

Substantial Recapitalization Plan for Esperanza Apartments

Alameda Affordable Housing Corporation Board of Directors
February 9, 2023

Agenda Item 5.C



Context of Spending

- AHA portfolio has immediate and long-term needs.
- Three target properties
 - Independence Plaza
 - China Clipper Plaza
 - Esperanza Apartments

Preservation Fund - Anticipated Uses	
Preservation Fund	\$9,000,000
Portfolio Work	-\$1,367,920
Office Renovation	-\$2,000,000
Annie B. Diament Balcony Repairs	-\$1,100,000
<i>Unassigned Funds</i>	<i>\$4,532,080</i>

Scope Analysis

Categories of Scope:

I. Life-Safety

II. Minimum Renovation

A. Life-safety

B. Accessibility

C. Common areas

D. Unit Renovations (may be omitted, depending on funding availability)

III. Syndication Scope

Funding Renovations

Staff evaluated the feasibility of using the following strategies to fund proposed renovations at ESP:

1. Existing Property Reserves
2. Mortgage Refinance
3. Tax Credit Syndication
4. Preservation Funds from the AHA Reserve Policy
5. Defer Renovations



Funding Renovations, 2

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- ~~2. Mortgage Refinance~~
- ~~3. Tax Credit Syndication~~
4. Preservation Funds from the AHA Reserve Policy
- ~~5. Defer Renovations~~



Preservation Funds

Proposed Uses		
	Credits	Debits
Preservation Fund	\$9,000,000	
Portfolio Work		-\$1,367,920
Office Renovation		-\$2,000,000
Annie B. Diamant Balcony Repairs		-\$1,100,000
Proposed CC & ESP Funding		-3,800,000
<i>Unassigned funds</i>	<i>\$732,080</i>	

IP Minimum Scope would be funded through its CIC funds.

Target Project Renovation (Proposed)

- Spend **\$3.8M** on CC and ESP;
 - Use CIC funds for IP.
- Fund Life-Safety Scopes and other immediate needs
 - Unit interiors unlikely

Proposed Funding Amounts	
IP CIC Funds	\$1,200,000
CC	\$1,346,458
Esp	\$2,453,542

Staff Recommendations

- Utilize IP's CIC funds to fund IP's Minimum Scope.
- Utilize a provisional \$3.8 million spending cap for completing work at China Clipper & Esperanza Apartments.
- Seek other sources for portfolio renovations and continue to review opportunities for refinance and syndication.

Next Steps

- 1. Procure seismic evaluations for portfolio by mid-2023; and**
- 2. Present proposed timeline and estimated costs for IP, CC, & Esperanza and impacts to the available Reserve Policy funds in August 2023.**

Questions / Comments?