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January 16, 2009

Supervisor Ron Briggs
Supervisor John Knight
Supervisor Ray Nutting
Supervisor Norma Santiago
Supervisor Jack Sweeney
Gayle Erbe-Hamlin
330 Fair Lane
Placerville, CA 95667

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BOARD OF SUPERVISORS
EL DORADO COUNTY
JAN 16 2009

Re: Alternate Proposal for "Homeless"

Dear Supervisor Briggs, Knight, Nutting, Santiago and Sweeney and CAO Erbe-Hamlin:

I am attaching a preliminary drawing of the property mentioned in my earlier correspondence. I hope this will help you envision the possibilities as I described them.

The commercial kitchen and ancillary training is exactly the program implemented by South Lake Tahoe Sheriff and for which they recently received recognition from the Board. The success with that population can be replicated for the homeless and expanded in partnership with the local college to include GED, Spanish language classes, work experience and college credit. I'm offering a space to make it happen.

Other training opportunities would include installation of solar panels on the property to provide operating cost savings, landscaping – savings to the County if the "students" cared for County properties (as in Lake Tahoe), CNA training and testing in conjunction with the job placement service (another profit center).

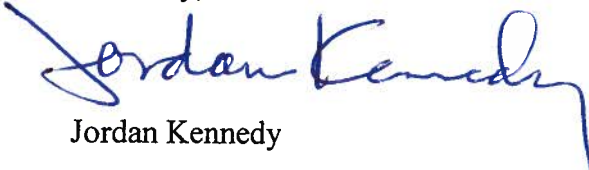
In addition, I'm offering a revenue source of approximately \$15,000 (based on an incentive rental rate of \$.50/s.f.) in rents monthly plus an additional \$3,200 in triple net costs to provide for future maintenance/repairs and operating costs. That's \$218,400 per year to guarantee the Programs continued existence. This is a low rate that could be increased to \$.75/s.f. or approximately \$27,000/mo., \$326,400 per year.

I believe that the Program allocation for facilities can be leveraged to put \$300,000 down on the purchase of the building and the balance of say \$1,500,000 financed – depending of course on who signs the contract. At 7% interest, the monthly payment is roughly \$12,500. The income produced (pro forma) is greater than the cost of the loan.

\$620,000 remains of the initial facilities allocation which can be used to leverage tenant improvements, furniture, fixtures and equipment. These are just preliminary and sketchy numbers but would improve as more in-depth calculations are made. There is advantage to the County on many levels.

I look forward to talking with each of you about this idea in the very near future.

Sincerely,



Jordan Kennedy

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