

LEEDING EDGE MIXED-USE DEVELOPMENT PROJECT - 16TH & G, SAN DIEGO  
DEVELOPMENT BUDGET - SOURCES & USES - PHASE TWO

280 Apts; 180 Condos; Retail

Prepared by:

Em Johnson Interest, Inc.  
1/6/2009

DEVELOPMENT PROGRAM:

Apt. Housing Program:	No of Units:	NSF:	
- Market Rate Units:	224	140,568	80.0%
- Market Rate Units - Replacing BMR Units:	56	35,142	20.0%
<b>TOTAL:</b>	<b>280</b>	<b>175,710</b>	<b>100.0%</b>

Condo Housing Program:	No of Units:	NSF:	
- One BR Units:	160	99,100	85%
- Two BR Units:	20	17,440	15%
<b>TOTAL:</b>	<b>180</b>	<b>116,540</b>	<b>100%</b>

TOTAL HOUSING PROGRAM:	Net SF:	GSF:	
Total Apt. Housing Square Feet:	175,710	199,431	88.1%
Total Condo Housing Square Feet:	116,540	132,273	88.1%
<b>TOTAL SQUARE FEET:</b>	<b>292,250</b>	<b>331,704</b>	
Square Feet Per Unit:	628	712	

Commercial Space Program:	Net SF:	GSF:
- Retail Space:	6,500	7,280
- Office Space:	-	-
- Storage Space:	8,000	8,000
<b>Total Commercial Square Feet (Net Square Feet)</b>	<b>14,500</b>	<b>15,280</b>

Use:	GSF:	Pct. of Total
Apt. Housing GSF	199,431	57.48%
Condo Hous. GSF	132,273	38.12%
Commercial GSF	15,280	4.40%
<b>Total GSF:</b>	<b>346,984</b>	<b>100.00%</b>

Unit Type:	SF/Unit:	Avg. Price:	Avg. Price/SF:	
One BR:	619	\$ 433,563	\$ 700	\$ 69,370,000
Two BR:	872	\$ 586,600	\$ 675	\$ 11,772,000
			\$ 696	\$ 81,142,000

USES:	Assumptions	Project Totals:	Notes:	Apartments	Per Unit	Condos	Per Unit	Commercial	Per GSF
Land Acquisition (Current Appraised Value Based on 2007 Entitlements)		\$ 15,500,000		\$ 3,000,000	\$ 10,714	\$ 10,000,000	\$ 55,556	\$ 2,500,000	\$ 164
Cost Allocation Percentage:			100.00%	\$ 57.48%		\$ 38.12%	\$ 0	\$ 4.40%	
Demolition/Abatement		\$ 50,000		\$ 28,738	\$ 103	\$ 19,060	\$ 106	\$ 2,202	\$ 0.14
Apt. Residential Construction (Include. Robotics Parking)	\$ 252	\$ 199,431	GSF	\$ 50,256,574	\$ 50,256,574	\$ 179,488	\$ -	\$ -	\$ -
Condo - Residential Construction (Include. Robotics Parking)	\$ 255	\$ 132,273	GSF	\$ 33,729,590			\$ 33,729,590	\$ 187,387	
Commercial Space Construction (Office & Retail)	\$ 150	\$ 7,280	GSF	\$ 1,092,000				\$ 1,092,000	\$ 71.47
Storage Space	\$ 50	\$ 8,000	GSF	\$ 400,000				\$ 400,000	\$ 26.18
Tenant Improvements (Allowance) - Retail & Office	\$ 50	\$ 7,280	GSF	\$ 364,000				\$ 364,000	\$ 23.82
- Total Construction	\$ 253	\$ 85,892,164							
Construction Contingency	% of Hard Constr. Costs	\$ 4,272,108	5.00%	\$ 2,512,829	\$ 8,974	\$ 1,686,479	\$ 9,369	\$ 72,800	\$ 4.76
Design Contingency	% of Hard Constr. Costs	\$ 854,422	1.00%	\$ 502,566	\$ 1,795	\$ 337,296	\$ 1,874	\$ 14,560	\$ 0.95
Permit & Utility Fees/Housing-Unit; Commercial Garage	\$15,000 /unit	\$ 6,972,800	TBV	\$ 4,200,000	\$ 15,000	\$ 2,700,000	\$ 15,000	\$ 72,800	\$ 4.76
Soil Testing/Inspections		\$ 600,000	TBV	\$ 344,853	\$ 1,232	\$ 228,725	\$ 1,271	\$ 26,422	\$ 1.73
Architectural/Structural/Interior/Civil/Acoustic/Landscape Fees	% of Hard Constr. Costs	\$ 3,006,226	3.50%	\$ 1,727,845	\$ 6,171	\$ 1,145,997	\$ 6,367	\$ 132,384	\$ 8.66
Construction Management Fees	% of Hard Constr. Costs	\$ 858,922	1.00%	\$ 493,670	\$ 1,763	\$ 327,428	\$ 1,819	\$ 37,624	\$ 2.48
Entitlement/Code Consulting Fees	% of Hard Constr. Costs	\$ 50,000		\$ 28,738	\$ 103	\$ 19,060	\$ 106	\$ 2,202	\$ 0.14
Surveying/CC&R Documents		\$ 30,000		\$ 17,243	\$ 62	\$ 11,436	\$ 64	\$ 1,321	\$ 0.09
Legal		\$ 300,000		\$ 172,427	\$ 616	\$ 114,362	\$ 635	\$ 13,211	\$ 0.86
Accounting/Financial Management Consulting		\$ 175,000		\$ 100,582	\$ 359	\$ 66,711	\$ 371	\$ 7,706	\$ 0.50
Insurance (Builders Risk) (OCIP if For-Sale)		\$ 4,500,000	TBV	\$ 1,100,000	\$ 3,929	\$ 3,150,000	\$ 17,500	\$ 250,000	\$ 16.36
Marketing		\$ 2,150,000		\$ 900,000	\$ 3,214	\$ 1,200,000	\$ 6,667	\$ 50,000	\$ 3.27
Community Outreach/Homebuyer Counseling/Section 3 Consulting		\$ 10,000		\$ 5,748	\$ 21	\$ 3,812	\$ 21	\$ 440	\$ 0.03
Seller Costs (Closing/Commission) - For-Sale Only	% of Gross Sales	\$ 4,057,100	5.00%	\$ -	\$ -	\$ 4,057,100	\$ 22,539	\$ -	\$ -
Appraisal/Market Study		\$ 50,000		\$ 28,738	\$ 103	\$ 19,060	\$ 106	\$ 2,202	\$ 0.14
Phase One Envir./EIR/Title 24 Consultants		\$ 20,000		\$ 11,495	\$ 41	\$ 7,624	\$ 42	\$ 881	\$ 0.06
Development Consultant Fee/Expenses		\$ 30,000		\$ 17,243	\$ 62	\$ 11,436	\$ 64	\$ 1,321	\$ 0.09
Soft Cost Contingency/Misc. Costs	% of Soft Costs Less Dev. Fee/OH/Fin.Costs	\$ 866,895	3.00%	\$ 370,298	\$ 1,322	\$ 475,603	\$ 2,642	\$ 20,994	\$ 1.37
Property Taxes (During Construction Period)	21 Mos.	\$ 311,938		\$ 179,288	\$ 640	\$ 118,913	\$ 661	\$ 13,737	\$ 0.90
CONDO MANAGEMENT FEES (For-Sale Only)		\$ 648,000		\$ -	\$ -	\$ 648,000	\$ 3,600	\$ -	\$ -
<b>SUBTOTAL MINUS DEVELOPER FEE &amp; CONST. LOAN FEE/INTEREST</b>		\$ 115,655,574		\$ 62,998,873	\$ 224,996	\$ 50,077,693	\$ 278,209	\$ 2,579,007	\$ 168.78
Developer Overhead (During Predev., Constr. & Lease-Up/Sales Period)	Total Dev.OH/Fee	\$ 2,791,495	3.25%	\$ 1,604,428	\$ 5,730	\$ 1,064,140	\$ 5,912	\$ 122,928	\$ 8.05
Developer Fee - (DEFERRED)	\$ 5,582,991	6.5%	\$ 2,791,495	3.25%	\$ 1,604,428	\$ 5,730	\$ 1,064,140	\$ 5,912	\$ 122,928
<b>SUBTOTAL W/DEVELOPER FEE</b>		\$ 121,238,564		\$ 66,207,728	\$ 236,456	\$ 52,205,973	\$ 290,033	\$ 2,824,863	\$ 184.87
Construction Loan Fees/Closing Costs	1.50%	\$ 2,060,378		\$ 1,073,250	\$ 3,833	\$ 912,848	\$ 5,071	\$ 74,280	\$ 4.86
Constr. Period Interest (60% Outst. Bal.)	26 Months	\$ 11,036,578	7.5%	\$ 5,813,438	\$ 20,762	\$ 4,944,591	\$ 27,470	\$ 278,550	\$ 18.23
Lease-Up Reserve (50% Outst. Bal.)	18 Months	\$ 1,956,445		\$ 1,956,445	\$ 6,987	\$ 0	\$ -	\$ -	\$ -
Operating Reserve	3-6 Months Oper. Exp.	\$ 774,012		\$ 753,480	\$ 2,691	\$ -	\$ -	\$ 20,532	\$ 1.34
Sales Period Reserve		\$ 1,141,059		\$ -	\$ -	\$ 1,141,059	\$ 6,339	\$ -	\$ -
Mezz. Equity During Constr. & Lease-Up	44 Months	\$ 1,879,088	8.0%	\$ 958,172	\$ 3,422	\$ 701,919	\$ 3,900	\$ 218,996	\$ 14.33
<b>TOTAL DEVELOPMENT COSTS (TDC):</b>	w/Out Land	\$ 140,086,124		\$ 76,762,513	\$ 274,152	\$ 59,906,389	\$ 332,813	\$ 3,417,222	\$ 223.64
	w/Land Cost	\$ 155,586,124		\$ 79,762,513	\$ 284,866	\$ 69,906,389	\$ 388,369	\$ 5,917,222	\$ 387.25

CONSTRUCTION SOURCES:	% of Total	Project Totals:	Notes:	Apartments	Per Unit	Condos	Per Unit	Commercial	Per GSF
Construction Loan		\$ 137,358,500		\$ 71,550,000	\$ 255,536	\$ 60,856,500	\$ 338,092	\$ 4,952,000	\$ 324
Mezzanine Loan or Developer Equity		\$ 11,379,029		\$ 6,608,086	\$ 23,600	\$ 3,928,649	\$ 21,826	\$ 842,294	\$ 55
Developer Fee - (DEFERRED)		\$ 2,791,495		\$ 1,604,428	\$ 5,730	\$ 1,064,140	\$ 5,912	\$ 122,928	\$ 8
Deferred Sales Costs (Commission, Closing Costs) - For-Sale Only		\$ 4,057,100		\$ -	\$ -	\$ 4,057,100	\$ 22,539	\$ -	\$ -
FLHB AHP Grant Funds	<80% of AMI Units	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CCDC Subsidy	For 50% of AMI Units	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Low Income Tax Credit Equity	Estimate	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Low Income Tax Credits	Estimate	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL CONSTR. SOURCES:</b>		\$ 155,586,124		\$ 79,762,513	\$ 284,866	\$ 69,906,389	\$ 388,369	\$ 5,917,222	\$ 387
Cost w/Land		\$ 155,586,124		\$ 79,762,513	\$ 284,866	\$ 69,906,389	\$ 388,369	\$ 5,917,222	\$ 387
GAP:		\$ 0		\$ 0	\$ 0	\$ (0)	\$ 0	\$ 0	\$ 0

PERMANENT SOURCES:	% of Total	Project Totals:	Notes:	Apartments	Per Unit	Condos	Per Unit	Commercial	Per GSF
Permanent Loan	Interest Only Perm. Loan	\$ 76,502,000		\$ 71,550,000	\$ 255,536	\$ -	\$ -	\$ 4,952,000	\$ 324
Mezzanine Loan or Developer Equity		\$ 7,792,412		\$ 6,827,190	\$ 24,383	\$ -	\$ -	\$ 965,222	\$ 63
Developer Equity or Deferred Fee		\$ 1,385,323		\$ 1,385,323	\$ 4,948	\$ -	\$ -	\$ -	\$ -
CCDC Subsidy	TBD	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Low Income Tax Credit Equity		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Low Income Tax Credits		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Housing Sales Income		\$ 81,142,000		\$ -	\$ -	\$ 81,142,000	\$ 450,789	\$ -	\$ -
Deferred Sales Costs (Closing Costs)	% of Gross Sales	\$ (4,057,100)	5.0%	\$ -	\$ -	\$ (4,057,100)	\$ (22,539)	\$ -	\$ -
FLHB AHP Grant Funds	15%	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL PERM. SOURCES:</b>		\$ 162,764,635		\$ 79,762,513	\$ 284,866	\$ 77,084,900	\$ 428,249	\$ 5,917,222	\$ 387
<b>TOTAL COSTS:</b>		\$ 151,529,024		\$ 79,762,513	\$ 284,866	\$ 65,849,289	\$ 365,829	\$ 5,917,222	\$ 387
<b>GAP/PROFIT:</b>		\$ 11,235,611		\$ (0)	\$ (0)	\$ 11,235,611	\$ 62,420	\$ 0	\$ 0