

BUDGET/RENT DETERMINATION

for

Housing Company Name

Development Name

Development Address, City, Zip

Development Number

Number of Dwelling Units
(Include Staff Apts.)

Number of Rental Rooms
(Include Staff Apts.)

Submitted to the

**New York State
Division of Housing and Community Renewal**

**641 Lexington Avenue
New York, New York
10022**

For the Budget Years Ending _____ and _____
Month Day Year Month Day Year

BUDGET/RENT DETERMINATION

INSTRUCTIONS

The **Budget/Rent Determination**, form HM-2, must be used by all housing companies for preparation and submission of operating budgets. Completion of this form as part of the Budget/Rent Determination process enables housing companies, in conjunction with the New York State Division of Housing and Community Renewal (DHCR), to establish two consecutive one-year operating budgets, incorporating rent adjustments into each budget year, if needed. Upon receiving the HM-2 and other documents from DHCR, each housing company is to complete the enclosed HM-2 forms pursuant to the attached "Guidelines for Budget/Rent Determination Projections"

- Submit an original and one copy of the HM-2 forms and accompanying data to DHCR no later than the date specified on the transmittal letter.
- Provide a detailed basis for each account. Attach all worksheets, schedules, copies of contracts, etc., as requested in the "guidelines" A sample worksheet has been included for your use.
- If the method described in the "guidelines" is not appropriate, provide a detailed explanation. Be alert to any unusual circumstances in the base year or an anticipated change in the housing company's operations.
- Attach the last 3 years Utility Consumption Reports, form HM-3.
- Round all projections to the nearest dollar.
- For those developments where the proposed budget indicates the need for a rent increase, submit either a rent increase application based on the current Rent Increase Application Guidelines, form HAA-172, or an explanation of why an increase is not being requested at this time.

Send the completed package to:

Housing Audits & Accounts
New York State
Division of Housing and Community Renewal
641 Lexington Avenue
New York, New York 10022

**BUDGET/RENT DETERMINATION
SYNOPSIS**

Housing Company Name: _____

Development Name: _____

Development Address: _____ Development No.: _____ Number of D.U.'S.
(include staff apts.): _____

Number of R.R.'s (include staff apts.): _____ Budget/Rent Determination For Years Ending _____ and _____

Line Reference	Item Description	Actual per Certified Annual Report FYE _____	PROJECTIONS	
			Budget Year 1	Budget Year 2
A	Total Income (line 26)	_____	_____	_____
B.	Total Expenses (line 84)	_____	_____	_____
C.	Total Fiscal Requirements (line 94)	_____	_____	_____
D.	SURPLUS (DEFICIT). Subtract B & C from A.	_____	_____	_____
		Projections - Combined Budget Years 1 & 2		
Total Two Year Surplus (Deficit)		_____		
<p><u>Complete Section Below Only If Line Above Shows A Deficit:</u></p> <p>Divide Total Two Year Deficit By Adjustment Factor As Shown on DHCR "Budget Preparation Data Letter", form HAA-247.</p> <p>Adjusted Deficit per Rental Room per Month - one step basis: Divide the adjusted deficit by (24 mos. X no. rental rooms); use DHCR count, from form HAA-247, of rental rooms available for residential use.</p> <p>Adjusted Deficit per Rental Room per Month - two step basis: Multiply result of one step basis by two-thirds (2/3).</p>		_____		

BUDGET/RENT DETERMINATION

Development No. _____

Line Reference	Account Number	Item Description	Actual per Certified Annual Report FYE	PROJECTIONS	
				Budget Year 1	Budget Year 2
	5100 & 5200	Income			
		Apartment Rental Income			
1.	5110	Gross Scheduled Apartment Rental Income	_____	_____	_____
2.	5211	Less: Vacancy Loss (apts. available for occupancy)	_____	_____	_____
3.	5212	Vacancy Loss (apts. unavailable for occupancy)	_____	_____	_____
4.	5250	Allowances	_____	_____	_____
5.	5260	Rent Free Apartments	_____	_____	_____
6.	5120	Surcharges / Excess Income Retained	_____	_____	_____
	5100 & 5200	Other Rental Income			
7.	5130	Gross Commercial Rent Income (Schedule 2)	_____	_____	_____
8.	5220	Less: Vacancy Loss - Commercial	_____	_____	_____
9.	5140	Gross Professional Apt. Rental Income (Schedule 2)	_____	_____	_____
10.	5230	Less: Vacancy Loss - Professional	_____	_____	_____
11.	5150	Gross Parking Rents	_____	_____	_____
12.	5240	Less: Vacancy Loss -Parking	_____	_____	_____
13.	5190	Other: _____	_____	_____	_____
	5400	Interest Income			
14.	5410	Escrow Group (real estate taxes; water and sewer; insurance; debt service - State Comptroller jobs only)	_____	_____	_____
15.	5420	Reserve Group (contingency reserve; replacement reserve; painting)	_____	_____	_____
16.	5430	Debt Service Escrow (HFA Projects only)	_____	_____	_____
17.	5440	Administrative Operating Funds	_____	_____	_____
18.	5490	Other: _____	_____	_____	_____
19.	5499	Less: Restricted Interest	_____	_____	_____

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Line Reference	Account Number	Item Description	Actual per Certified Annual Report FYE	PROJECTIONS	
				Budget Year 1	Budget Year 2
	5500	Other Income			
20.	5510	Air Conditioners	_____	_____	_____
21.	5520	Other Appliances	_____	_____	_____
22.	5530	Laundry Room	_____	_____	_____
23.	5540	Community Room	_____	_____	_____
24.	5550	Other Charges to Tenants	_____	_____	_____
25.	5590	Other: _____	_____	_____	_____
26.		Total Income	_____	_____	_____
		Expenses			
	6100	Management Expenses			
27.	6110	Selling and Renting	_____	_____	_____
28.	6120	Management Fee	_____	_____	_____
29.	6125	Site Manager Reimbursement	_____	_____	_____
30.	6130	Administrative Fee	_____	_____	_____
31.	6140	Re-rental Fees	_____	_____	_____
32.	6150	Manager's Salary (self-managed)	_____	_____	_____
33.	6160	Administrative Office Salaries	_____	_____	_____
34.	6170	Administrative Office Expenses (other than selling or renting)	_____	_____	_____
35.	6190	Other: _____	_____	_____	_____
	6200	Professional Services			
36.	6210	Legal	_____	_____	_____
37.	6220	Accounting	_____	_____	_____
38.	6221	B/RD Preparation Fee	_____	_____	_____
39.	6222	Tenants' Accountant	_____	_____	_____
40.	6290	Other: _____	_____	_____	_____

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Line Reference	Account Number	Item Description	Actual per Certified Annual Report FYE	PROJECTIONS	
				Budget Year 1	Budget Year 2
	6300	Maintenance and Operating Expenses			
41.	6311	Janitorial and Grounds Base Payroll	_____	_____	_____
42.	6312	Janitorial and Grounds Overtime	_____	_____	_____
43.	6313	Janitorial Contract	_____	_____	_____
44.	6314	Janitorial Material, Tools & Supplies	_____	_____	_____
45.	6315	Exterminating	_____	_____	_____
46.	6316	Rubbish Removal	_____	_____	_____
47.	6317	Grounds Maintenance	_____	_____	_____
48.	6319	Miscellaneous Janitorial and Grounds	_____	_____	_____
49.	6321	Superintendent's Base Salary	_____	_____	_____
50.	6322	Maintenance/Painter Base Salary	_____	_____	_____
51.	6323	Superintendent/Maintenance Payroll Overtime	_____	_____	_____
52.	6324	Maintenance Contract	_____	_____	_____
53.	6325	Repair & Maintenance Materials, Tools and Supplies	_____	_____	_____
	6330	Contracted Services			
54.	6331	Electrical	_____	_____	_____
55.	6332	Plumbing	_____	_____	_____
56.	6333	Elevator	_____	_____	_____
57.	6334	Heating System	_____	_____	_____
58.	6335	Structural	_____	_____	_____
59.	6336	Mechanical	_____	_____	_____
60.	6337	Other: _____	_____	_____	_____
61.	6338	Other: _____	_____	_____	_____
62.	6390	Miscellaneous Maintenance and Operating Expenses	_____	_____	_____
63.	6399	Fix-up and Deferred Maintenance	_____	_____	_____
64.	6400	Apartment Painting	_____	_____	_____

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Line Reference	Account Number	Item Description	Actual per Certified Annual Report FYE	PROJECTIONS	
				Budget Year 1	Budget Year 2
	6500	Security/Protection			
65.	6510	Base Payroll	_____	_____	_____
66.	6520	Overtime Payroll	_____	_____	_____
67.	6530	Contract	_____	_____	_____
68.	6540	Uniforms and Supplies	_____	_____	_____
	6600	Utilities			
69.	6611	Oil	_____	_____	_____
70.	6612	Gas	_____	_____	_____
71.	6613	Steam	_____	_____	_____
72.	6620	Electricity	_____	_____	_____
73.	6640	Water and Sewer	_____	_____	_____
74.	6650	Power Plant	_____	_____	_____
75.	6710	Real Estate Taxes	_____	_____	_____
76.	6720	Insurance	_____	_____	_____
77.	6730	Employee Benefits and Payroll Taxes	_____	_____	_____
78.	6739	Other Taxes	_____	_____	_____
	6800 & 6900	Other Expenses			
79.	6820	Supervisory Agency Fee	_____	_____	_____
so.	6890	Other Financial Expenses	_____	_____	_____
St.	6910	Collection Losses	_____	_____	_____
82.	6920	Community Activities	_____	_____	_____
83.	6990	Other: _____	_____	_____	_____
84.		Total Expenses	_____	_____	_____

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Line Reference	Account Number	Item Description	Actual per Certified Annual Report FYE	PROJECTIONS	
				Budget Year I	Budget Year 2
		Fiscal Requirements			
85.		Provision for Public Area Painting	_____	_____	_____
86.		Provision for Replacement	_____	_____	_____
87.		Arrears to Replacement	_____	_____	_____
88.		Net Contingency	_____	_____	_____
89.		Net Current Debt Service	_____	_____	_____
90.		Debt Service - Arrears	_____	_____	_____
91.		Return on Equity - Current	_____	_____	_____
92.		Return on Equity - Arrears	_____	_____	_____
93.		Working Capital (Schedule 1)	N/A	_____	N/A
94.		Total Fiscal Requirements	_____	_____	_____

BUDGET/RENT DETERMINATION

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Exhibit A- Tenant Profiles From Income Affidavits/Certifications as of _____ / _____
Month / Year

Part I - All Households

Tenant Income Profile:	Number of Tenants	% of Income for Rent
	_____	30% or less
	_____	Over 30%, Up to and including 40%
	_____	Over 40%

Part II - Project Based Subsidies

Maximum Number of Contracted Units:

Rental Assistance Program	_____
Rent Supplement	_____
Section 8	_____

Part III - Number of Households with Special Subsidies:

Subsidy Programs	Size Of Apartments By Number Of Bedrooms						
	0	1	2	3	4	5	Totals
Capital Grant							
Sr. Citizen Rent Increase Exemption							
Rent Supplement							
Rental Assistance Program							
Section 8 Existing							
Totals							

Instructions: Use figures from the most recent tenant income affidavits or certifications submitted to your development.

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Schedule 2: Analysis of Rental Space and Projected Income- Commercial and Professional Tenants - for Years Ending _____ **and** _____
Month Day Year Month Day Year

Tenant Name (1) <small>(Show all non-contiguous areas separately.)</small> (a)	Location of Rental Area (b)	Total Square Feet (c)	Monthly Lease Rent as of (d)	Addl. Mo. Charges- Elec, Water Taxes, etc., (e)	Gross Potential Rent (2)		Projected Vacancy Loss (3)		Date Lease Terminates (j)
					Budget Year 1 (f)	Budget Year 2 (g)	Budget Year 1 (h)	Budget Year 2 (i)	
A. Commercial									
B. Professional:	Total								
					(Acct. No. 5130)	(Acct. No. 5130)	(Acct. No. 5220)	(Acct. No. 5220)	
	Total								
					(Acct. No. 5140)	(Acct. No. 5140)	(Acct. No. 5230)	(Acct. No. 5230)	

(1) Tenant Name - Give tenant's name for each separately identifiable area. If no tenant, enter vacant.

(2) Gross Potential Rent - For occupied areas, monthly lease rent (d), including lease escalations, plus additional monthly charges (e) times the number of months in effect during each budget year. For vacant apartments, columns (f) and (g) are to be an estimate of the market rent.

(3) Projected Vacancy Loss - Loss of gross rents attributable to vacancies.

ATTACH LEASE ESCALATIONS FOR EACH TENANT.

Development No.: _____

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Schedule 3: Provision for Public Area Painting For Years Ending

Area Painted (A)	No. (B)	Estimated Cost For One Item* (C)	_____		_____		Anticipated Actual Expenditure Budget Year		Line # (I)
			Month	Day	Year	Month	Day	Year	
Public Halls									1
Stairwells									2
Management Office									3
Laundry Room									4
Community Center									5
Maintenance Area									6
Other:									7
Other:									8
Other:									9
Other:									10
Other:									11
Other:									12
* Excluding the wages and benefits of staff painters						Totals			13
Painting Reserve Balance as of _____ (Enter on line 14)									14
Anticipated Painting Reserve Balance at the end of Budget Year I (col. G, line 14 plus col. F, line 13 less col. G, line 13). Enter on line 15 Anticipated Painting Reserve Balance at the end of Budget Year 2 (col. G, line 15 plus col. F, line 13 less col. H, line 1 3). Enter on line 16									15
									16

NOTE: If Line 15 is negative, add its absolute value (no minus sign) to the amount in Col. F, Line 1 3 and place the total on Budget Line 85 for Year 1. If Line 16 is negative, add its absolute value (no minus sign) to the amount in Col. F, Line 1 3 and place the total on Budget Line 85 for Year 2.

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For Years Ending _____ and _____
Month Day Year Month Day Year

Fill in identifying information at top, then complete and sign in the space provided below. If housing company is a limited or general partnership, fill in part A. If a corporation, fill in part B. If housing company is a partnership in which the Managing General Partner is a corporation, fill in parts A and B. Failure to complete as required can delay approval of the housing company's operating budget.

A. For Partnerships (print or type):

Name of Partnership

Name of Managing General Partner

B. For Corporations (print or type):

Name of Signer for Corporation

Corporate Title of Signer

I am the person identified herein. I have read the attached materials, including all pages of form HM-2 and any additional pages, documents, etc., herein attached, cited or referred to and state that they were prepared at my direction; that I believe the base year figures to be accurate and the budget projections to be reasonable.

Signature