

H. Appendix 5: Homeownership Feasibility Spreadsheet

Directions for completing the spreadsheet:

1. General Information: PHAs should enter general information about their program in the appropriate cells.

Name of PHA:

Name of Program:

Date of Entry:

Project Manager:

Location of Program:

Median MSA Income

(i.e. principal person in charge of the program.

What city/town and state is it located in?

PHAs should enter the 100% median incomes for their MSA, for each of the household sizes requested. The 80% medians will calculate automatically.

2. Unit Sales Price Assumptions: PHAs should enter the proposed sales price for each housing type and number of bedrooms they intend to make available. For example, if they will have duplex units with 3 and 4 BRs they will fill in just the 3 and 4 BR cells under the duplex housing type. Conversely, if they will have detached units and duplex units of 3 and 4 BRs, they would fill in the 3 and 4 BR cells under both these categories. The assumption here is that there may be pricing differences among the different types. All other pricing should be left blank or have a zero entered.

Once the price is entered into the "Sales Price" column, the "Mortgage Needed" column will calculate automatically based on information provided in sections 3 and 4 below.

In the "Source of Assumptions" column, PHAs should provide any explanatory information they feel is appropriate.

3. Operating assumptions: PHAs should enter their best estimate of the total monthly operating costs per unit. These monthly costs may include common fees, utilities, taxes, insurance, and maintenance reserves. Some, such as utilities, may be based on the PHA's experience in operating the units. Others, such as common fees or reserves, may be based on the PHA's program requirements.

The PHAs should fill-in the cells for all bedroom sizes and the "Average" column will calculate automatically.

In the "Source of Assumptions" column, they should document which factors were included in their calculation of the monthly costs.

4. Financing assumptions:	PHAs should input this information based on the criteria established/proposed for their program:
Loan Term:	Should be entered in Years.
Interest Rate:	Should be the annual interest rate.
Downpayment:	How much downpayment is required? This should be entered as a percentage of the sales price.
Closing costs:	What are these expected to be? These should be entered as a flat amount.
Escrow Amounts:	Is the program requiring these?
Soft Second:	Is there a rough estimate or guidelines relative to what this may be (i.e. existing city program)? This should be entered as a percentage. Other forms of subsidy may be incorporated into this figure.
Soft Third:	Same as above except for another source (state?).
Affordability Ratio:	What is the debt-to-income ratio that the PHA's program or local lenders are willing to allow. This amount which should typically not exceed 35% or so should be entered as a percentage.

5. PHA Household Income Information: Information relative to the existing resident population should be input on the second sheet.

#:	This should appear automatically or the PHA may enter it manually. It is intended to count how many households are included in the analysis.
Name:	Enter name of household.
HH size:	How many individuals are living in the unit?
Elderly:	Is this an elderly-headed household? The PHA may want to show this information although it is not required for the feasibility analysis.
Sources of Income:	PHAs may want to either list just one total gross income or break it down by source. The spreadsheet offers four options: wages, social security, public assistance, other.

The spreadsheet is designed to request any missing information. In this case, it will show a message to this effect. The balance of the columns will calculate automatically.

6. Prior to forwarding to HUD/SAC: Given that HUD has requested that tenant confidentiality be maintained, PHAs must delete tenants names prior to submitting their summary to HUD. PHAs should first save the spreadsheet under a different name (thereby saving a copy with names for themselves) then click on the "Delete Names" button. The "buttons" in Section 5 above are intended to show or hide the names on the sheet (use these if submitting a hard copy). The button in Section 6 will DELETE names and they will not be recoverable (use this prior to electronic submittal to HUD).

SUMMARY OF FINDINGS: Totals are shown in the "Summary of Findings" box at the bottom. HUD and/or the SAC will need to analyze the information presented by the PHAs in the context of the assumptions they've indicated. These assumptions will invariably affect the quality of the information provided.