

**EAGLE-MARKET STREETS MIXED INCOME/MIXED USE PROJECT: ASHEVILLE, NC  
DEVELOPMENT BUDGET - SOURCES & USES - MIXED-INCOME/MIXED-USE PROJECT**

Prepared by Em Johnson Interest, Inc.

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**DEVELOPMENT PROGRAM:**

Housing Program:	No of Units:	NSF:	
- Affordable Units @ 50% of AMI:	15	13,600	19.3%
- Affordable Units @ 80% of AMI:	16	14,700	20.6%
- Market Rate Units:	47	42,690	60.2%
<b>TOTAL:</b>	<b>78</b>	<b>70,990</b>	<b>100.0%</b>

Use:	GSF:	Pct. of Total
Housing GSF:	81,765	92.64%
Commercial GSF:	6,500	7.36%
<b>Total GSF:</b>	<b>88,265</b>	<b>100.00%</b>

Total Housing Square Feet:	Net SF:	GSF:	
	70,990	81,765	1.15
Square Feet Per Unit:	912	1,051	87%

- Effective Rent/Ft  
- Avg. Rent/Unit

Pkg Spaces 42

86.8% Efficiency

Commercial Space Program:	Net SF:	GSF:
- Retail Space: (include. Lobby, services)	6,500	6,500
- Office Space:	-	-
<b>Total Commercial Square Feet (Net Square Feet)</b>	<b>6,500</b>	<b>6,500</b>

USES:	Assumptions	Project Totals:	Notes:	Affordable Units @ 50% AMI	Per Unit	LIHTC Tax Credit Basis	Affordable Units @ 80%	Per Unit	Market Rate Units @ 100-120%	Per Unit	Commercial	Per GSF
Land Acquisition	Purchase of Ritz Building	\$ 1,250,000	\$ 88,265	\$ 450,000	\$ 30,000	\$ -	\$ 450,000	\$ 28,125	\$ -	\$ -	\$ 350,000	\$ 53.85
Building Acquisition (DelCarlo, Collette, ___Market St)	Amt to be verified	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cost Allocation Percentage:			100.00%	17.86%	\$ 0		19.05%	\$ 0	55.72%	\$ 0	7.36%	
Demolition/Abatement/Structural Reinforcing		\$ 250,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 38.46
Residential Construction		\$ 9,811,800		\$ 1,891,735	\$ 126,116	\$ 1,891,735	\$ 2,017,851	\$ 126,116	\$ 5,902,214	\$ 126,116	\$ -	\$ -
Residential Lobby/Circulation		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial Space Construction (Lobby, Office & Retail)		\$ 715,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 715,000	\$ 110.00
Parking (Underground)		\$ 630,000		\$ 112,520	\$ 7,501	\$ 112,520	\$ 120,022	\$ 7,501	\$ 351,064	\$ 7,501	\$ 46,394	\$ 7.14
Tenant Improvements (Allowance) - Retail & Office		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- Total Construction		\$ 129	\$ 11,406,800									
Construction Contingency	% of Hard Constr. Costs	\$ 570,340	5.00%	\$ 100,213	\$ 6,681	\$ 100,213	\$ 106,894	\$ 6,681	\$ 312,664	\$ 6,681	\$ 50,570	\$ 7.78
Design Contingency	% of Hard Constr. Costs	\$ 223,136	2.00%	\$ 40,085	\$ 2,672	\$ 40,085	\$ 42,757	\$ 2,672	\$ 125,066	\$ 2,672	\$ 15,228	\$ 2.34
Permit & Utility Fees/Housing-Unit; Commercial Garage	\$8,000 /unit	\$ 687,400	TBV	\$ 120,000	\$ 8,000	\$ 120,000	\$ 128,000	\$ 8,000	\$ 374,400	\$ 8,000	\$ 65,000	\$ 10.00
Soil Testing/Inspections		\$ 100,000	TBV	\$ 17,860	\$ 1,191	\$ 17,860	\$ 19,051	\$ 1,191	\$ 55,724	\$ 1,191	\$ 7,364	\$ 1.13
Architectural/Structural/Interior/Civil/Acoustic/Landscape Fees	% of Hard Constr. Costs	\$ 456,272	4.00%	\$ 81,492	\$ 5,433	\$ 81,492	\$ 86,925	\$ 5,433	\$ 254,255	\$ 5,433	\$ 33,601	\$ 5.17
Construction Management Fees	% of Hard Constr. Costs	\$ 85,551	0.75%	\$ 15,280	\$ 1,019	\$ 15,280	\$ 16,298	\$ 1,019	\$ 47,673	\$ 1,019	\$ 6,300	\$ 0.97
Entitlement/Code Consulting Fees	% of Hard Constr. Costs	\$ 20,000		\$ 3,572	\$ 238	\$ 3,572	\$ 3,810	\$ 238	\$ 11,145	\$ 238	\$ 1,473	\$ 0.23
Surveying/CC&R Documents		\$ 10,000		\$ 1,786	\$ 119	\$ 1,786	\$ 1,905	\$ 119	\$ 5,572	\$ 119	\$ 736	\$ 0.11
Legal		\$ 200,000		\$ 35,721	\$ 2,381	\$ 35,721	\$ 38,102	\$ 2,381	\$ 111,449	\$ 2,381	\$ 14,728	\$ 2.27
Accounting/Financial Management Consulting		\$ 30,000		\$ 5,358	\$ 357	\$ 5,358	\$ 5,715	\$ 357	\$ 16,717	\$ 357	\$ 2,209	\$ 0.34
Insurance (Builders Risk) (OCIP if For-Sale)		\$ 125,000	TBV	\$ 22,325	\$ 1,488	\$ 22,325	\$ 23,814	\$ 1,488	\$ 69,655	\$ 1,488	\$ 9,205	\$ 1.42
Marketing		\$ 283,400	\$ 3,000	\$ 45,000	\$ 3,000	\$ 45,000	\$ 48,000	\$ 3,000	\$ 140,400	\$ 3,000	\$ 50,000	\$ 7.69
Community Outreach/Homebuyer Counseling/Section 3 Consulting		\$ 20,000		\$ 3,572	\$ 238	\$ 3,572	\$ 3,810	\$ 238	\$ 11,145	\$ 238	\$ 1,473	\$ 0.23
Seller Costs (Closing/Commission) - For-Sale Only	% of Gross Sales	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Appraisal/Market Study		\$ 25,000		\$ 4,465	\$ 298	\$ 4,465	\$ 4,763	\$ 298	\$ 13,931	\$ 298	\$ 1,841	\$ 0.28
Phase One Envir./EIR/Title 24/Historical Consultants		\$ 50,000		\$ 8,930	\$ 595	\$ 8,930	\$ 9,526	\$ 595	\$ 27,862	\$ 595	\$ 3,682	\$ 0.57
Development Consultant Fee/Expenses		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Soft Cost Contingency/Misc. Costs	% of Soft Costs Less Dev. Fee/OH/Fin.Costs	\$ 86,583	3.00%	\$ 15,170	\$ 1,011	\$ 15,170	\$ 16,181	\$ 1,011	\$ 47,330	\$ 1,011	\$ 7,902	\$ 1.22
Property Taxes (During Construction Period)	21 Mos.	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Condo Management Fees (For-Sale Only)		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>SUBTOTAL MINUS DEVELOPER FEE &amp; CONST. LOAN FEE/INTEREST</b>		\$ 14,379,482		\$ 2,525,085	\$ 168,339	\$ 2,525,085	\$ 2,693,424	\$ 168,339	\$ 7,878,265	\$ 168,339	\$ 1,282,707	\$ 197.34
Developer Overhead (During Predev., Constr. & Lease-Up/Sales Period)	Total Dev.OH/Fee	\$ 627,374	5.50%	\$ 112,051	\$ 7,470	\$ 112,051	\$ 119,521	\$ 7,470	\$ 349,600	\$ 7,470	\$ 46,201	\$ 7.11
Developer Fee - (DEFERRED)	\$1,254,748	\$ 627,374	5.50%	\$ 112,051	\$ 7,470	\$ -	\$ 119,521	\$ 7,470	\$ 349,600	\$ 7,470	\$ 46,201	\$ 7.11
<b>SUBTOTAL W/DEVELOPER FEE</b>		\$ 15,634,230		\$ 2,749,188	\$ 183,279	\$ 2,637,136	\$ 2,932,467	\$ 183,279	\$ 8,577,466	\$ 183,279	\$ 1,375,109	\$ 211.56
Construction Loan Fees/Closing Costs	Tax Exempt Bond	\$ 515,500	5.00%	\$ 35,500	\$ 2,367	\$ 17,750	\$ 76,500	\$ 4,781	\$ 360,000	\$ 7,692	\$ 43,500	\$ 6.69
Constr. Period Interest (60% Outst. Bal.)	15 Months	\$ 434,953	6.75%	\$ 29,953	\$ 1,997	\$ 29,953	\$ 64,547	\$ 4,034	\$ 303,750	\$ 6,490	\$ 36,703	\$ 5.65
Lease-Up Reserve (50% Outst. Bal.)	5 Months	\$ 80,687	16units/mo	\$ 6,069	\$ 405	\$ -	\$ 13,077	\$ 817	\$ 61,541	\$ 1,315	\$ -	\$ -
Operating Reserve	3-6 Months Oper. Exp.	\$ 87,551		\$ 15,046	\$ 1,003	\$ -	\$ 16,049	\$ 1,003	\$ 46,942	\$ 1,003	\$ 9,514	\$ 1.46
Sales Period Reserve		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mezz. Equity During Constr. & Lease-Up	20 Months	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL DEVELOPMENT COSTS (TDC):</b>	w/Out Land	\$ 16,752,921	\$ 215,333	\$ 2,835,755	\$ 189,050	\$ 2,684,840	\$ 3,102,640	\$ 193,915	\$ 9,349,699	\$ 199,780	\$ 1,464,827	\$ 225.36
	w/Land Cost	\$ 18,002,921	\$ 231,400	\$ 3,285,755	\$ 219,050	\$ -	\$ 3,552,640	\$ 222,040	\$ 9,349,699	\$ 199,780	\$ 1,814,827	\$ 279.20

CONSTRUCTION SOURCES:	% of Total	Per Unit	Project Totals:	Affordable		Affordable		Market Rate		Commercial	Per GSF	
				Units @ 50% AMI	Per Unit	Units @ 80%	Per Unit	Units @ 100-120%	Per Unit			
Construction Loan			\$ 10,310,000	57.27%	\$ 710,000	\$ 47,333	\$ 1,530,000	\$ 95,625	\$ 7,200,000	\$ 153,846	\$ 870,000	\$ 133.85
EMSDC Building Contribution/CDBD Funding	Amt - to be verified		\$ -		\$ -		\$ -		\$ -		\$ -	
Mezzanine Loan/Equity			\$ 400,000	2.22%	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ 8,547	\$ -	\$ -
Developer Fee - (DEFERRED)			\$ 624,673	3.47%	\$ 112,051	\$ 7,470	\$ 119,521	\$ 7,470	\$ 349,600	\$ 7,470	\$ 43,500	\$ 6.69
FHLB AHP Grant Funds	<80% of AMI Units	Subsidy/Per Unit \$ 10,000	\$ 310,000	1.72%	\$ 150,000	\$ 10,000	\$ 160,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -
Historic Tax Credits	Amt - to be verified		\$ 364,585	2.03%					\$ 300,000		\$ 64,585	\$ 9.94
Low Income Tax Credit Equity	Amt - to be verified		\$ 337,283	1.87%	\$ 337,283	\$ 22,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Combined CDBG, HOME, Section 108, Housing Trust Subsidy Funding & Other-TBD	Subsidy/Per Unit	\$131,761	\$ 5,656,380	31.42%	\$ 1,976,421	\$ 131,761	\$ 1,743,118	\$ 108,945	\$ 1,100,099	\$ 23,506	\$ 836,742	\$ 128.73
Other Subsidy Funding	Subsidy/Per Unit	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Funding			\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL CONSTR. SOURCES:			\$ 18,002,921	100.00%	\$ 3,285,755	\$ 219,050	\$ 3,552,639	\$ 222,040	\$ 9,349,699	\$ 199,780	\$ 1,814,827	\$ 279.20
Cost w/Land			\$ 18,002,921		\$ 3,285,755	\$ 219,050	\$ 3,552,640	\$ 222,040	\$ 9,349,699	\$ 199,780	\$ 1,814,827	\$ 279.20
GAP:			\$ (0)		\$ 0	\$ 0	\$ (0)	\$ (0)	\$ 0	\$ 0	\$ 0	\$ 0

PERMANENT SOURCES:	Project Totals:	Apartments	Per Unit	Commercial	Per GSF						
						Permanent Loan	\$ 10,310,000	57.27%	\$ 710,000	\$ 47,333	\$ 1,530,000
EMSDC Building Contribution/CDBD Funding	\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
Mezzanine Loan/Equity	\$ 400,000	2.22%	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ 8,547	\$ -	\$ -	\$ -
Developer Fee - (DEFERRED)	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FHLB AHP Grant Funds	Subsidy/Per Unit \$ 10,000	\$ 310,000	1.72%	\$ 150,000	\$ 10,000	\$ 160,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -
Historic Tax Credits	Amt - to be verified	\$ 364,585	2.03%					\$ 300,000		\$ 64,585	\$ 9.94
Low Income Tax Credit Equity	Amt - to be verified	\$ 674,566	3.75%	\$ 674,566	\$ 44,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Combined CDBG, HOME, Section 108, Housing Trust Subsidy Funding & Other-TBD	Subsidy/Per Unit	\$ 5,943,770	33.02%	\$ 1,751,189	\$ 116,746	\$ 1,862,640	\$ 116,415	\$ 1,449,699	\$ 30,976	\$ 880,242	\$ 135.42
Other Subsidy Funding	Subsidy/Per Unit	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Funding		\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PERM. SOURCES:		\$ 18,002,921	100.00%	\$ 3,285,755	\$ 219,050	\$ 3,552,640	\$ 222,040	\$ 9,349,699	\$ 199,780	\$ 1,814,827	\$ 279.20
TOTAL COSTS:		\$ 18,002,921		\$ 3,285,755	\$ 219,050	\$ 3,552,640	\$ 222,040	\$ 9,349,699	\$ 199,780	\$ 1,814,827	\$ 279.20
GAP/PROFIT:	GAP/PROFIT:	\$ (0)		\$ (0)	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ (0)	\$ 0	\$ 0.00

**Return on Cost Analysis:**

- Total Cost:	\$ 18,002,921	
- Minus LIHTC Equity Subsidy:	\$ (1,039,151)	
- Minus CCDC & SDHC Subsidy:	\$ (5,943,770)	
- Minus AHP Subsidy:	\$ (310,000)	
<b>NET PROJECT COST:</b>	\$ 10,710,000	\$ 10,765,667
Combined NOI:	\$ 861,253	\$ 861,253
<b>Return on Cost:</b>	<b>8.04%</b>	<b>8.00%</b>

\$ 2,684,840	Basis
\$ -	30%
<b>\$ 2,684,840</b>	Basis with 130% Difficult to Develop Area
\$ 2,684,840	
\$ 89,942	3.35% Tax Credit Rate
<b>899,421</b>	x 10 Yrs
<b>\$ 674,566</b>	Tax Credit Price: \$.75/\$1.00

<b>Combined Value</b>	<b>\$ 12,383,941</b>
<b>Loan</b>	<b>\$ 10,310,000</b>
<b>LTV</b>	<b>83.25%</b>