

DRAFT 2009 – 2010 CDBG/HOME APPLICANT QUESTIONS AND RESPONSES

Name of Organization: **Rancho Yolo Community Association**

Project Title: **Planning for the purchase of Rancho Yolo**

As many of these questions have also already been answered in the report we recently provided to the city we have attached that report to the end of this set of questions. Sincerely, the RYCA Board.

1. Has a verification of income and assets of residents been completed?

This specific task will take place at a point after all elements of the purchase agreement have been fulfilled. In the work we have done with other resident owned parks there is little difference between the veracity of the initial income surveys we do and the verification process that occurs later. Under the law, verification is only valid for a few months and then has to be done again so it is very costly to do this until you know when the sale is taking place and the applicant is becoming a member. The number of households at 80% and below is already high so we will always qualify for the uses of the various funding sources we have specified. Verifying for 262 households will be a major and costly task with costs that should be born only when the sale is happening and the escrow in place.

2. Is there any indication that the owner will sell? (Please provide an update on this.)

All of the efforts of the board of Rancho Yolo have been to make it very clear to the owner that we intend to make an offer to buy the park. The owner is well aware of the activities at the park. A number of other resident groups we have worked with have been very impressed with the civility and openness that the present owner has provided to us to go about preparing for our purchase of the park. In almost every park where the residents attempt to organize to purchase the park the owners set numerous roadblocks to the residents. RYCA has had nothing but willingness to allow our efforts to continue. According to state law and on an annual basis RYCA submits a letter to the park owner stating that we wish to maintain our good standing with the state and be in a position to be notified of any sale. Each year, the owner confirms they have receipt of our letter and responds that they have placed our letter on file. The owner has always said that the residents will get the first opportunity to purchase the park. These are difficult economic times and residents throughout the state are in the best position to buy their own park at this time.

3. Please break down the funding request to be tied to more specific costs.

As we previously received RDA funding we worked with city staff on tasks to be agreed upon, the amount of time and what period. We normally work with staff to arrive at an agreed upon contract.

A major part of this is for RYCA to know what timeline we are supposed to be working under as the RDA is a different one than CDBG/HOME.

About \$25,000 of the \$89,000 requested are costs associated with the appraisal process. The remainder of the costs are similar to the previous budgets.

Our previous budget agreed to be the city is representative of how our costs are spent. We have attached that for your review.

4. What has been the average unit turnover and vacancy at Rancho Yolo? (over the past 5 yrs)?

This specific information unit by unit is not available to us but of course is known to park management. Our last RYCA survey showed that 22% of the residents had moved into the park during the past five years. As to vacancy that question needs clarifying? If you mean how many units are not presently being lived in then that is difficult as some are for sale and the residents have moved , some people live here only part of the year, some people are in rest homes or hospital. There might be about ten that are vacant for all those reasons but we do not have those numbers. If you mean how many units are vacant and are not paying the space rent then that number is almost zero. The residents at Rancho Yolo conduct themselves very responsibly. If residents do not pay their rent then the owner has certain rights to make a claim for space rent and then seize the home. The owners of Royal Oak do that quite often and you can see their seizures listed in the Davis Enterprise. The owners of Rancho Yolo do not appear to conduct themselves in that manner.

5. Are there other funds (other than CDBG) which could fund this stage of the project?

When we first came with our request to the Davis City Council I think it was understood that our efforts would go in stages and our requests for funding to the City of Davis would go in stages. This is our second stage. There are few other places to go for funds. Since we expected to request further funds from the City we cannot expect to obtain additional funds from other sources within this same timeline. Funding from other sources we would need to approach would not come until mid to late 2010. However, the support from the city requested in this application will allow us to show continued city support and therefore will have a good opportunity to approach other funders.

6. What would be the impact of a one year delay in funding?

A one year delay in funding would be a costly delay for RYCA. In some ways it is actually an 18 month delay in funding as under some conditions that would mean not having funding until July/August 2010. For the past four years of our activities it has been the stated goal of the RYCA to go through a process and make an offer and complete the transfer in 2010. This timeline still makes sense to RYCA. The board, the membership and the consultants have been working on this timeline. If there is a delay for a year that is a year in which the consultants have to definitely seek other work and where the project RYCA loses momentum. For many of the active board members this four year journey has already been consuming. A year delay would push the project to completion in 2012. Please keep in mind that our request is one of three in the housing development category. The other two projects do not have real people living in them. We do have 350 seniors that are our members. For example, one project requested \$2 million and there was not even a person from that organization in attendance or who spoke. On the other hand, RYCA had 15 people (all residents) in attendance. Our needs are real and today. Our rents go up each year almost twice as fast as apartments in Davis. So a one year delay is very costly to us in the effect upon the board and the 350 residents and in our timing.

7. You state 70% of the residents will be eligible to apply for Wish & Idea Funds. What makes them eligible and how will this impact or not your ability to buy the park?

We have conducted five different surveys of RYCA park households and gained excellent information from them. Consistent throughout the process is the fact that about 70% of the residents have affirmed that they are in the category of 80% of median income for Yolo County. As a result, those households (about 182) do qualify to be eligible to apply for WISH and IDEA funds through the programs of the Federal Home Loan Bank of San Francisco (FHLBSF). Those programs can be done through local financial institutions which are members of the FHLBSF. Yolo Federal Credit Union is issuing WISH funds to Yolo County residents through the City of West Sacramento and Woodland and the County of Yolo. IDEA and WISH match the savings of households up to 3-1 with a maximum of \$15,000 to savings of up to \$5,000. The match is forgiven at the rate of 20% per year. So seniors using the funds could gain up to \$7,000 if used at RYCA. The use of these funds would bring outside equity into the deal and mean that residents would have to put up less of their own capital. The impact would be very positive.

8. How did you ascertain income levels of your residents?

For one of the surveys we mailed out a chart which showed the different categories of income as used by HUD in Yolo County for 2008. We followed up with additional mailings, phone calls and hand delivery of the survey to the remaining homes. (See below)

9. What's the income breakdown/distribution of the Park's population?

Question: What is your annual income and household size?

Began in September 2006 and ongoing and cumulative as of September 1st, 2007. We have done three major efforts by mail, delivery and phone over the past year to get income information. The last push involved board members going door to door to people who had not yet filled in the survey.

What are the estimated total earnings of all the members of the household? Total earnings mean the amount of money earned annually from wages, pensions, social security etc. Please place a check to the right of the number in the column box that applies to you? Call David Thompson at 757-2233 with any questions. Please use an estimate if you are not exactly sure.

Annually	One person	Two people	Three people
I/We earn less than 25%	\$13,000	\$14,850	\$16,700
I/We earn less than 50%	\$21,650	\$24,750	\$27,850
I/We earn less than 80%	\$34,650	\$39,600	\$44,550
I/We earn less than 100%	\$43,300	\$49,500	\$55,700
I/We earn less than 120%	\$52,000	\$59,400	\$66,900
I/We earn <u>more</u> than 120%	\$52,000	\$59,400	\$66,900

Results for Income Group	# in Group	% of total
Below 25%	24	13%
Below 50%	80	56 (56+24=80)
Below 80%	130	50 (50+80=130)
Below 100%	20	
Below 120%	10	
Above 120%	19	
Need further info	5	
Refused to provide info	5	
Total Surveys Returned	194	

Almost 75% of all park resident households have provided income information

184 can be income categorized

5 cannot be income categorized at this time

5 refused to provide information

Of the 184 that provided income information

13% are at 25% of median income and below

43% are at 50% of median income and below

70% are at 80% of median income and below

The population is about 1.4 people per unit = 366 people

10. Has documentation of resident incomes and assets been collected and reviewed by a property management company or other group that regularly qualifies households for affordable housing?

Please see answer to #1. In past similar situations to Rancho Yolo, NP has conducted these detailed surveys but at a later time. The income categories NP used are those used by all affordable housing organizations and the cities in Yolo County and the County of Yolo County. There are a number of management companies who specialize in doing this type of work at mobile home or manufactured housing parks. Those management companies would use this same income table and questions.

11. What outreach/education would be added at Rancho Yolo that wouldn't otherwise be accomplished without grant funding? How long has there been an association of residents at Rancho Yolo that has held resident meetings and mailed out newsletters?

Since the residents of Rancho Yolo began organizing four years ago to purchase the park we have dramatically increased the activities within the park. As an organization, RYCA has come into being, incorporated, obtained insurance, become more formal, met much more frequently, conducted about 20 meetings a year, matured as a body, raised money, hired consultants, lawyers, etc. The pursuit of ownership and control over our park has spurred a deep sense of ownership and responsibility. The board meets almost monthly and supports various initiatives. Here is a little what some of the needs are and what we are doing about them:

- Watching out for our neighbors.
- The Park provides a sanctuary for many fragile elderly people due to age and other afflictions.
- We have a considerable number of mentally challenged adult children of people living in the park, some cared for by live-in caregivers.
- RYCA provides many opportunities for social involvement of the residents.
- RYCA owns and publishes its own Newsletter every month.
- RYCA provides a safe conduit between residents and management that was problematic before RYCA became active. Residents received management intimidation and harassment should they make a complaint about lack of maintenance.
- RYCA provides the Park telephone book for resident use.
- RYCA organized a telephone "tree" that that calls to remind residents of social activities.
- RYCA volunteers operate the Park library. They donate books now to Eleanor Roosevelt Circle
- RYCA has a Social Committee that provides monthly events for residents.
- RYCA sponsors a group that does various crafts and makes decorations for RYCA sponsored functions and uses the Craft Room in the small clubhouse.
- RYCA organized a Caring Group that sends cards to ill or bereaved residents.

12. What information has been collected through park surveys? What information is proposed to be collected through surveys with these funds?

There have been five quite lengthy surveys that have been conducted at Rancho Yolo. They have dealt with a different number of topics such as interest in which ownership model, what ownership model the residents preferred, income, length of time at the park, number in household, etc. The next set of surveys will inquire about how much people pay for their space (continuing as each space has a different space rent) , what the utility costs are, who owns the units, are there loans on the units, are the units owned by the resident, how long people intend to stay there, what would happen if a new owner came in (not the residents) and put the rents up dramatically, etc.

13. How long is an appraisal considered to be "current" when making an offer on a property?

This is one of the questions that cannot be answered in the short time given. We contacted appraisers on Friday and Monday morning and could not get a clear answer due to the complexities of the transaction. Mobile home

parks are unique and require comparables within the area. An appraisal would only be done as part of the purchase offer. The best we can say from the advice we have been provided is that an appraisal period would be set and agreed upon by the buyer and their lead funders at the time of the purchase offer. However, for a minimal fee appraisers will provide the buyer with updated surveys to bring them into conformity with the needs of the financial institutions.

14. Are the updated Bylaws currently in draft form? What steps remain for completion of the Association's Bylaws?

The draft bylaws have been worked on by a committee for almost a year. They have been reviewed by the RYCA Counsel, Karen Tiedeman of Goldfarb and Lipman. They will be voted on by the membership in May of this year. See page 23 of the RYCA Final Report for this answer.

15. Currently RYCA represents all households in the park. If the cooperative was formed and only a portion of households joined, would non-member households still have a voice in the operations of Rancho Yolo?

We are anticipating that a minimum of 51% of the households will join the cooperative. At Leisureville in Woodland about 20% did not immediately join the cooperative. Non members would be eligible to attend meetings. However, not having a share in the cooperative they would not have a vote or a voice in the legal affairs of the organization. The Leisureville Community Association was very accommodating of non members concerns. RYCA will honor those same principles.

16. Who would do marketing of spaces if the cooperative is formed? Would non-members be required to market and explain the cooperative model to potential buyers if he/she sold his/her mobile home?

In the case of RYCA the projected share in the cooperative is presently set at \$7,000. Homes listed in Rancho Yolo at this time go from about \$45,000 to \$150,000. As at all other resident owned parks, the realtor has the responsibility of explaining both the sale of the home and the transfer of the share. The existing management company would also be trained on how to explain the share program. The two transactions occur at the same time. If a non member were selling the unit without the help of a realtor they would need to explain the share or have someone in the management company do that for them. There would be fewer non-members selling homes as time goes by.

17. There is a reference in the contract between Neighborhood Partners and RYCA to a fee earned at the completion of the property acquisition. If the Rancho Yolo property is not acquired by the residents, would there be any outstanding fee to Neighborhood Partners?

If the contract is fulfilled by both parties and there is no sale to the residents there would be no outstanding fee payable to Neighborhood Partners.

18. What kind of communication (i.e. Web sites, mailings, flyers, meetings, etc.) has the Board of Directors used to keep all residents up to date on changes and expenditures?

Numerous mailings, flyers, handouts, about 20 board and membership meetings per year open to all residents, web site (www.community.coop/ryca)

Financial Reports and Consultant Reports at all board and membership meetings, monthly newsletter to all 262 homes. Various presentations have been put on DVD and made available to residents and the City of Davis. Prior to meeting, notices of same are posted on the bulletin board in the main clubhouse and the pool-room door. There is a large binder in the clubhouse with all of the documents, newsletters, presentations available to all residents. Attendance at membership meetings is between 50 and 120 of the households.

19. What kind of feedback has the Board gotten from these communication efforts?

Here are the survey questions and answers that respond to this question.

How useful has the Rancho Yolo Newsletters been to you in the process of learning about the study to purchase the park?

- a) Very useful = 83 49.1%
- b) Useful = 68 40.2%
- c) Not Useful = 2 1.2%
- No opinion = 18 10.6%

If you have attended any of the RYCA membership meetings have they been useful to you in the learning about how to purchase the park?

- a) Very useful = 49 29.0%
- b) Useful = 58 34.3%
- c) Not Useful = 4 2.4%
- d) Not attended = 33 19.5%
- No opinion = 25 14.8%

Are you satisfied with the consultant's efforts in studying the purchase of the park?

- a) Very Satisfied = 57 33.7%
- b) Satisfied = 72 42.6%
- c) Unsatisfied = 5 2.9%
- No opinion = 35 20.7%

Are you satisfied with the RYCA board's efforts in studying the purchase of the park?

- a) Very Satisfied = 58 34.3%
- b) Satisfied = 81 47.9%
- c) Unsatisfied = 2 1.2%
- No opinion = 27 16.0%

Are you satisfied with the City of Davis's efforts in studying the purchase of the park?

- a) Very Satisfied = 49 29.0%
- b) Satisfied = 78 46.1%
- c) Unsatisfied = 5 2.9%
- No opinion = 36 21.3%

Are park purchase efforts building community within the park?

- Yes = 99 58.6%
- No = 10 5.9%
- Don't know = 5 2.9%
- Did not state = 55 32.5%

20. Is there a way to measure how many residents receive this communication?

The newsletter is hand delivered to all 262 homes every month. Notice of membership meetings are sent to each of the 262 homes. All board and membership meetings are noticed in the Clubhouse and pool-room. There are about 200 hits each month on the web site.

21. Due to limited funds, what is the minimum amount that your agency could benefit from/use?

This would be according to who we get funded by (CDBG, HOME or RDA). If it is HOME or CDBG which starts Jul/Aug to June of 2010 the funds relating to the consultant and legal costs for the purchase offer and the appraisal would all take place at the latter end of the contract from Jan to June of 2010. If it was from RDA money and went from let us say May to December for example, then we would not need those same costs (funds relating to the consultant and legal costs for the purchase offer and the appraisal) covered in this request. We would prefer a RDA contract from May to May so we would have access to those funds to keep the project moving and to be ready to make an offer for the Park.

According to the timeline used we may not be doing the appraisal until some time in 2010. As a result we would be the position of not needing to do the appraisal until later. That cost plus the associated consultant and legal costs would be about \$25,000 not needed.

So the minimum needed under some circumstances would be \$58,000.

Responses are due **NO LATER THAN MARCH 6th**. The responses should include both the questions and answers. Responses must be submitted via e-mail. E-mail should be addressed to kcames@cityofdavis.org. Responses should not be mailed.

DEADLINE: MARCH 6, 2009 at 5:00 P.M.

Task	Estimated Cost
1. Complete an analysis of the benefits and disadvantages, the costs and potential financing the cooperative ownership model for the Rancho Yolo Mobile Home Park and at a minimum shall include:	\$ 4,800
a. At least three varying scenarios, ranging from a low reasonable estimate to a high reasonable estimate, including variables based on participation levels in the cooperative.	
b. Basic, estimated project sources and uses for each of the options, comparing the expected city subsidy of each, including projected repayments of all loans, interest rate assumptions for all loans, and all likely loan terms. Sources should include estimated share payments, and uses should recognize ongoing management costs, reserve costs, etc.	
c. Basic estimates of annual maintenance, operating and carrying costs for the project, including replacement and operating reserves.	
d. Basic ongoing management structure assumptions including the roles of member, the board, contract property management, and expected ongoing use of management consultants.	
This analysis will be developed, reviewed and maintained as confidential between project consultants and city staff so that impact of the analysis on the prospective purchase price of the property is minimized. The information will be reported out as a summary of the range of likely city subsidy to be requested by the project, the potential for obtaining other necessary funding at the necessary amounts and the general prospects for project feasibility.	
2. For each scenario, complete an estimate of the likely impact to five types[1] of residents of Rancho Yolo for each model, including:	\$ 4,800
a. Likely down payments or share payments under each scenario	
b. Likely monthly carrying costs, including utilities and any other fees and assessments.	
c. Financial benefits provided in each model, including tax benefits.	
d. Impact, if any, on the unit prices or future resale restrictions inherent in any of the funding sources.	
3. Review of basic, projected maintenance needs of common areas at Rancho Yolo, including the community building and pools. This need not be a comprehensive analysis, but an estimate based on the known current costs, including administration of the utility system.	\$ 3,000
4. Resolve unanswered questions about the use of cooperative shares as collateral, including:	\$ 2,400
a. What guidelines would be adopted to review requests from members or potential members to do use shares as collateral? What amount can potentially be encumbered? In what circumstances where would using shares as collateral be permitted? What is the proposed approval process for such a lien?	

Task	Estimated Cost
b. What is the average amount of cash that the organization would have available at any given time to repay a share that was foreclosed upon by a lender? How are the shares used when new members join the organization? How will the cash from the shares be used in the organization?	
c. How would the organization ensure that all delinquent grants which involve the shares be cured?	
d. How would the grant against the share be calculated into the affordability requirements for the low and moderate income members of the cooperative who chose to obtain a lien against his/her share?	
5. Continue gaining feedback and information from the residents of Rancho Yolo, while providing residents with information about cooperative options and projections, including working with staff on the creation of a project FAQ.	\$ 9,000
6. Work cooperatively with Agency Manager-designated staff to review confidential information related to the financing plans for the project, including the valuation of the property, the financing sources and uses, interest rate assumptions and carrying cost assumptions.	\$ 3,000
7. The scope of services noted here is also inclusive of the scope of services submitted in the proposal presented on February 14, 2007, except for the deletion of carrying out an appraisal of the property which will be done in the next phase.	\$ 23,000
Member communications, surveys, meetings, develop member mail program & misc	\$ 2,500
Do monthly newsletters, reports, quarterly flyers to members, printing	\$ 5,000
Accounting, pay bills, quarterly statements, reports	\$ 3,000
Web Site additions of information and documents and changes	\$ 1,000
Legal (Articles and Bylaws, legal advice and assistance, legal documents, corp. fees)	\$ 8,000
Directors and Officers Insurance	\$ 2,500
Travel	\$ 1,000
TOTAL	\$ 50,000

Exhibit A – Potential Project Cost Scenarios

Neighborhood Partners requests that the information in Exhibits A, B, C and D be treated by the City of Davis as confidential material which is protective of RYCA's proprietary interests as buyer.

Three detailed financial pro formas have been prepared for the project. These are included as Exhibits B, C and D.

The three potential project cost scenarios are summarized as follows:

Our Primary Scenario

This scenario includes the current rents charged at the park. The operating costs and reserves have been estimated based on similar parks in this market area. A capitalization rate of [REDACTED] has been utilized, since the park is well maintained and located in an affluent community, however it does not have a golf course or similar amenity. The resulting calculation is as follows:

Income	[REDACTED]	
Operating Expenses & Reserves	[REDACTED]	
Net Income	[REDACTED]	
Capitalization Rate	[REDACTED]	
Property Value	[REDACTED]	= [REDACTED]

Two additional scenarios have been prepared to estimate the value of the property.

Low Scenario

In this option, the same rental income is assumed as in our primary scenario, since the current rents can clearly be charged to tenants. The operating costs and reserves are 10% higher than our primary scenario; this assumes that perhaps it costs more to operate this particular park than we have estimated. However the property taxes have been kept constant, because we know this number, and it will not adjust if the park is purchased as a cooperative. And the capitalization rate is set at one half percent higher [REDACTED] this makes the assumption that the park is not in quite as good a shape as we assumed in our primary scenario. The resulting calculation is as follows:

Income	[REDACTED]	
Operating Expenses & Reserves	[REDACTED]	
Net Income	[REDACTED]	
Capitalization Rate	[REDACTED]	
Property Value	[REDACTED]	= [REDACTED]

High Scenario

In this option, the rental income is assumed to be 10% higher than in our primary scenario, since it is possible that the current owner is not maximizing the income that could be collected from the current tenants. The operating costs and reserves are 10% lower than our primary scenario; this assumes that perhaps it costs less to operate this particular park than we have estimated. And again, the property taxes have been kept constant. And the capitalization rate is set at one half percent lower [REDACTED] this makes the assumption that the park is in better shape than we assumed in our primary scenario. The resulting calculation is as follows:

Income	[REDACTED]	
Operating Expenses & Reserves	[REDACTED]	
Net Income	[REDACTED]	
Capitalization Rate	[REDACTED]	
Property Value	[REDACTED]	= [REDACTED]

What level of city subsidy would be required in each of the assumptions?

In our primary finding scenario, the level of city subsidy would be \$3,590,000.

In our low scenario, where the operating costs and reserves are 10% higher (but not property taxes), the conventional loan in first lien position would be reduced by [REDACTED]. And the total appraised value also drops by [REDACTED]. Consultant fees and loan fees would drop as well. As a result, the level of city subsidy would be [REDACTED].

In our high scenario, where the rental income is assumed to be 10% higher, and the operating costs and reserves are 10% lower (but not property taxes), the conventional loan in first lien position would be increased by [REDACTED]. Consultant fees and loan fees would increase as well. And the total appraised value also increases by [REDACTED]. As a result, the level of city subsidy would be [REDACTED].

Exhibit B - Page 1

SOURCES AND USES OF FUNDS					
<i>Name of Project:</i>		Rancho Yolo Mobile Home Park - Primary Scenario			
<i>Applicant Name:</i>		Rancho Yolo Community Association			
<i>Number of Spaces</i>		263			
Sources	Lien	Amount	Rate	Term (Yrs.)	Annual Pymts
First Lender	1	██████████	7.0%	30	██████████
Mobilehome Park Resident Ownership Program (MPROP)	1	██████████	3.0%	30	██████████
Redevelopment Agency of the City of Davis	3	██████████	3%	30	██████████
Affordable Housing Program (AHP)	4	██████████	0%	30	██████████
Loan to Cover Loss of Non-Member Shares*		██████████	8%	30	██████████
Member Share Purchases**	n/a	██████████	n/a	n/a	n/a
TOTAL		██████████			██████████

Uses	Line Item	Subtotal	Per Space	Percent of Total
1. Site Acquisition				
a. Park Purchase Price	██████████		██████████	90.26%
b. Consultant Fees	██████████		██████████	3.70%
SUBTOTAL		██████████	██████████	93.96%
2. Site Improvements				
a. Infrastructure	██████████		██████████	0.00%
b. On-site Improvements	██████████		██████████	0.00%
c. Community Building	██████████		██████████	0.00%
d. Equip. Rental and Misc. Labor	██████████		██████████	0.00%
e. General Requirements	██████████		██████████	0.00%
f. Contractor Overhead and Profit	██████████		██████████	0.00%
g. Construction Contingency	██████████		██████████	0.00%
SUBTOTAL		██████████	██████████	0.00%
3. Lender Costs and Fees				
a. Appraisal	██████████		██████████	0.05%
b. Permanent Loan Fees	██████████		██████████	0.72%
c. Title & Escrow Fees	██████████		██████████	0.08%
d. Construction Loan Fees/Interest	██████████		██████████	0.00%
e. Prepaid Interest on Perm. Loan (1 Month)	██████████		██████████	0.00%
SUBTOTAL		██████████	██████████	0.85%
4. Reserves				
a. Replacement	██████████		██████████	0.27%
b. Operating	██████████		██████████	0.17%
SUBTOTAL		██████████	██████████	0.44%
5. Professional Services				
a. Legal & Audit	██████████		██████████	0.31%
b. Engineering/Survey	██████████		██████████	0.10%
SUBTOTAL		██████████	██████████	0.41%
6. Other Project Costs				
a. Member Share Loan Pool	██████████		██████████	3.21%
b. State Fees (Incorporation & Annual Fees)	██████████		██████████	0.03%
c. Prepaid Property Insurance (1 Year)	██████████		██████████	0.11%
d. Directors & Officers Insurance (2 Years)	██████████		██████████	0.03%
e. Prepaid Property Taxes (1 Year)	██████████		██████████	0.52%
f. Accounting	██████████		██████████	0.03%
g. Member Communication	██████████		██████████	0.08%
h. Miscellaneous	██████████		██████████	0.02%
i. Soft Cost Contingency	██████████		██████████	0.34%
SUBTOTAL		██████████	██████████	4.34%
7. TOTAL DEVELOPMENT COST		██████████		

Exhibit B - Page 2

ANNUAL OPERATING BUDGET			
NAME OF PROJECT:		Rancho Yolo Mobile Home Park - Primary Scenario	
Line Item	Increase Factor	Total Annual	Total Monthly
1. GROSS INCOME			
A. Payments from Residents (assumes 5% vacancy rate)			
1. Lot Rents			
2. Utilities			
3. Laundry			
4. Other (explain)			
B. Less Vacancy Factor			
TOTAL GROSS INCOME			
2. FIXED COSTS			
A. Insurance Inpound -Hazard/Liability			
B. Taxes Inpound			
1. Property			
C. Permit, fees & licenses			
E. Other (Explain)			
TOTAL FIXED COSTS			
3. MAINTENANCE COSTS			
A. Utilities			
1. Electricity, Water, Sewer, Natural Gas			
B. Grounds			
C. Maintenance			
D. Swimming Pool Maintenance			
E. Garbage Removal			
TOTAL MAINTENANCE COSTS			
4. ADMINISTRATION			
1. Management Fee			
2. Legal services			
3. Accounting			
4. Site Related Salaries and Benefits			
5. Telephone billing			
6. Resident Services			
7. Marketing and Advertising			
8. Office Supplies, Equipment & Misc. Admin. Exp.			
9. Reserve Study			
TOTAL ADMINISTRATION COSTS			
5. RESERVE ACCOUNTS			
1. Operating reserves			
2. Replacement reserves			
3. Tree Trimming & Removal Reserve			
4. Other (Explain)			
TOTAL RESERVES			
NET INCOME			
6. DEBT SERVICE			
Lender #1			
Lender #2: Loan to Cover Loss of Non-Member Shares			
TOTAL DEBT SERVICE			
DEBT SERVICE COVERAGE, FIRST			
DEBT SERVICE COVERAGE (All Loans)			
7. TOTAL EXPENSES (SUM OF 2 - 6)			
8. CASH FLOW ANALYSIS			
TOTAL INCOME			
LESS TOTAL EXPENSES (2 - 6)			
DEFICIT OR SURPLUS			
MPROP Program of Assistance			
NET SURPLUS			
MPROP/City of Davis 3% Resident Receipts Loans			

Lender #1 Principal	Interest Rate	Term	Total Annual Payments
Loan to Cover Loss of Non-Member Shares	Interest Rate	Term	Total Annual Payments

Long Term Cash Flow Analysis

Number of Lots: 263

Rancho Yolo Mobile Home Park

Primary Scenario

Line Item	Increase Factor	Total Annual	Total Monthly	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	
1. GROSS INCOME																			
A. Payments From Residents (Assumes 5% Vacancy Rate)																			
1. Lot Rents																			
2. Utilities																			
3. Laundry																			
4. Other (Explain)																			
B. Lot Vacancy Factor																			
TOTAL GROSS INCOME																			
2. FIXED COSTS																			
A. Insurance (Impound - Hazard/Liability)																			
1. Property																			
2. Liability																			
3. Vacancy																			
4. Other (Explain)																			
B. Other (Explain)																			
TOTAL FIXED COSTS																			
3. OPERATING COSTS																			
A. Utilities																			
1. Electricity, Water, Sewer, Natural Gas																			
2. Grounds																			
3. Maintenance																			
4. Swimming Pool																			
5. Garbage Removal																			
B. ADMINISTRATION																			
1. Management Fee																			
2. Legal Services																			
3. Accounting																			
4. Site Related Salaries and Benefits																			
5. Telephone Biller																			
6. Resident Services																			
7. Marketing and Advertising																			
8. Office Supplies, Equipment, Misc. Admin																			
9. Reserve Study																			
TOTAL ADMINISTRATION COSTS																			
5. RESERVE ACCOUNTS																			
1. Operating Reserve (Funded Upfront)																			
2. Replacement Reserve																			
3. Tree Trimming & Removal Reserve																			
4. Other (Explain)																			
TOTAL RESERVES																			
NET INCOME																			
6. DEBT SERVICE																			
1. Debt #1																			
2. Debt #2																			
TOTAL DEBT SERVICE																			
DEBT SERVICE COVERAGE FIRST																			
DEBT SERVICE COVERAGE																			
7. TOTAL EXPENSES (SUM OF 1 - 6)																			
8. CASH FLOW ANALYSIS																			
TOTAL INCOME																			
LESS TOTAL EXPENSES (2 - 6)																			
DEFICIT OR SURPLUS																			

MPROPCity of Davis 3% Residual Receipts Local Cumulative Residual Receipts Payments

Exhibit C - Page 1

SOURCES AND USES OF FUNDS					
Name of Project:			Rancho Yolo Mobile Home Park - Low Scenario		
Applicant Name:			Rancho Yolo Community Association		
Number of Spaces			263		
Sources	Lien	Amount	Rate	Term (Yrs.)	Annual Pymts
First Lender	1		7.0%	30	
Mobilehome Park Resident Ownership Program (MPROP)	1		3.0%	30	
Redevelopment Agency of the City of Davis	3		3%	30	
Affordable Housing Program (AHP)	4		0%	30	
Loan to Cover Loss of Non-Member Shares*			8%	30	
Member Share Purchases**	n/a		n/a	n/a	n/a
TOTAL					
Uses	Line Item	Subtotal	Per Space	Percent of Total	
1. Site Acquisition					
a. Park Purchase Price				89.48%	
b. Consultant Fees				3.58%	
SUBTOTAL				93.06%	
2. Site Improvements					
a. Infrastructure				0.00%	
b. On-site Improvements				0.00%	
c. Community Building				0.00%	
d. Equip. Rental and Misc. Labor				0.00%	
e. General Requirements				0.00%	
f. Contractor Overhead and Profit				0.00%	
g. Construction Contingency				0.00%	
SUBTOTAL				0.00%	
3. Lender Costs and Fees					
a. Appraisal				0.06%	
b. Permanent Loan Fees				0.78%	
c. Title & Escrow Fees				0.09%	
d. Construction Loan Fees/Interest				0.00%	
e. Prepaid Interest on Perm. Loan (1 Month)				0.00%	
SUBTOTAL				0.93%	
4. Reserves					
a. Replacement				0.34%	
b. Operating				0.22%	
SUBTOTAL				0.56%	
5. Professional Services					
a. Legal & Audit				0.35%	
b. Engineering/Survey				0.12%	
SUBTOTAL				0.47%	
6. Other Project Costs					
a. Member Share Loan Pool				3.68%	
b. State Fees (Incorporation & Annual Fees)				0.03%	
c. Prepaid Property Insurance (1 Year)				0.13%	
d. Directors & Officers Insurance (2 Years)				0.03%	
e. Prepaid Property Taxes (1 Year)				0.59%	
f. Accounting				0.03%	
g. Member Communication				0.09%	
h. Miscellaneous				0.02%	
i. Soft Cost Contingency				0.39%	
SUBTOTAL				4.98%	
7. TOTAL DEVELOPMENT COST					

Exhibit C - Page 2

ANNUAL OPERATING BUDGET			
NAME OF PROJECT:		Rancho Yolo Mobile Home Park - Low Scenario	
Line Item	Increase Factor	Total Annual	Total Monthly
1. GROSS INCOME			
A. Payments from Residents (assumes 5% vacancy rate)			
1. Lot Rents			
2. Utilities			
3. Laundry			
4. Other (explain)			
B. Less Vacancy Factor			
TOTAL GROSS INCOME			
2. FIXED COSTS			
A. Insurance Impound - Hazard/Liability			
B. Taxes Impound			
1. Property			
C. Permit, fees & licenses			
E. Other (Explain)			
TOTAL FIXED COSTS			
3. MAINTENANCE COSTS			
A. Utilities			
1. Electricity, Water, Sewer, Natural Gas			
B. Grounds			
C. Maintenance			
D. Swimming Pool Maintenance			
E. Garbage Removal			
TOTAL MAINTENANCE COSTS			
4. ADMINISTRATION			
1. Management fee			
2. Legal services			
3. Accounting			
4. Site Related Salaries and Benefits			
5. Telephone billing			
6. Resident Services			
7. Marketing and Advertising			
8. Office Supplies, Equipment & Misc. Admin. Exp.			
9. Reserve Study			
TOTAL ADMINISTRATION COSTS			
5. RESERVE ACCOUNTS			
1. Operating reserves			
2. Replacement reserves			
3. Tree Trimming & Removal Reserve			
4. Other (Explain)			
TOTAL RESERVES			
NET INCOME			
6. DEBT SERVICE			
Lender # 1			
Lender #2: Loan to Cover Loss of Non-Member Shares			
TOTAL DEBT SERVICE			
DEBT SERVICE COVERAGE, FIRST			
DEBT SERVICE COVERAGE (All Loans)			
7. TOTAL EXPENSES (SUM OF 2 - 6)			
8. CASH FLOW ANALYSIS			
TOTAL INCOME			
LESS TOTAL EXPENSES (2 - 6)			
DEFICIT OR SURPLUS			
MPROP Program of Assistance			
NET SURPLUS			
MPROP Inv of Davis 3% Residual Receipts Loans			

Lender #1 Principal	Interest Rate	Term	Total Annual Payments

Loan to Cover Loss of Non-Member Shares	Interest Rate	Term	Total Annual Payments

Exhibit C - Page 3

Long Term Cash Flow Analysis

263

Rancho Yelo Mobile Home Park

Low Scenario

Number of Lots

Line Item	Increase Factor	Total Annual	Total Monthly	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	
I. GROSS INCOME																			
A. Payment From Residents (Assumes 9% Vacancy Rate)																			
1. Low Rent																			
2. Utilities																			
3. Laundry																			
4. Other (Exploit)																			
B. Less Vacancy Factor																			
TOTAL GROSS INCOME																			
2. FIXED COSTS																			
A. Increase Impound Hazard Liability																			
B. Taxes Impound																			
1. Property																			
C. Permit Fees & Licenses																			
E. Other (Exploit)																			
TOTAL FIXED COSTS																			
3. OPERATING COSTS																			
A. Utilities																			
1. Electricity, Water, Sewer, Natural Gas																			
B. Ground																			
C. Maintenance																			
D. Swimming Pool																			
E. Garbage Removal																			
TOTAL OPERATING COSTS																			
4. ADMINISTRATION																			
1. Management Fee																			
2. Legal Services																			
3. Accounting																			
4. Site Related Salaries and Benefits																			
5. Telephone Billing																			
6. Resident Services																			
7. Marketing and Advertising																			
8. Office Supplies, Equipment, Misc. Admin.																			
9. Reserve Study																			
TOTAL ADMINISTRATION COSTS																			
5. RESERVE ACCOUNTS																			
1. Operating Reserves (Funded Upfront)																			
2. Replacement Reserves																			
3. Tree Trimming & Removal Reserve																			
4. Other (Exploit)																			
TOTAL RESERVES																			
NET INCOME																			
6. DEBT SERVICE																			
Lender # 1																			
Lender # 2																			
TOTAL DEBT SERVICE																			
DEBT SERVICE COVERAGE, FIRST																			
DEBT SERVICE COVERAGE																			
7. TOTAL EXPENSES (SUM OF 1 - 6)																			
8. CASH FLOW ANALYSIS																			
TOTAL INCOME																			
LESS TOTAL EXPENSES (2 - 6)																			
DEFICIT OR SURPLUS																			
NREPO City of Davis 3% Residual Receipts Loan Cumulative Past Due Receipts Payments																			

SOURCES AND USES OF FUNDS					
Name of Project:			Rancho Yolo Mobile Home Park - High Scenario		
Applicant Name:			Rancho Yolo Community Association		
Number of Spaces			263		
Sources					
	Lien	Amount	Rate	Term (Yrs.)	Annual Pymts
First Lender	1	██████████	7.0%	30	██████████
Mobilehome Park Resident Ownership Program (MPROP)	1	██████████	3.0%	30	██████████
Redevelopment Agency of the City of Davis	3	██████████	3%	30	██████████
Affordable Housing Program (AHP)	4	██████████	0%	30	██████████
Loan to Cover Loss of Non-Member Shares*		██████████	8%	30	██████████
Member Share Purchases**	n/a	██████████	n/a	n/a	██████████
TOTAL		██████████			██████████
Uses					
	Line Item	Subtotal	Per Space	Percent of Total	
1. Site Acquisition					
a. Park Purchase Price	██████████	██████████	██████████	91.52%	
b. Consultant Fees	██████████	██████████	██████████	3.64%	
	SUBTOTAL	██████████	██████████	95.36%	
2. Site Improvements					
a. Infrastructure	██████████	██████████	██████████	0.00%	
b. On-site Improvements	██████████	██████████	██████████	0.00%	
c. Community Building	██████████	██████████	██████████	0.00%	
d. Equip. Rental and Misc. Labor	██████████	██████████	██████████	0.00%	
e. General Requirements	██████████	██████████	██████████	0.00%	
f. Contractor Overhead and Profit	██████████	██████████	██████████	0.00%	
g. Construction Contingency	██████████	██████████	██████████	0.00%	
	SUBTOTAL	██████████	██████████	0.00%	
3. Lender Costs and Fees					
a. Appraisal	██████████	██████████	██████████	0.04%	
b. Permanent Loan Fees	██████████	██████████	██████████	0.66%	
c. Title & Escrow Fees	██████████	██████████	██████████	0.06%	
d. Construction Loan Fees/Interest	██████████	██████████	██████████	0.00%	
e. Prepaid Interest on Perm. Loan (1 Month)	██████████	██████████	██████████	0.00%	
	SUBTOTAL	██████████	██████████	0.76%	
4. Reserves					
a. Replacement	██████████	██████████	██████████	0.18%	
b. Operating	██████████	██████████	██████████	0.12%	
	SUBTOTAL	██████████	██████████	0.30%	
5. Professional Services					
a. Legal & Audit	██████████	██████████	██████████	0.23%	
b. Engineering/Survey	██████████	██████████	██████████	0.08%	
	SUBTOTAL	██████████	██████████	0.31%	
6. Other Project Costs					
a. Member Share Loan Pool	██████████	██████████	██████████	2.42%	
b. State Fees (Incorporation & Annual Fees)	██████████	██████████	██████████	0.02%	
c. Prepaid Property Insurance (1 Year)	██████████	██████████	██████████	0.08%	
d. Directors & Officers Insurance (2 Years)	██████████	██████████	██████████	0.02%	
e. Prepaid Property Taxes (1 Year)	██████████	██████████	██████████	0.39%	
f. Accounting	██████████	██████████	██████████	0.02%	
g. Member Communication	██████████	██████████	██████████	0.06%	
h. Miscellaneous	██████████	██████████	██████████	0.01%	
i. Soft Cost Contingency	██████████	██████████	██████████	0.26%	
	SUBTOTAL	██████████	██████████	3.26%	
7. TOTAL DEVELOPMENT COST		██████████			

Exhibit D - Page 2

ANNUAL OPERATING BUDGET			
NAME OF PROJECT:		Rancho Yolo Mobile Home Park - High Scenario	
Line Item	Increase Factor	Total Annual	Total Monthly
1. GROSS INCOME			
A. Payments from Residents (assumes 5% vacancy rate)			
1. Lot Rents			
2. Utilities			
3. Laundry			
4. Other (explain)			
B. Less Vacancy Factor			
TOTAL GROSS INCOME			
2. FIXED COSTS			
A. Insurance Impound - Hazard/Liability			
B. Taxes Impound			
1. Property			
C. Permit, fees & licenses			
E. Other (Explain)			
TOTAL FIXED COSTS			
3. MAINTENANCE COSTS			
A. Utilities			
1. Electricity, Water, Sewer, Natural Gas			
B. Grounds			
C. Maintenance			
D. Swimming Pool Maintenance			
E. Garbage Removal			
TOTAL MAINTENANCE COSTS			
4. ADMINISTRATION			
1. Management fee			
2. Legal services			
3. Accounting			
4. Site Related Salaries and Benefits			
5. Telephone billing			
6. Resident Services			
7. Marketing and Advertising			
8. Office Supplies, Equipment & Misc. Admin. Exp.			
9. Reserve Study			
TOTAL ADMINISTRATION COSTS			
5. RESERVE ACCOUNTS			
1. Operating reserves			
2. Replacement reserves			
3. Tree Trimming & Removal Reserve			
4. Other (Explain)			
TOTAL RESERVES			
NET INCOME			
6. DEBT SERVICE			
Lender #1			
Lender #2: Loan to Cover Loss of Non-Member Shares			
TOTAL DEBT SERVICE			
DEBT SERVICE COVERAGE, FIRST			
DEBT SERVICE COVERAGE (All Loans)			
7. TOTAL EXPENSES (SUM OF 2 - 6)			
8. CASH FLOW ANALYSIS			
TOTAL INCOME			
LESS TOTAL EXPENSES (2 - 6)			
DEFICIT OR SURPLUS			
MPROP Program of Assistance			
NET SURPLUS			
MPROP/City of Davis 3% Residual Receipts Loans			

Lender #1 Principal	Interest Rate	Term	Total Annual Payments
Loan to Cover Loss of Non-Member Shares	Interest Rate	Term	Total Annual Payments

Long Term Cash Flow Analysis

Number of Lots: _____

Rancho Yolo Mobile Home Park

High Scenario

Line Item	Increase Factor	Total Annual	Total Monthly	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	
1. GROSS INCOME																			
A. Payments From Residents (Assumes 1% Vacancy Rate)																			
1. Lot Rents																			
2. Utilities																			
3. Laundry																			
4. Other (Specify)																			
B. Less Vacancy/Repair																			
TOTAL GROSS INCOME																			
2. FIXED COSTS																			
A. Insurance (General, Hazard/Liability)																			
B. Taxes Imposed																			
C. Property																			
D. Permit, Fees & Licenses																			
E. Other (Specify)																			
TOTAL FIXED COSTS																			
3. OPERATING COSTS																			
A. Utilities																			
1. Electricity, Water, Sewer, Natural Gas																			
B. Grounds																			
C. Maintenance																			
D. Swimming Pool																			
E. Garbage Removal																			
TOTAL OPERATING COSTS																			
4. ADMINISTRATION																			
1. Management Fee																			
2. Legal Services																			
3. Accounting																			
4. Site Related Salaries and Benefits																			
5. Telephone Billing																			
6. Resident Services																			
7. Marketing and Advertising																			
8. Other Supplies, Equipment, Misc. Admin.																			
9. Reserve Study																			
TOTAL ADMINISTRATION COSTS																			
5. RESERVE ACCOUNTS																			
1. Operating Reserves (Funded Upfront)																			
2. Replacement Reserves																			
3. Tree Trimming & Removal Reserve																			
4. Other (Specify)																			
TOTAL RESERVES																			
NET INCOME																			
6. DEBT SERVICE																			
1. Lender # 1																			
2. Lender # 2																			
TOTAL DEBT SERVICE																			
DEBT SERVICE COVERAGE, FIRST																			
DEBT SERVICE COVERAGE, LAST																			
7. TOTAL EXPENSES (SUM OF 2-6)																			
8. CASH FLOW ANALYSIS																			
TOTAL INCOME																			
LESS TOTAL EXPENSES (2-6)																			
DEFICIT OR SURPLUS																			
NPFP/OP/Chy of Davis 3% Residual Receipts Loan Cumulative Residual Receipts Payments																			

order to calculate its residual receipts payment; this expense is included in the accounting line item in the operating budget.

Web Site additions of information and documents and changes

1. What is the url of the organizations website?

www.community.coop/ryca

2. Are documents of interest to the members available on the website?

Documents of interest and images of events are on the website.

3. Who controls the website content?

What goes on the web site is initiated or authorized by the RYCA President.

4. How often is the website content updated?

The web site is updated as needed. However, few residents ever mention the web site.

Legal (Articles and Bylaws, legal advice and assistance, legal documents, corp. fees)

1. What is the content the Articles and By-laws created as part of this project?

A copy of the draft bylaws is attached as Exhibit G.

2. How were the by-laws created?

The RYCA board appointed a committee composed of board and non-board members which have met often over the past year. The committee was guided in its deliberations by Karen Tiedemann, Esq. of Goldfarb and Lippman and assisted also by Neighborhood Partners, LLC. Draft bylaws were created by the committee. The draft and various changes have been circulating between the RYCA lawyer and the committee for a number of months. The committee is forwarding the final draft to the RYCA board.

3. Did the members as a whole approved the revised Articles of Incorporation and By-laws?

The RYCA board will review the bylaws in March. The RYCA board could approve the forwarding the bylaws to the RYCA membership and recommend their adoption by the RYCA members. The RYCA board will set a meeting in the spring where the members will have an opportunity to review and debate the bylaws. It is anticipated that Karen

Long Term Cash Flow Analysis

Rancho Yelo Mobile Home Park

High Scenario

Line Item	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
1. GROSS INCOME															
A. Payments From Residents (Assumes 5% Vacancy Rate)															
1. Lot Rents															
2. Utilities															
3. Laundry															
4. Other (Specify)															
B. Less Vacancy Factor															
TOTAL GROSS INCOME															
2. FIXED COSTS															
A. Insurance (Insured - Hazard Liability)															
B. Taxes (Insured)															
C. Property															
D. Payroll (Insured)															
E. Other (Specify)															
TOTAL FIXED COSTS															
3. OPERATING COSTS															
A. Utilities															
1. Electricity, Water, Sewer, Natural Gas															
B. Grounds															
C. Maintenance															
D. Switching Pool															
E. Garbage Removal															
TOTAL OPERATING COSTS															
4. ADMINISTRATION															
1. Management Fee															
2. Legal Services															
3. Accounting															
4. Site Related Salaries and Benefits															
5. Telephone Billing															
6. Resident Services															
7. Marketing and Advertising															
8. Office Supplies, Equipment, Misc. Admin.															
9. Reserve Study															
TOTAL ADMINISTRATION COSTS															
5. RESERVE ACCOUNTS															
1. Operating Reserve (Funded Upfront)															
2. Equipment Reserve															
3. Tree Trimming & Removal Reserve															
4. Other (Specify)															
TOTAL RESERVES															
NET INCOME															
6. DEBT SERVICE															
1. Lender # 1															
2. Lender # 2															
TOTAL DEBT SERVICE															
DEBT SERVICE COVERAGE FIRST															
DEBT SERVICE COVERAGE															
7. TOTAL EXPENSES (SUM OF 2-6)															
8. CASH FLOW ANALYSIS															
TOTAL INCOME															
LESS TOTAL EXPENSES (2-6)															
DEFICIT OR SURPLUS															

APPROVED by Davis 3/14 Residual Receipts Lewis
Cumulative Residual Receipts Payments