,144              |
| Development Reserve                             | 1,655,485            | -                   | -                 | 1,655,485            |
| Affordable Housing Reserve                      | 928,947              | -                   | -                 | 928,947              |
| Capital Improvement Reserve                     | 400,000              | -                   | -                 | 400,000              |
| Equipment Replacement Reserve                   | 75,000               | -                   | -                 | 75,000               |
| Debt Retirement Reserve                         | 1,703,000            | -                   | -                 | 1,703,000            |
| Acquisition Reserve                             | 2,632,000            | -                   | -                 | 2,632,000            |
| Self-Insured Risk Reserve                       | 675,000              | -                   | -                 | 675,000              |
|   | <u>\$ 8,754,576</u>  | <u>\$ -</u>         | <u>\$ -</u>       | <u>\$ 8,754,576</u>  |
| <u>Designated Reserves (Special Management)</u> |                      |                     |                   |                      |
| Equipment Replacement Reserve                   | \$ 616,769           | \$ (40,000)         | \$ 104,883        | \$ 681,652           |
| Operation Reserve - Somerset & Biele            | 106,679              | -                   | -                 | 106,679              |
|   | <u>\$ 723,448</u>    | <u>\$ (40,000)</u>  | <u>\$ 104,883</u> | <u>\$ 788,331</u>    |
| <u>Designated Reserves (R Street)</u>           |                      |                     |                   |                      |
| Development Reserve                             | \$ 1,178,731         | \$ -                | \$ 578,428        | \$ 1,757,159         |
| Affordable Housing Reserve                      | 1,403,412            | -                   | 358,958           | 1,762,370            |
|   | <u>\$ 2,582,143</u>  | <u>\$ -</u>         | <u>\$ 937,386</u> | <u>\$ 3,519,529</u>  |
| <u>Designated Reserve (Bond Interest)</u>       |                      |                     |                   |                      |
| Development Reserve                             | \$ 155,360           | \$ (155,360)        | -                 | \$ -                 |
|   | <u>\$ 155,360</u>    | <u>\$ (155,360)</u> | <u>\$ -</u>       | <u>\$ -</u>          |

## **POLICY ISSUES**

The budget presented to the Board for adoption reflects the priorities set forth in the CADA Strategic Plan and Business Plan and is prepared and managed in accordance with CADA Budget Policy. The fiscal year General Operations Budget continues to support CADA's ongoing property management operations and Special Management Fund operations. In addition, CADA strives annually to designate adequate funds for allocation to its reserves, which are evaluated annually during the budget process. Staff examines appropriateness of the funding levels, and needed adjustments are recommended to the Board at Midyear or in the next budget cycle.

The General Operations Budget Policy states that a threshold for transfers that the Executive Director may make between major budget expense categories shall be established by the Board. Accordingly, the resolution adopting the FY 24-25 General Operations Budget establishes a transfer threshold below which the Executive Director can affect transfers without prior approval by the Board. Staff is proposing that the threshold be a cumulative seven percent (7%) of a major expense category's annual operating budget. This is consistent with CADA Board practice over the past ten years. If these transfers do occur, they are reported in CADA's monthly financial reports and transmitted to the Board. If the Board would like staff to evaluate increasing this amount limit, as the contract limit authority was recently increased, staff can look into this further and return to the Board with a recommended update.

Board policy established on May 18, 2001 sets forth CADA's policy with regard to applications for project funding. Staff recommends that this policy providing the Executive Director with authority to

submit applications for project funding and requiring Board action for acceptance remain unchanged for FY 24-25.

### **STRATEGIC PLAN**

The Strategic Plan value that is most directly pertinent to this action is Objective I: Ensure Fiscal Strength and Operational Excellence. Adoption of a well-conceived budget will assist in the fulfillment of CADA's Strategic Plan's goals and the Business Plan objectives, while continuing to maintain a strong financial position.

### **ENVIRONMENTAL REVIEW**

Not applicable – the recommended action is not a project pursuant to the California Environmental Quality Act (CEQA) guidelines and does not require environmental review.

### **CONTRACT AWARD CONSIDERATIONS**

While adoption of the budget does not directly involve the awarding of contracts, action on this item at the June Board Meeting is critical in order to enable the awarding of consultant and maintenance annual service contracts with July 1, 2024 commencement dates.

Attachments:

1. Fund Descriptions
2. FY 24-25 CIP Program Budget – Major Construction
3. Development CIP Program Budget with pertinent footnotes
4. Resolution 24 – 27 – FY 24-25 Budgets
5. Resolution 24 – 28 – FY 06-07 CIP Development Project Budget Increase
6. Resolution 24 – 29 – FY 20-21 CIP Development Project Budget Increase
7. Resolution 24 – 30 – FY 21-22 CIP Development Project Budget Increase
8. Resolution 24 – 31 – FY 21-22 CIP Major Construction Budget Close Out

## Attachment 1 Fund Descriptions

|   |   |
|---|---|
| General Fund (F10)  | Includes the General Operations budget, the Major Construction Budget and the Development Projects Budgets.   |
| CACDC (F20)   | This is a fund to account for activities undertaken by the Capitol Area Community Development Corporation, a non-profit corporation that CADA created in FY 15-16   |
| 1322 O Street Partnership (F25)   | This is a fund to account for activities undertaken by the partnership created by the CACDC for the purpose of securing tax credit funding for the Sonrisa project. This fund is accounted for and reported separately from CADA's financial statements.  |
| Special Management Funds <ul style="list-style-type: none"> <li>• Somerset Parkside (F36)</li> <li>• Biele Place (F37)</li> <li>• 17<sup>th</sup> Street Commons (F38)</li> <li>• Fremont/Wilshire (F41)</li> </ul>   | Includes four (4) Special Management funds for which external governmental agencies have varying degrees of oversight (e.g. budget approval and debt restrictions). Agencies having oversight include Department of Housing & Community Development (HCD) for Funds 36 & 37 and California Housing Finance Agency (CalHFA) for Fund 38. Also includes a special management fund for the Fremont Wilshire buildings, which is not subject to external government agency oversight, but does have debt holder reporting requirements. |
| Special Revenue Funds <ul style="list-style-type: none"> <li>• Trust Funds (76)</li> <li>• Middle-Income Housing Support (71)</li> </ul>  | Trust funds (76) are used for funds CADA holds in trust for other entities for a specific purpose. Special Revenue funds are to be used to recognize and restrict CADA revenue for a specific purpose.  |
| Tax Increment Funds <ul style="list-style-type: none"> <li>• CAP Tax Increment (F50)</li> <li>• CAP Housing Set-Aside (F51)</li> <li>• R St. Tax Increment (F60)</li> <li>• R St. Housing Set-Aside (F61)</li> <li>• R Street PBID (90)</li> </ul>  | Includes four (4) funds that ensure accountability for the receipt and expenditure of Tax Increment Revenue. Revenue from the R St. expansion of CADA's boundaries must be accounted for separately from the CAP area (F60 & F61). In addition, 20% of each area's revenue is further restricted for the creation and support of affordable housing (F51 & 61). The R Street PBID (90) is a fund to account for tax assessments received and disbursed to the R Street PBID non-profit.   |
| Bond Debt Service Funds <ul style="list-style-type: none"> <li>• Series A Tax Exempt 2004 Bond (F65)</li> <li>• Series B Taxable 2004 Bond (F66)</li> <li>• Taxable 2020 (F67)</li> </ul>   | Funds established to reflect the remaining balance of bonds issued in July 2004 and December 2020, as well as investment income earned on the reserves and remaining unspent bond proceeds.   |
| Tax Allocation Bond Proceeds Funds <ul style="list-style-type: none"> <li>• Tax Exempt CAP (F80)</li> <li>• Tax Exempt CAP Low/Mod (F81)</li> <li>• Tax Exempt R St (F82)</li> <li>• Tax Exempt R St Low/Mod (F83)</li> <li>• Taxable CAP (F84)</li> <li>• Taxable CAP Low/Mod (F85)</li> </ul> | The Authority issued Tax Allocation Bonds in July 2004. The six (6) different funds are required for the various components of this issuance as they relate to taxability, affordability requirements, and the areas (CAP versus R St) from which the tax increment pledged is generated.   |

**Capitol Area Development Authority (CADA)**  
**MAJOR CONSTRUCTION CAPITAL INVESTMENT PROGRAM**  
**PROPOSAL - FY 24-25 PROJECTS (NEW)**

Attachment 2

**MAJOR CONSTRUCTION**

C25 - CIP - FY 24-25

**FUNDING SOURCES**

Reserve Drawdowns  
Equipment Replace Reserve Drawdown  
1001-1035 Q, Somerset Parkside  
1421 15th St, Biele Place  
17th Street Commons  
Fremont Wilshire  
  
General Operations Investment  
CIP Transfer from F10-General  
CIP Transfer from F50-Cap Tax Increment  
CIP Transfer from F41 - Fremont/Wilshire - Release of  
Special Management Operation Investment

Other Sources

**Total FUNDING SOURCES**

**USES OF FUNDS**

1001-1035 Q, Somerset Parkside - Cabinet & Pipe  
replacement

**Total Special Management**

701 St - Maintenance - Remodel  
Capitol Athletic Club - Repair & remodel  
HVAC replace  
Boiler replace  
Tenant Improvements  
1400 N St - The Dean - Kitchen & Lobby rehab  
1317 O St - The Valencia - Windows & dry rot rehab  
1500 15th Street - Auslander - window replacement  
1501 15th St - Dager Maor - Exterior paint  
1506 13th St - McCaferty Manor - Roof  
1615 P St - Lani - Windows  
1617 P St - Lani - Windows  
1623 P St - Lani - Windows  
1413 16th - Former Simon's location  
1520 16th - Former UofB office location  
Unit Rehab Improvemens  
Flooring  
Cabinets  
Countertops  
General Major Construction

**Total USES OF FUNDS**

**Funding Sources, net of Uses**

|                                     | <b>Projects, by Funding Sources</b> |                                 |                                      |  |
|-------------------------------------|-------------------------------------|---------------------------------|--------------------------------------|--|
| <b><u>FY 24-25<br/>Proposed</u></b> | <b><u>Reserves</u></b>              | <b><u>Tax<br/>Increment</u></b> | <b><u>Carry over<br/>Sources</u></b> | <b><u>Available Funds<br/>Operations</u></b> |
|                                     |                                     |                                 |                                      |  |
| 40,000                              | 40,000                              |                                 |                                      |  |
| -                                   | -                                   |                                 |                                      | -  |
| -                                   | -                                   |                                 |                                      |  |
| -                                   |                                     |                                 | -                                    |  |
| <b>40,000</b>                       | <b>40,000</b>                       | -                               | -                                    | -  |
| 2,131,518                           |                                     |                                 |                                      | 2,131,518                                    |
| 2,247,482                           |                                     | 1,876,095                       |                                      |  |
| 371,387                             |                                     | 371,387                         |                                      | -  |
| <b>4,379,000</b>                    | -                                   | <b>2,247,482</b>                | -                                    | <b>2,131,518</b>                             |
| -                                   |                                     |                                 |                                      |  |
| -                                   | -                                   | -                               | -                                    | -  |
| <b>4,419,000</b>                    | <b>40,000</b>                       | <b>2,247,482</b>                | -                                    | <b>2,131,518.00</b>                          |
|                                     |                                     |                                 |                                      |  |
| (40,000)                            | (40,000)                            |                                 |                                      |  |
| (40,000)                            | (40,000)                            | -                               | -                                    | -  |
| (1,336,000)                         |                                     |                                 |                                      | (1,336,000)                                  |
| (450,000)                           |                                     |                                 |                                      | (450,000)                                    |
| (120,000)                           |                                     |                                 |                                      | (120,000)                                    |
| (100,000)                           |                                     |                                 |                                      | (100,000)                                    |
| (300,000)                           |                                     | (174,482)                       |                                      | (125,518)                                    |
| (190,000)                           |                                     | (190,000)                       |                                      |  |
| (130,000)                           |                                     | (130,000)                       |                                      |  |
| (75,000)                            |                                     | (75,000)                        |                                      |  |
| (150,000)                           |                                     | (150,000)                       |                                      |  |
| (95,000)                            |                                     | (95,000)                        |                                      |  |
| (95,000)                            |                                     | (95,000)                        |                                      |  |
| (110,000)                           |                                     | (110,000)                       |                                      |  |
| (30,000)                            |                                     | (30,000)                        |                                      |  |
| (30,000)                            |                                     | (30,000)                        |                                      |  |
| (550,000)                           |                                     | (550,000)                       |                                      |  |
| (300,000)                           |                                     | (300,000)                       |                                      |  |
| (175,000)                           |                                     | (175,000)                       |                                      |  |
| (143,000)                           |                                     | (143,000)                       | -                                    | -  |
| <b>(4,419,000)</b>                  | <b>(40,000)</b>                     | <b>(2,247,482)</b>              | -                                    | <b>(2,131,518)</b>                           |
| -                                   | -                                   | -                               | -                                    | -  |

| CIP Development Program (Budget Amendment) | Current | Increase <Decrease | Revised |
|--|---------|--------------------|---------|
|--|---------|--------------------|---------|

**East End Gateway, Site 5/6 (FY 06-07)**

|  |              |              |              |
|--|--------------|--------------|--------------|
| Funding Sources                          |              |              |              |
| General Operations Investment            |              |              |              |
| Dev Program TF from F 50-CAP Tax Incr    | 237,441.00   | 104,640.00   | 342,081.00   |
| Dev Program TF from F 67 - Bond Interest | -            | 155,360.00   | 155,360.00   |
| Total General Operations Investment      | 237,441.00   | 260,000.00   | 497,441.00   |
| Other Sources                            |              |              |              |
| From Development Program                 |              |              |              |
| ENA Development Fees                     | 64,700.00    | -            | 64,700.00    |
| Total Other Sources                      | 64,700.00    | -            | 64,700.00    |
| Total Funding Sources                    | 302,141.00   | 260,000.00   | 562,141.00   |
| Uses Of Funds                            |              |              |              |
| D&A - Site Improvements                  | (25,500.00)  | -            | (25,500.00)  |
| D&A - DDA Prep                           | (10,657.00)  | -            | (10,657.00)  |
| D&A Funding Research & Application Costs | (4,000.00)   | -            | (4,000.00)   |
| D&A Engin/Architectural                  | (6,000.00)   | (150,000.00) | (156,000.00) |
| D&A Environmental Assessments            | (43,740.00)  | (10,000.00)  | (53,740.00)  |
| Legal - Dev Project Related              | (26,500.00)  | -            | (26,500.00)  |
| D&A Project Financial Analysis           | (64,552.00)  | -            | (64,552.00)  |
| D&A Other Professional Services          | (105,000.00) | (100,000.00) | (205,000.00) |
| D&A Miscellaneous Expense                | (16,192.00)  | -            | (16,192.00)  |
| Total Uses Of Funds                      | (302,141.00) | (260,000.00) | (562,141.00) |
| Funding Sources, Net of Uses             | -            | -            | -            |

**805 R Street (FY 20-21)**

|                                       |              |                |                |
|---------------------------------------|--------------|----------------|----------------|
| Funding Sources                       |              |                |                |
| General Operations Investment         |              |                |                |
| 2020 Bond Proceeds                    | 900,000.00   | 8,000,000.00   | 8,900,000.00   |
| Dev Program TF from F 60-CAP Tax Incr | -            | 25,000.00      | 25,000.00      |
| Total General Operations Investment   | 900,000.00   | 8,025,000.00   | 8,925,000.00   |
| Total Funding Sources                 | 900,000.00   | 8,025,000.00   | 8,925,000.00   |
| Uses Of Funds                         |              |                |                |
| D&A - Site Improvements               | (315,000.00) | -              | (315,000.00)   |
| D&A - Engin/Arch                      | (300,000.00) | -              | (300,000.00)   |
| D&A - Environmental Assessments       | (10,000.00)  | -              | (10,000.00)    |
| Legal - Dev Project Related           | (50,000.00)  | -              | (50,000.00)    |
| D&A Project Financial Analysis        | (50,000.00)  | -              | (50,000.00)    |
| D&A Other Professional Services       | (25,000.00)  | -              | (25,000.00)    |
| D&A Miscellaneous Expense             | -            | (25,000.00)    | (25,000.00)    |
| Permits and Fees                      | (150,000.00) | -              | (150,000.00)   |
| Project Gap Financing                 | -            | (8,000,000.00) | (8,000,000.00) |
| Total Uses Of Funds                   | (900,000.00) | (8,025,000.00) | (8,925,000.00) |
| Funding Sources, Net of Uses          | -            | -              | -              |

**16th & T Street (FY 21-22)**

|                                       |            |              |              |
|---------------------------------------|------------|--------------|--------------|
| Funding Sources                       |            |              |              |
| General Operations Investment         |            |              |              |
| 2020 Bond Proceeds                    | 900,000.00 | 4,000,000.00 | 4,900,000.00 |
| Dev Program TF from F 60-CAP Tax Incr | -          | -            | -            |
| Total General Operations Investment   | 900,000.00 | 4,000,000.00 | 4,900,000.00 |
| Total Funding Sources                 | 900,000.00 | 4,000,000.00 | 4,900,000.00 |
| Uses Of Funds                         |            |              |              |



Capitol Area Development Authority (CADA)  
Development Capital Investment Program  
Proposed Revision

Attachment 3  
Pertinent Footnotes

|   |              |                |                |
|---|--------------|----------------|----------------|
| D&A Funding Research & Application Cost | (10,000.00)  |                | (10,000.00)    |
| D&A - Engin/Arch                        | (400,000.00) | -              | (400,000.00)   |
| D&A - Environmental Assessments         | (50,000.00)  | -              | (50,000.00)    |
| Legal - Dev Project Related             | (75,000.00)  | -              | (75,000.00)    |
| D&A Project Financial Analysis          | (50,000.00)  | -              | (50,000.00)    |
| D&A Other Professional Services         | (25,000.00)  | -              | (25,000.00)    |
| D&A Miscellaneous Expense               | (50,000.00)  | -              | (50,000.00)    |
| Permits and Fees                        | (240,000.00) | -              | (240,000.00)   |
| Project Gap Financing                   | -            | (4,000,000.00) | (4,000,000.00) |
| Total Uses Of Funds                     | (900,000.00) | (4,000,000.00) | (4,900,000.00) |

|                              |   |   |   |
|------------------------------|---|---|---|
| Funding Sources, Net of Uses | - | - | - |
|------------------------------|---|---|---|

**S Street Improvements (FY 24-25)**

|                                       |   |            |            |
|---------------------------------------|---|------------|------------|
| Funding Sources                       |   |            |            |
| General Operations Investment         |   |            |            |
| Dev Program TF from F60-R St Tax Incr | - | 450,000.00 | 450,000.00 |
| Total Funding Sources                 | - | 450,000.00 | 450,000.00 |

|                         |   |              |              |
|-------------------------|---|--------------|--------------|
| Uses Of Funds           |   |              |              |
| Off-site Infrastructure | - | (450,000.00) | (450,000.00) |
| Total Uses Of Funds     | - | (450,000.00) | (450,000.00) |

|                              |   |   |   |
|------------------------------|---|---|---|
| Funding Sources, Net of Uses | - | - | - |
|------------------------------|---|---|---|

## **RESOLUTION NO. 24 – 27**

Adopted by the Capitol Area Development Authority

June 28, 2024

### **RESOLUTION ADOPTING THE FY 2024-2025 GENERAL OPERATIONS AND CAPITAL INVESTMENT PROGRAM BUDGETS**

**WHEREAS**, the Fiscal Year 2024-2025 General Operations and Capital Investment Program Budgets have been prepared in accordance with business development goals set forth in the Authority's Annual Business Plan for FY 2024-2025;

**WHEREAS**, the Fiscal Year 2024-2025 General Operations Budget of \$34,363,781 including projected Designated Reserves \$14,096,798, and the Capital Investment Program Major Construction Budget of \$4,419,000; and Capital Investment Program Development Project Budget of \$450,000 have been presented to the Board of Directors;

**WHEREAS**, the Authority has established policy authorizing the Executive Director to submit applications for project funding without first receiving specific Board approval so long as costs incurred during the application process do not exceed budget, the Board has not precluded the submittal of an application for a particular project, and the award of such funding is not accepted without Board approval; and

**WHEREAS**, the Authority's General Operations Budget policy requires that the threshold for transfers between major expense categories shall be established no less than once a year as part of the annual operating budget preparation process.

**NOW, THEREFORE, BE IT RESOLVED**, by the Capitol Area Development Authority that the Fiscal Year 2024-2025 General Operations and Capital Investment Program Budgets, including Designated Reserves, presented at the June 30, 2024, meeting of the Board of Directors are hereby adopted by the Board of Directors; and

**THEREFORE, BE IT FURTHER RESOLVED**, by the Capitol Area Development Authority that the Executive Director is authorized to submit applications for project funding without first receiving specific Board approval so long as costs incurred during the application process do not exceed budget, the Board has not precluded the submittal of an application for a particular project, and the award of such funding is not accepted without Board approval; and

**THEREFORE, BE IT FURTHER RESOLVED**, by the Capitol Area Development Authority that the threshold for transfers between major expense categories which the Executive Director may make without prior approval by the Board shall be limited to a cumulative of seven percent (7%) of a major expense category's annual operating budget.

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Ann Bailey, Chair

ATTEST:

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Tara Gandara  
Secretary to the Board of Directors

**RESOLUTION NO. 24 – 28**

Adopted by the Capitol Area Development Authority

June 28, 2024

**RESOLUTION ADOPTING REVISIONS TO THE  
FISCAL YEAR (FY) 2006-2007 CAPITAL INVESTMENT PROGRAM BUDGET**

**WHEREAS,** the FY 2006-2007 Capital Investment Program Budget is prepared in accordance with the business development goals set forth in the Authority's Strategic Plan and Annual Business Plan;

**WHEREAS,** the FY 2006-2007 Capital Investment Program Budget was adopted and subsequently revised at certain Board Meetings; and

**WHEREAS,** the revisions presented for adoption at this meeting of the Board of Directors have been reviewed and are recommended for approval.

**THEREFORE, BE IT RESOLVED,** by the Board of Directors of the Capitol Area Development Authority that the revisions presented for adoption at this meeting of the Board of Directors increasing the FY 2006-2007 Capital Investment Program Development Projects Budget by \$260,000 is hereby adopted.

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Ann Bailey, Chair

ATTEST:

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Tara Gandara  
Secretary to the Board of Directors

**RESOLUTION NO. 24 – 29**

Adopted by the Capitol Area Development Authority

June 28, 2024

**RESOLUTION ADOPTING REVISIONS TO THE  
FISCAL YEAR (FY) 2020-2021 CAPITAL INVESTMENT PROGRAM BUDGET**

**WHEREAS,** the FY 2020-2021 Capital Investment Program Budget is prepared in accordance with the business development goals set forth in the Authority's Strategic Plan and Annual Business Plan;

**WHEREAS,** the FY 2020-2021 Capital Investment Program Budget was adopted and subsequently revised at certain Board Meetings; and

**WHEREAS,** the revisions presented for adoption at this meeting of the Board of Directors have been reviewed and are recommended for approval.

**THEREFORE BE IT RESOLVED,** by the Board of Directors of the Capitol Area Development Authority that the revisions presented for adoption at this meeting of the Board of Directors increasing the FY 2020-2021 Capital Investment Program Development Projects Budget by \$8,025,000 is hereby adopted.

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Ann Bailey, Chair

ATTEST:

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Tara Gandara  
Secretary to the Board of Directors

**RESOLUTION NO. 24 – 30**

Adopted by the Capitol Area Development Authority

June 28, 2024

**RESOLUTION ADOPTING REVISIONS TO THE  
FISCAL YEAR (FY) 2021-2022 CAPITAL INVESTMENT PROGRAM BUDGET**

**WHEREAS**, the FY 2021-2022 Capital Investment Program Budget is prepared in accordance with the business development goals set forth in the Authority's Annual Strategic Plan and Business Plan;

**WHEREAS**, the FY 2021-2022 Capital Investment Program Budget was adopted and subsequently revised at certain Board Meetings; and

**WHEREAS**, the revisions presented for adoption at this meeting of the Board of Directors have been reviewed and are recommended for approval.

**THEREFORE BE IT RESOLVED**, by the Board of Directors of the Capitol Area Development Authority that the revisions presented for adoption at this meeting of the Board of Directors increasing the FY 2021-2022 Capital Investment Program Development Projects Budget by \$4 million is hereby adopted.

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Ann Bailey, Chair

ATTEST:

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Tara Gandara  
Secretary to the Board of Directors

**RESOLUTION NO. 24 – 31**

Adopted by the Capitol Area Development Authority

June 28, 2024

**RESOLUTION ADOPTING REVISIONS TO THE  
FISCAL YEAR (FY) 2021-2022 CAPITAL INVESTMENT PROGRAM MAJOR  
CONSTRUCTION BUDGET**

**WHEREAS,** the FY 2021-2022 Capital Investment Program Budget is prepared in accordance with the business development goals set forth in the Authority's Annual Strategic Plan and Business Plan;

**WHEREAS,** the FY 2021-2022 Capital Investment Program Budget was adopted and subsequently revised at certain Board Meetings; and

**WHEREAS,** the revisions presented for adoption at this meeting of the Board of Directors have been reviewed and are recommended for approval.

**THEREFORE, BE IT RESOLVED,** by the Board of Directors of the Capitol Area Development Authority that the revisions presented for adoption at this meeting of the Board of Directors to close the FY 2021-2022 Capital Investment Program Major Construction budget is hereby adopted.

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Ann Bailey, Chair

ATTEST:

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Tara Gandara  
Secretary to the Board of Directors