

Budget Narrative and Glossary of Terms

I.	<u>BUDGET INSTRUCTIONS:</u>	Please fill out as much of the budget template as possible. It has been divided into the phases of development. This should be done with input from your professional development team (e.g., architect, construction manager, general contractor, engineer, legal).
		Please use actual bid costs and/or professional estimates from your development team.
		Not all sections may apply to your project. Please use exact budget estimates or real bid amounts to show as much relevant information specific to your project as you can.
		This budget will be the basis of your grant funding, so please make the budget as accurate and comprehensive as possible. Your development team (e.g., architect, construction manager, general contractor, engineer, legal) will all need to collaborate and confirm cost estimates to ensure an accurate budget.
		Contingencies and owner’s admin fees are automatically calculated.
		Estimates must comply with federal guidelines as stipulated in https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf .
		Estimates and employment practices must comply with state guidelines as stipulated by https://www.dir.ca.gov/Public-Works/PublicWorks.html .
		Estimates and employment practices must comply with State Guidelines for Public Works and Prevailing Wages, as stipulated California Labor Code Sec. 1720.
II.	<u>DESCRIPTION OF TERMS:</u>	The below descriptions follow the exact phases and line items of the budget template.
BHCIP and CCE	FEASIBILITY/DUE DILIGENCE	THE FEASIBILITY AND DUE DILIGENCE PHASE IS FOR DETERMINING FEASIBILITY OF THE PROJECT, INCLUDING ITS SCOPE, SITE PLAN, AND BUSINESS PLAN. FEASIBILITY IS ONLY FOR CCE PROJECTS. DUE DILIGENCE COSTS APPLY TO BOTH CCE AND BHCIP.

	Owner Administration (10% autofill)	Costs of general administration for facility owners and operators who are not a professional development company. This is for support of owner/operators' usual business administration expenses during this phase of the project.
	Legal	Cost of legal work associated with feasibility, due diligence, contracting team, and retainer. Estimated total \$20,000, based on hourly rates.
	Architect	Cost of architectural work associated with fit study, site plan, conceptual drawings, and design. Should be a flat rate per phase plus overtime if needed.
	Consultants (Specify)	Cost of specialty consultants depending on project scope. Examples include traffic, utilities, and public relations. Should be a flat rate per phase plus overtime if needed. Please provide an explanation in the NOTES section.
	Engineers	Cost of engineering services for Feasibility phase. Examples include civil engineer, soils engineer, and structural engineering for SIR. Should be a flat rate per phase plus overtime if needed.
	Construction Manager/Owner's Rep	Cost of construction manager throughout the Feasibility and Due Diligence phase. Should be a flat rate per phase plus overtime if needed.
	Site Investigation Report (SIR)	Cost to complete the SIR. This includes reporting on the site's soils, underground water, geo-technical conditions, and Phase I Environmental Site Assessment. Should be a flat rate per phase plus overtime if needed.
	Site Surveys (Soils and Environmental Study)	Cost to complete a Soils and Environmental Study if a complete SIR is not conducted.
	Other Due Diligence Costs	Other costs incurred as needed depending on scope of project. Please provide an explanation in the NOTES section.
	Contingency (10% autofill)	Contingency funds will be held in separate account for project owner reserve costs on an as-needed emergency basis.
	Total Feasibility/Due Diligence Costs	Total costs of studies, legal, and admin to complete Feasibility/Due Diligence phase.
CCE Only	PRE-DEVELOPMENT	THE PRE-DEVELOPMENT PHASE, FOR CCE APPLICANTS ONLY, IS TO DEVELOP A SCHEMATIC DESIGN (SD) AND ESTABLISH A PRELIMINARY SCOPE OF PROJECT, SCHEDULE, AND BUDGET.
	Owner Administration (10% autofill)	Costs of general administration for facility owners and operators who are not a professional development company. This is for support of owner/operators' usual business administration expenses during this phase of the project.
	Legal	Cost of legal work associated with pre-development contracting team, due diligence, and retainer. Estimated total \$30,000, based on hourly rates.
	Architect (Schematic Design)	Cost of architectural work associated with schematic design and schematic drawing. Should be a flat rate per phase plus overtime if needed.



	Construction Manager/Owner's Rep	Cost of construction manager, owner's rep, or project executive for executive management of the pre-development team. Should be a flat rate plus overtime if needed.
	Engineers	Cost of engineering services for pre-development phase. Examples include civil engineer, soils engineer, or structural engineer for pre-development. Should be a flat rate for the engineering team plus overtime if needed.
	Consultants (Specify)	Cost of specialty consultants depending on project scope. Examples include traffic, utilities, or public relations. Should be a flat rate per phase plus overtime if needed.
	Consultants (Specify)	Cost of Specialty Consultants depending on project scope. Examples include traffic, utilities, PR. Should be a flat rate per phase plus overtime if needed.
	Other Pre-Dev Costs (Specify)	Other costs incurred as needed depending on scope of project. Please provide an explanation in the NOTES section.
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	Other Pre-Dev Costs (Specify)	Other costs incurred as needed depending on scope of project. Please provide an explanation in the NOTES section.
	Contingency (20% autofill)	Contingency funds will be held in separate account for project owner reserve costs on an as-needed emergency basis.
	Total Pre-Development Costs	Total costs to complete schematic design and all studies, due diligence, and legal work.
BHCIP and CCE	DEVELOPMENT PLANNING	THE DEVELOPMENT PLANNING PHASE IS FOR DEVELOPING AND COMPLETING DESIGN DRAWINGS (DDs) AND CONSTRUCTION DRAWINGS (CDs), WITH THE SCOPE OF PROJECT, SCHEDULE, AND BUDGET ESTABLISHED.
	Owner Administration (10% autofill)	Costs of general administration for facility owners and operators who are not a professional development company. This is for support of owner/operators' usual business administration expenses during this phase of the project.
	Legal	Cost of legal work associated with development planning, contracting team, guaranteed maximum price (GMAX) negotiations, and retainer.
	Architect (DDs and CDs)	Cost of architectural work to complete DDs, coordinate and complete CDs, and work with planning department to secure building permits. Should be a flat rate per phase plus overtime if needed.
	Construction Manager/Owner's Rep	Cost of construction manager, owner's rep, or project executive for executive management of the development team. Should be a flat rate plus overtime if needed.
	Civil Engineer	Cost of civil engineering services required to develop civil plans for DDs and CDs, coordination with architect, planning department, and construction manager.
	MEP Engineer	Cost of mechanical (M), electric (E), plumbing (P) engineering services required to develop MEP plans for DDs and CDs in



		coordination with architect, planning department, construction manager, and owner.
	Structural Engineer	Cost of structural engineering services required to develop civil plans for DDs and CDs, coordination with architect, planning department, and construction manager.
	Consultants (Specify)	Cost of specialty consultants depending on project scope. Examples include interior design, lighting, landscaping, waterproofing, etc. Should be a flat rate per phase plus overtime if needed.
	Consultants (Specify)	Cost of specialty consultants depending on project scope. Examples include interior design, lighting, landscaping, waterproofing, etc. Should be a flat rate per phase plus overtime if needed.
	Other Dev Planning Costs (Specify)	Other costs incurred as needed depending on scope of project. Please provide an explanation in the NOTES section.
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	Contingency (20% autofill)	Contingency funds will be held in separate account for project owner reserve costs on an as-needed emergency basis
	Total Development Planning Costs	Total costs to complete DDs and CDs and all studies, due diligence, and legal work.
BHCIP and CCE	LAND COSTS/ACQUISITION	THE LAND COSTS/ACQUISITION PHASE IS FOR DUE DILIGENCE AND ACQUISITION OF LAND AND/OR EXISTING STRUCTURES. (Associated costs for Due Diligence are listed above.)
	Owner Administration (2% autofill)	Costs of general administration for facility owners and operators who are not a professional development company. This is for support of owner/operators' usual business administration expenses during this phase of the project.
	Land Cost or Value	Cost of land or existing buildings. If land or buildings are donated, enter the value based on a professional appraisal to determine the percent of match.
	Demolition	Cost of tearing down existing structures after acquisition.
	Legal	Cost of legal work associated with acquisition, title review, due diligence, buyer negotiations, and retainer.
	Broker Fee	Costs of standard real estate broker commissions, approx.. 2%–3% of purchase price.
	Appraisal Fee	Costs of professional appraisal of property value and recommendation of purchase price.
	Construction Manager	Cost of construction manager, owner's rep, or project executive for executive management of the acquisition team. Should be a flat rate plus overtime if needed.

	Closing Costs	Closing costs associated with title insurance, closing process, taxes, and fees.
	Land Lease Rent Prepayment	As needed depending on scope of project. Please provide explanation in NOTES section, if needed.
	Contingency (5% autofill)	Contingency funds will be held in separate account for project owner reserve costs on an as-needed emergency basis
	Total Land Costs	Total cost to acquire land or existing buildings. Or, if donated, for match % requirement based on professional appraisal.
	Existing Improvements Value (for Match)	If the acquired site has existing structures that will remain, what is their match value as determined by a professional appraisal?
	Off-Site Improvements	Cost of known off-site improvements required for project scope. TBD, as needed. Please provide an explanation in the NOTES section.
	Total Acquisition Costs	Total costs to acquire land or existing buildings, any appraised match value, and off-site improvements.
BHCIP and CCE	REHABILITATION	THE REHABILITATION PHASE IS FOR COMPLETING DESIGN BUILD AND ADMINISTERING REHABILITATION OF EXISTING STRUCTURES.
	Owner Administration (5% autofill)	Costs of general administration for facility owners and operators who are not a professional development company. This is for support of owner/operators' usual business administration expenses during this phase of the project.
	Legal	Cost of legal work associated with rehabilitation oversight, contracting, negotiations, and retainer.
	Construction Manager/Owner's Rep	Cost of construction manager, owner's rep, or project executive for executive management of the rehab and development team. Should be flat rate plus overtime if needed.
	Site Work (Materials and Labor)	Cost of civil engineering services required to rehabilitate structures, land, foundations, etc.
	Hard Costs (Materials and Labor)	Cost of general contractor's (GC) hard cost estimates, bid, and contract. The legal team should negotiate a GMAX contract.
	General Conditions/Requirements	Cost of GC's overhead, indirects, insurance, administration, and requirements to complete rehabilitation.
	Contractor Profit	GC's profit must be clearly stated outside of Hard Costs & General Conditions/Requirements per federal requirements of cost plus fee bids.
	Prevailing Wages Administration	Cost of administering prevailing wage compliance, or cost of hiring a prevailing wage consultant.
	General Liability Insurance	Insurance premiums based on actual quotes for project size. These must meet or exceed state and federal minimum requirements.



	Relocation Costs	Costs of developing and implementing a relocation plan for existing clients/patients currently housed in a facility on the site.
	Project Inspection	Costs of site inspections by the funding agency, local inspectors, and/or specialist inspectors such as waterproofing, etc.
	Signage and Marketing	Costs associated with designing, constructing, and installing project signage and marketing onsite.
	Furniture/Fixtures/Equipment (FFE)	Cost of building interior FFE necessary for standard operations depending on project scope.
	Urban Greening	Cost of design and installation of green features such as extra landscaping, public open space, community gardens, or water features such as ponds and streams. Info here: https://resources.ca.gov/grants/urban-greening
	Other Rehabilitation: (Specify)	Other costs incurred as needed depending on scope of project. Please provide an explanation in the NOTES section.
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	Owner's Contingency (20% autofill)	Contingency funds will be held in separate account for project owner reserve costs on an as-needed emergency basis.
	Total Rehabilitation Costs	Total costs to design, administer, construct, and commission rehabilitation of existing structures.
BHCIP and CCE	NEW CONSTRUCTION	THE NEW CONSTRUCTION PHASE IS FOR ADMINISTERING THE FORMATION OF NEW STRUCTURES AND BUILDING THEM.
	Owner Administration (5% autofill)	Costs of general administration for facility owners and operators who are not a professional development company. This is for support of owner/operators' usual business administration expenses during this phase of the project.
	Legal	Cost of legal work associated with new construction oversight, contracting, negotiations, and retainer.
	Construction Manager/Owner's Rep	Cost of construction manager, owner's rep, or project executive for executive management of the construction and development team. Should be flat rate plus overtime if needed.
	Site Work (Materials and Labor)	Cost of civil engineering services required to construct structures, land, foundations, etc.
	Hard Costs (Materials and Labor)	Cost of GC's hard cost estimates, bid, and contract. The legal team should negotiate a GMAX contract.
	General Conditions/Requirements	Cost of GC's overhead, indirects, insurance, administration, and requirements to complete construction.



	Contractor Profit	GC's profit must be clearly stated outside of Hard Costs & General Conditions/Requirements per federal requirements of cost plus fee bids.
	Prevailing Wages Administration	Cost of administering prevailing wage compliance, or cost of hiring a prevailing wage consultant.
	General Liability Insurance	Insurance premiums based on actual quotes for project size. These must meet or exceed state and federal minimum requirements.
	Project Inspection	Costs of site inspections by the funding agency, local inspectors, and/or specialist inspectors such as waterproofing, etc.
	Furniture/Fixtures/Equipment (FFE)	Cost of building interior FFE necessary for standard operations depending on project scope.
	Signage & Marketing	Costs associated with designing, constructing, and installing project signage and marketing onsite.
	Urban Greening	Cost of design and installation of green features such as extra landscaping, public open space, community gardens, or water features such as ponds and streams. Info here: https://resources.ca.gov/grants/urban-greening
	Other New Construction: (Specify)	Other costs incurred as needed depending on scope of project. Please provide an explanation in the NOTES section.
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	Owner's Contingency (20% autofill)	Contingency funds will be held in separate account for project owner reserve costs on an as-needed emergency basis.
	Total New Construction Costs	Total costs to manage, administer, construct, and commission the complete construction of new structures.
BHCIP and CCE	CONSTRUCTION PERMITS & FEES	THIS BUDGET SECTION DESCRIBES ALL COSTS ASSOCIATED WITH GAINING PERMITS, PERMISSIONS, AND APPROVALS TO START BUILDING AND COMPLETE CONSTRUCTION.
	Owner Administration (10% autofill)	Costs of general administration for facility owners and operators who are not a professional development company. This is for support of owner/operators' usual business administration expenses during this phase of the project.
	Bond Premium or Subcontractor Default Insurance (SDI)	Cost of the bonding premium might range from 1 percent to 2 percent of the project price. This cost is passed on to the owner in the form of higher bids. For contractors, bonds can be difficult to obtain.



	Builder's Risk Insurance	Cost of specialized property insurance that helps protect buildings under construction. Having a properly structured builder's risk insurance policy is crucial.
	Title and Recording	Recording fees are set by the county, not the title company, to cover the cost of entering deeds and mortgages into the land records.
	Permit Fees	Cost of building plan review and approval by planning department. A building permit fee is based on the cost of the building work and the county's planning department staff vs. outside consultant fees.
	Local Development Impact Fees	An impact fee is separate from a tax or special assessment. It is an additional fee attached to a project's approval, charged by a local government agency to offset some or all of the cost incurred by public facilities due to the impact of the development project.
	Employment Reporting	Cost of administering the accounting and state reporting for prevailing wages requirements, per California Labor Code section 1720.
	Other Construction Permits & Fees (Specify)	Other costs incurred as needed depending on scope of project. Please provide an explanation in the NOTES section.
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	Owner's Contingency (10% autofill)	Contingency funds will be held in separate account for project owner reserve costs on an as-needed emergency basis.
	Total Construction Permits & Fees	Total costs to manage, administer, and gain all permits and approvals required to start and complete construction or rehabilitation.
BHCIP and CCE	RESERVES	THIS BUDGET SECTION DESCRIBES SET-ASIDE RESERVE FUNDS REQUESTED FOR REHABILITATION AND RELOCATION (AS NEEDED, BASED ON SCOPE).
	Operating Reserves (Rehabilitation)	Money that an organization appropriates in case budgeted operating expenses are insufficient to cover actual ongoing business expenses incurred during rehabilitation of existing facility.
	Transition Reserves (Relocation & Move-In)	Monies in reserve in aggregate for expenses and capital expenditures of a one-time nature that are involved in the post-closing transition back into a facility.
	Total Reserves Amount	Total costs in reserve account to cover unforeseen costs associated with ongoing costs during renovation or relocation move-in process back into renovated facility.



BHCIP and CCE	OTHER PROJECT COSTS	THIS BUDGET SECTION DESCRIBES ALL OTHER PROJECT COSTS
	Post-Construction Commissioning	Cost of professional quality assurance (QA) to verify the construction is safe, efficient, and operation ready.
	Marketing/PR/Communications	Costs associated with project needs for public relations and marketing of upcoming services or stakeholder communications.
	Move-in fees	Costs associated with moving into a new or rehabilitated facility, including any final costs of relocation, operations set-up, or interior design needs.
	Accounting/Reimbursable	Cost of extraneous reimbursable direct expenses per California Labor C section 1720.
	Other Costs: (Specify)	Costs of various necessary expenditures or losses incurred by employees as defined in California Labor Code section 2802.
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	Owner's Contingency (10% autofill)	Contingency funds will be held in separate account for project owner reserve costs on an as-needed emergency basis.
	Total Other Project Costs	Total other project costs to manage, administer, and finalize acquisition, construction, or rehabilitation.
BHCIP and CCE	DEVELOPER COSTS	THIS BUDGET SECTION DESCRIBES THE COSTS OF A PROFESSIONAL DEVELOPMENT CORPORATION
	Developer Overhead	Corporation's expense incurred to support the business while not being directly related to costs of management and administration of development project.
	Consultants/Processing Agents	Costs associated with specialized independent consultants hired by the development corporation to complete the project.
	Project Administration	Costs associated with direct project administration and management.
	Other Developer Costs: (Specify)	Other costs incurred as needed. Please provide an explanation in the NOTES section.
	Total Developer Costs	Total costs associated with development corporation's operations, management and administration of the project.



	Developer's Fee (5%)	"Developer's Profit." Will not be funded until the development has achieved 100% lien-free completion, and only after retainage has been released.
	TOTAL PROJECT COSTS	All Project Cost total does NOT include Developer's Fee. Total Project Costs includes Developer's Fee.
	Match % of Total Costs	The value of match divided by total project costs excluding Developer's Fee.
	Total Contingency	The sum of each phase's contingency dollar amount.
	Total Reserves	The sum of Operating Reserves (Rehabilitation) & Transition Reserves (Relocation & Move-In).
	Total Owner Administrative %	The sum of each autofill % in each project phase.

