

**KEY 2026 BUDGET ASSUMPTIONS: LOHO (Admin, Cottages & GP) AS OF 9/12/25**

CPI National AUGUST 2025: **All items = 2.9%.**

	EXPLANATION	2025 Assumptions or Forecast Total as of Aug 31, 2025	2026 First draft	NOTES
RENT INCOME: OCCUPANCY	Methodology: Computes total annual rent from 100% occupancy of all Cottages then reduces the total by the percentage shown.	95%	95%	Unlikely to reach 100%, since need time to clean and repair cottage if turnover. <b>95%</b> = one MR cottage empty about 5 months.
RENT INCREASE – <b>Existing</b> residents in MR and MOD cottages JUNE 1. (MONTHLY)	POLICY: Percent increase is applied to total MR rent, then divided by 7 so all renters receive equal dollar amount of increase. POLICY: No <b>Existing</b> renter pays more than a <b>New</b> renter.	MR: 5.0% MOD: 5.0%	MR: CPI MOD: CPI	Limit 5% annually in lease. MOD limited by SJ Co. Median Income, available from HUD in April or May.
RENT – <b>New Renters</b> (MONTHLY)	Amount paid by a <b>new</b> MR renter. New Moderate Cottage renter	MR: 5% MOD: no difference	MR: 5% MOD: \$1,500/mo.	Current is \$2,563. 5% increase = \$2,691. MOD \$1,500 monthly rent.
DONATIONS	Any donations not restricted to Hamlet House or Long Term Maintenance.	Enough at least to balance	Enough at least to balance	.
UTILITIES	Includes Electricity, Internet, Propane, Sewer, Telephone, Trash, Water.	\$37k	Past yr increase by utility (real rates if known). Avg incr. 3.5%	Amounts affected by both rates and usage. Generally assumed usage will not change.
PAYROLL	2025 Exec Dir. & Cottages Manager (part year) 2026 Exec Dir & Cottages Manager	\$89k	\$100k CM full year.	
PROFESSIONAL SRV	Accounting, PA, Computer, Turnover Cleaning, Gusto Fees, RHAW. 2025 also Inspection.	\$38k	\$37k	
INSURANCE	Health and General	H: \$ 4k G: \$12	Both about 8%	Need agent input
REIMBURSEMENT FOR OP SUPPORT	Reimbursement for Hamlet House expenses,	\$12,000	\$12,000	
MAINTENANCE- BLDGS & GROUNDS - <b>ANNUAL</b>	Annual repairs and replacements only. Common rule for annual maintenance is 1% Rule: need to spend 1% of facility value.	BLDGS: \$35k GRDS: 20k	BLDGS: same GRDS: same	
OTHER EXPENSES	General Inflation rate	3% used in budget	CPI increase	