NAYLOR DUPONT
Advisory Neighborhood Commission 7B

District of Columbia Government
3200 S Street, S.E.,
Washington, DC. 20020
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May 31, 2005

Jerrily R. Kress, Director
Office of Zoning
Government of the District of Columbia
441 4th Street, NW, Suite 210
Washington, DC 20001

Subject: BZA Application No. 17316 2700 R Street, SE

Dear Ms. Kress:

The discussion concerning BZA case 17316 was an agenda topic at the 21 May 2005 ANC 7B regular monthly meeting. Proper notice was provided to the community, including individual meeting notice to nearby property owners. Our bylaws set the quorum level at four commissioners. Five commissioners were present for this meeting.

Representatives from the applicant presented documentation, drawings, and specific information as to their requests, including variances. Based on this discussion and the applicants letter dated May 13, 2005, ANC 7B voted to recommend rejection of the application. Additional rationale for the rejection recommendation is provided in the attachment.

The ANC 7B representative for this case is Commissioner Kenneth A. Davis.

Sincerely,

Raymond Keith

Raymond Keith
Chair, ANC 7B

Attachments

cc: Jerry Moore, III
Counsel to the Applicant

BZA
Case No. 17316
Exhibit No. 32

Board of Zoning Adjustment
District of Columbia
CASE NO. 17316
EXHIBIT NO. 32

Attachment to ANC 7B's letter of 31 May 2005 BZA Application No. 17316

Applicant's representative A. Hopkins presented an update to their 27th and R Street project at the regularly scheduled meeting for ANC 7B. Mr. Hopkins could not amplify the statement on page two of their letter to the BZA concerning case 17316, dated 13 May 2005. The issue in question concerned the statement " subject project is burdened by a deed restriction requiring that it be developed into affordable dwelling units for first-time home buyers". We reviewed the Recorder of Deeds online records (see attachment 7B-A) in an attempt to understand the deed restriction issues and make the following observations

1. The following two documents provide current deed restrictions.

2005021596	MODIFICATION AGREEMENT	2-14-2005	Lot: 0812	Square: 5585 (Attachment 7B-b)
2005021597	DECLARATION of COVENANT	2-14-2005	Lot: 0812	Square: 5585 (Attachment 7B-c)

These documents show that the applicant has changed the project from a multifamily project to a single-family project and has agreed to set aside **one** single-family home to be owned for a period of **10 years** by a person or family of **very low income**. The applicants' uses of **two** families in his May 13, 2005 calculations intended to show that "ten is the minimum number of units that can be developed on the subject property for the applicant to be in compliance with the conditions under which it was awarded title to the property". No rationale is provided for selecting two families and the reader is not made aware of recent Trust modifications or Covenants signed by the applicant.

2. Reviewed the applicant's analysis of "The mathematics of constructing both eight and ten units" and found it flawed and non-responsive to the request:

A. Provides no rationale for doubling the number of units required for his break even calculation (as shown above the deed restriction executed by the applicant required him to provide one unit to a very low income person or family. Applicant used two families in his analysis, thus resulting in a trend more favorable to him).

B. Does not provide a basis for or a definition of the term "cost to build", in standard industry or HUD format (see attachment 7B-d), that the reader could use to determine adequacy. If the applicant controls the definition and dollar value of "cost to build," he can obviously control the outcome to be in his favor.

3. The applicant made a business decision to construct an assistant care facility instead of making modifications to the existing buildings in accordance with the then current deed to the project. Unfortunately this effort failed. The applicant made another business decision to construct single-family homes on the site. The taxpayers provided the site (applicant paid approximately $6500), made loan money available, and in return asked only that one home be made available for ten years, to a very low-income family.

Applicant has failed to meet his burden of proof and did not respond to the board request to provide proof that ten is the minimum number of units that can be developed on the subject property. He has not shown the need for relief from meeting zoning requirements and thus the application should be denied.

From: 01/01/1990 To: 04/13/2005 Sorted by Date Filed Lot: 0812 Square: 5585

Doc #	Type	Filed	B[redacted]	Vol Page	First Lot Square
9900001390	DEED	1-6-1999	LAND	1212 66	0812 5585
9900089839	REL	10-21-1999	LAND	1277 759	0812 5585
9900092444	REL	11-2-1999	LAND	1279 924	0001 5585
9900092445	REL	11-2-1999	LAND	1279 925	0812 5585
2000005179	DEED	1-14-2000	LAND		0812 5585
2000005180	TRUST	1-14-2000	LAND		0812 5585
2000005181	RELEASE	1-14-2000	LAND		0812 5585
2000005182	AGREEMENT	1-14-2000	LAND		0812 5585
2000005183	FINANCING STATEMENT	1-14-2000	LAND		0812 5585
2000005184	APPT SUBSTITUTE TRST	1-14-2000	LAND		0812 5585
2000005185	APPT SUBSTITUTE TRST	1-14-2000	LAND		0812 5585
2000005186	FINANCING STATEMENT	1-14-2000	LAND		0812 5585
2002036753	TRUST	3-29-2002	LAND		0812 5585
2002036754	SUBORDINATION	3-29-2002	LAND		0812 5585
2002070742	FINANCING STATEMENT	6-18-2002	GENERAL		0812 5585
2002070743	FINANCING STATEMENT	6-18-2002	LAND		0812 5585
2002107373	APPT SUBSTITUTE TRST	9-17-2002	LAND		0812 5585
2005021596	MODIFICATION	2-14-2005	LAND		0812 5585
2005021597	COVENANT	2-14-2005	LAND		0812 5585

LT1-5-2005021596

LT2-0-0-6

MODIFICATION AGREEMENT FOR
LOAN AGREEMENT, DEED OF TRUST AND PROMISSORY NOTE

This Modification Agreement (the "Modification Agreement") is entered into this 7th day of September 2004 by and between:

The District of Columbia Housing Finance Agency, a corporate body and an instrumentality of the District of Columbia government (the "Agency"); and

Randle Highlands Manor LP, a District of Columbia limited partnership (the "Borrower") (together, the "Parties").

RECITALS

WHEREAS, the Agency was created pursuant to the District of Columbia Housing Finance Agency Act (Chapter 27, Title 42 of the District of Columbia Code, as amended) (the "Act") and is authorized thereunder to make loans to private sponsors for the acquisition, construction, rehabilitation and development of housing projects in the District of Columbia;

WHEREAS, pursuant to certain agreement between the Agency and the United States Department of Housing and Urban Development ("HUD")(the "Refunding Agreements"), fifty percent (50%) of the amounts that are recaptured by the Agency from the refunding of certain tax exempt bond financed projects are made available to the Agency to be used in providing decent, safe and sanitary affordable housing to very low-income families or persons (the "McKinney Act Program");

WHEREAS, on January 22, 2002, the Board of Directors of the Agency (the "Board") adopted DCHFA Resolution No. 2002-1(G) (the "Resolution"), approving a loan to the Borrower under the McKinney Act Program in an amount not to exceed Three Hundred Thousand Dollars ($300,000) (the "Loan");

WHEREAS, in accordance with the Resolution, on March 29, 2002, the Agency made the Loan to the Borrower in the amount of Two Hundred Seventy-Five Thousand Dollars ($275,000);

WHEREAS, in conjunction with making the Loan, the Agency charged Borrower a one percent (1%) Loan Commitment fee in the amount of Two Thousand Seven Hundred and Fifty Dollars ($2,750) (the "Commitment Fee");

WHEREAS, the purpose of the Loan was to provide funds to pay for the acquisition costs of a 60-unit apartment building located at 1624-1628 27th Street, S.E., for use as an assisted care living facility for the elderly (the "Project");

WHEREAS, the Loan is evidenced by a Loan Agreement (the "Loan Agreement") and a Promissory Note (the "Promissory Note") dated March 29, 2002;

WHEREAS, a deed of trust dated March 29, 2002 (the "Deed of Trust") provides security for the repayment of the Loan and was recorded among the Land Records of the District of Columbia as Instrument Number 2002036753 on March 29, 2002;

WHEREAS, interest on the Loan and the Commitment Fee is computed at a rate of 2.75% per annum simple interest based on a three hundred sixty (360) day year;

WHEREAS, approved costs in the amount of $28,615 were drawn on the Loan and the remaining amounts were to be disbursed in draws subject to approval by the Agency, with such approval contingent on a determination by the Agency that the project remained viable;

WHEREAS, the Loan and the Commitment Fee were payable on March 29, 2004 (the "Maturity Date");

WHEREAS, the Borrower was required to obtain a zoning variance to develop the Project as an assisted care living facility;

WHEREAS, the Borrower was denied a zoning variance to develop the Project and, consequently, is now unable to develop the Project as planned;

WHEREAS, due to the unavailability of a zoning variance, the Borrower has decided to develop the Project as single-family homes thereby changing the viability of the Project as approved by the Board;

WHEREAS, due to the change in circumstances and development plans, the Borrower has requested that the Agency defer the payment of the outstanding amount of $30,191.80;

WHEREAS, the Borrower has requested that the Loan Agreement, the Deed of Trust and the Promissory Note be modified to extend the Maturity Date from March 29, 2004 to September 29, 2004;

WHEREAS, the Borrower will owe the Agency $30,586.00, which includes principal and interest, when the Maturity Date is modified from March 29, 2004 to September 29, 2004;

WHEREAS, the Agency and the Borrower have agreed to modify the terms of the Loan documents to reflect the modification of the Maturity Date and the recapture of the unused Loan in the principal amount of $249,135;

WHEREAS, the Project has changed from a 60-unit multi-family apartment project to a single-family home project with one set-aside single-family home to be owned by a person or a family of very low-income ("Set-Aside Unit") and subject to the requirements of the McKinney Act Program;

WHEREAS, the Borrower and the Agency agreed to modify the Promissory Note, the Deed of Trust and the Loan Agreement as provided in this Modification Agreement and not otherwise;

WHEREAS, on April 27, 2004, the Board adopted DCHFA Resolution No. 2004-4(G) approving a modification to the Maturity Date and the Loan documents.

NOW, THEREFORE, for and in consideration of and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1) The above recitals are hereby incorporated by reference and made a part hereof.

2) The Maturity Date under the Promissory Note, the Deed of Trust and the Loan Agreement is hereby modified from March 29, 2004 to September 29, 2004 and the payment of the principal amount and accrued interest of the Loan in the amount of $30,586.00 is due September 29, 2004.

3) The Set-Aside Unit is subject to the provisions of the McKinney Act Program as contained in the Declaration of Covenants dated Sept 3rd, 2004 granted by the Borrower to the Agency.

4) The Agency will recapture of the unused Loan in the principal amount of $249,135 for use on other McKinney Act projects.

5) The Parties agree that this Modification Agreement shall become effective as of the date first above written and shall not otherwise alter, delete, amend or add to the terms and conditions of the Promissory Note, the Deed of Trust or the Loan Agreement.

6) This Modification Agreement shall be binding upon and inure to the benefit of the Parties and to their successors and assigns.

7) In the event any of the terms and conditions of this Modification Agreement shall contradict any term or condition of the Promissory Note, the Deed of Trust or the Loan Agreement, the terms and conditions of this Modification Agreement shall prevail.

In Testimony whereof, the District of Columbia Housing Finance Agency has caused these present to be signed by Milton J. Bailey, its Executive Director, and has appointed said Milton J. Bailey as its attorney-in-fact to acknowledge and deliver these presents as the act and deed of the Agency according to law as of the day and year first written above.

WITNESSED

Name: Harry Alexander, Jr.
Title: General Counsel

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Milton J. Bailey
Executive Director

In Testimony whereof, Randle Highlands Manor LP has caused these presents to be signed by Lisa Bolden, its President, and has appointed said Lisa Bolden, its attorney-in-fact, to acknowledge and deliver these presents as the act and deed of Randle Highlands Manor LP according to law as of the day and year first written above.

WITNESSED

Name: Harry T. Alexander, Jr.
Title: General Counsel, DCHFA

RANDLE HIGHLANDS MANOR LP, a District of Columbia limited partnership

By: HCP Randle, Inc., a District of Columbia corporation, its General Partner

By:
Lisa Bolden
President

ACKNOWLEDGMENTS

DISTRICT OF COLUMBIA, ss:

I, Sherri Boulet, a Notary Public in and for the District of Columbia, do hereby certify that Milton J. Bailey, who is personally well-known to me as (or proved by credible witnesses under oath to be) the person named as attorney-in-fact for the District of Columbia Housing Finance Agency in the foregoing and annexed Modification Agreement, bearing dates as of the 7 day of Sept, 2004, personally appeared before me in said District of Columbia, and as the attorney-in-fact, acknowledged the same to be the act and deed of the District of Columbia Housing Finance Agency.

WITNESS my hand and seal this 7 day of Sept 2004.

Sherri Boulet
Notary Public

My Commission expires:
Sherri L. Boulet
Notary Public, District of Columbia
My Commission Expires 1-14-2008

DISTRICT OF COLUMBIA, ss:

I, Sherri Boulet, a Notary Public in and for the District of Columbia, do hereby certify that Lisa Bolden, who is personally well-known to me as (or proved by credible witnesses under oath to be) the person named as attorney-in-fact for Randle Highlands Manor LP in the foregoing and annexed Modification Agreement, bearing dates as of the 3 day of Sept 2004, personally appeared before me in said District of Columbia, and as the attorney-in-fact, acknowledged the same to be the act and deed of Randle Highlands Manor LP.

WITNESS my hand and seal this 3 day of Sept 2004

Sherri Boulet
Notary Public

My Commission expires:

Sherri L. Boulet
Notary Public, District of Columbia
My Commission Expires 1-14-2008

EXHIBIT "A"

All that certain lot or parcel of land together with all improvements thereon located and being in the City of Washington in the District of Columbia and being more particularly described as follows:

Lot numbered 14 in Square numbered 5585 in a subdivision made by the United States Trust Company, Trustees, known as "Randle Highlands", as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber County No. 36 at folio 20.

AND

Part of Lot numbered 1 in Square numbered 5585 in a subdivision known as "Floral Hill", as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber County No. 21 at folio 47, described as follows:

BEGINNING at the Southwest corner of said Lot 1, and running thence North 95.15 feet on the East line of 27th Street East to the Southwestern corner of Lot 2 in said Square; thence East on the Southern boundary line of said Lot 2, 117.78 feet; thence South to a point on the Southerly boundary line of said Lot 1, distant 103.16 feet from the Southeastern corner of said Lot 1; thence South 54 degrees 4 minutes 10 seconds West, 135.45 feet on the South boundary line of said Lot 1, to the point of beginning.

NOTE: At the date hereof all of the above described land is designated on the Records of the Assessor for the District of Columbia for assessment and taxation purposes as Lot numbered 812 in Square numbered 5585.

Doc# 2005021596 Fees:$8.00
02/14/2005 10:47AM Pages 5
Filed & Recorded in Official Records of
WASH DC RECORDER OF DEEDS LARRY TODD

District of Columbia Housing
Finance Agency
815 Florida Avenue N.W.
Washington DC 20001
Attn: Harry T. Alexander, Jr.

LT1-5-20050215 97-1

When Recorded Please Return to:
District of Columbia Housing
Finance Agency
815 Florida Avenue, N.W.
Washington, D.C. 20001
Attn: Harry T. Alexander, Jr.

LTZ-0-0-6

DECLARATION OF COVENANTS

This Declaration of Covenants (the "Declaration") is made this 3rd day of September 2004, by the Randle Highlands Manor LP (hereinafter referred to as "Declarant") for the benefit of the District of Columbia Housing Finance Agency (hereinafter referred to as the "Agency").

RECITALS

WHEREAS, the Agency is a corporate body and an instrumentality of the District of Columbia government (the "District") duly created pursuant to the District of Columbia Housing Finance Agency Act (Chapter 27, Title 42 of the District of Columbia Code, as amended) (the "Act") and is authorized thereunder to make loans to private sponsors for the acquisition, construction, rehabilitation and development of housing projects in the District of Columbia (the "District") for eligible persons and to issue its bonds from time to time for such purposes;

WHEREAS, the Declarant is a District of Columbia limited partnership, duly formed, validly existing and in good standing under the laws of the District;

WHEREAS, the Declarant has the power to enter into this Declaration and to undertake its obligations hereunder;

WHEREAS, pursuant to certain agreements between the Agency and the U.S. Department of Housing and Urban Development ("HUD") (the "Refunding Agreements"), fifty percent (50%) of the amounts that are recaptured from the refunding by the Agency of certain tax exempt bond financed projects are made available to state housing finance agencies to be used in providing decent, safe and sanitary affordable housing to very low income families or persons, pursuant to the provisions of the Refunding Agreements (the "Program");

WHEREAS, the Agency made a loan to the Declarant under the Program in the amount of $275,000 (the "Loan") to finance the acquisition of a 60-unit multi-family apartment building (the "Project") located at 1624-1628 27th Street, S.E., Washington, D.C. in Ward 7 (the "Property") as more fully described in the property description attached hereto as Exhibit A;

WHEREAS, in conjunction with making the Loan, the Agency also charged the Declarant a loan commitment fee of 1% (the "Loan Commitment Fee") which was deferred to loan maturity in the amount of Two Thousand Seven Hundred and Fifty Dollars ($2,750);

WHEREAS, to provide security for the repayment of the Loan, the Declarant executed a Deed of Trust, recorded among the land records of the District of Columbia on March 29, 2002 as Instrument # 2002036753;

WHEREAS, on April 27, 2004, the Agency deferred the maturity date on the Loan, the Loan Commitment Fee and accrued interest in the total amount of $30,191.80 from March 29, 2004 to September 29, 2004; and

WHEREAS, the Borrower has changed the Project from a multi-family project to a single-family project and has agreed to set-aside one single family home to be owned for a period of ten years by a person or family of very-low income ("Set-Aside Unit") subject to the Program; and

WHEREAS, the Agency has requested that this Declaration be executed by the Declarant and recorded among the Land Records of the District of Columbia to ensure that the deed restriction for the Program will continue to run with the land after the release of the Deed of Trust.

NOW THEREFORE, for and in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Declarant covenants and agrees that:

1. The aforementioned recitals are incorporated herein by reference and made a part hereof.

2. The Declarant, its successors, and assigns shall operate the Set-Aside Unit as a unit for a person or family of very low income as defined by the United States Department of Housing and Urban Development, as amended from time to time or as otherwise designated by the Agency in writing for a period of ten years after the sale of the Set-Aside Unit to a person or family of very-low income (the "compliance Period").

3. The Declarant covenants that it has or will obtain all necessary permits, licenses and certificates of occupancy, and agrees to operate the Set-Aside Unit in accordance with all District laws in effect that apply to the Declarant or that regulate or affect the acquisition, construction, rehabilitation, equipping, development, ownership, operation or management of the Project throughout the Compliance Period.

4. The Declarant covenants that it will ensure that the Set-Aside Unit is maintained by the person or family of very low-income in accordance with the

physical condition standards found at 24 CFR part 5, subpart G throughout the Compliance Period.

5. The Declarant covenants that the Agency shall have reasonable access to the Set-Aside Unit to make physical inspections and to conduct file reviews throughout the Compliance Period. The Agency shall give Declarant and the Set-Aside Unit homeowner reasonable notice before an inspection.

6. The Declarant covenants that it shall provide the Agency with full access to the books, records and accounts maintained by the Declarant pertaining to the Set-Aside Unit (including but not limited to income or financial records of the Set-Aside Unit owner), occupancy, operating and maintenance expenses of the Set-Aside Unit, upon reasonable notice to Declarant and the Set-Aside Unit homeowner (except in the event of an emergency, during which records must be made available upon request) throughout the Compliance Period.

7. The covenants contained herein shall run with the land regardless of the term of any mortgage or the transfer of ownership of the Property.

8. The covenants contained herein shall apply to the Declarant its successors, heirs, executors, administrators, and assigns.

9. The Agency shall have the right to specifically enforce the covenants contained herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN TESTIMONY WHEREOF, RANDLE HIGHLANDS MANOR, LP has caused this Declaration of Covenants to be executed by Lisa Bolden, its President, and attested by Albert R. Hopkins, its Secretary, and its seal to be hereunto affixed, does hereby appoint Lisa Bolden as its true and lawful attorney-in-fact to acknowledge and deliver these presents as its act and deed, as of the day and year first above written.

ATTEST:

Name: Albert R. Hopkins
Title: Secretary

[SEAL]

RANDLE HIGHLANDS MANOR LP, a District of Columbia limited partnership

By: HCP Randle, Inc., a District of Columbia corporation, as its General Partner

By: _____
Lisa Bolden
President

I HEREBY CERTIFY THAT the foregoing Declaration of Covenants was executed and delivered pursuant to and in strict conformity with the provisions of a resolution of the Board of Directors of HCP Randle, Inc. passed at a regularly called meeting and that a quorum was present at said meeting.

Secretary

[SEAL]

ACKNOWLEDGEMENT

District of Columbia, ss:

I, Sherri Boulet a Notary Public in and for the above jurisdiction, hereby certify that RANDLE HIGHLANDS MANOR, LP has caused the foregoing Declaration of Covenants to be executed by Lisa Bolden, its President, on the 3 day of Sept 2004 and said Lisa Bolden personally appeared before me in said jurisdiction and, being personally well known to me as the person named as the Attorney-in-Fact for RANDLE HIGHLANDS MANOR, LP acknowledged said Declaration to be the act and deed of RANDLE HIGHLANDS MANOR, LP and that he/she delivered the same as such.

Witness my hand and official seal this 3 day of Sept 2004.

[SEAL]

Sherri Boulet
Notary Public

My Commission Expires

[Notarial Seal]

Sherri L. Boulet
Notary Public, District of Columbia
My Commission Expires 1-14-2009

Doc# 2005021597 Fees:$0.00
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WASH DC RECORDER OF DEEDS LARRY TODD

EXHIBIT "A"

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AND

Part of Lot numbered 1 in Square numbered 5585 in a subdivision known as "Floral Hill", as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber County No. 21 at folio 47, described as follows:

BEGINNING at the Southwest corner of said Lot 1, and running thence North 95.15 feet on the East line of 27th Street East to the Southwestern corner of Lot 2 in said Square; thence East on the Southern boundary line of said Lot 2, 117.78 feet; thence South to a point on the Southerly boundary line of said Lot 1, distant 103.16 feet from the Southeastern corner of said Lot 1; thence South 54 degrees 4 minutes 10 seconds West, 135.45 feet on the South boundary line of said Lot 1, to the point of beginning.

NOTE: At the date hereof all of the above described land is designated on the Records of the Assessor for the District of Columbia for assessment and taxation purposes as Lot numbered 812 in Square numbered 5585.

Baseline PD (18 units/acre) - with Farr Proposal at 170% AMI, 40% BMR, Typical Cost

Major Assumptions	
Characteristics of Project	
Base Project Size (Units)	100
Project Density (DU/AC)	18
Site Size (acres)	5.6
Market Rate Units	60
Below Market Rate Units	40
Product Mix:	
3 BR Market Rate	60
3 BR - 50% AMI	-
3 BR - 80% AMI	10
3 BR - 120% AMI	20
3 BR - 170% AMI	10
Unit Size (Sq. Ft.)	1,600
Parking Ratio	2.0
Parking Spaces (in garages)	200
Project Size (Sq. Ft.):	
Unit Total	160,000
Common Area	-
Total Residential	160,000
Sale Prices:(a)	
3 BR Market Rate	$380,000
3 BR - 50% AMI	$108,861
3 BR - 80% AMI	$174,253
3 BR - 120% AMI	$254,326
3 BR - 170% AMI	$360,403
Development Costs	
Land/Unit (b)	$10,000
Construction Costs (Sq. Ft.) (c)	$75
In-Tract Costs/Unit (d)	$25,000
Fees (inc. FOR A + local) (e)	$50,000
Other Soft Costs (f)	15%
Cost/Parking Space	$0
Deconstruction (per new unit)	$0
Construction Financing Assumptions	
Interest Rate	7.0%
Period of Initial Loan (months)	30
Initial Construction Loan Fee (points)	2%
Average Outstanding Balance	50%
Loan to Cost Ratio	70%
Hard & Soft Costs, Land, Site Costs , Decon	$22,675,000
Amount of Loan	$15,872,500

Pro Forma Analysis	
Development Cost Summary	
Land	$1,000,000
Deconstruction	$0
Unit Construction Cost	$12,000,000
In-Tract	$2,500,000
Parking Costs	$0
Fees/Permits	$5,000,000
Other Soft Costs	$2,175,000
Finance Costs:	
Interest on Construction Loan	$1,388,844
Points on Construction Loan	$317,450
Total Development Costs	$24,381,294
Total Development Costs/Unit	$243,813
Development Feasibility	
Gross Sales Revenue	$33,233,088
Less 5% Commissions/Marketing	$1,661,654
Net Sales Revenue	$31,571,433
Less Development Costs	$24,381,294
Developer Profit (Net Rev - Dev Costs)	**$7,190,139**
Profit Per Unit	**$71,901**
Profit as % of Development Cost	**29%**
Profit as % of Revenues	**23%**

NOTES:

a) Market rate prices estimated by BAE based on pricing for Seaside Highlands & East Garrison.
Below market prices based on BAE calculation of max affordable sale price per income thresholds.

b) based on FOR A Land Sales Projections per MUNI Financial.

c) based on estimates from Means, analysis by HAMCo, and estimates from various Fort Ord development projects.

d) based on review of various Fort Ord development proposals. Will range from $20,000 to $40,000 or more per unit.

e) Inc. current FOR A fee of $36,000, plus estimate of Marina, Seaside, and County permits/fees inc. impact fees as applicable.

f) Inc. architect, legal, pre-development, etc. *Percent applied to hard costs + fees/permits + parking. Percent not applied to land cost.*

Source: BAE, 2003.