

EDEN
FINANCE/ REAL ESTATE COMMITTEE
AGENDA
Wednesday September 28, 2022

1. Review of EDEN August Financial Statements

- a. Cash flow – Cash flow is currently very tight due to delayed reimbursements from the City and County ESG grants amounting to \$1.1 million
- b. Increase in A/P – Continued backlog of Supportive Services invoices, invoices were received from providers, however we have not received the grant reimbursements
- c. New private foundation grants – Healthy Lakewood Foundation - \$20K
Community West Foundation \$36K

2. Significant Financial Related Items

- a. Day One funds nearly spent out - \$60,000 remaining
- b. RFP submitted to ADAMHS Board for 2023 financing – Total ask \$4,527,094. Received in 2022 – \$3,365,989 – Waiting to hear back on amount awarded
- c. Awaiting signed contracts from the county for new grants
- d. 2023 budget process underway

3. Update on Real Estate Projects

- a. EDEN Expansion Phases I, II and III
- b. Resolution for OHMAS funding – Expansion Phase II
- c. Norma Herr Expansion and Renovation
- d. Update on Broadway Commons Project

4. Liberty – year 15 presentation (preliminary)

5. Upcoming meeting dates – Wednesday, October 26 at 1:00 PM

Wednesday, November 23 at 1:00

(need to reschedule-week of Thanksgiving)



FINANCE COMMITTEE

September 29, 2022, at 1:00PM

Board of Directors Participants: Beth Adams, John Mark Tichar, Ken Silliman, Amanda Miller, Phil Studmire

EDEN Staff Participants: Elaine Gimmel, Sharon Parks, Emma Petrie-Barcelona, Richard Carr, Laurel Martinson

1. Review of August 2022 Financial Statements (all attached)

General

- Other Contract Revenue – 53% under budget – Unspent funds for the OHFA Reentry Program reversed the recognition of revenue by \$168,000.
- Norma Herr is under budget by \$80,00 due to the timing of the billing.
- Office Supplies – Currently over budget by \$8,000. This is primarily due to the replacement of office furniture.
- Mileage and Travel – 200% variance due to most of our trainings are being done virtually, which has cut the need to travel
- Conferences and Training – Slightly over budget, due to HQS Nan McKay Trainings, Conflict Managing Training and Succession Planning.
- a. Two New Private Foundation Grants
 - i. Healthy Lakewood Foundation - \$20,000. The funds can only be used in the city of Lakewood, and it will be used for property owner incentives.
 - ii. Community West Foundation - \$36,000. The funds are unrestricted

2. Significant Financial Related Items

- a. Day One funds – The Day One funds are down to \$60,000 and will no longer be allocated to payroll. The remaining funds will be strictly used to assist tenants.
- b. RFP submitted to ADAMHS Board – We are waiting to hear back from the ADAMHS Board about our request for 2023. We requested 4.5 million.
- c. Awaiting signed contracts from the county for new grants.

- d. 2023 budget process is underway and will be presented at the November Finance Committee meeting for approval.
- e. Tax Form 990 - GJM – will be presented at the October Finance meeting

3. Real Estate Development

- a. Real Estate Dashboard was reviewed and discussed
- b. EDEN Expansion I, II and III
 - i. Expansion Phase I is about 88 to 90% finished with the project.
 - ii. Expansion Phase II – We finalized negotiations with the construction contract.
 - iii. Expansion Phase III – 7813 – 7821 Madison and 11511 Lorain - The application for HOME funds was denied, but we are eligible for ARPA funds.
- c. Resolution for OHMAS Funding – Phase II
 - i. The Finance Committee approved Resolution F2210718 for EDEN to apply for \$450,000 with OMHAS for the EDEN Portfolio Expansion Phase II to construct new affordable housing units at 703 E. 162nd Street and 3907 Brookside, and renovate 4 units at 11710-12 Nelson Court, as well as construct a new unit at Nelson Court. Motion - Beth Adams and Second - John Mark Tichar.
 - ii. The resolution will be presented to the full Board at the October 4th meeting.
- d. Norma Herr Expansion and Renovation
 - i. Working with the City of Cleveland on the contract.
- e. Update on Broadway Commons Project
 - i. Approximately 2.5 million gap in capital
 - ii. Lorain County resources are extremely limited

4. Liberty – Year 15

- Richard will present at the October 4th Board meeting.

Next meeting to be held on Wednesday, October 26 at 12:00.

EDEN and Subsidiaries
Operating Results

August, 2022

	Monthly Actual	YTD Actual	YTD Budget	Variance	Variance %	Explanation (10%)
Contract Revenue						
ADAMHS Board Revenue	\$149,714.96	\$1,176,442.18	\$1,232,692.39	(\$56,250.21)	-5%	
United Way	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	
Other Contract Revenue	(\$60,034.18)	\$1,059,887.46	\$494,498.70	\$565,388.76	53%	Current month negative revenue is due to the end of the OHFA Reentry program. Revenue for the grant was recognized prior year. Unspent funds for the program reversed the recognition of revenue by 168k. County Levy funds are over budget by \$770k due to increased spending when ODSA was unavailable. The County Levy contract was renewed which will continue to cause a YTD variance. NHWC is under budget by \$80k due to the timing of the billing and the recognition of revenue since the grant is a reimbursable grant. Spending is expected to ramp up during the 4th quarter. Contract revenue for St Joseph's overbudget due to benefits of property manager were higher than initially budgeted. Additionally EDEN has consulting services revenue for EHV of 16k that was not in the original budget.
Total Contract revenue	\$89,680.78	\$2,236,329.64	\$1,727,191.09	\$509,138.55	23%	
Rent Revenue						
Tenant Rent	\$63,915.00	\$483,552.95	\$463,289.16	\$20,263.79	4%	
Other Income	\$4,924.19	\$44,345.15	\$48,325.15	(\$3,980.00)	-9%	Food Revenue for the RCF are currently 8.3k below budget YTD while work order revenue has positive variance of 4.6k across the EDEN property portfolio.
Rental Subsidies	\$27,520.00	\$231,414.00	\$248,689.72	(\$17,275.72)	-7%	Northridge currently has 2 vacancies for August as well as vacancies in the prior months which has cause 12k variance for rental subsidy revenue. Franklin and Denison also had vacancies which consists of the remainder of the variance.

Bad Debt	(\$3,089.20)	(\$25,307.35)	(\$14,024.96)	(\$11,282.39)	45%	Current month write offs include an additional write off at 1514 Coventry and Third Project. YTD write offs include E 139th, 7823 York road, and 1514 Coventry, Northridge, 11511 Lorain Ave, both Hud properties and 11006 Parkhurst.
Total Rent Revenue	\$93,269.99	\$734,004.75	\$746,279.07	(\$12,274.32)	-2%	
Other Revenue						
Program Reimbursements	\$2,816,699.90	\$21,488,700.64	\$21,027,645.65	\$461,054.99	2%	
Rental Income	\$16,656.33	\$129,968.29	\$128,609.50	\$1,358.79	1%	
Administrative Fees	\$198,682.07	\$1,239,935.04	\$1,428,273.66	(\$188,338.62)	-15%	A portion of the variance is due to the timing in the renewal of our grants, The admin fee is based on the annualized amount of fees and spread evenly across the year, our largest grant renewed in May with a significant increase in admin fees. With increase allocations to the grant the variance is expected to normalize throughout the year. In addition, we have had vacancies in positions that are paid for out of the admin fee. Without these salaries, we are not able to pull down the reimbursements .
Management Fees	\$38,066.24	\$295,781.61	\$310,455.92	(\$14,674.31)	-5%	
Developer Fee	\$0.00	\$333,220.06	\$293,184.00	\$40,036.06	12%	112k Developer fee for Harper's Pointe Stabilization reached. 144k for Bridgepoint commons developer fee was part of the original budget and 75k for the OHFA Draw for Expansion Phase 1.
Compliance Monitoring	\$2,308.34	\$18,466.72	\$18,466.59	\$0.13	0%	
Private Foundations/Donations	\$14,136.10	\$186,936.86	\$126,999.55	\$59,937.31	32%	Current monthly revenue include 11k from Reinbuger Fund and 2k in donations. YTD revenue includes 20k from Healthy Lakewood Foundation, Community west foundation for 36k and NORD Family Foundation 100k and donations.
Fundraising Events - Net	\$0.00	(\$112.00)	\$0.00	(\$112.00)	100%	

Other Income	(\$105,177.71)	\$1,605,191.70	\$8,099.31	\$1,597,092.39	99%	Current month revenue is negative due to the insurance proceeds from the State Road fire offsetting the construction project expenses. YTD proceeds for state road are currently at 265k. \$1,309,800 Forgiveness of Debt of PPP for SBA loan.. Additional revenue includes a 5k rebate from Home Depot, 8k for BPC lease up from Pirhl, 9.7k for a legal invoice associated with Expansion Phase I as well as interest income.
Total Other Revenue	\$2,981,371.27	\$25,298,088.92	\$23,341,734.18	\$1,956,354.74	8%	
Total Revenue	\$3,164,322.04	\$28,268,423.31	\$25,815,204.34	\$2,453,218.97	9%	
Personnel Cost						
Salaries & Wages	\$640,841.28	\$3,966,440.96	\$4,194,948.53	\$228,507.57	6%	Variance is due to staff vacancies and turnover.
Taxes & Benefits	\$144,798.76	\$1,051,685.36	\$1,168,384.75	\$116,699.39	11%	The variance is due to a combinations of open positions as well as employees not electing to into EDEN's benefits program.
Total Personnel Cost	\$785,640.04	\$5,018,126.32	\$5,363,333.28	\$345,206.96	7%	
Administrative Expenses						
Consulting & Professional Fees	\$13,362.43	\$93,900.18	\$92,384.24	(\$1,515.94)	-2%	
Office Supplies	\$9,614.78	\$53,617.52	\$45,733.21	(\$7,884.31)	-15%	Office furniture and supplies for Controller's office and the property management team offices. Additional two accounting managers desk were replaced for the current month of August. Additional supplies have been purchased, including the replacement of some office chairs, as staff begin to comeback into the office.
Computer Supplies & Software	\$11,372.96	\$140,750.21	\$158,657.39	\$17,907.18	13%	Variance is due to computer supplies being underspent by 16.7k YTD. Computer supplies spending has been below budget all year. Spending patterns have been volite compare month to month. The volitility is most likely driven by new hires requirement for computer supplies during the intial start date. Computer Software are also below slightly below budget.
Mileage & Travel	\$1,508.70	\$3,206.97	\$9,611.36	\$6,404.39	200%	Travel has been minimum for staff. Many training are now web-based eliminating the need for airplane tickets and hotel reservations.

Conferences & Training	\$2,364.00	\$43,433.96	\$23,661.61	(\$19,772.35)	-46%	Current months trainings include Supervisor training and various programs training. The majority of the YTD variance is due to \$17k Nan McKay HQS trainings that occurred in this year due to new hirings and internal promotions. Despite the negative variance the grants are able to get reimbursed for these trainings. Additional trainings included conflict resolution which was \$2.5k for each training as well as \$5.5k for succession planning as well as NAEH and LGBTQ training.
Meetings & Events	\$4,029.44	\$6,734.72	\$6,933.30	\$198.58	3%	Tenant/Employee function have been at a minimum.
Uniforms	\$96.80	\$1,133.39	\$1,800.00	\$666.61	59%	Uniforms were budgeted based on historic data. Open maintenance tech positions have resulted in a positive variance.
Supportive Services Admin	\$12,386.11	\$82,835.24	\$83,328.97	\$493.73	1%	
Other Overhead	\$252,709.46	\$1,481,899.25	\$784,965.96	(\$696,933.29)	-47%	Contribution to Affiliate for County Levy funds were not included in the budget. County levy has had an increase in allowable/billable which has created a significant variance of 692k. The majority of the expenses were offset by the ODOT contribution to affiliates expense line item as well as the Non-profit donations expenses. Bank fees and Recruiting are also slightly over budget.
Total Administrative Expense	\$307,444.68	\$1,907,511.44	\$1,207,076.04	(\$700,435.40)	-37%	
Property Expenses						
Management Fees	\$2,038.20	\$16,812.72	\$16,909.27	\$96.55	1%	
Compliance Fees					0%	
Utilities	\$64,823.38	\$509,067.05	\$512,408.78	\$3,341.73	1%	
Telephone	\$5,675.74	\$43,797.09	\$44,284.19	\$487.10	1%	
Security	\$4,332.49	\$37,755.82	\$36,664.63	(\$1,091.19)	-3%	

Repairs & Maintenance	\$49,612.83	\$377,109.81	\$444,906.78	\$67,796.97	18%	Repairs and Maintenance expenses are under budget by \$65k YTD. The Scattered Sites (\$27k), NHWC (\$17k), LEC West (\$8k) and HUD properties (\$13K) are the significant properties affecting the budget. Supplies, Elevator R&M, and landscaping are also below budget however these variances are offset on the financials by HVAC R&M, safety systems and elevator contracts.
Cleaning	\$13,635.82	\$113,862.64	\$137,375.51	\$23,512.87	21%	NHWC YTD cleaning expense is \$20k below budget. Scattered sites and Northridge are also below budget by \$2.5k and \$1k.
Pest Control	\$937.28	\$6,691.09	\$10,670.39	\$3,979.30	59%	The majority of pest control is done inhouse by our staff resulting in less expenditures to outside companies. Both positions are currently filled.
Insurance	\$12,029.69	\$78,284.92	\$87,757.93	\$9,473.01	12%	Accruals for Insurance are a slightly less than budget across the funds.
Taxes & Assessments	\$0.00	\$23,900.77	\$20,900.00	(\$3,000.77)	-13%	EDEN owned properties had 13.3k in property taxes due and 10.5k for Rental Registrations paid to the city of Cleveland.
Other Property Expenses	\$13,937.46	\$125,051.52	\$117,199.47	(\$7,852.05)	-6%	
Capital Reserve	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	
Total Property Expense	\$167,022.89	\$1,332,333.43	\$1,429,076.95	\$96,743.52	7%	
Program Expenses						
Rental Assistance	\$2,143,284.71	\$17,129,227.72	\$16,183,280.81	(\$945,946.91)	-6%	
Supportive Services	\$161,074.23	\$1,304,585.95	\$1,442,492.91	\$137,906.96	11%	Supportive Service variance is due to a partner agency using another external funding source for cost of services provided for the EC-LIB TRA grant. The external source used resulted in two months without invoicing.
Other Direct Costs	\$48,676.92	\$678,849.66	\$225,295.07	(\$453,554.59)	-67%	445k in tenant assistance paid by the Day One grant was not included in budget. Annual inspections performed by outside parties for clients with subsidies in the LIHTC buildings and direct cellphone for employees consist of the remaining variance.
Total Program Expense	\$2,353,035.86	\$19,112,663.33	\$17,851,068.79	(\$1,261,594.54)	-7%	

Interest Expense						
Mortgage Interest	\$790.37	\$6,420.40	\$7,437.96	\$1,017.56	16%	Mortgage Interest for properties at 7813 & 7515-19 Madison Ave are below budget.
Other Interest Expense	\$0.00	\$5,338.50	\$1,000.00	(\$4,338.50)	-81%	Interest on line of credit was used for to cover funding for the 93grant since the funds were not immediately available. The funds were delayed due to HUD being behind on all renewals for the continuum.
Total Interest	\$790.37	\$11,758.90	\$8,437.96	(\$3,320.94)	-28%	
Total Expenses	\$3,613,933.84	\$27,382,393.42	\$25,858,993.02	(\$1,523,400.40)	-6%	
Change In Net Assets Before Depreciation	(\$449,611.80)	\$886,029.89	(\$43,788.68)	\$929,818.57	105%	Net change is attributable to the \$1.3 million in debt forgiveness for the SBA Loan which was offset by a negative Developer Fees and other contract revenue
Depreciation	\$60,708.14	\$485,653.14	\$431,015.52	(\$54,637.62)	-11%	
Change In Net Assets After Depreciation	(\$510,319.94)	\$400,376.75	(\$474,804.20)	\$875,180.95	219%	

EDEN, Inc.
Balance Sheet
August 31, 2022

	August 31, 2022	August 31, 2021
Assets		
Current Assets		
Cash and Equivalents		
Operating	\$ 1,185,117.42	\$ 589,995.46
Restricted	\$ 1,697,466.33	\$ 3,737,857.48
Custodial Cash - Grants	\$ 1,090,198.76	\$ 3,097,221.32
Total Cash and Equivalents	\$ 3,972,782.51	\$ 7,425,074.26
Receivables		
Grants and Contracts	\$ 6,620,593.04	\$ 6,611,162.96
Other	\$ 1,944,945.75	\$ 1,181,030.48
Allowance for Doubtful Accounts	\$ (69,318.03)	\$ (53,908.09)
Prepaid Expenses	\$ 29,447.65	\$ (21,895.67)
Predevelopment Costs	\$ 2,292,544.89	\$ -
Total Current Assets	\$ 14,790,995.81	\$ 15,141,463.94
Property and Equipment		
Land & Improvements	\$ 1,202,228.98	\$ 1,202,228.98
Buildings & Improvements	\$ 25,873,693.48	\$ 24,728,595.49
Furniture & Equipment	\$ 1,135,002.72	\$ 1,124,650.28
Vehicles	\$ 211,918.87	\$ 211,918.87
Accumulated Depreciation	\$ (13,375,475.68)	\$ (12,644,520.09)
Construction in Progress	\$ 78,988.88	\$ 1,070,100.48
Finance/Loan Costs, Net of Amortization	\$ 6,155.56	\$ 6,422.22
Net Property and Equipment	\$ 15,132,512.81	\$ 15,699,396.23
Other Assets		
Notes Receivable - LIHTCs	\$ 6,085,989.46	\$ 6,335,989.46
Inventory	\$ -	\$ -
Total Other Assets	\$ 6,085,989.46	\$ 6,335,989.46
Intercompany, net	\$ 31,818.49	\$ 16,642.64
Total Assets	\$ 36,041,316.57	\$ 37,193,492.27

EDEN, Inc.
Balance Sheet
August 31, 2022

	August 31, 2022	August 31, 2021
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 1,311,661.88	\$ 675,766.87
Line of Credit	\$ -	\$ -
Custodial Cash - HAP	\$ 118,613.25	\$ 90,119.27
Accrued Expenses	\$ 184,763.08	\$ 1,544,580.42
Deferred Revenue	\$ 1,810,688.55	\$ 1,898,370.68
Resident Security Deposits	\$ 62,913.19	\$ 61,825.19
Total Current Liabilities	\$ 3,488,639.95	\$ 4,270,662.43
Long Term Liabilities		
Notes Payable	\$ 6,562,661.01	\$ 6,869,644.33
Other Liabilities	\$ -	\$ -
Total Long Term Liabilities	\$ 6,562,661.01	\$ 6,869,644.33
Total Liabilities	\$ 10,051,300.96	\$ 11,140,306.76
Net Assets		
Unrestricted	\$ 25,382,976.91	\$ 26,704,269.07
Temporarily Restricted	\$ 206,661.95	\$ 206,661.95
Current Year Change in Net Assets	\$ 400,376.75	\$ (857,745.51)
Total Net Assets	\$ 25,990,015.61	\$ 26,053,185.51
Total Liabilities and Net Assets	\$ 36,041,316.57	\$ 37,193,492.27

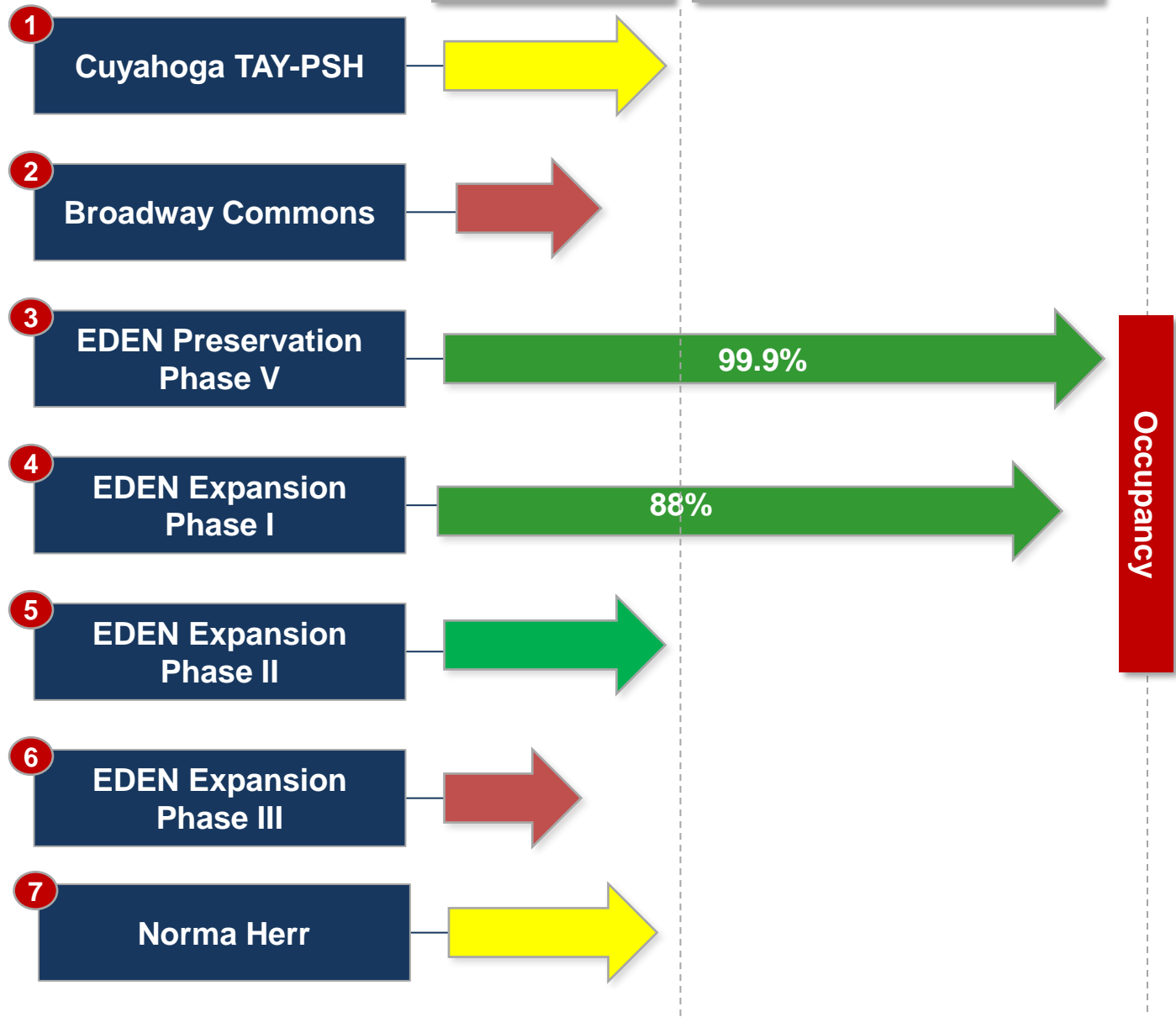
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EDEN Real Estate Development Dashboard

PROJECT STATUS

Funding

Construction



PROJECT FINANCING

Units

Perm
Sources

Projected
Cost

Gen
Contractor

Construction
Cost

EDEN Fee

50	\$15,113,942	\$16,113,942	JGJ	\$12,206,320	\$373,929
62	\$12,464,885	\$16,399,039	TBD	TBD	\$540,000 (\$189,500)
8	\$1,187,713	\$1,130,713	Millstone/C&B	State Rd \$595,750	\$107,225
7	\$2,792,500	\$2,792,500	Millstone	\$1,941,874	\$150,000
8	\$2,939,583	\$2,939,583	C&B Construction	\$2,127,605	\$205,000
12	\$4,926,183	\$4,926,183	TBD	\$3,600,000	\$350,000
TBD	\$21,643,500	\$21,643,500	Drake Construction	\$17,300,000	\$1,000,000

**Emerald Development and Economic Network, Inc.
(EDEN, Inc.)**

Resolution No. F2210718

The Board of Directors of Emerald Development and Economic Network, Inc. (EDEN, Inc.) approves the following Resolution:

WHEREAS, EDEN, Inc., has applied for capital funding with the Ohio Mental Health and Addiction Services ("Ohio MHAS") in connection with the EDEN Portfolio Expansion Phase II to construct new affordable housing units at 703 E. 162nd Street and 3907 Brookside, and renovate 4 units at 11710-12 Nelson Court, as well as construct a new unit at Nelson Court (the "Project");

WHEREAS, in connection with the Project, EDEN, Inc., desires to enter into a contract, note, and mortgage with Ohio MHAS to assist in funding the scope of improvements for the Project;

WHEREAS, the amount of funding applied for by EDEN, Inc. is \$450,000;

BE IT RESOLVED that Elaine Gimmel, Executive Director, and if she is unavailable, Sharon Parks, Chief Financial Officer, (collectively, "Authorized Persons") are hereby authorized and empowered to negotiate, enter into, accept, execute and deliver any and all agreements, contracts, mortgages, notes, covenants, documents and instruments necessary to consummate the funding agreement;

FURTHER RESOLVED that any other actions heretofore undertaken and performed on behalf of EDEN, Inc. are hereby ratified, approved and confirmed.

Motion: _____

Second: _____

Date Adopted: October 4, 2022