

2009 – 2010 CDBG/HOME APPLICANT QUESTIONS AND RESPONSES

Name of Organization: **Yolo Mutual Housing Association**

Project Title: **Twin Pines**

- 1.) Please provide a budget that identifies income from all sources and expenses. What does operating income cover and why is it insufficient to pay the requested costs?**

YMHA has provided a copy of the Twin Pines' operating statement that reflects the property's sources and expenses for the past three years and projections for the 2009 year. As you can see in the Cash Flow section of the spreadsheet, a summary of the total expenses assume a large percentage of the total income. The majority of the expenses entail standard operating and maintenance expenditures as well as tax/insurance and financial expenses for the property.

The remaining operating cash for 2008 was \$3,943, and it has been forecasted that by the end of 2009, the property is expected to have \$16,662 remaining in operating cash. Clearly these remaining amounts will not be sufficient to cover the cost of the anticipated rehab that the property requires.

Please see attachment labeled "Twin Pines Operating Budget"

- 2.) Please break down the funding request to be tied to more specific costs.**

Please see attached spreadsheet labeled "Twin Pines Rehab Budget"

- 3.) Are the exterior renovations crucial at this point in time?**

The deteriorated items do have a significant impact to the structural integrity of the buildings, but are not currently crucial to the operation and occupancy of the property.

- 4.) Does some legal requirement require their immediate repair?**

According the property's annual inspection by the financing agency, CalHFA, items such as improving the condition of the wooden cladding and trim around the property's stairs/landings/rails, or improvements to the iron fences/gates, require immediate action. These rehab items must be met in order to maintain good standing and prevent punitive action by the financing agency.

- 5.) If not, how much longer can you "get by" with the property in its current condition?**

Our inspection of the property indicates that the products requiring rehab are nearing the end of their useful life, and should they fail, it could create hazards at anytime.

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6.) Does the condition of the property prevent the property from being utilized or occupied?

Although the property's physical condition does not prevent YMHA from occupying the buildings, it does create a negative impact on the health and safety of the families that currently reside at Twin Pines.

**TWIN PINES COMMUNITY
REHAB BUDGET
3/16/2009**

DESCRIPTION	UNIT	QTY.	COST PER	TOTAL	NOTES
Renovation and Construction					
Exterior Wood Cladding	Bldg	8	6,000	48,000	Replace caps on balconies/railings
Exterior Cement Walkways	Allow	1	27,000	27,000	Remove and Replace
Iron Fencing	Allow	1	8,000	8,000	Sand down and Paint
Driveways (parking improvements)	Allow	1	15,000	15,000	Re-seal coat and striped
Carpeting (Common Area)	Allow	1	2,000	2,000	Remove and Replace
TOTAL				\$ 100,000	

Twin Pines Community Associates, LP
 Historical Operating Statement
 36 Units

run: 02/04/2009

	Audited Actual 2006	Audited Actual 2007	September Forecast 2008	Draft Budget 2009	\$ Change Better/ (Worse)	% Percent Better/ (Worse)	2009 Budget Per Unit	Comments
Revenue								
Gross Potential Rent	272,356	287,008	294,848	308,464	13,616	4.6%	\$2,487.61	
Vacancies	-3,648	-1,736	-2,370	-6,169	-3,799	-160.3%	-49.75	2% vacancy per YMHA Board due to market conditions
Net Rent	268,708	285,272	292,478	302,295	9,817	3.4%	2,437.86	
Vacancy rate			0.8%	2.0%				
Interest Income	3,763	4,308	600	575	-25	-4.2%	4.64	
Laundry Commission	0	0	0	0	0	-	0.00	
NSF & Late Charges	0	0	0	0	0	-	0.00	
Damages & Cleaning	0	0	1,509	660	-849	-56.3%	5.32	
Credit Checks/Other	4,263	5,285	2,100	2,400	300	14.3%	19.35	
Subtotal	8,026	9,593	4,209	3,635	-574	-13.6%	29.31	
Total Revenue	276,734	294,865	296,687	305,930	9,243	3.1%	2,467.18	
Expenses								
Administrative								
Advertising	0	0	136	300	-164	-120.8%	2.42	
Concessions to Tenants	0	0	4,902	0	4,902	100.0%	0.00	
Credit Reports	0	0	400	600	-200	-50.0%	4.84	
Resident Services Organizer	0	0	2,779	2,880	-101	-3.6%	23.23	
Resident Council	0	0	0	1,800	-1,800	-	14.52	
Resident Programs	0	0	1,820	0	1,820	100.0%	0.00	
Office Expenses	3,489	1,747	1,500	1,800	-300	-20.0%	14.52	
Computer/Copier Expense	1,162	801	908	780	128	14.1%	6.29	
Postage and delivery	0	0	0	0	0	-	0.00	
Management Fee	15,120	11,215	11,443	12,288	-846	-7.4%	99.10	
Compliance Payroll	0	0	380	600	-220	-57.9%	4.84	
Administrator/Manager Salary	28,592	21,405	19,643	20,640	-997	-5.1%	166.45	
Manager Apartment Allowance	7,656	7,656	7,656	7,656	0	0.0%	61.74	
Assistant Manager	0	0	1,145	1,020	125	10.9%	8.23	
Legal Expense	0	0	3,729	600	3,129	83.9%	4.84	
Audit Expense	11,322	9,334	12,545	6,500	6,045	48.2%	52.42	Unusual accounting expenses in 2008
Telephone	2,891	4,080	3,300	3,720	-420	-12.7%	30.00	
Miscellaneous	5,847	5,597	203	600	-397	-196.0%	4.84	
Bad Debts	0	0	898	600	298	33.2%	4.84	
Mileage/Travel	0	0	283	300	-17	-6.1%	2.42	
Training	0	0	0	1,200	-1,200	-	9.68	
Total Administrative	76,079	61,835	73,668	63,884	9,784	13.3%	515.20	
Utility Expense								
Electricity (external lights & launc	4,696	4,739	4,753	5,340	-587	-12.3%	43.06	
Water	26,618	21,254	4,879	4,920	-41	-0.8%	39.68	
Gas	843	1,730	1,281	1,320	-39	-3.1%	10.65	
Sewer (2 acts)	0	0	11,992	10,845	1,147	9.6%	87.46	
Total Utilities	32,157	27,723	22,905	22,425	480	2.1%	180.85	
Operating & Maint.								
Janitor Supplies	1,306	456	611	600	11	1.7%	4.84	
Janitorial Payroll	0	0	0	0	0	-	0.00	
Contract Cleaners	0	0	620	1,950	-1,330	-214.5%	15.73	
Pest Control	1,372	1,315	1,636	1,440	196	12.0%	11.61	
Trash Removal	0	0	10,198	9,375	823	8.1%	75.60	
Security Contract	911	0	0	0	0	-	0.00	
Alarm/Fire	0	0	591	600	-9	-1.6%	4.84	
Locks & Keys	0	0	227	120	107	47.1%	0.97	
Pool Supplies & Repairs	0	0	3,573	3,444	129	3.6%	27.77	
Grounds Supplies	193	195	423	600	-177	-42.0%	4.84	
Grounds Contract	7,509	6,000	6,300	6,300	0	0.0%	50.81	
Maintenance Payroll	14,983	0	20,247	15,420	4,827	23.8%	124.35	Unusually high in 08 due to deferred maintenance needs
Maintenance Contract	9,057	12,429	9,255	6,000	3,255	35.2%	48.39	Unusually high in 08 due to deferred maintenance needs
Repairs Material	0	0	6,958	2,820	4,138	59.5%	22.74	Unusually high in 08 due to deferred maintenance needs
Appliance Repair Parts	0	0	528	600	-72	-13.6%	4.84	
Appliance Replacement	2,423	4,988	2,215	1,440	775	35.0%	11.61	
Laundry Equipment Repairs	0	0	0	0	0	-	0.00	
Decorating/Painting Contract	399	278	3,182	1,500	1,682	52.9%	12.10	Based on 1 turn per month
Electrical Parts & Repairs	888	460	1,831	1,500	331	18.1%	12.10	
Heat/Cooling Repair	0	0	791	900	-109	-13.8%	7.26	
Plumbing Parts & Repairs	0	0	1,202	1,056	146	12.1%	8.52	
Carpet & Flooring	0	0	8,733	5,070	3,663	41.9%	40.89	Based on 1 turn per month
Other Operating & Maintenance	3,137	13,061	0	0	0	-	0.00	
Window/Door Repair	0	0	891	300	591	66.3%	2.42	
Total Operat. & Maint.	42,178	39,182	80,011	61,035	18,976	23.7%	492.22	

Twin Pines Community Associates, LP
 Historical Operating Statement
 36 Units

run: 02/04/2009

	Audited Actual 2006	Audited Actual 2007	September Forecast 2008	Draft Budget 2009	\$ Change Better/ (Worse)	% Percent Better/ (Worse)	2009 Budget Per Unit	Comments
Tax & Insurance								
Real Estate Taxes	6,991	6,991	9,120	9,120	0	0.0%	73.55	
Payroll Tax	9,731	5,790	4,015	6,226	-2,211	-55.1%	50.21	15% of payroll per Mgmt. Agent
Misc. Tax & License	800	4,871	5,705	5,718	-13	-0.2%	46.11	
Property Insurance	20,752	16,272	18,791	18,240	551	2.9%	147.10	
Workers' Comp.	0	0	2,559	2,645	-85	-3.3%	21.33	
Pension Plan	0	0	0	0	0	-	0.00	
Health Insurance	6,660	6,995	6,775	7,308	-533	-7.9%	58.94	
Total Tax & Insur.	44,934	40,919	46,965	49,256	-2,291	-4.9%	397.23	
Financial Expenses								
Mortgage Interest	103,439	102,293	78,612	78,612	0	0.0%	633.97	
Total Financial	103,439	102,293	78,612	78,612	0	0.0%	633.97	
Other Expenses								
Partnership Mgmt. Fee	7,500	7,500	7,500	7,500	0	0.0%	60.48	
Total Other	7,500	7,500	7,500	7,500	0	0.0%	60.48	
Total Expenses	306,287	279,452	309,662	282,713	26,949	8.7%	2,279.94	
Net Income Before Depreciation	-29,553	15,413	-12,975	23,217				
Amortization	3,858	3,858	3,858	3,858				
Depreciation Expense	95,755	93,078	93,500	93,500				
Net Income / (Loss)	-129,166	-81,523	-110,333	-74,141				
operating expenses per unit (excluding interest/depreciation)	5,426	4,713	6,210	5,461				
balance check			0.00	0.00	0.00			
Cash Flow								
Total revenue	276,734	294,865	296,687	305,930				
Operating expenses	-195,348	-169,659	-223,550	-196,601				
Net operating income	81,386	125,206	73,137	109,329				
Replacement reserve	-12,816	-12,816	-12,816	-18,000				Increased to 500/unit per year because reserves are drastically underfunded for the condition of this property
Fixed asset additions	0	0	0	0				
Other adjustment/reserve draw	0	0	0	0				
Debt service	-78,610	-78,610	-78,610	-78,610				
Cash flow for distribution	-10,040	33,780	-18,290	12,719				
Ending operating cash balance	1,681	19,074	3,943	16,662				