

**CITY OF DAVIS**  
**2003-2004 CDBG/HOME APPLICANT QUESTIONS WITH RESPONSES**

**Name of Organization:** Davis Mutual Housing Association  
**Project Title:** HOME/CHDO Operating Grant

**At what point is it likely that DMHA will be able to fund staff and operating expenses through development fees, operating revenues from the projects or other sources?**

Our request for \$23,315 in HOME/CHDO grant support will fill a FY 2003 – 2004 operational budget gap. Our projections for DMHA’s operational funding indicate that at the completion of FY 2004 (June 2004), we will have achieved operational self-sufficiency through development fees, project revenues, and private project-based foundation support. At the completion of FY 2003 – 2004, we anticipate no further budget gaps that would require HOME/CHDO operational support.

**The operating budget for DMHA administration is increasing \$22,406 in one year. What are the major increases?**

DMHA’s FY 2002 – 2003 operating budget total is \$99,790. The proposed FY 2003 – 2004 budget is currently set at \$122,196 – an increase of \$22,406. The significant line items that create this increase are:

- **Salary:** an increase of \$1,233.
- **Payroll taxes:** an increase of \$11,111. This increase seems rather large. In fact, the FY 2002 – 2003 budget was under-funded in this line item. The FY 2003 – 2004 more accurately reflects the payroll taxes based on DMHA salary levels.
- **Audit:** DMHA will pay for an independent audit for the first time during FY 2003 – 2004. The estimated cost of this audit is \$7,000.
- **Insurance:** General liability insurance – an increase of \$1,876 - from \$1,330 to \$3,206.

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