

2006 – 2007 CDBG/HOME APPLICANT QUESTIONS AND RESPONSES

Name of Organization: **Yolo Mutual Housing Association**
Project Title: **CHDO Operating**

1. Describe in detail why you believe HOME funding should be used to fund residence programs?

The title of this proposal, the statement of need, and benefit sections of our proposal are focused on the need for operating funds for YMHA. Operating funds enable YMHA to exist and to carry on the business of the non-profit. An integral part of the operations of YMHA includes resident programs. The proposal focused on that portion of operating funds directed at the “coordination, oversight, and implementation of resident programs and services. Funding will concentrate on staffing to encourage and support resident leadership and empowerment initiatives and on building the capacity of YMHA to effectively improve and expand resident services.”

Targeted in this proposal are the capacity building strategies discussed. The ultimate purpose is to increase the operating efficiency of YMHA in a way that enables it to make the best use of limited funding and staff while addressing the increased need for resident services as required in our development agreements. The

The increasing competitiveness of affordable housing development funding applications makes it incumbent on applicants to fulfill more and more requirements. Our 2 most recent developments include funding provisions that require resident services. It can be expected that similar provisions will be a part of future development. Ironically, although the development funding obligates the non-profit to include resident services, it provides absolutely no financial support for the programs.

I have carefully reviewed the HOME Program Guidelines and Application and cannot find any reason that the application does not qualify. Section 92.208 of Program Requirements specifically addresses the issue of CHDO Operating Expense and Capacity Building Cost. It states: “Operating Expenses means reasonable and necessary costs for the operation of the community housing development organization.” Salaries, wages and other employee compensation and benefits are included in the list of allowable costs. Section 92.300 addresses the set aside for the CHDO; our proposal does not violate any of the limitations indicated in that or other sections. Consistent with our proposal, section 92.303 indicates that the CHDO that receives assistance should... “follow a program of tenant participation in management decisions.” The proposal includes funding for assistance to Resident Councils that clearly support this mission.

2. If the Owendale expansion to include YMHA offices is approved, is the need for operating subsidy projected to decrease?

Yes, relocating YMHA offices to an essentially rent-free site will diminish our operating costs and need for future subsidies.

3. When does YMHA plan to reduce the need for operating funding from the HOME program?

YMHA is extremely appreciative of the operating support provided in the past by HOME funds. We are actively working to expand revenue sources and to increase operating efficiency and strategies that diminish the need for HOME funding. As noted in our application, this year YMHA has a particularly crucial need for assistance. Although we are in the exploratory stages for development at several sites, we have not started construction and therefore do not expect development fee income for 2 years. Based on our long term financial projections, I anticipate that we will probably be requesting funds next year.

As a small non-profit we are dependent on a range of funding sources. As a CHDO we incorporate additional inclusionary components to our non-profit which require staff attention to assure that clients and residents are involved in decision making in a way that provides them the support and training needed. The specific mandate in the Home Investment Partnerships Program (HOME) to fund CHDO proposals and the sections specifically discussing the funding of operating funds may be in response to this reality.

4. CHDO operating funds were not envisioned to enhance administrative projects, but to sustain the operations of YMHA – Why should HOME funds be used to enhance YMHA programs?

It is difficult to separate “administrative projects” from “operations”. The funds requested are for operating funds that sustain the non-profit. In the case of this proposal the enhanced programs result from strategies designed to build capacity and increase operating efficiency. A component of this proposal builds on our success in utilizing UCD student interns by connecting with existing community resources to maximize resident support in a cost effective manner. The strategies described in the proposal enable YMHA to cost effectively fulfill development obligations for resident services.