

# **Homekey**

## **Application Budget Workbook**



**State of California  
Governor Gavin Newsom**

**Lourdes M. Castro Ramirez, Secretary  
Business, Consumer Services and Housing Agency**

**Gustavo Velasquez, Director  
Department of Housing and Community Development**

**2020 West El Camino Avenue  
Sacramento, CA 95833  
Phone: (916) 263-2771  
Email: [Homekey@hcd.ca.gov](mailto:Homekey@hcd.ca.gov)**

**Website: <https://www.hcd.ca.gov/grants-funding/active-funding/homekey.shtml>**

**July 2020**

Instructions		Rev. 7/21/20
<b>When opening this file, a yellow banner at the top may appear with a button that says "Enable Editing". It is essential that you click this box so that the macros are enabled. Enabling macros is necessary for full worksheet functionality. Macros do not work with Microsoft's Excel version for Apple Mac.</b>		
The Department will be accepting over-the-counter applications beginning on or about July 22, 2020. Instructions for submittal of an application can be found on the website. The Department will set aside a priority application period to immediately begin reviewing and awarding qualified Projects from July 16, 2020 to August 13, 2020. All other applications received after the priority application period must be received by the Department no later than <b>5:00 p.m. PDT on September 29, 2020.</b>		
Applications must be on the Department's forms and cannot be altered or modified by the Applicant. Excel forms must be in Excel format and unprotected, not a .pdf document. For application errors please fill out the Application Support worksheet and email the entire workbook to HomeKey@hcd.ca.gov.		
<b>Application Budget Workbook Instructions: Applicants must complete ALL worksheets in the Application Budget Workbook. Input cells are in yellow.</b>		
<b>Disclosure of Application (California Public Records Act Statutes of 1968 Chapter 1473):</b> The application is a public record, which is available for public review pursuant to the California Public Records Act (CPRA) (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code). After final Homekey awards have been issued, the Department may disclose any materials provided by the Applicant to any person making a request under the CPRA. The Department cautions Applicants to use discretion in providing information not specifically requested, including but not limited to, bank account numbers, personal phone numbers, and home addresses. By providing this information to the Department, the Applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request.		

HomeKey Permanent Housing Project Budget				Rev. 7/21/20	
PROJECT NAME:		Mendocino County Transitional Housing Facility			
PROJECT ADDRESS:		555 S. Orchard Avenue, Ukiah, California 95482			
PROJECT APN(S):		002-340-39-00			
PROJECT COUNTY:		Mendocino			
APPLICANT: (LOCAL PUBLIC AGENCY)		County of Mendocino			
COAPPLICANT:		N/A			
<b>Project Characteristics</b>					
Homlessness (Population)	Yes		Senior - Age Restricted (Population)	No	
At-Risk of Homelessness (Population)	Yes		Permanent Housing	Yes	
Master Leased Housing	Yes		Scattered Site Housing	No	
Operating Subsidy Requested	Yes		Purchase of Affordability Covenants and Restrictions	No	
Interim Housing	Yes		Commercial Space	No	
<b>Project Summary</b>					
<p>The County of Mendocino (County) will purchase the 56-room Best Western Orchard Inn motel located at 555 South Orchard Avenue in Ukiah, California. Following purchase, the County intends to utilize the motel to provide transitional housing for individuals and families who are homeless or at risk of becoming homeless. All rooms will remain in their initial configuration as studio-style units. While the initial purpose of the facility will be transitional housing, the County intends to upgrade at least 50% of the facility into permanent housing within ten years of acquisition. Overall, the County aspires to offer rooms for a variety of populations at risk of or experiencing homelessness such as persons experiencing severe mental illness, veterans, seniors, CalWorks eligible families, families involved in Child Welfare Services, people with complex medical conditions, and people with permanent supportive housing vouchers. Approximately eight rooms will be set aside as "flex" rooms, able to serve the target populations listed above, or others in need such as victims of domestic violence, Adult Protective Services clients, and others.</p> <p>The facility will offer services both on-site and off-site. Onsite services may consist of legal/criminal justice advocacy, substance use disorder therapy, occupant site meetings, life skills, diet and nutrition education, and smoking cessation. Off-site services may include Primary Medical, Mental Health Services, Housing Navigation Services, Life Skills, Job Skills, Education, Substance Use Disorder Treatment, and benefits (CalFresh, Medical, CalWorks).</p>					
<b>Project Description</b>					
HomeKey Funds Requested:		\$9,669,500	Amt./Restrict. Unit:		\$221,250
Total Development Cost:		\$12,390,000	Total Cost/Unit:		\$221,250
Ultimate Borrower:	N/A				
Managing General Partner:	N/A				
Administrative General Partner:	N/A				
Architect:	TBD	Construction Start Date:		2/1/2021	
General Contractor:	TBD	Construction Completion Date:		3/23/2021	
Lead Service Provider:	County of Mendocino	Ultimate Site Control:		Fee Title	
Property Management:	TBD	Land Area:		1.20	acres
Project Type:	Acquisition or rehabilitation of motels, hotels, or hostels.	Total Residential Area:		18,480	sq. ft. (est)
Project Design:	One or Two Story Walk-Up	Community Room:		TBD	sq. ft.
No. of Residential Bldgs:	1	Number of Elevators:		0	
Number of Stories:	2	Number of Guest Parking Spaces:		TBD	
Parking Spaces:	54	Commercial Uses:		N/A	sq. ft.
Parking Type:	Uncovered	Other Uses:		N/A	sq. ft.
		Other Uses:		N/A	sq. ft.
<b>Construction Period Funding</b>					
Source	Lien	Status	Amount	Terms	
Homekey		Not Committed	\$8,325,500		
Whole Person Care		Committed	\$1,000,000		
Mendocino County Commitment		Committed	\$1,725,500		
Homekey Operating Subsidy		Not Committed	\$1,344,000		
Total			\$12,395,000		
<b>Permanent Funding</b>					
Source	Lien	Status	Amount	Terms	
Homekey		Not Committed	\$8,325,500		
Whole Person Care		Committed	\$1,000,000		

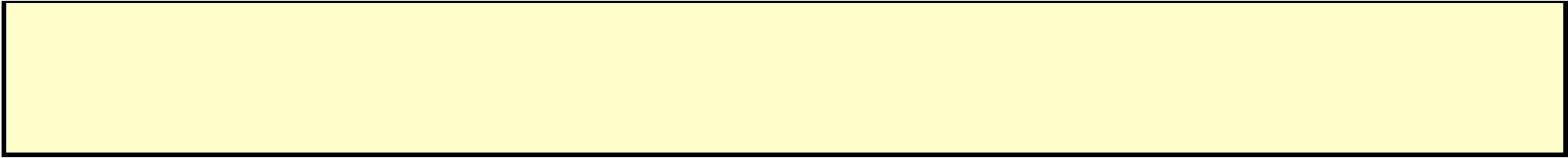
Mendocino County Commitment		Committed	\$1,725,500	
Homekey Operating Subsidy		Not Committed	\$1,344,000	
<b>Total</b>			<b>\$12,395,000</b>	

<b>Notes</b>				
<p>Due to the blended-use structure of this transitional housing project, the units have been spread out to a range of 30% to 80% AMI level. This allows the flexibility to assist those individuals who may have been gainfully employed previously yet have been directly affected by COVID-19. If the resident will have to income qualify to live here under HCD standards, this would require pulling the previous year's income if no current income is present. If this assumption is incorrect, then the income limits can be reduced to be more restrictive. However, we did not want to limit those that have fallen on hard times from COVID-19 pandemic events.</p> <p>The budget assumes a certain amount of local subsidy being offered to increase the base amount of rents that would be charged, and cover the leases for those individuals that are not going to be able to pay any rent at all. The first two years of operations would need the full support of the \$1,000 per unit subsidy that is being provided to help stabilize the project for an extended use period. During these years, the majority of the replacements are expected to occur. After these are completed, the replacement reserve deposits can be reduced. The rents for this community are based on TCAC rent limits as well as HUD published FMR for efficiency units, which also escalate at a higher rate than 2.5% that is reflected in the cash flow sheet. Please note the workbook did not provide the flexibility to fully represent the intended structure of the project therefore certain aspects are explained in narrative form throughout the application.</p>				

Mendocino County Transitional Housing <i>PROJECT DEVELOPMENT BUDGET</i>						
DEVELOPMENT COST	Total Project Costs	Residential Costs	Commercial Costs	30% PVC for New Const/Rehab	30% PVC for Acquisition	Comments and explanation of basis changes
<b>LAND COST/ACQUISITION</b>						
Land Cost or Value	\$0					
Demolition	\$0					
Legal	\$10,000	\$10,000				
Land Lease Rent Prepayment	\$0					
<b>Total Land Cost or Value</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$0</b>			
Existing Improvements Cost or Value	\$10,305,000	\$10,305,000				
Off-Site Improvements	\$0					
<b>Total Acquisition Cost</b>	<b>\$10,305,000</b>	<b>\$10,305,000</b>	<b>\$0</b>		\$0	
<b>Total Land Cost / Acquisition Cost</b>	<b>\$10,315,000</b>	<b>\$10,315,000</b>	<b>\$0</b>			
Predevelopment Interest/Holding Cost	\$0					
Assumed, Accrued Interest on Existing Debt (Rehab/Acq)	\$0					
Excess Purchase Price Over Appraisal	\$0					
<b>REHABILITATION</b>						
Site Work	\$0					
Structures	\$470,000	\$470,000				
General Requirements	\$30,000	\$30,000				
Contractor Overhead	\$20,000	\$20,000				
Contractor Profit	\$20,000	\$20,000				
Prevailing Wages	\$0					
General Liability Insurance	\$10,000	\$10,000				
Other: Asbestos Clearance	\$0					
Other: Modular Unit	\$0					
Other: Appliances	\$0					
Other: (Specify)	\$0					
<b>Total Rehabilitation Costs</b>	<b>\$550,000</b>	<b>\$550,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>Total Relocation Expenses</b>	<b>\$0</b>					
<b>NEW CONSTRUCTION</b>						
Site Work	\$0					
Structures	\$0					
General Requirements	\$0					
Contractor Overhead	\$0					
Contractor Profit	\$0					
Prevailing Wages	\$0					
General Liability Insurance	\$0					
Other: (Specify)	\$0					
Other: (Specify)	\$0					
Other: (Specify)	\$0					
Other: (Specify)	\$0					
<b>Total New Construction Costs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>ARCHITECTURAL FEES</b>						
Design	\$50,000	\$50,000				
Supervision	\$0					
<b>Total Architectural Costs</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>Total Survey &amp; Engineering</b>	<b>\$20,000</b>	<b>\$20,000</b>				
<b>CONSTRUCTION INTEREST &amp; FEES</b>						
Construction Loan Interest	\$0					
Origination Fee	\$0					
Credit Enhancement/Application Fee	\$0					
Bond Premium	\$0					
Cost of Issuance	\$0					
Title & Recording	\$0					
Taxes	\$0					
Insurance	\$0					
Other: (Specify)	\$0					

Other: (Specify)	\$0					
Other: (Specify)	\$0					
Total Construction Interest & Fees	\$0	\$0	\$0	\$0	\$0	

<b>PERMANENT FINANCING</b>						
Loan Origination Fee	\$0					
Credit Enhancement/Application Fee	\$0					
Title & Recording	\$20,000	\$20,000				
Taxes	\$0					
Insurance	\$0					
Other: (Specify)	\$0					
Other: (Specify)	\$0					
<b>Total Permanent Financing Costs</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$0</b>			
<b>Subtotals Forward</b>	<b>\$10,955,000</b>	<b>\$10,955,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>LEGAL FEES</b>						
Legal Paid by Applicant	\$0					
Other: (Specify)	\$0					
<b>Total Attorney Costs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>RESERVES</b>						
Operating Reserve	\$0					
HomeKey 24-Month Operating Subsidy	\$1,344,000	\$1,344,000				
Replacement Reserve	\$0					
Transition Reserve	\$0					
Rent Reserve	\$0					
Other	\$0					
Other: (Specify)	\$0					
Other: (Specify)	\$0					
<b>Total Reserve Costs</b>	<b>\$1,344,000</b>	<b>\$1,344,000</b>	<b>\$0</b>			
<b>CONTINGENCY COSTS</b>						
Construction Hard Cost Contingency	\$38,500	\$38,500				
Soft Cost Contingency	\$15,000	\$15,000				
<b>Total Contingency Costs</b>	<b>\$53,500</b>	<b>\$53,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>OTHER PROJECT COSTS</b>						
TCAC App/Allocation/Monitoring Fees	\$0					
Environmental Audit	\$5,000	\$5,000				
Local Development Impact Fees	\$0					
Permit Processing Fees	\$20,000	\$20,000				
Capital Fees	\$0					
Marketing	\$0					
Furnishings	\$0					
Market Study	\$0					
Accounting/Reimbursable	\$0					
Appraisal Costs	\$7,500	\$7,500				
Other: Physical Needs Assessment	\$5,000	\$5,000				
Other: (Specify)	\$0					
Other: (Specify)	\$0					
Other: (Specify)	\$0					
Other: (Specify)	\$0					
Other: (Specify)	\$0					
<b>Total Other Costs</b>	<b>\$37,500</b>	<b>\$37,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>SUBTOTAL PROJECT COST</b>	<b>\$12,390,000</b>	<b>\$12,390,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>DEVELOPER COSTS</b>						
Developer Overhead/Profit	\$0					
Consultant/Processing Agent	\$0					
Project Administration	\$0					
Broker Fees Paid to a Related Party	\$0					
Construction Oversight by Developer	\$0					
Other: (Specify)	\$0					
Other: (Specify)	\$0					
Other: (Specify)	\$0					
Other: (Specify)	\$0					
Other: (Specify)	\$0					
<b>Total Developer Costs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>TOTAL PROJECT COST</b>	<b>\$12,390,000</b>	<b>\$12,390,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>Notes</b>						





Annual Income and Expenses - Mendocino County Transitional Housing Facility							
EMPLOYEE INFORMATION							
No.	FTE	Employee Job Title	Salary/Wages		Unit/Year	Unit/Year/Mo	
1	1.00	On-Site Manager(s)	\$37,440		\$669	\$56	
		On-Site Assistant Manager(s)			\$0	\$0	
		Supportive Services Staff Supervisor(s)	\$37,440		\$669	\$56	
		On-Site Supportive Services Coordinator			\$0	\$0	
		Other Supportive Services Staff (inc. Case Manager)			\$0	\$0	
		On-Site Maintenance Employee(s)	\$37,440		\$669	\$56	
1	1.00	On-Site Leasing Agent/Administrative Employee(s)			\$0	\$0	
		On-Site Security Employee(s)			\$0	\$0	
		OTHER			\$0	\$0	
		OTHER			\$0	\$0	
		Total Salaries and Value of Free Rent Units	\$112,320		\$2,006	\$167	
	6711	Payroll Taxes	\$11,000				
	6722	Workers Compensation	\$10,500				
	6723	Employee Benefits	\$17,500				
	Employee(s) Payroll Taxes, Workers Comp. & Benefits		\$39,000				
		Total Employee(s) Expenses	\$151,320				
Employee Units							
Income Limit	Job Title(s) of Employee(s) Living On-Site		Unit Type (No. of bdrms.)	Square Footage			
None	On-Site Manager(s)		1	0			
			0	0			
			0	0			
			Total Square Footage	0			
Annual Operating Budget							
Acct. No.	REVENUE - INCOME		Residential	Commercial	Unit/Year	Unit/Year/Mo	
5120/5140	Rent Revenue - Gross Potential			\$0			
	Restricted Unit Rents		\$387,960		\$6,928	\$577	
	Unrestricted Unit Rents				\$0	\$0	
5121	Tenant Assistance Payments				\$0	\$0	
	Rental Subsidy		\$0		\$0	\$0	
	Rental Subsidy		\$0		\$0	\$0	
	Other Rental Subsidy (specify)		\$0		\$0	\$0	
	Operating Subsidies				\$0	\$0	
	Other: Rental Assistance		\$95,000		\$1,696	\$141	
	Other: (specify)				\$0	\$0	
	Other: (specify)				\$0	\$0	
	Other: (specify)				\$0	\$0	
5910	Laundry and Vending Revenue		\$5,000		\$89	\$7	
5170	Garage and Parking Spaces				\$0	\$0	
5990	Miscellaneous Rent Revenue				\$0	\$0	
	Gross Potential Income (GPI)		\$487,960	\$0	\$8,714	\$726	
	Vacancy Rate: Restricted Units		5.0%		\$0	\$0	
	Vacancy Rate: Unrestricted Units		5.0%		\$0	\$0	
	Vacancy Rate: Tenant Assistance Payments		5.0%		\$0	\$0	
	Vacancy Rate: Other: (specify)		5.0%		\$0	\$0	
	Vacancy Rate: Laundry & Vending & Other Income		5.0%		\$0	\$0	
	Vacancy Rate: Commercial Income			50.0%			
5220/5240	Vacancy Loss(es)		\$19,648	\$0	\$351	\$29	
	Effective Gross Income (EGI)		\$468,312	\$0	\$8,363	\$697	

Annual Income and Expenses - Mendocino County Transitional Housing Facility					
Acct. No.	EXPENSES	Residential	Commercial	Unit/Year	Unit/Year/Mo
	<b>ADMINISTRATIVE EXPENSES: 6200/6300</b>				
6203	Conventions and Meetings	\$2,500		\$45	\$4
6210	Advertising and Marketing	\$1,000		\$18	\$1
6250	Other Renting Expenses			\$0	\$0
6310	Office/Administrative Salaries -- from above	\$0		\$0	\$0
6311	Office Expenses	\$6,500		\$116	\$10
6312	Office or Model Apartment Rent			\$0	\$0
6320	Management Fee	\$44,352		\$792	\$66
6330	Site/Resident Manager(s) Salaries -- from above	\$37,440		\$669	\$56
6331	Administrative Free Rent Unit -- from above	\$37,440		\$669	\$56
6340	Legal Expense -- Project	\$8,000		\$143	\$12
6350	Audit Expense	\$9,500		\$170	\$14
6351	Bookkeeping Fees/Accounting Services	\$7,392		\$132	\$11
6390	Miscellaneous Administrative Expenses	\$2,500		\$45	\$4
6263T	<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$156,624</b>	<b>\$0</b>	<b>\$2,797</b>	<b>\$233</b>
Acct. No.	EXPENSES (continued)	Residential	Commercial	Unit/Year	Unit/Year/Mo
	<b>UTILITIES EXPENSES: 6400</b>				
6450	Electricity	\$19,600		\$350	\$29
6451	Water	\$17,500		\$313	\$26
6452	Gas	\$8,000		\$143	\$12
6453	Sewer	\$10,000		\$179	\$15
6400T	<b>TOTAL UTILITIES EXPENSES</b>	<b>\$55,100</b>	<b>\$0</b>	<b>\$984</b>	<b>\$82</b>
	<b>OPERATING AND MAINTENANCE EXPENSES: 6500</b>				
6510	Payroll -- from above	\$37,440		\$669	\$56
6515	Supplies	\$11,000		\$196	\$16
6520	Contracts	\$11,000		\$196	\$16
6521	Operating & Maintenance Free Rent Unit			\$0	\$0
6525	Garbage and Trash Removal	\$8,000		\$143	\$12
6530	Security Contract	\$2,500		\$45	\$4
6531	Security Free Rent Unit			\$0	\$0
6546	Heating/Cooling Repairs and Maintenance	\$4,500		\$80	\$7
6548	Snow Removal			\$0	\$0
6570	Vehicle & Maintenance Equipment Operation/Reports	\$2,500		\$45	\$4
6590	Miscellaneous Operating and Maintenance Expenses	\$4,000		\$71	\$6
6500T	<b>TOTAL OPERATING &amp; MAINTENANCE EXPENSES</b>	<b>\$80,940</b>	<b>\$0</b>	<b>\$1,445</b>	<b>\$120</b>
	<b>TAXES AND INSURANCE: 6700</b>				
6710	Real Estate Taxes			\$0	\$0
6711	Payroll Taxes (Project's Share) -- from above	\$11,000		\$196	\$16
6720	Property and Liability Insurance (Hazard)	\$10,200		\$182	\$15
6729	Other Insurance (e.g. Earthquake)			\$0	\$0
6721	Fidelity Bond Insurance			\$0	\$0
6722	Worker's Compensation -- from above	\$10,500		\$188	\$16
6723	Health Insurance/Other Employee Benefits--from above	\$17,500		\$313	\$26
6790	Miscellaneous Taxes, Licenses, Permits & Insurance	\$20,000		\$357	\$30
6700T	<b>TOTAL TAXES AND INSURANCE</b>	<b>\$69,200</b>	<b>\$0</b>	<b>\$1,236</b>	<b>\$103</b>
	<b>SUPPORTIVE SERVICES COSTS: 6900</b>				
6990	Staff Supervisor(s) Salaries- from above			\$0	\$0
6990	On-Site Services Coordinator Salaries - from above			\$0	\$0
6990	Other Supportive Services Staff Salaries - from above			\$0	\$0
6990	Supportive Services Administrative Overhead			\$0	\$0
6990	Other Supportive Services Costs: (specify)			\$0	\$0
6990	Other Supportive Services Costs: (specify)			\$0	\$0
6990	Other Supportive Services Costs: (specify)			\$0	\$0
6990	Other Supportive Services Costs: (specify)			\$0	\$0
6900T	<b>TOTAL SUPPORTIVE SERVICE COSTS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$361,864</b>	<b>\$0</b>	<b>\$6,462</b>	<b>\$538</b>

<b>Annual Income and Expenses - Mendocino County Transitional Housing Facility</b>					
	<b>FUNDED RESERVES: 7200</b>	<b>Residential</b>	<b>Commercial</b>		
7210	Required Replacement Reserve Deposits	\$75,000		\$1,339	\$112
	<b>TOTAL RESERVES</b>	<b>\$75,000</b>	<b>\$0</b>	<b>\$1,339</b>	<b>\$112</b>
	<b>GROUND LEASE</b>	<b>Residential</b>	<b>Commercial</b>		
	Ground Lease			\$0	\$0
	<b>TOTAL GROUND LEASE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
	<b>NET OPERATING INCOME</b>	<b>\$31,448</b>	<b>\$0</b>	<b>\$562</b>	<b>\$47</b>
	<b>FINANCIAL EXPENSES: 6800</b>				
6820	1st Mortgage Debt Service			\$0	\$0
6830	2nd Mortgage Debt Service			\$0	\$0
6840	3rd Mortgage Debt Service			\$0	\$0
6850	4th Mortgage Debt Service			\$0	\$0
6860	5th Mortgage Debt Service			\$0	\$0
6800T	<b>TOTAL FINANCIAL EXPENSES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
	<b>CASH FLOW</b>	<b>\$31,448</b>	<b>\$0</b>	<b>\$562</b>	<b>\$47</b>
7190	Asset Management/Similar Fees	\$0	\$0	\$0	\$0
<b>Total Operating Expenses Per Unit</b>		<b>Per Year</b>	<b>Per Month</b>	<b>Req. OR - Tax Credit Project</b>	<b>\$109,216</b>
Without any Adjustments		\$6,462	\$538		
With the Value of Rent-Free Units Included		\$6,462	\$538	<b>Req. OR - no Tax Credits</b>	<b>\$145,621</b>
Without RE Taxes, Social Services Coordinator and Case Managers and With the Value of Rent Fee Units Included		\$6,462	\$538		

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<b>Relocation</b>
<b>Notes</b>

Cash Flow Analysis - Mendocino County Transitional Housing Facility																					
Income from Restricted Units based on:		Restricted Rents			2 Proposed Rents																
<i>*Regulated and Restricted terminology may be used interchangeably.</i>																					
INCOME FROM HOUSING UNITS	Inflation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Restricted Unit Rents	2.5%	387,960	397,659	407,600	417,790	428,235	438,941	449,915	461,163	472,692	484,509	496,622	509,037	521,763	534,807	548,177	561,882	575,929	590,327	605,085	620,212
Unrestricted Units	2.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rental Assistance Payments																					
Program: Rental Subsidy	2.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Program: Rental Subsidy	2.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Program: Other Rental Subsidy (specify)	2.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Subsidies	2.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other: (specify)	2.5%	95,000	97,375	99,809	102,305	104,862	107,484	110,171	112,925	115,748	118,642	121,608	124,648	127,764	130,959	134,233	137,588	141,028	144,554	148,168	151,872
GROSS POTENTIAL INCOME - HOUSING		482,960	495,034	507,410	520,095	533,097	546,425	560,086	574,088	588,440	603,151	618,230	633,685	649,528	665,766	682,410	699,470	716,957	734,881	753,253	772,084
OTHER INCOME																					
Laundry & Vending	2.5%	5,000	5,125	5,253	5,384	5,519	5,657	5,798	5,943	6,092	6,244	6,400	6,560	6,724	6,893	7,065	7,241	7,423	7,608	7,798	7,993
Other Income	2.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Income	2.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GROSS POTENTIAL INCOME - OTHER		5,000	5,125	5,253	5,384	5,519	5,657	5,798	5,943	6,092	6,244	6,400	6,560	6,724	6,893	7,065	7,241	7,423	7,608	7,798	7,993
GROSS POTENTIAL INCOME - TOTAL		487,960	500,159	512,663	525,480	538,617	552,082	565,884	580,031	594,532	609,395	624,630	640,246	656,252	672,658	689,475	706,712	724,379	742,489	761,051	780,077
VACANCY ASSUMPTIONS																					
Restricted Units	5.0%	19,398	19,883	20,380	20,890	21,412	21,947	22,496	23,058	23,635	24,225	24,831	25,452	26,088	26,740	27,409	28,094	28,796	29,516	30,254	31,011
Unrestricted Units	5.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tenant Assistance Payments	5.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other: (specify)	5.0%	4,750	4,869	4,990	5,115	5,243	5,374	5,509	5,646	5,787	5,932	6,080	6,232	6,388	6,548	6,712	6,879	7,051	7,228	7,408	7,594
Laundry/Vending/Other Income	5.0%	250	256	263	269	276	283	290	297	305	312	320	328	336	345	353	362	371	380	390	400
Commercial Income	50.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL VACANCY LOSS		24,398	25,008	25,633	26,274	26,931	27,604	28,294	29,002	29,727	30,470	31,232	32,012	32,813	33,633	34,474	35,336	36,219	37,124	38,053	39,004
EFFECTIVE GROSS INCOME		463,562	475,151	487,030	499,206	511,686	524,478	537,590	551,030	564,805	578,925	593,399	608,234	623,439	639,025	655,001	671,376	688,160	705,364	722,999	741,073
OPERATING EXPENSES & RESERVE DEPOSITS																					
Residential Exp. (w/o Real Estate Taxes & Sup. Services)	3.5%	361,864	374,529	387,638	401,205	415,247	429,781	444,823	460,392	476,506	493,183	510,445	528,310	546,801	565,939	585,747	606,248	627,467	649,428	672,158	695,684
Real Estate Taxes	2.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Supportive Services Costs	3.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve	0.0%	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Other Reserves	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ground Lease	2.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Expenses	3.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES & RESERVES		436,864	449,529	462,638	476,205	490,247	504,781	519,823	535,392	551,506	568,183	585,445	603,310	621,801	640,939	660,747	681,248	702,467	724,428	747,158	770,684
NET OPERATING INCOME		26,698	25,622	24,392	23,000	21,438	19,697	17,767	15,637	13,299	10,742	7,954	4,923	1,638	(1,914)	(5,746)	(9,872)	(14,307)	(19,064)	(24,160)	(29,611)
DEBT SERVICE																					
1st Mortgage Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2nd Mortgage Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3rd Mortgage Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4th Mortgage Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5th Mortgage Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Required Debt Service		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CASH FLOW after all debt service		26,698	25,622	24,392	23,000	21,438	19,697	17,767	15,637	13,299	10,742	7,954	4,923	1,638	(1,914)	(5,746)	(9,872)	(14,307)	(19,064)	(24,160)	(29,611)
DEBT SERVICE COVERAGE RATIO		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HomeKey 24-Month Operating Subsidy ANALYSIS - if applicable																					
Net Operating Income		26,698	25,622	24,392	23,000	21,438	19,697	17,767	15,637	13,299	10,742	7,954	4,923	1,638	(1,914)	(5,746)	(9,872)	(14,307)	(19,064)	(24,160)	(29,611)
Cash Flow after all debt service		26,698	25,622	24,392	23,000	21,438	19,697	17,767	15,637	13,299	10,742	7,954	4,923	1,638	(1,914)	(5,746)	(9,872)	(14,307)	(19,064)	(24,160)	(29,611)
24-Month Operating Subsidy Draw (5% Distribution) <sub>2</sub>		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow after 24-Month Operating Subsidy		26,698	25,622	24,392	23,000	21,438	19,697	17,767	15,637	13,299	10,742	7,954	4,923	1,638	(1,914)	(5,746)	(9,872)	(14,307)	(19,064)	(24,160)	(29,611)
Net Operating Income after 24-Month Operating Subsidy		26,698	25,622	24,392	23,000	21,438	19,697	17,767	15,637	13,299	10,742	7,954	4,923	1,638	(1,914)	(5,746)	(9,872)	(14,307)	(19,064)	(24,160)	(29,611)
DSCR with 24-Month Operating Subsidy		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. Year 1 Cash flow after all debt service is less than 12% Operating Reserves. 2. This amount is the max draw available for the year.																					



HomekeyCash Flow for 24-Month Operating SubsidyMendocino County Transitional Housing Facility

Anticipated Tax Credits in Project:	Non 9%	24-M Operating Subsidy Assist. Unit	\$12,000
		24-M Operating Subsidy PU Total	\$672,000
Total Number of Manager Units:	0	24-M Operating Subsidy (lesser of PU or CF)	\$12,000
Total Number of Homekey Assisted Units	56		
Total Number of Units:	56	24-M Operating Subsidy Assist. Unit	\$12,000
	27		

INCOME FROM HOUSING UNITS				Project Amount	Proration	Inflation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Proposed Homekey Assisted Unit Rents						2.5%	387,960	397,659	407,600	417,790	428,235	438,941	449,915	461,163	472,692	484,509	496,622	509,037	521,763	534,807	548,177	561,882	575,929	590,327	605,085	620,212
Tenant Assistance Payments																										
Program:	Rental Subsidy	\$0	100.0%	2.5%			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Program:	Rental Subsidy	\$0	100.0%	2.5%			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Program:	Other Rental Subsidy (specify)	\$0	100.0%	2.5%			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Subsidies				\$0	100.0%	2.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other: (specify)				\$0	100.0%	2.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GROSS POTENTIAL INCOME - HOUSING							387,960	397,659	407,600	417,790	428,235	438,941	449,915	461,163	472,692	484,509	496,622	509,037	521,763	534,807	548,177	561,882	575,929	590,327	605,085	620,212
OTHER INCOME				Project Amount	Proration	Inflation																				
Laundry & Vending				\$5,000	100.0%	2.5%	5,000	5,125	5,253	5,384	5,519	5,657	5,798	5,943	6,092	6,244	6,400	6,560	6,724	6,893	7,065	7,241	7,423	7,608	7,798	7,993
Other Income				\$0	100.0%	2.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GROSS POTENTIAL INCOME - OTHER							5,000	5,125	5,253	5,384	5,519	5,657	5,798	5,943	6,092	6,244	6,400	6,560	6,724	6,893	7,065	7,241	7,423	7,608	7,798	7,993
GROSS POTENTIAL INCOME - TOTAL							392,960	402,784	412,854	423,175	433,754	444,598	455,713	467,106	478,784	490,753	503,022	515,598	528,488	541,700	555,242	569,123	583,351	597,935	612,883	628,206
VACANCY ASSUMPTIONS																										
Restricted Units vacancy rate							5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Restricted Units							19,398	19,883	20,380	20,890	21,412	21,947	22,496	23,058	23,635	24,225	24,831	25,452	26,088	26,740	27,409	28,094	28,796	29,516	30,254	31,011
Other: (specify)							0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Laundry, Vending & Other Income							250	256	263	269	276	283	290	297	305	312	320	328	336	345	353	362	371	380	390	400
TOTAL VACANCY LOSS							19,648	20,139	20,643	21,159	21,688	22,230	22,786	23,355	23,939	24,538	25,151	25,780	26,424	27,085	27,762	28,456	29,168	29,897	30,644	31,410
EFFECTIVE GROSS INCOME							373,312	382,645	392,211	402,016	412,067	422,368	432,927	443,751	454,844	466,216	477,871	489,818	502,063	514,615	527,480	540,667	554,184	568,038	582,239	596,795
OP. EXP. & RESERVE DEPOSITS				Project Amount	Proration	Inflation																				
Residential Expenses				\$361,864	57.4%	3.5%	207,709	214,979	222,503	230,291	238,351	246,693	255,327	264,264	273,513	283,086	292,994	303,249	313,862	324,848	336,217	347,985	360,164	372,770	385,817	399,321
(w/o RE Taxes & Supportive Services				\$0	100.0%	2.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Taxes																										
Supportive Services Costs																										
Enter proration % in yellow cell at right and explain rational for proration in yellow comments box below.				\$0	100.0%	3.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
HCD Required Replacement Reserve Deposits				\$75,000	100.0%	0.0%	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
HCD Required Other Reserve Deposits				\$0	100.0%	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES & RESERVES							282,709	289,979	297,503	305,291	313,351	321,693	330,327	339,264	348,513	358,086	367,994	378,249	388,862	399,848	411,217	422,985	435,164	447,770	460,817	474,321
Homekey NET OPERATING INCOME							90,603	92,666	94,708	96,726	98,716	100,675	102,600	104,487	106,331	108,130	109,877	111,569	113,201	114,767	116,263	117,682	119,019	120,268	121,422	122,475
Homekey CASH FLOW							90,603	92,666	94,708	96,726	98,716	100,675	102,600	104,487	106,331	108,130	109,877	111,569	113,201	114,767	116,263	117,682	119,019	120,268	121,422	122,475
NON-HOMEKEY CASH FLOW				Project Amount	Proration	Inflation																				
Cash Flow (Project Cash Flow - Homekey Cash Flow)							(63,905)	(67,044)	(70,316)	(73,725)	(77,277)	(80,978)	(84,834)	(88,849)	(93,032)	(97,388)	(101,923)	(106,646)	(111,563)	(116,681)	(122,009)	(127,555)	(133,326)	(139,332)	(145,582)	(152,085)
Asset Mgmt/Similar Fees				\$0	46.6%	2.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow after Asset Mgmt/Similar Fees							(63,905)	(67,044)	(70,316)	(73,725)	(77,277)	(80,978)	(84,834)	(88,849)	(93,032)	(97,388)	(101,923)	(106,646)	(111,563)	(116,681)	(122,009)	(127,555)	(133,326)	(139,332)	(145,582)	(152,085)
Asset Mgmt/Similar Fees				\$0	100.0%	2.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash flow paid towards Asset Mgmt/Similar Fees							0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash flow after Asset Mgmt/Similar Fees							(63,905)	(67,044)	(70,316)	(73,725)	(77,277)	(80,978)	(84,834)	(88,849)	(93,032)	(97,388)	(101,923)	(106,646)	(111,563)	(116,681)	(122,009)	(127,555)	(133,326)	(139,332)	(145,582)	(152,085)
Homekey CASH FLOW																										
Homekey Cash Flow							90,603	92,666	94,708	96,726	98,716	100,675	102,600	104,487	106,331	108,130	109,877	111,569	113,201	114,767	116,263	117,682	119,019	120,268	121,422	122,475
Homekey Asset Mgmt/Similar Fees - unpaid							0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Homekey 24-Month Operating Subsidy (5% max per year)							0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Homekey 24-Month Operating Subsidy distributions cumulative							0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow with Homekey 24-Month Operating Subsidy distribution							90,603	92,666	94,708	96,726	98,716	100,675	102,600	104,487	106,331	108,130	109,877	111,569	113,201	114,767	116,263	117,682	119,019	120,268	121,422	122,475
Asset Mgmt/Similar Fees							0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow after Asset Mgmt/Similar Fees							90,603	92,666	94,708	96,726	98,716	100,675	102,600	104,487	106,331	108,130	109,877	111,569	113,201	114,767	116,263	117,682	119,019	120,268	121,422	122,475
Proration % Explanation and Comments:																										
The Homekey Unit proration of Residential Expenses is set at 57.4% to compensate for the higher costs associated with providing the Homekey units.																										

Application Development Team (ADT)								Rev. 7/21/20						
Please complete the "yellow" cells in the form below and email a copy to: <a href="mailto:Homekey@hcd.ca.gov">Homekey@hcd.ca.gov</a>														
Full Name:						Date Requested:				Application Version Date:				
Organization:					Email:					Contact Phone:				
Justification:														
Issue #	Program Name &	Tab	Section	Cell#	Update/Comment			Urgency	ADT Status	Status Date				
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