

# THE GARDENS GRAPEVINE

Volume 6 – Issue 5

3045 Eastern Avenue – Sacramento, CA 95821

Sept - Oct 2009



**2009**

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**MANAGING AGENT**

FPI Management, Inc.  
800 Iron Point Road  
Folsom, CA 95630  
(916) 357-5300

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Sr. Portfolio Mgr.

**Theresa Williams**  
Community Director

**Kurt Whisenhunt**  
Maintenance Technician  
(On-Call/PT)

**OFFICE HOURS**

Mon-Fri: 8:00 am - 5:00 pm  
Sat-Sun: CLOSED  
Office Ph.: (916) 489-1604  
FAX (916) 489-1627

**After Hour Building  
Emergencies**  
**(916) 271-7633**



## Rising Natural Gas Prices and Lower Hydroelectric Power Supplies Expected to Increase Electricity Costs



Pacific Gas and Electric Company alerted the California Public Utilities Commission (CPUC) that the skyrocketing price of natural gas across the nation and lower than expected hydroelectric power are resulting in higher costs for the electricity PG&E purchases on behalf of its customers.

Starting in October 2009, these factors are expected to increase electricity costs to PG&E customers by approximately \$482 million, resulting in a roughly 4.5 percent rate increase, to be collected over a 15 month period through December 2010. In 2010, high demand for natural gas – one of the cleanest fossil fuels available to generate electricity – is expected to continue upward pressures on the price of natural gas and in turn lead to further increases in customer electricity rates. As a result, electricity costs in 2010 are anticipated to increase by approximately \$340 million. This will result in a less than 2 percent increase over the rates projected to be in effect this October.

For the typical PG&E residential customer that uses 550 kilowatt hours (kWh) per month, October bill increases will be roughly 95 cents from \$72.13 to \$73.08. In January, the bill for a typical residential customer would increase by about 35 cents more. Customers with higher monthly usage will see even greater increases to their monthly bill as a result of California's tiered rate structure.

"The combination of skyrocketing natural gas prices, increased electricity demand and lower supplies of hydroelectric power are having a significant impact on the cost of electricity," said Helen Burt, PG&E's senior vice president and chief customer officer. "To help protect customers from these price increases, PG&E has taken

concrete actions, such as diversifying our energy portfolio and partnering with our customers on energy efficiency programs."

Under PG&E's rate structure, the company does not earn a profit on energy it purchases for customers; the energy is sold to customers at the same price at which PG&E buys it from wholesale sellers.

In 2009, natural gas prices have increased by 30 percent and are forecasted to remain high in 2010. Soaring natural gas prices are caused by a tight supply-demand balance in the national market, lower imports of liquefied natural gas, and the rising cost of crude oil. Because much of the nation's electric supply is generated by plants using natural gas, increased gas costs are also affecting electric prices.

PG&E customers' electricity rates have been affected by lower supplies of hydroelectric power and increased demand. In the last year, statewide rainfall has been approximately 70 percent of normal, significantly reducing hydroelectric production.

What does this mean for Eastern Gardens? As a business customer, EG uses natural gas for two of its main boilers, (i.e. heat exchangers), which super heats the water before going into two each 150 gallon electric water heaters at each laundry room located north and south of the complex. The two natural gas boilers and four electric water heaters provides hot water for the entire complex, (i.e. apartment units, washers and heating the pool). Eastern Gardens can expect its PG&E rates to increase, it's not certain as to how much. Current 2009 utility expenditures to-date are:

\$	Jan	Feb	Mar	Apr	May	Jun	Jul
Elect.	1,114	1,065	843	921	899	867	916
Gas	2,361	2,645	2,469	2,223	2,563	2,550	2,150

Source: EG 2009 Income Statement, Jan thru Jul

## **YOUR SPACE**



I've received written comments which were placed in the suggestion box concerning individuals who use the pool but when leaving fail to clean-up their area. As a reminder and a

courtesy to fellow members/residents, before leaving please remove all your trash, (i.e. cans, paper plates, napkins, food...etc.) and dispose of it in the trash receptacles that are conveniently placed inside the pool area. – Thank you.

A suggestion was received to plant ground cover, flowers or shrubbery in the southeast corner near the locked gate. At the moment there is one lone tree and it looks pretty lonesome. For example, management was informed of a suggestion received last month to plant flowers or shrubbery at the main gate; this was done and has made a great improvement. Management was informed of this area as well and is looking into it. – Thank you.

The Ice Cream Social was a great success and well received, there were approximately 25 in attendance, lots of chatter and good will. – Thank you.

There is talk of a poetry get together and it's my understanding that we have a poet in our midst waiting to read their poems to us. There will be more on this later as to the date, time and location. – Thank you.



I'm pleased to announce that Ms. Mickii Wilner who was recently hospitalized is regaining her strength and she wishes to express her thanks to everyone for their prayers and support. Thank you.

Remember, "Your Space", is only as good as the information you pass onto me. For your convenience the suggestion box is placed inside the clubhouse or you may call me. – Stay Happy☺.  
*Submitted by: Ms. Joan Wood, 484-6901*

## **MOVIE NITE**



All movies will be on the 2<sup>nd</sup> Tuesday of each month unless otherwise noted. Details are posted inside the laundry rooms. Fifty (50) cents donation includes movie, punch and popcorn.

**Where:** Clubhouse @ 6:30 pm.

**When and What:**

Sept 8<sup>th</sup> – "Australia" Romantic/Adventure

NOTE: No movie-night for October

**Point-of-contact:** Kathy Kent @ 482-1533



5325 Engle Rd, Carmichael (916) 489-7529  
Order tickets online at: [www.cplayhouse.com](http://www.cplayhouse.com)

**Now Playing:** Aug 14-Sep 20 -Picasso at the lapin Agile

Oct 9 thru Nov 15, 2009 – "A View from the Bridge"

Dec 4 thru Dec 23, 2009 – "Scrooge"

Jan 15 thru Feb 21 2010 – "Maternal Instincts"

Mar 12 thru Apr 18 2010 – "The Bad Seed"

May 7 thru Jun 13 2010 – "Charley's Aunt"

**Friday and Saturday, 8 p.m.**

**Sunday, 2 p.m.**

**Tickets: \$17 - Adults**

**\$15.00 - Students & Seniors**

**Season Subscription for all 5 Shows: \$72.50**

*Submitted by: Janice Hoberg, EG President*

## **2009 GIVE-A-WAY SCHEDULE**



**Bring Your Unwanted Stuff, but in Good Workable Condition**

This is an opportunity for you to give away those belongings that you've stuffed away and never use.

**Where:** Clubhouse, 8am – 12pm

**When:** Saturday Sept 26<sup>th</sup> & Saturday Dec 19<sup>th</sup>

**POC:** Mack Stonham @ 488-4473



## **WE'VE MOVED!**

The coffee hour has moved from Thursday to **Tuesday 10:00am**.

It's still at the clubhouse and everyone is invited to attend. We have homemade goodies, good company and lots of chatter and giggles. If you find yourself sitting around doing nothing, come on over to the clubhouse and join us for cookies and snacks. See you there!



# Arden Arcade

## ANNEXATION OR INCORPORATION?

**YOU DECIDE** - by  
Geoffrey Sakala, Rancho  
Cordova Post

The Arden Arcade Incorporation Committee is trying to raise money to meet a critical deadline set by the Local Agency Formation Commission (LAFCo). The Sacramento Local Agency Formation Commission is a countywide Commission, required in each California County.

The Arden Arcade Incorporation Committee lead by Patricia Cole is organizing and raising money through donations to fund the incorporation efforts and required annexation study. In a recent e-mail to supporters Patricia says, "We've raised over \$250,000 since we began this process with donations from the community on the upswing during this last phase." She continues on saying, "In my last e-mail I said we were within \$10,000 dollars of our goal. We've received donations from residents and business owners ranging from \$25 to \$1,000 totaling more than \$3,000. We're within \$7,000 of our goal, and I know there are more donations coming in over the next couple of days.

Arden Arcade is the unincorporated 13 square mile area located between Ethan Way on the west and Mission Avenue on the east, north of Fair Oaks Boulevard, and south of Auburn Boulevard. Based on the 2000 Census, the population of Arden Arcade is more than 78,000 persons. There are about 3,000 businesses located in Arden Arcade. Originally, LAFCo had set a fee of \$102,000 to fund the annexation study. Recently, they cut the fees by \$12,000 in response to vocal Arden Arcade incorporation supporters. More than 100 supporters from the Arden Arcade area attended the last LAFCo meeting on June 3rd. The new fee will fund a "bare bones" annexation study.

While there are numerous ardent supporters of incorporation in the Arden Arcade area, there are



opponents as well. The primary opponents being the City and County of Sacramento and for one selfish reason, tax revenue.

The City of Sacramento recently adopted an amendment to their 2030 General Plan on March 3rd, 2009 to add Arden Arcade as a special study area for annexation. The reason? The potential tax revenue from auto sales on Fulton avenue. The County of Sacramento is throwing up roadblocks on the path to cityhood for much the same reason.

Need more evidence? See the fine print in the 2030 General plan update which reads, "Revise Land Use and Urban Design: Implementation Program #6 as follows: The City shall work with Sacramento County to develop a Master Property Tax sharing agreement for annexation areas." This can be found on page 152 of 197 on the PDF file of the 2030 General Plan.

This small paragraph of text in the City of Sacramento 2030 General Plan indicates the intentions of the City of Sacramento and County of Sacramento. They plan to annex the Arden Arcade area into the City of Sacramento and share in the tax revenues. Or as the County of Sacramento likes to call it, "Revenue Neutrality". This collusion by the Sacramento City Council and Sacramento County Supervisors makes the Arden Arcade Incorporation process much harder as they share seats on LAFCo and are the ones responsible for making the final decision on the fate of the Arden Arcade Incorporation.

Three of the seven LAFCo members are either Sacramento County Supervisors or Sacramento City Council members. Jimmy Yee representing District 2 and Susan Peters representing District 3 and Chair of LAFCo are County Supervisors and Rob Fong is a City Council member. Linda Budge, Rancho Cordova City Council member and former mayor also sits on the Commission along with Public Member Chris Tooker and two Special District members Charles Rose and Gay Jones.

If the Arden Arcade area incorporates much as Rancho Cordova did five years ago the County stands to lose millions in tax revenue. In 2008, property taxes accounted for the largest share of the county's general fund revenues, 19 percent. In 2010, assessed values are projected to be down by 9 percent. We've all read about the budget woes of the City of Sacramento and the County of Sacramento deficit.

Now they both stand to lose even more tax revenue if the Arden Arcade area incorporates like Elk Grove, Citrus Heights and Rancho Cordova did in the past decade.

According to the process LAFCo has set forth the Incorporation Committee must turn in \$89,000 by July 1st in order for the process to continue forward. Patricia has mentioned on her blog that, "the bank may take 5-9 days to clear funds for availability." According to the calendar nine business days starts today on Thursday, June 18th. In her e-mail Pat makes an urgent plea to the community, "We have just two weeks to receive and process payments. Now is the time to make sure we have a chance to vote on cityhood and block any potential for annexation by the City of Sacramento." She emphasizes, "there won't be a second chance."

As the supporters of incorporation in Rancho Cordova well know the process is long, filled with pitfalls and can be very emotionally trying. There's no doubt the organizing committee in Rancho Cordova had tremendous support from friends outside the city who were visionary enough to see the benefits of local control and local choice.

What does this mean for Eastern Gardens? As a business, it is not certain, if Arden Arcade either incorporates as a city or becomes annexed by the City of Sacramento it could potentially mean higher taxes or additional fees or both. It's apparent that all three entities, the City of Sacramento, Arden Arcade Incorporation Committee and Sacramento County will be pushing for their cause and we are right in the middle.

Get educated - get involved; for more information visit their website. <http://www.sacgp.org/index.html>, or <http://www.ardenarcadecity.org/> or <http://www.msa2.saccounty.net/dns/CSANorth/aas/a/Pages/AboutArdenArcade.aspx>  
*Submitted by: Ed Healy, EG Secretary*

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## **INSPECTIONS AND/OR HUD REVIEWS**



The Board would like to clarify any misunderstandings on issues of inspections and the corporation's responsibilities in honoring its contractual agreements. Each of us must understand that as Members and Shareholders of a Corporation we all share in its responsibilities and binding contractual agreements

and when the agreements are not complied with those agencies or companies can legally take action against Eastern Gardens.

1. **REAC** - (Real Estate Assessment Center) is another division within HUD that handles on-site physical inspections for all HUD-affiliated properties, which includes Eastern Gardens because we are a HUD insured property, not HUD owned or operated but rather insured. Because we are HUD insured we are bound by HUD's Regulatory Agreement and failure to comply with this agreement would have serious financial repercussions for us all. The regulatory agreement was a stipulation (or rider) by HUD that in order for us to obtain the 6.5% loan from GMAC we would need to agree and accept the attached agreement and abide by its terms, if not, hence no loan, which by the same token, GMAC would have not given us the loan, unless, it was HUD insured. As long as the corporation is HUD insured the Corporation and its Shareholders/Members of the Corporation are bound to its terms.

<http://www.hud.gov/offices/reac/>

2. **CAHI** – (California Affordable Housing Initiative, Inc.) is the company HUD contracted with to perform all of its reviews and is designed to assess Owner/Agent performance in key property management areas, and compliance with the terms of the controlling documents (e.g., HAP Contract, Management Plan) and HUD directives, specifically, those on the Section 8 program. In times past HUD did these reviews themselves but were always understaffed, but now have chosen to contract this out. This is really for the protection of those on Section 8 to ensure that landlords and public housing owners are providing decent and adequate housing for those on the program. Not only will they review the corporations record keeping and files but randomly select section 8 participates for interviews to see how they feel about their living conditions, (e.g. repairs are being maintained...etc.) Section 8 or HAP is a voluntary program that owners, businesses and corporations that provide public housing can participate in but can opt out of at their discretion. Eastern Gardens currently has about 20 of its members/shareholders who participate in the program; the cooperative and those who are on the program must comply with HUD's requests as long as we allow the corporation to remain in the program.

<http://www.cahi-oakland.org/>

3. **County Inspections** – This includes all fire, building, ADA, health and safety code requirements.

<http://www.co.sacramento.ca.us/default.htm>

In summary, Eastern Gardens sells shares in the corporation (not land, buildings or apartment units) and in doing so, the corporation provides housing for its members/shareholders and because it does we are subject to follow HUD fair housing laws and applicable local codes and must comply with them as well as any contractual agreements that the corporation has indebted itself upon, (e.g. Regulatory Agreement and Section 8/HAP program). Our management team has done nothing different then what it has done in prior years. Our management team (FPI) has conducted preliminary inspections as a prelude to the HUD generated REAC inspections and CAHI reviews.

### **ALTERATIONS AND ADDITIONS**



While improving your apartment is an added comfort and for reasons as stated in the above article on inspections, please keep in mind the following:

❖ All alterations, additions and improvements are only for the inside of your apartment unit and require written consent/approval from the Board of Directors. This includes structural changes to the plumbing, electrical, or other fixtures whether removing or installing within the apartment unit, (e.g. doors, cabinets, affixed window coverings), draperies & painting excluded.

Before any alterations/additions are to begin the board of directors must receive your letter of request outlining the scope of work desired; a copy of your contractor's certificate of insurance, license and bond. Upon the boards review, you will receive a letter of approval or disapproval prior to any commencement of work. Any damage to your apartment unit, your neighbors units or the common area as a result of work performed without proper approval, insurance or appropriate permits may void the corporation's insurance policy covering the claim. All damage would then be the sole responsibility of the member/shareholder. In addition, any increase in the corporation's insurance premium, fire, water or other structural damage as a result of individual improvements that have not received written consent by the board will be borne by the member/shareholder. (See Members/Shareholders Handbook, Occupancy Agreement, Article 13, "Alterations and Additions", page 36 & 37.

### **CURRENT REAC INSPECTION RESULTS**

The REAC inspection was completed on Thursday, August 27, 2009 which I'm happy to report that no major discrepancies were noted. The inspections started at 9:00am and concluded at 3:00pm. The inspector looked at all 11 buildings, (interior and exterior), the entire grounds and common areas and the interior of 22 apartment units. Among some of the few minor areas that were noted are:

- Interior doors, that is, bi-fold doors removed from closets and bedroom doors that would not latch properly when closed.
- Exterior doors, that is, security doors that had a double locking key, both inside and out.
- Exterior facets, that is, affixed hose bibs to buildings were leaking water.
- Ceiling stain inside clubhouse.
- Stove burner not working inside apartment unit.

These are just a few, but as you can see they are relatively minor issues all of which will be repaired or easily resolved.

I would like to thank each of those individual members whose units were randomly selected for inspection and for graciously cooperating and to the rest of the membership for your patience and understanding. Thanks again!

### **UP-COMPING CAHI INSPECTION**

On October 19, 2009, Eastern Gardens will undergo yet one more and final inspection for the year 2009. The California Affordable Housing Initiative, Inc. will be performing its reviews on Eastern Garden's and Agent performance in key property management areas for compliance in the terms of the controlling documents (e.g., HAP Contract, Management Plan) and HUD directives, specifically, those on the Section 8 program. In addition to reviewing our files and records, they will also randomly select apartment units for inspection. Once again, the membership/shareholders will be called upon to comply with the inspector's requests.

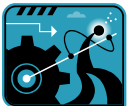



*Theresa Williams, Community Director*

### **BOARD REPLACEMENT**


On August 10, 2009, Mr. Merritt Miller was instated as Board Director, replacing Ms. Mary Kirk who resigned and moved out. Mr. Merritt was previously an alternate on the board.

## EASTERN GARDENS CALENDAR OF EVENTS

### SEPTEMBER 2009

SUN	MON	TUE	WED	THUR	FRI	SAT
		1 10am Coffee	2 9am - Tai Chi	3	4 9am - Tai Chi	5
6	7  Labor Day	8 10am Coffee  6:30PM Movie Nite	9 9am - Tai Chi	10	11 9am - Tai Chi	12
13	14 9am - Tai Chi	15 10am Coffee	16 9am - Tai Chi	17	18 9am - Tai Chi	19
20	21 9am - Tai Chi	22 10am Coffee  Autumn Begins	23 9am - Tai Chi 7pm Brd Mtg	24	25 9am - Tai Chi	26 GIVE-A-WAY  8AM – 12PM
27	28 9am - Tai Chi	29 10am Coffee	30 9am - Tai Chi			

### OCTOBER 2009

SUN	MON	TUE	WED	THUR	FRI	SAT
				1	2 9am - Tai Chi	3
4	5 9am - Tai Chi	6 10am Coffee	7 9am - Tai Chi	8	9 9am - Tai Chi	10
11	12 9am - Tai Chi	13 10am Coffee	14 9am - Tai Chi	15	16 9am - Tai Chi	17
18	19 REAC Insp. 9am - Tai Chi	20 10am Coffee	21 9am - Tai Chi	22	23 9am - Tai Chi	24
25	26 9am - Tai Chi	27 10am Coffee	28 9am - Tai Chi	29	30 9am - Tai Chi	31  Halloween

AN **EMERGENCY** IS A PERSONAL SITUATION THAT THREATENS HUMAN LIFE OR PERSONAL PROPERTY AND DEMANDS IMMEDIATE ATTENTION, I.E., MEDICAL, BURGLARY, FIRE, THEFT AND ASSAULT – **DIAL 911**