

Revitalizing communities through housing and economic development

December 5, 2005

Orlando Sánchez, Director  
Neighborhood Development Division  
Neighborhood Services Department  
City of Las Vegas  
400 E. Stewart Avenue, 8<sup>th</sup> floor  
Las Vegas, NV 89101

RE: HELP Owens Developments

Dear Mr. Sanchez:

On behalf of HELP as their development consultant, I am writing to update you on the progress made toward the redevelopment of the former MASH site into a campus for affordable housing. As we discussed, HELP was successful in securing \$400,000 in additional capital funding for the first phase of the development and construction on HELP Owens I is well underway. HELP is now planning the next phase in the development of the campus of the project; HELP Owens 2, 50 units of permanent, affordable housing. We would therefore like to request that \$400,000 of the City's funding commitment for the first phase be used for soft costs in the second phase. Soft cost funding will allow the project to proceed with architectural drawings, necessary third party reports, and submission of funding applications. An estimated budget follows:

Architect	\$200,000
Engineering	\$100,000
Market Study	\$15,000
Survey, Environmental, Other 3 <sup>rd</sup> Party Reports	\$50,000
Tax Credit Application/Fees	\$35,000
Subtotal: Soft Cost Funding	\$400,000
Hard Cost Funding	\$900,000
Total Funding	\$1,300,000

As I am sure you are aware, construction costs have increased dramatically over the past 12-18 months, both nationally and, particularly, in Las Vegas. It is therefore necessary that we respectfully request an additional \$900,000 in funding from the City of Las Vegas for development costs. The total funding request of \$1.3 million for this phase is consistent with the \$1.3 million that the City committed to the first phase.

We are excited to continue working with the City on the revitalization of this site. As we have discussed, should the site of the former trailer park that is adjacent to the site become available, HELP would be very much interested in acquiring it, as adding that strip of land to the current site would allow for a more efficient site layout. Please let me know if there are any developments in that regard.

Thank you again for your continued assistance and support of this project. Please call me if you should require or need any further information.

Very Truly Yours,

  
Karen L. Krauthaim

cc: Larry Belinsky, HELP USA  
Craig Galati, HELP Las Vegas Development Corp. II

HELP LAS VEGAS HOUSING CORP. II  
PHASE 2 BUDGET

Item	Total Estimated Cost	To Be Funded w/ CLV HOME
<b>Acquisition of Land &amp; Buildings:</b>		
Land (construction must start within one year of Council approval)	\$	\$
Existing Building(s)	\$	\$
Other:	\$	\$
<b>Subtotal-Acquisition of Land &amp; Buildings</b>	<b>\$</b>	<b>\$</b>
<b>Construction/Rehabilitation Costs:</b>		
<i>(Include a detailed description of these costs, and explain how they were estimated on a separate paper.)</i>		
Demolition Costs	0	\$
New Building Costs	\$5,854,291	\$900,000
Rehabilitation Costs	0	\$
Site Work	\$357,250	\$
Off-Site Improvements	0	\$
Utility Connections	0	\$
Other: Permits and Fees	\$127,058	\$
Other: Bond Premium	\$52,000	\$
Contractor Fee	\$496,922	\$
Construction Contingency	\$	\$
<b>Subtotal-Construction/Rehabilitation Costs</b>	<b>\$6,887,521</b>	<b>\$900,000</b>
<b>Construction Financing Costs:</b>		
Construction Insurance	\$35,000	\$
Construction Loan Interest:		
Int.%	Amt	1,000,000
6.75%		Term
		9
		(mo)
	\$50,000	\$
Construction Loan Origination Fee	\$	\$
Property Taxes During Construction	\$7,000	\$
Other:	\$	\$
<b>Subtotal-Construction Financing Costs</b>	<b>\$92,000</b>	<b>\$</b>
<b>Permanent Loan Financing Costs:</b>		
Credit Report	\$	\$
Permanent Loan Origination Fee	\$	\$
Title and Recording Fees	\$15,000	\$
Legal Fees (Syndication)	\$50,000	\$
Documentation Prep. Fees	\$	\$
Escrow Closing Fee	\$	\$
Escrow Prepaid Items (insurance, taxes, interest)	\$	\$
Other: (Organizational Expenses)	\$25,000	\$
<b>Subtotal-Permanent Loan Financing Costs</b>	<b>\$90,000</b>	<b>\$</b>
<b>PAGE SUBTOTAL (ALL)</b>	<b>\$7,069,521</b>	<b>\$900,000</b>

HELP LAS VEGAS HOUSING CORP. II  
PHASE 2 BUDGET

Item	Total Estimated Cost	To Be Funded w/ CLV HOME
<b>Related Soft Costs - General:</b>		
Architectural Design Fees	\$300,000	\$300,000*
Architectural Supervision (if applicable)	\$44,376	Not Eligible
Engineering Fees	\$	\$
Engineering Supervision (if applicable)	\$	Not Eligible
Survey	\$400	
Appraisal Fee(s)	\$2,000	\$2,000*
Environmental Report		
Soils Report	\$1,500	\$1,500*
Market Study	\$7,000	\$7,000*
Project Audit Fee	\$7,500	\$7,500*
Legal Fees	\$50,000	\$47,000*
Tax Credit Fees	\$52,451	\$35,000*
Professional Estimator	\$	\$
Construction Control	\$	\$
Other: Reserves, Furnishings, misc.	\$308,226	\$
<b>Subtotal-Related Soft Costs/General</b>	<b>\$773,453</b>	<b>\$400,000*</b>

<b>Developer Costs:</b>		
Developer's Overhead	\$1,108,920	N/A
Developer's Fee*	\$	\$
Other:   \$	\$	\$
<b>Subtotal-Developer Costs</b>	<b>\$1,108,920</b>	<b>\$</b>
*Attach a detailed payment schedule of Developer Fees		
<b>Page Subtotal</b>	<b>\$1,882,373</b>	<b>\$400,000*</b>
<b>Previous Page Subtotal</b>	<b>\$7,069,521</b>	<b>\$900,000</b>
<b>TOTAL ESTIMATED COST</b>	<b>\$8,951,894</b>	<b>\$1,300,000</b>

\*Funds previously committed to HELP @ Owens I and reallocated to HELP Owens 2.