Attachment 2

TABLE 1

ESTIMATED CONSTRUCTION COSTS
CORONADO PROJECT
LONG BEACH, CALIFORNIA

I.	**Direct Costs**						
	Off-site Improvements		Allowance			$0	
	On-site Improvements	114,998	Sf Land	$19	/Sf Land	2,174,000	
	Shell Costs	79,374	Sf GBA	$74	/Sf GBA	5,874,000	
	Contractor Fees	6.7%	of Construction Costs			539,000	
	General Conditions	4.4%	of Construction Costs			353,000	
	Bonds/Insurance	1.3%	of Construction Costs			103,000	
	Contingency Allowance	5.4%	of Other Direct Costs			492,000	
	Total Direct Costs	79,374	Sf GBA	$120	/Sf GBA		**$9,535,000**
II.	**Indirect Costs**						
	Architecture, Eng. & Consulting	17%	of Direct Costs			$1,652,000	
	Permits & Fees	48	Units	$22,146	/Unit	1,063,000	
	Taxes, Legal & Accounting	2%	of Direct Costs			171,000	
	Security	48	Units	$2,500	/Unit	120,000	
	Insurance	48	Units	$3,125	/Unit	150,000	
	Marketing	48	Units	$7,500	/Unit	360,000	
	Developer Fee	6%	of Direct Costs			586,000	
	Contingency Allowance	16%	of Other Indirect Costs			664,000	
	Total Indirect Costs						**$4,766,000**
III.	**Financing Costs**						
	Interest During Construction	$7,730,778	Loan Amount	7.50%	Interest Rate	$230,000	
	Financing Fees	$7,730,778	Loan Amount	-	Points	-	
	Sales Costs						
	Warranty	48	Units	$3,521	/Unit	169,000	
	Sales Commissions	$8,806,140	Sales Rev	3.54%	Sales Rev	312,000	
	Closing Costs	$8,806,140	Sales Rev	7.27%	Sales Rev	640,000	
	Project Clean Slate	48	Units	$0	/Unit	-	
	Total Financing Costs						**$1,351,000**
IV.	**Total Construction Costs**	79,374	Sf GBA	$197	/Sf GBA		**$15,652,000**

Prepared by: Keyser Marston Associates, Inc.
Filename: Coronado - 02.08.10; TDC; jlr; 2/8/2010

TABLE 2

AFFORDABLE SALES PRICES PER FHA STANDARDS
CORONADO PROJECT
LONG BEACH, CALIFORNIA

		Plan 1	Plan 2	Plan 3	Plan 4	Plan 5	Plan 6	Plan 7	Plan 8
I.	**Number of Bedrooms**	2	2	2	3	3	3	4	4
II.	**Household Income**								
	Median Income	$55,900	$55,900	$55,900	$62,100	$62,100	$62,100	$67,050	$67,050
	Maximum HH Income @ 110% Median	$61,490	$61,490	$61,490	$68,310	$68,310	$68,310	$73,755	$73,755
	Maximum Income for Housing Costs @ 35%	$19,565	$19,565	$19,565	$21,735	$21,735	$21,735	$23,468	$23,468
III.	**Annual Housing Costs**								
	Homeowners Association	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400
	Utility Allowance	1,308	1,308	1,308	1,704	1,704	1,704	2,016	2,016
	Mortgage Insurance @ 0.55% of Loan Amount	861	859	852	957	949	938	1,025	998
	Property Taxes @ 1.07% of Market Price	3,424	3,467	3,563	3,820	3,927	4,098	4,259	4,644
	Total Annual Housing Costs	**$7,993**	**$8,034**	**$8,123**	**$8,881**	**$8,980**	**$9,140**	**$9,700**	**$10,058**
IV.	**Income Available for Debt Service**	**$11,572**	**$11,531**	**$11,442**	**$12,854**	**$12,755**	**$12,595**	**$13,768**	**$13,410**
V.	**Maximum Affordable Price**								
	Buyer Mortgage @ 6.25% Interest Rate	$156,620	$156,065	$154,860	$173,971	$172,631	$170,465	$186,341	$181,496
	Buyer Down Payment @ 3.50% of Contract Price	11,200	11,340	11,655	12,495	12,845	13,405	13,930	15,190
	Maximum Affordable Sales Price	**$167,820**	**$167,405**	**$166,515**	**$186,466**	**$185,476**	**$183,870**	**$200,271**	**$196,686**
V.	**Contract Price (Market Price)**								
	Affordable Price	$167,820	$167,405	$166,515	$186,466	$185,476	$183,870	$200,271	$196,686
	Silent Second	152,180	156,595	166,485	170,534	181,524	199,130	197,729	237,314
	Total Contract Price (Market Price)	**$320,000**	**$324,000**	**$333,000**	**$357,000**	**$367,000**	**$383,000**	**$398,000**	**$434,000**
	Loan as a % of Contract Price	49%	48%	47%	49%	47%	45%	47%	42%
VI.	**Number of Units**	6	6	6	6	6	6	6	6
VII.	**Total Sales Revenues**	**$8,727,000**							
	Per Unit	$181,800							

Prepared by: Keyser Marston Associates, Inc.
Filename: Coronado - 02.08.10; FHA; jlr

TABLE 3

AFFORDABLE SALES PRICES PER CONVENTIONAL STANDARDS
CORONADO PROJECT
LONG BEACH, CALIFORNIA

		Plan 1	Plan 2	Plan 3	Plan 4	Plan 5	Plan 6	Plan 7	Plan 8
I.	**Number of Bedrooms**	2	2	2	3	3	3	4	4
II.	**Household Income**								
	Median Income	$55,900	$55,900	$55,900	$62,100	$62,100	$62,100	$67,050	$67,050
	Maximum HH Income @ 110% Median	$61,490	$61,490	$61,490	$68,310	$68,310	$68,310	$73,755	$73,755
	Maximum Income for Housing Costs @ 35%	$19,565	$19,565	$19,565	$21,735	$21,735	$21,735	$23,468	$23,468
III.	**Annual Housing Costs**								
	Homeowners Association	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400
	Utility Allowance	1,308	1,308	1,308	1,704	1,704	1,704	2,016	2,016
	Mortgage Insurance @ 0.00% of Loan Amount	0	0	0	0	0	0	0	0
	Property Taxes @ 1.07% of Market Price	3,424	3,467	3,563	3,820	3,927	4,098	4,259	4,644
	Total Annual Housing Costs	**$7,132**	**$7,175**	**$7,271**	**$7,924**	**$8,031**	**$8,202**	**$8,675**	**$9,060**
IV.	**Income Available for Debt Service**	**$12,433**	**$12,390**	**$12,294**	**$13,811**	**$13,704**	**$13,533**	**$14,793**	**$14,408**
V.	**Maximum Affordable Price**								
	Buyer Mortgage @ 6.25% Interest Rate	$168,273	$167,691	$166,391	$186,923	$185,475	$183,160	$200,214	$195,003
	Buyer Down Payment @ 3.50% of Affordable Price	6,104	6,083	6,034	6,780	6,727	6,643	7,263	7,074
	Maximum Affordable Sales Price	**$174,377**	**$173,774**	**$172,425**	**$193,703**	**$192,202**	**$189,803**	**$207,477**	**$202,077**
V.	**Contract Price (Market Price)**								
	Affordable Price	$174,377	$173,774	$172,425	$193,703	$192,202	$189,803	$207,477	$202,077
	Silent Second	145,623	150,226	160,575	163,298	174,798	193,197	190,524	231,924
	Total Contract Price (Market Price)	**$320,000**	**$324,000**	**$333,000**	**$357,000**	**$367,000**	**$383,000**	**$398,000**	**$434,000**
	Loan as a % of Contract Price	53%	52%	50%	52%	51%	48%	50%	45%
VI.	**Number of Units**	6	6	6	6	6	6	6	6
VII.	**Total Sales Revenues**	**$9,035,000**							
	Per Unit	$188,200							

Prepared by: Keyser Marston Associates, Inc.
Filename: Coronado - 02.08.10; Conventional; jlr

TABLE 4

FINANCIAL GAP ANALYSIS
CORONADO PROJECT
LONG BEACH, CALIFORNIA

I.	**Sales Revenues - 2009 Moderate Income Sales Prices** [1]						
	Plan 1 (2-bedrooms / 1,210 Sf)	6 Units		$169,470 /Unit		$1,016,820	
	Plan 2 (2-bedrooms / 1,307 Sf)	6 Units		$169,470 /Unit		1,016,820	
	Plan 3 (2-bedrooms / 1,345 Sf)	6 Units		$169,470 /Unit		1,016,820	
	Plan 4 (3-bedrooms / 1,611 Sf)	6 Units		$186,840 /Unit		1,121,040	
	Plan 5 (3-bedrooms / 1,730 Sf)	6 Units		$186,840 /Unit		1,121,040	
	Plan 6 (3-bedrooms / 1,794 Sf)	6 Units		$186,840 /Unit		1,121,040	
	Plan 7 (4-bedrooms / 1,933 Sf)	6 Units		$199,380 /Unit		1,196,280	
	Plan 8 (4-bedrooms / 2,299 Sf)	6 Units		$199,380 /Unit		1,196,280	
	Total Sales Revenues	48 Units		$183,461 /Unit			**$8,806,140**
II.	**Financial Gap Calculation**						
	Total Construction Costs					$15,652,000	
	Developer Profit	11% ROS		6% ROC		962,000	
	(Less) Sales Revenues					(8,806,000)	
	Financial Gap	48 Units		$162,700 /Unit			**$7,808,000**

III.	**LBHDC 2nd Trust Deeds Value**	**Market Price** [2]	**Affordable Price**	**LBHDC 2nd TDs**	**# of Units**	**Totals**	
	Plan 1 (2-bedrooms / 1,210 Sf)	$320,000	$169,470	$150,530	6	$903,180	
	Plan 2 (2-bedrooms / 1,307 Sf)	$324,000	$169,470	$154,530	6	927,180	
	Plan 3 (2-bedrooms / 1,345 Sf)	$333,000	$169,470	$163,530	6	981,180	
	Plan 4 (3-bedrooms / 1,611 Sf)	$357,000	$186,840	$170,160	6	1,020,960	
	Plan 5 (3-bedrooms / 1,730 Sf)	$367,000	$186,840	$180,160	6	1,080,960	
	Plan 6 (3-bedrooms / 1,794 Sf)	$383,000	$186,840	$196,160	6	1,176,960	
	Plan 7 (4-bedrooms / 1,933 Sf)	$398,000	$199,380	$198,620	6	1,191,720	
	Plan 8 (4-bedrooms / 2,299 Sf)	$434,000	$199,380	$234,620	6	1,407,720	
	Maximum Value of 2nd Trust Deeds						**$8,690,000**

[1] Assumes that 50% of the units will utilize FHA financing (see TABLE 2) and the remaining units will use conventional financing (see TABLE 3).
[2] Based on 2009 market study.

Prepared by: Keyser Marston Associates, Inc.
Filename: Coronado - 02.08.10; Gap; jlr; 2/8/2010

TABLE 5

PRO FORMA COMPARISON - 2008 VS 2010
CORONADO PROJECT
LONG BEACH, CALIFORNIA

	2008	2010	2008 vs 2010
Direct Costs			
Off-site Improvements	$0	$0	$0
On-site Improvements	2,069,000	2,174,000	105,000
Shell Costs	6,191,000	5,874,000	(317,000)
Contractor Fees	1,050,000	995,000	(55,000)
Contingency Allowance	1,984,000	492,000	(1,492,000)
Total Direct Costs	**$11,294,000**	**$9,535,000**	**($1,759,000)**
Indirect Costs			
Architecture, Eng. & Consulting	$1,547,000	$1,652,000	$105,000
Permits & Fees	1,111,000	1,063,000	(48,000)
Taxes, Legal & Accounting	399,000	171,000	(228,000)
Security	0	120,000	120,000
Insurance	0	150,000	150,000
Marketing	376,000	360,000	(16,000)
Developer Fee	621,000	586,000	(35,000)
Contingency Allowance	0	664,000	664,000
Total Indirect Costs	**$4,054,000**	**$4,766,000**	**$712,000**
Financing Costs			
Interest During Construction	$478,000	$230,000	($248,000)
Financing Fees	0	0	0
Sales Costs	688,000	1,121,000	433,000
Project Clean Slate	120,000	0	(120,000)
Total Financing Costs	**$1,286,000**	**$1,351,000**	**$65,000**
Total Construction Costs	**$16,634,000**	**$15,652,000**	**($982,000)**
Per Unit	$346,500	$326,100	($20,400)
Per Sf GBA	$210	$197	($12)
Developer Profit	**$962,000**	**$962,000**	**$0**
As a % of Sales Revenues	9%	11%	
As a % of Costs	6%	6%	
Projected Sales Revenues	**$10,586,000**	**$8,806,000**	**($1,780,000)**
Per Unit	$220,500	$183,500	($37,000)
Per Sf GBA	$133	$111	($22)
Financial Gap	**$7,010,000**	**$7,808,000**	**$798,000**
Per Unit	$146,000	$162,700	$16,700