**USE OF THE FUNDS**

The following table include the recommended option renovation and extension, project cost estimate for the recommended capital – outlay project.

**Table B-1: Site Development**

Site development (also called site improvement) costs vary dramatically depending on the location and site conditions, and what work has already been done by the seller.  A steep site with a lot of ledge that requires an alternative septic system in an area with high permitting costs and impact fees could cost well over $100,000 to get ready for construction.

Fortunately, the new property to be purchased that constitutes the site in which we will be dealing with is located at 823 Main Avenue, Linthicum, MD 21090; a low-cost area that has been cleared and rough graded, with the well already drilled, a conventional septic system already designed, and an electrical transformer (the big green box) ready for to connect to. What that mean? It does mean that we will be projecting the project site development component at a low-cost per unit cost since the seller has already developed the concerned site to be purchased. In the table below we present two options available related to the development of the site. The table below shows the estimated costs of all components addressed in our project site development. Option (1) represented on the table B-1(a) establishes the option that reflect the estimated costs related to municipal water/sewer. Option (2) represented on the table B-1(b) establishes the estimated costs associated the option of On Site Water/Sceptic. For the purpose of this project, our teams have selected Option B-1(a).

**Table B-1(a) – Site Development Estimated Costs**

|  |
| --- |
| **ESTIMATED SITE DEVELOPMENT COSTS VIA MUNICIPAL WATER/SEWER** |
| **Municipal Water/Sewer** |  | **Municipal Water/Sewer** |
| **DESCRIPTION** | **DESCRIPTION** |
| **PERMITS & FEES** | **WATER WELL** |
| * Building, inspection, certificate of occupancy
* Soil test (perc testing)
* **Sceptic System**
 | $5,000 | * Water treatment
* Drill, casing, and cap
 |  |
|  | $ 40 |
|  | **SCEPTIC SYSTEM** |
| * Well
 |  | * Soil testing
* Design
* Installation
 |  |
| * Impact fee (if charged)
* Driveway
 | $25,000 |  |
| $500 |  |
| **WATER & SEWER** | **EARTH WORK** |
| * Tap fees, trenching, piping — some work may be done by private contractors
 |  |
| * Municipal water
* Municipal sewer
 | $20,000 | * Grading: rough and final
* Site drainage (wet or steep sites)
* Steep site: grading, cut and fill
 | $5,000 |
| $15,000 | $5,000 |
| **UTILITIES** | $5,000 |
| * Clearing
 | $ 2,500 |
| * Electrical connection
* **Survey**
* **Engineering & Inspection**
 | $500 | * Retaining walls (per SF/wall face)
 | $50 |
| $3,000 | * Paving (Asphalt / Concrete)
 | $10,000 |
| $1,000 | * **Landscaping**
 | $20,000 |
| **Subtotal (A)** | **69,000** | **Subtotal (B)** | **57,590** |
| **Estimated Site Development Costs via Municipal Water / Sewer: (A) + (B) = $ 122,590 /or 69,000 + 57,590 = $ 122,590** |

**Table B-1(B) – Site Development Estimated Costs (On-Site Water/Sceptic)**

|  |
| --- |
| **ESTIMATED SITE DEVELOPMENT COSTS VIA ON-SITE WATER/SCEPTIC** |
| **On-Site Water/Sceptic** |  | **On-Site Water/Sceptic** |
| **DESCRIPTION** | **DESCRIPTION** |
| **PERMITS & FEES** | **WATER WELL** |
| * Building, Inspection, certificate of occupancy
* Soil test (perc testing)
* **Sceptic System**
 | $5,000 | * Water treatment
* Drill, casing, and cap
 | $ 5,000 |
| $ 40 |
| $ 5000 | * Development, pump, wiring, trenching, piping, pressure tank, disinfecting, etc.
 | $ 5,000 |
| $ 3,000 | **SCEPTIC SYSTEM** |
| * Well
 | $ 1,000 | * Soil testing
* Design
* Installation
 | $ 1,000 |
| * Impact fee (if charged)
* Driveway
 | $25,000 | $ 1,000 |
| $500 | $ 30,000 |
| **WATER & SEWER CONNECTION** | * Clearing
 | $ 2,500 |
| **EARTH WORK** |
| * Tap fees, trenching, piping — some work may be done by private contractors
 |  |
| * Municipal water
* Municipal sewer
 |  | * Grading: rough and final
* Site drainage (wet or steep sites)
* Steep site: grading, cut and fill
 | $5,000 |
|  | $5,000 |
| **UTILITIES** | $5,000 |
| * Electrical connection
* **Survey**
* **Engineering & Inspection**
 | $500 | * Retaining walls (per SF/wall face)
 | $50 |
| $3,000 | * Paving (Asphalt / Concrete)
 | $10,000 |
| $1,000 | * **Landscaping**
 | $20,000 |
| **Subtotal (A)** | **$ 44,000** | **Subtotal (B)** | **89,590** |
| **Estimated Site Development Costs via On-Site Water / Sewer: (A) + (B) = $ 133,590 /or 44,000 + 89,590 = $ 133,590** |

As stated above, property acquisition is based on the purchase of the already existing 10,000 SF building sited on 2.79-acre already improved land. This building comes with additional 2.54-acre parcel included on the sale; that bring the total size of property at 5.44-acre. The building is connected to municipal water /sewer. This has reduced the burden of the development costs. This 10, 000 SF requires renovation. 30% of site development budget will be allocated for the renovation part of the purchased building to be purchased.

The project consists of the construction of Residential and Respite Treatment Facility that will benefit pregnant and postpartum women with SUD and their Infants who are homeless, or at risk-homelessness. Therefore, an additional 10,000 SF building is needed to build 24 units 1BRs with 300 SF each and 24 beds. 70% of site development budget will be allocated the extension /or construction of the 10,000 building.

 **Table B-2: Recommended Estimated Costs of the Renovation.**

**Project description**

The project consists of renovating of 10,000 SF existing building to be purchased and surface parking for 40 cars.

|  |  |  |  |
| --- | --- | --- | --- |
| **Cost Estimate** | **Quantity** | **Unit Cost** | **Cost** |
| **ESTIMATED COSTS OF RENOVATING 10,000 GSF BUILDING** |
| **RENOVATION COSTS** |
| * Interior and Exterior Building
* 40 Cars Parking Lot (40 x 300 SF)
 | 10,000 SF12,000 SF | 183.065 | $ 180,000$ 36,780 |
| **Renovation Costs Subtotal** | **$ 216,780** |
| **ESTIMATED COSTS OF CONSTRUCTING 10,000 GSF BUILDING** |
| **CONSTRUCTION COSTS** |
| * Soft Costs
* Excavation and Foundation
 | 0 | 0 | 0 |
| 10,000 SF | 51 | $ 164,000 |
| * Framing
 |  |  | $ 160,000 |
| * Building System Rough-in
 |  |  | $ 110,000 |
| * Building Interior & Exterior Costs
 |  |  | $ 140,000 |
| * HVC
 |  |  | $ 20,000 |
| * Driveway
 |  |  | $ 10,000 |
| * Construction Clean Up and West Disposal
 |  |  | $ 3,925 |
|  |
| **Construction Costs Subtotal** | **$ 730,515**  |
| * Fixtures & Fixed Equipment - General
* Data, Communications, and Security Infrastructures
 |  | 0 | 0 |
| 2,000 | 3 | $ 6,000 |
| **OTHER CONSTRUCTION COSTS** |
| * Escalation to Start of Construction 4 months @ 0.42% per month
* Escalation Midpoint 2 months @ 0.42% per month
 | $ 168$ 84 |
| **Other Construction Costs Subtotal** | **$ 252** |
|  |
| **Estimated Current Construction Costs** | **$ 736,767** |
|  |  |
| **ESTIMATED TOTAL RENOVATION AND CONSTRUCTION COSTS** | **$ 953,547** |

**USES OF REQUESTED FUNDS**

The requested funds will be used in the following ways:

|  |  |  |
| --- | --- | --- |
| **I. DEVELOPMENT COSTS** | **II. OTHER USES OF FUNDS** | **III. MAXIMUM DEVELOPER’S FEE CALCULATION** |
| 1. Construction or Rehabilitation Costs
2. Fees Related to Construction or Rehabilitation
3. Financing Fees and Charges
4. Acquisition Costs
 | A) Developer’s Fee B) Syndication Related CostsC) Guarantees and Reserves (founded amount only | 1. Fee on Non-Acquisition Costs
2. Fee on Acquisition Costs
 |

**I. DEVELOPMENT COSTS**

1. **Construction or Rehabilitation Costs**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **TYPE OF USES** | **TOTAL BUDGET COSTS** | **ACQUISITION BASIS** | **CONSTRUCTION BASIS** | **NOT IN BASIS** |
|  |  |  |  |  |
| 1. Total Construction Costs
 | $ 973,547 |  |  | $ 973,547 |
| 1. Construction Contingency
 | $ 20,000 |  |  | $ 20,000 |
| 1. Other
 | $ 10,000 |  |  | $ 10,000 |
| 1. Other
 |  |  |  |  |
| **Total Construction or Rehabilitation Costs** | **$ 926,647** |  |  | **$ 926,647** |

1. **Fees Related to Construction or Rehabilitation**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **TYPE OF USES** | **TOTAL BUDGET COSTS** | **ACQUISTION BASIS** | **CONSTRUCTION BASIS** | **NOT IN BASIS** |
|  5. Architect’s Design Fee | $ 23,000 |  |  | $ 23,000 |
|  6. Architect’s Supervision Fee | $ 4,000 |  |  | $4,000 |
|  7. Architect Reimbursable Additional Fee |  |  |  |  |
|  8. Real Estate Attorney | $ 8,000 |  |  | $8,000 |
|  9. Marketing |  |  |  |  |
|  10. Surveys | $ 2000 |  |  | $ 2000 |
|  11. Soil Borings | $ 3000 |  |  | $ 3000 |
|  12. Appraisal | $ 1,000 |  |  | 1,000 |
|  13. Marketing Study |  |  |  |  |
|  14. Environment Report | $ 300 |  |  | $ 300 |
|  15. Permits & Fees | $ 22,000 |  |  | $ 22,000 |
|  16. Other | $ 2,000 |  |  | $ 2,000 |
| **Total Fees Related to Construction or Rehab** | **$ 65,300** |  |  | **$ 65,3,000** |

1. **Financing Fees and Charges**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **TYPE OF USES** | **TOTAL BUDGETED COSTS** | **ACQUISITION BASIS** | **CONSTRUCTION BASIS** | **NOT IN BASIS** |
| 17. Construction Interest |  |  |  |  |
| 18. Real Estate Tax | $ 6,000 |  |  | $ 6,000 |
| 19. Insurance Premium | $ 2,000 |  |  | $ 2,000 |
| 20. Mortgage Insurance Premium |  |  |  |  |
| 21. Title & Recording | $ 200 |  |  | $ 200 |
| 22. Financing (Soft Cost) Contingency |  |  |  |  |
| 23. CDA Administrative Fee | $ 500 |  |  | $ 500 |
| 24. CDA Loan Reservation |  |  |  |  |
| 25. CDA Closing Fee | $ 16,000 |  |  | $ 16,000 |
| 26. Other Lenders’ Org. Fees (non-syndication only) |  |  |  |  |
| 27. Other Leaders’ Legal Fees (non-syndication) |  |  |  |  |
| 28. Bond Insurance Costs |  |  |  |  |
| 29. Other |  |  |  |  |
| **Total Financing Fees & Charges** | **$ 24,700** |  |  | **$ 24,700** |

1. **Acquisition Costs**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **TYPE OF USES** | **TOTAL BUDGETED COSTS** | **ACQUISITION BASIS** | **CONSTRUCTION BASIS** | **NOT IN BASIS** |
| 30. Building Acquisition | $ 879,000 |  |  | $ 879,000 |
| 31. Land Acquisition | $ 0 |  |  | $ 0 |
| 32. Special Assessment |  |  |  |  |
| 33. Carrying Charges |  |  |  |  |
| 34. Relocation costs | $ 300 |  |  | $ 300 |
| 35. Off-site Improvement |  |  |  |  |
| 36. Other Escrow | $ 15,000 |  |  | $ 15,000 |
| 37. Other |  |  |  |  |
| **Total Acquisition Costs** | $ 894,000 |  |  | $ 894,000 |
|  |
| **TOTAL OF Total Development Costs** | **$ 1,106.000** |  |  | **$ 1,106.000** |

**II. OTHER USES OF FUNDS**

1. **Developer’ Fees**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **TYPE OF USES** | **TOTAL BUDGET COSTS** | **ACQUISITION BASIS** | **CONSTRUCTION BASIS** | **NOT IN BASIS** |
| 38. Fees on Non-Acquisition Costs | $ 17,200 |  |  | $ 17,200 |
| 39. Fees on Acquisition Costs | $ 89,400 |  |  | $ 89,400 |
| 40. Other |  |  |  |  |
|  **Total Developer’s Fee** | **106,600** |  |  | **$ 106,600** |

1. **Syndication Related Costs**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **TYPE OF USES** | **TOTAL BUDGET COSTS** | **ACQUISTION BASIS** | **CONSTRUCTION BASIS** | **NOT IN BASIS** |
| 41. Syndication Fee | $ 1,000 |  |  | $ 1,000 |
| 42. Legal (Syndication only) | $ 500 |  |  | $ 500 |
| 43. Bridge Loan Fee |  |  |  |  |
| 44. Bridge Loan Interest |  |  |  |  |
| 45. Organizational Costs |  |  |  |  |
| 46. Tax Credit Application Fee |  |  |  |  |
| 47. Accounting and Auditing Fee | $ 6,000 |  |  | 6,000 |
| 48. Partnership management Fee |  |  |  |  |
| 49. Other |  |  |  |  |
| **Total Syndication Related Costs** | $ 7,500 |  |  | $ 7,500 |

1. **Guarantees and Reserves (funded amount only)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **TYPE OF USES** | **TOTAL BUDGET COSTS** | **ACQUISTION BASIS** | **CONSTRUCTION BASIS** | **NOT IN BASIS** |
| 50. Construction Guarantee |  |  |  |  |
| 51. Operating Reserve |  |  |  |  |
| 52. Rent-up Reserve |  |  |  |  |
| 53. Negative Arbitrage |  |  |  |  |
| 54. Tenant/Supportive Services |  |  |  |  |
| 55. Reserve for Replacement |  |  |  |  |
| 56. Project Reserve Fund |  |  |  |  |
| 57. Property Liability Insurance |  |  |  |  |
| 58. Residential Receipts |  |  |  |  |
| 59. Rental Subsidy Reserve |  |  |  |  |
| 60. Mortgage Insurance Premium |  |  |  |  |
| 61. Real Estate Taxes |  |  |  |  |
| 62. Other |  |  |  |  |
| **Total Guarantees and Reserve (funded amount only)** |  |  |  |  |

**III. MAXIMUM DEVELOPER’S FEE CALCULATION**

|  |  |  |
| --- | --- | --- |
|  | **Fee on Costs Over $10 Million** | **Fee on Costs $10 Million or Less** |
|  |  |  |
| **Fee on Non-Acquisition** |  |  |
| Total development Costs |  | 1,106.000 |
| Less Acquisition Costs |  | (894,000) |
| Less Construction Contingency |  | (40,000) |
| Financing (Soft cost) Contingency |  |  |
| Non-Acquisition Costs |  |  |
| Lesser of $10,000.000 or Non-Acquisition Costs |  |  |
| Non-Acquisition Fee Basis |  |  |
| Fee Percentage |  | **10%** |
| **Fee on Non-Acquisition Costs** | **17,200** |
|  |
| **Fee on Acquisition Costs** |  |  |
| Acquisition Costs |  | 894,000 |
| Lesser or $10,000.000 or Acquisition |  |  |
| Acquisition Fee Basis |  |  |
| Fee Percentage |  | 10% |
| **Fee on Acquisition Costs** | 89,400 |
|  |
| **TOTAL DEVELOPER’S FEE** | 106,600 |