

WATTS, COHN and PARTNERS, INC.

COMMERCIAL REAL ESTATE APPRAISAL

APPRAISAL OF:

**LAS DELTAS FAMILY PROJECT
NORTH RICHMOND, CALIFORNIA**

CA006

PREPARED FOR:

**HOUSING AUTHORITY OF CONTRA COSTA COUNTY
MARTINEZ, CA**

MARCH 2019

19-WCP-018C-SUMMARY

WATTS, COHN and PARTNERS, INC.

COMMERCIAL REAL ESTATE APPRAISAL

March 29, 2019

Mr. Joseph Villarreal
Executive Director
Housing Authority of Contra Costa County
3133 Estudillo Street
P.O. Box 2759
Martinez, CA 94553

Re: 19-WCP-018C-Summary Appraisal
Las Deltas Family Housing
North Richmond, California
CA006A Las Deltas

Dear Mr. Villarreal:

At your request and authorization, Watts, Cohn and Partners, Inc. has made an appraisal of the above referenced property. The subject properties appraised are a portion of the Las Deltas Family Project, located on 3 contiguous parcels on the blocks bounded by Silver Avenue, North Jade Street, Ruby Avenue and First Street in North Richmond, Contra Costa County, California. The subject contains a total of 6.48 acres, or 282,356 square feet of land area on 3 parcels.

The subject parcels are improved with 20 duplexes, or a total of 40 units and several administrative/community buildings of which only the preschool is occupied. The residential units consist of one, two, three, and four-bedroom units. Currently, only one unit is occupied with the remaining 39 units vacant. The remaining tenant is in the process of moving. The improvements were built in approximately 1952 and are of poor condition and quality. The vacant units are boarded-up and most of the units have been vandalized with wiring and copper removed. In addition, several of the units have sustained fire damage and approximately 36 townhouse style units were demolished in late 2018 due to safety issues. The existing improvements are considered to add no value to the underlying land. The property interest appraised is fee simple.

The purpose of this appraisal is to estimate the as-is fee simple market value of the subject property. The intended use (function) for which this appraisal was contracted is for the exclusive use of the Housing Authority of the County of Contra Costa for assisting in a Demolition/Disposition application to HUD. ***This report should not be used or relied upon by any other parties for any reason.***

582 Market Street, Suite 512 | San Francisco, CA 94104 | 415-777-2666

Mark Watts | mark@wattscohn.com | Sara Cohn, MAI | sara@wattscohn.com

A more complete description of the subject property appraised, as well as the research and analysis leading to our opinions of value, is contained in the attached report. Chapter I provides a basic summary of salient facts and conditions upon which this appraisal is based and reviews the value conclusions.

EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS

Extraordinary and Hypothetical Conditions

1. A title report was not provided to the appraisers. This appraisal assumes that the subject title is free from easements and encumbrances which would affect market value.
2. This appraisal assumes that there are no rent restrictions encumbering the subject properties once they are sold. The buyer is free to demolish the existing improvements or to rent them at market.

The use of hypothetical conditions and extraordinary assumptions in this report might have affected the assignment results.

VALUATION SUMMARY

As-Is Market Values of 3 Individual Parcels

Based on the research and analyses contained in this appraisal report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the appraisers that the as-is individual fee simple market values of the subject property, which consists of 3 contiguous parcels in Las Deltas CA006, as of March 12, 2019, are estimated to be:

Parcel Number: 409-210-023-1	\$1,790,000
Parcel Number 409-210-022-3	\$1,520,000
Parcel Number 409-210-023-9	\$920,000

Bulk Market Value of Subject 3 Parcels

Based on the research and analyses contained in this appraisal report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the appraisers that the fee simple market value of the subject property, three legal parcels sold in a single transaction (bulk) as of March 12, 2019, is estimated to be:

FOUR MILLION TWO HUNDRED THIRTY THOUSAND DOLLARS

(\$4,230,000)

Watts, Cohn and Partners, Inc.

Commercial Real Estate Appraisal

19-WCP-018C- Summary

Further, it is our opinion that the subject properties could be sold at the above value conclusions within a 12-month active marketing period. The exposure period is also concluded to be 12 months.

This letter must remain attached to the appraisal report, identified on the footer of each page as 19-WCP-018C-Summary, plus related exhibits, in order for the value opinion set forth to be considered valid.

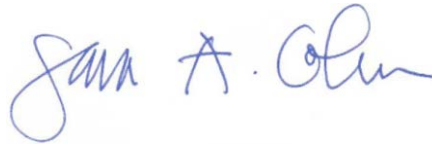
CERTIFICATION

We, the undersigned, hereby certify that, to the best of our knowledge and belief: the statements of fact contained in this report are true and correct; the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions; we have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved; we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment; our engagement in this assignment was not contingent upon developing or reporting predetermined results, our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal; the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan; our analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice, Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, and is in compliance with FIRREA; Sara Cohn and Mark Watts have made a personal inspection of the property that is the subject of this report; no one provided significant real property appraisal assistance to the persons signing this report. The use of this report is subject to the requirements of the Appraisal Institute related to review by its duly authorized representatives. As of the date of this report Sara Cohn has completed the requirements under the continuing education program of the Appraisal Institute. In accordance with the Competency Rule in the USPAP, we certify that our education, experience and knowledge are sufficient to appraise the type of property being valued in this report. We have not provided services regarding the property that is the subject of this report in the 36 months prior to accepting this assignment.

We are pleased to have had this opportunity to be of service. Please contact us if there are any questions regarding this appraisal.

Sincerely,

WATTS, COHN and PARTNERS, INC.



Sara Cohn, MAI
Certified General Real Estate Appraiser
State of California No. AG014469

Phone: 415-777-2666 x 102
Email: sara@wattscohn.com



Mark Watts
Certified General Real Estate Appraiser
State of California No. AG015362

Phone: 415-777-2666 x 101
Email: mark@wattscohn.com

Watts, Cohn and Partners, Inc.
582 Market Street, Suite 512
San Francisco, CA 94104
www.wattscohn.com

TABLE OF CONTENTS

I. REPORT SUMMARY	1
A. Property Appraised.....	1
B. Property Identification	1
C. Client, Purpose, Intended Use and Intended User	1
D. Scope of Work.....	2
E. Appraisal Reporting Format.....	2
F. Appraisal and Report Dates	2
G. Definition of Terms	2
H. Value Conclusions	3
I. Assumptions and Limiting Conditions.....	4
II. AREA AND NEIGHBORHOOD DESCRIPTION	6
A. Contra Costa County	6
B. City of Richmond	7
C. Neighborhood Description and Environs.....	9
III. MARKET OVERVIEW.....	11
A. Contra Costa County Residential Market Trends.....	11
B. Residential Construction Trends	12
C. Conclusion.....	14
IV. PROPERTY DATA AND ANALYSIS	15
A. Site Description.....	15
B. Environmental Observations	15
C. Flood Zone and Seismic Information	15
D. Zoning Designation	16
E. Easements and Restrictions.....	17
F. Ownership and Sales History	17
G. Assessed Valuation and Real Estate Taxes	17
H. Description of Existing Improvements	18
I. Conformance to American Disabilities Act (ADA)	20
V. HIGHEST AND BEST USE AND VALUATION METHODOLOGY	21
A. Highest and Best Use.....	21
B. Valuation Methodology.....	22
VI. VALUATION BY THE SALES COMPARISON APPROACH.....	24
A. Presentation and Analysis of Comparable Land Sales.....	24

TABLE OF CONTENTS, CONT

B. Presentation and Analysis of Multiplex Unit Sales	25
C. Deduction for Renovation/Demolition Costs	25
D. As-Is Value Conclusions as Individual Properties	26

TABLE OF EXHIBITS

	Page
LIST OF TABLES	
Table 1 - Subject Identification Table	15.1
Table 2 - Comparable Residential Sales	24.1
Table 3 - Valuation Worksheet	26.1

LIST OF EXHIBITS

Regional Map	following	6
Neighborhood Map	following	9
Assessor's Parcel Map	following	16
Aerial Map	following	17
Subject Photos	following	18
Comparable Residential Sales Map	following	24.1

ADDENDA

Subject Photographs
Comparable Photographs
Qualifications of Appraisers

I. REPORT SUMMARY

A. Property Appraised

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The subject parcels are improved with 20 duplexes, or a total of 40 units and several administrative/community buildings of which only the preschool is occupied. The residential units consist of one, two, three and four bedroom units. Currently, only one unit is occupied with the remaining 39 units vacant. The remaining tenant is in the process of moving. The improvements were built in approximately 1952 are of poor condition and quality. The vacant units are boarded-up and most of the units have been vandalized with wiring and copper removed. In addition, several of the units have sustained fire damage and approximately 36 townhouse style units were demolished in late 2018 due to safety issues. The existing improvements are considered to add no value to the underlying land.

The property interest appraised is fee simple.

B. Property Identification

Assessor's Parcel Nos.	409-210-023-1, 409-210-022-3 & 409-210-024-9
General Plan	ML - Multiple Family Residential Low Density
Zoning	P-1: Planned Unit District
Census Tract No.	3650.02
Zip Code	94801-1412
Flood Zone	X (Insurance is NOT Required)
Earthquake Fault Zone	No

C. Client, Purpose, Intended Use and Intended User

The client for this appraisal is Mr. Joseph Villarreal, Executive Director of the Housing Authority of Contra Costa County in Martinez, California. The purpose of this appraisal is to estimate the as-is fee simple market value of the subject property. It is our understanding that the intended use/user of this appraisal is for the exclusive use by the Housing Authority of Contra Costa County for assisting in a Demolition/Disposition application to HUD. ***This report should not be used or relied upon by any other parties for any reason.***

D. Scope of Work

Information pertaining to the subject improvements age, size, use and history was provided by the current property owner and verified where possible by public records, as well as based on the visual inspection by the appraiser.

The appraiser contacted Contra Costa County Planning Department for the zoning of the subject property, likelihood of any change in zoning and/or use, and any planned updates to the General Plan and/or zoning designations affecting the subject property.

The subject's market area was researched for market trends and land sales/comparables. Sources contacted included residential and commercial real estate agents.

For the subject property, the Sales Comparison Approach value was used in order to estimate the market value in as-is condition. The Income and Cost Approaches are not considered applicable indicators of value for this property type. The scope of this report is to utilize the appropriate standard approaches to value in accordance with Uniform Standards of Professional Appraisal Practice (USPAP) to arrive at a market value conclusion.

E. Appraisal Reporting Format

This appraisal report is presented in a narrative format. This report is intended to be an Appraisal Report prepared in conformance with USPAP Standard 2-2(a).

DI. Appraisal and Report Dates

The effective date of valuation and date of inspection is March 12, 2019.

The date of this report is March 29, 2019.

DII. Definition of Terms**1. Market Value (OCC 12 CFR 34.42 (g)) (OTS 12 CFR, Part 564.2 (g))**

"Market value" means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. Buyer and seller are typically motivated;

- b. Both parties are well informed or well advised, and acting in what they consider their own best interests;
- c. A reasonable time is allowed for exposure in the open market;
- d. Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
- e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

2. ***Fee Simple Interest (The Appraisal of Real Estate, 13th Edition, 2013, p.114)***

A fee simple interest in valuation terms is defined as "... absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat." It is an inheritable estate.

H. Value Conclusions

As-Is Market Values of 3 Individual Parcels

Based on the research and analyses contained in this appraisal report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the appraisers that the as-is individual fee simple market values of the subject property which consists of 3 contiguous parcels in Las Deltas CA006 as of March 12, 2019, are estimated to be:

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Further, it is our opinion that the subject properties could be sold at the above value conclusions within a 12-month active marketing period. The exposure period is also concluded to be 12 months.

I. Assumptions and Limiting Conditions

Extraordinary and Hypothetical Conditions

1. A title report was not provided to the appraisers. This appraisal assumes that the subject title is free from easements and encumbrances which would affect market value.
2. This appraisal assumes that there are no rent restrictions encumbering the subject properties once they are sold. The buyer is free to demolish the existing improvements or to rent them at market.

The use of hypothetical conditions and extraordinary assumptions in this report might have affected the assignment results.

General Assumptions

3. It is the client's responsibility to read this report and to inform the appraiser of any errors or omissions of which he/she is aware prior to utilizing this report or making it available to any third party.
4. No responsibility is assumed for legal matters. It is assumed that title of the property is marketable, and it is free and clear of liens, encumbrances and special assessments other than as stated in this report.
5. Plot plans and maps are included to assist the reader in visualizing the property. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the appraiser is assumed by the appraisers.
6. All information has been checked where possible and is believed to be correct but is not guaranteed as such.
7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors. It is assumed that no additional soil contamination exists, other than as outlined herein, as a result of chemical drainage or leakage in connection with any production operations on or near the property.

8. In this assignment, the existence (if any) of potentially hazardous materials used in the construction or maintenance of the improvements or disposed of on the site has not been considered. These materials may include (but are not limited to) the existence of formaldehyde foam insulation, asbestos insulation, or toxic wastes. The appraiser is not qualified to detect such substances. The client is advised to retain an expert in this field.
9. Any projections of income and expenses in this report are not predictions of the future. Rather, they are an estimate of current market thinking of what future income and expenses will be. No warranty or representation is made that these projections will materialize.
10. The appraiser is not required to give testimony or appear in court in connection with this appraisal unless arrangements have been previously made.
11. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with the proper written qualification, only in its entirety, and only for the contracted intended use as stated herein.
12. Neither all nor part of the contents of this report shall be conveyed to the public through advertising, public relations, news sales, or other media without the written consent and approval of the appraiser, particularly as to the valuation conclusions, the identity of the appraiser, or any reference to the Appraisal Institute or the MAI designation.
13. Information regarding any earthquake and flood hazard zones for the subject property was provided by outside sources. Accurately reading flood hazard and earthquake maps, as well as tracking constant changes in the zone designations, is a specialized skill and outside the scope of the services provided in this appraisal assignment. No responsibility is assumed by the appraisers in the misinterpretation of these maps. It is recommended that any lending institution re-verify earthquake and flood hazard locations for any property for which they are providing a mortgage loan.

II. AREA AND NEIGHBORHOOD DESCRIPTION

A. Contra Costa County

Contra Costa County is located on the east side of San Francisco Bay, directly south of Suisun Bay. It is one of the nine counties comprising the greater San Francisco Bay Area. Contra Costa County continues to capture a significant portion of the region's population and employment growth.

Contra Costa County covers an area of approximately 798 square miles. The county is divided into three distinct regions by ranges of hills. The western portion along San Francisco Bay provides water access and is largely industrial in nature. Population and development density are greatest along the bay where most of the original development took place. This western portion of the East Bay is older and predominantly urban in character. The central portion is developing as a regional commercial/financial headquarters center. Eastern Contra Costa County has undergone change from primarily agricultural and undeveloped to a suburban area over the past decade.

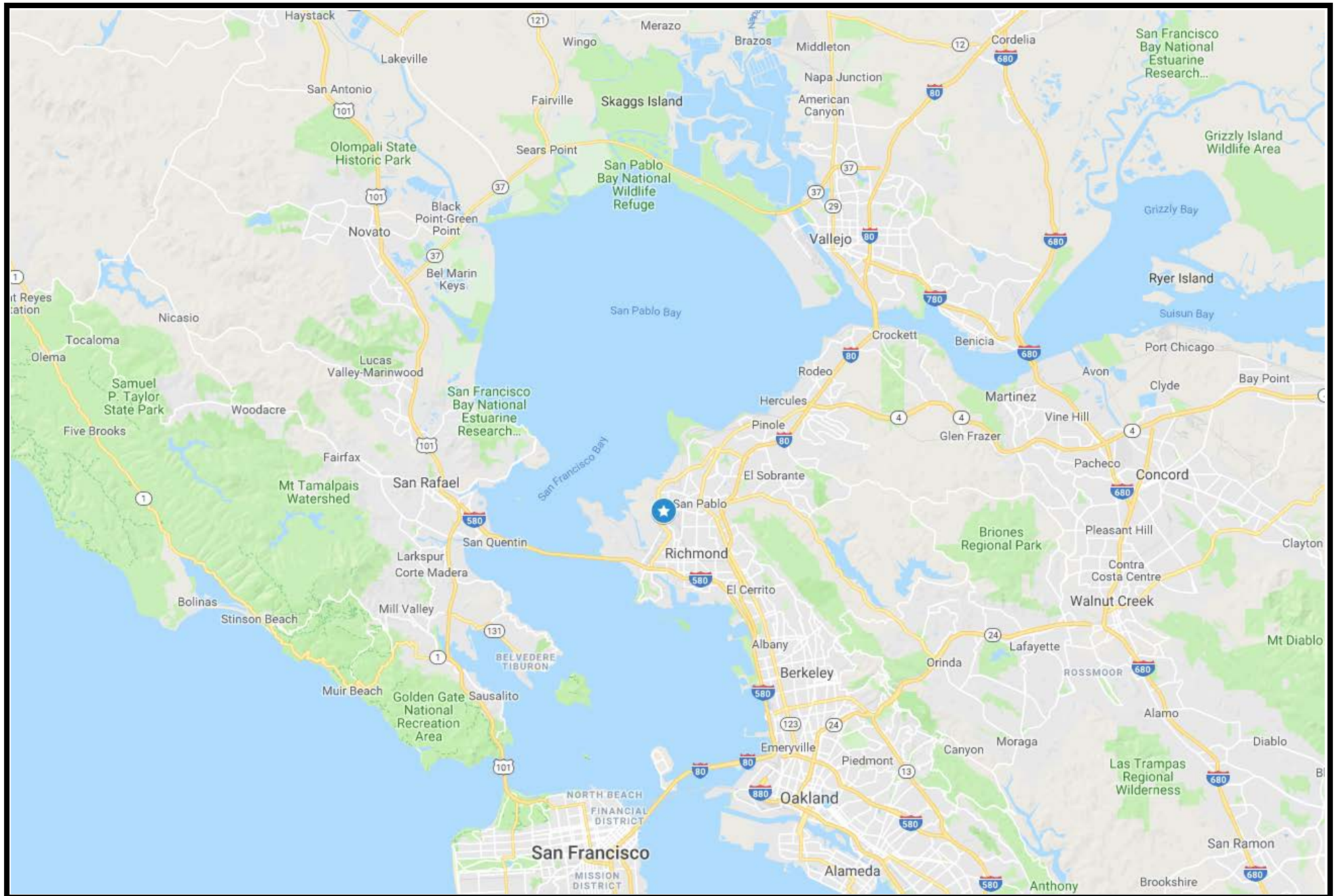
The central portion of Contra Costa County has historically been a bedroom community for workers employed in San Francisco and Alameda Counties. During the last several years, major office development has occurred in central Contra Costa County, resulting in a regional employment center stretching south along the Interstate 680 corridor from Martinez to San Ramon and on to Pleasanton in Alameda County. The communities in central Contra Costa County are largely built out and remain predominantly residential.

Contra Costa County is well served by major transportation systems. Freeways connect the area to San Francisco, Oakland and San Jose, while the former two can also be reached using the Bay Area Rapid Transit (BART) system. The California State Department of Finance most recently published estimates show a population of 1,149,363 as of January 1, 2018. This represents a 0.9 percent increase over the 2017 population figure.

Contra Costa County is also relatively affluent. As estimated by the Association of Bay Area Governments (ABAG), in their latest publication, Projections 2016 (data sourced from the most recent 2010-2014 U.S. Census Bureau), the mean household income was estimated at \$107,290 for 2014 and expected to increase. Major employment is found in management, business, science, and arts occupations, service occupations, and sales and office occupations, which together account for 84 percent of the total employment in the County.

According to the California Economic Development Department, the unemployment rate for Contra Costa County was 3.0 percent as of December 2018 (most recent available), which is a slight decrease from 3.2 percent a year prior. This is based on a labor force of 578,800 with 17,200 unemployed. According to

REGIONAL MAP



the California State Employment Development Department, the unemployment figure for the State of California for December 2018 was 4.1 percent. The unemployment rate for Contra Costa County has been lower than the average for the state and national range over the past several years.

B. City of Richmond

The city of Richmond was incorporated in 1905 and has historically been industrially oriented. The city benefitted from its deep harbors, which have been used for shipping port terminals, and had one of the largest wartime shipbuilding yards during World War II. These shipyards were closed in 1945, but industrial development continued to occupy vacated shipyard buildings along the waterfront.

In general, land uses in the city are characterized by older industrial and residential neighborhoods. The location of the city resulted in its development as an industrial transportation hub. Shipping and railroad access have created extensive industrial development along the southern and western portions of Richmond. These older uses are now slowly being redeveloped to commercial, light industrial and residential uses.

The city of Richmond is situated in the western portion of Contra Costa County. As of January 1, 2018, the population of the city was estimated at 110,967 according to the California State Department of Finance. The population increased 0.8 percent from a year prior.

In terms of income and employment, Richmond reflects levels below that of Contra Costa County as a whole. As of December 2018 (most recent available) the City of Richmond had an unemployment rate of 3.4 percent, a slight decrease from 3.5 percent year over year. This is slightly higher than the Contra Costa County average of 3.0 percent. Richmond's median household income is \$57,107 according to the 2012-2016 American Community Survey, which is significantly lower than the County wide median income of \$82,881.

Richmond has the highest level of manufacturing employment in the county. There are over 300 manufacturing plants in the Richmond area. The major industry in the area is petroleum products and petrochemicals. Chevron USA and Kaiser Permanente are the major non-public employers in the area. Other significant industries are steel fabrication, shipping and warehousing. Heavy industrial and manufacturing uses remain an important component of the Richmond economy although the number of these heavy industrial uses has generally been declining over the past few decades.

The Hilltop Mall shopping center contains anchor tenants such as Macys and Sears department stores, and Wal-Mart. Although the shopping center has been struggling given the decline in retail sales, the shopping center was recently purchased, and the owners plan to redevelop the center with a movie theater, food hall,

entertainment related tenants, a supermarket, a 24-hour fitness and multifamily residential units.

Richmond is well served by the Bay Area transportation facilities. Interstate 80 runs predominantly north-south through the eastern portion of the city. Interstate 580 extends west through Richmond and across the Richmond/San Rafael bridge. The Hoffman Expressway, connecting Interstates 580 and 80, greatly enhances access between Richmond and Marin County to the west. The Richmond Parkway connects with the Richmond/San Rafael Bridge in the southwestern part of the city. This thoroughfare connects Interstate 80 in the northern portion of the city with Interstate 580 and continues to the Richmond/San Rafael bridge near Point Richmond. The city is also served by BART rail service and the County Connection public bus service.

On January 10, 2019 the City of Richmond expanded their trans-bay transportation options by opening a ferry service between the Richmond Ferry Terminal and the San Francisco Ferry Building. The new ferry terminal is located in south Richmond, adjacent to the Richmond Marina Bay and the Harbor Channel. Transit time between Richmond and San Francisco is reportedly 35 minutes, with four runs during morning and evening commute hours. The new \$20 million dollar terminal at Harbour Way South is proving popular with ridership exceeding expectations. The ferry terminal is also seen as a trigger for economic development as there is new housing projects underway in this area as well as planned restaurants and services.

North Richmond

The subject is located in North Richmond, which is located within unincorporated West Contra Costa County. Contra Costa County currently provides municipal government services to unincorporated North Richmond, including public works, planning, law enforcement, and fire services. North Richmond is governed by the County of Contra Costa and a community council known as the North Richmond Municipal Advisory Council.

Annexing North Richmond into the City of Richmond has been discussed in recent years, however as reported by the East Bay Times, efforts have stalled as North Richmond residents have “overwhelmingly expressed that they didn’t want the community to be incorporated by the city.” Per the article by the East Bay Times: “The chief concern among North Richmond residents was having to pay more in taxes and fees, Richmond city officials said. If the 3,717-person community were annexed, property taxes would rise \$140 per \$100,000 of a home’s assessed value. North Richmond residents would also have to pay a 1-percent higher sales tax, from the current 8.25 percent to 9.25 percent, and a utility users’ tax that would be 5 to 10 percent higher.” Consequentially, annexation efforts have been halted for the time being.

North Richmond is developed with a mix of industrial uses east of the Richmond Parkway and vacant land west of the Parkway. Residential uses are situated in the central portion between Wildcat Creek to the north, Richmond Parkway to the west and south, and the railroad tracks to the east (parallel to Rumhill Boulevard to the east). Commercial uses are located generally to the south, near Richmond Parkway and 7th Street, and west of 6th Street. There is a general lack of neighborhood serving retail in North Richmond, and the national grocery store chains are mostly located to the west in the City of San Pablo or to the South in the City of Richmond.

Overall, North Richmond is generally underserved due to its status as an unincorporated portion of Contra Costa County. The majority of the Contra Costa County vital municipal services are located twenty miles to the east in Martinez, resulting in large service gaps. Annexation into the City of Richmond was suggested as a way to provide better service to the area, however North Richmond residents recently voted against annexation due to tax and budget concerns.

Public transportation access in North Richmond is provided via two main buses that run along Third Street and a North Richmond Shuttle. Freeway access to and from Interstate 580 and Interstate 80 is good. Richmond Parkway is a major thoroughfare with two to three lanes in each direction, signalized intersections and limited access from adjoining properties.

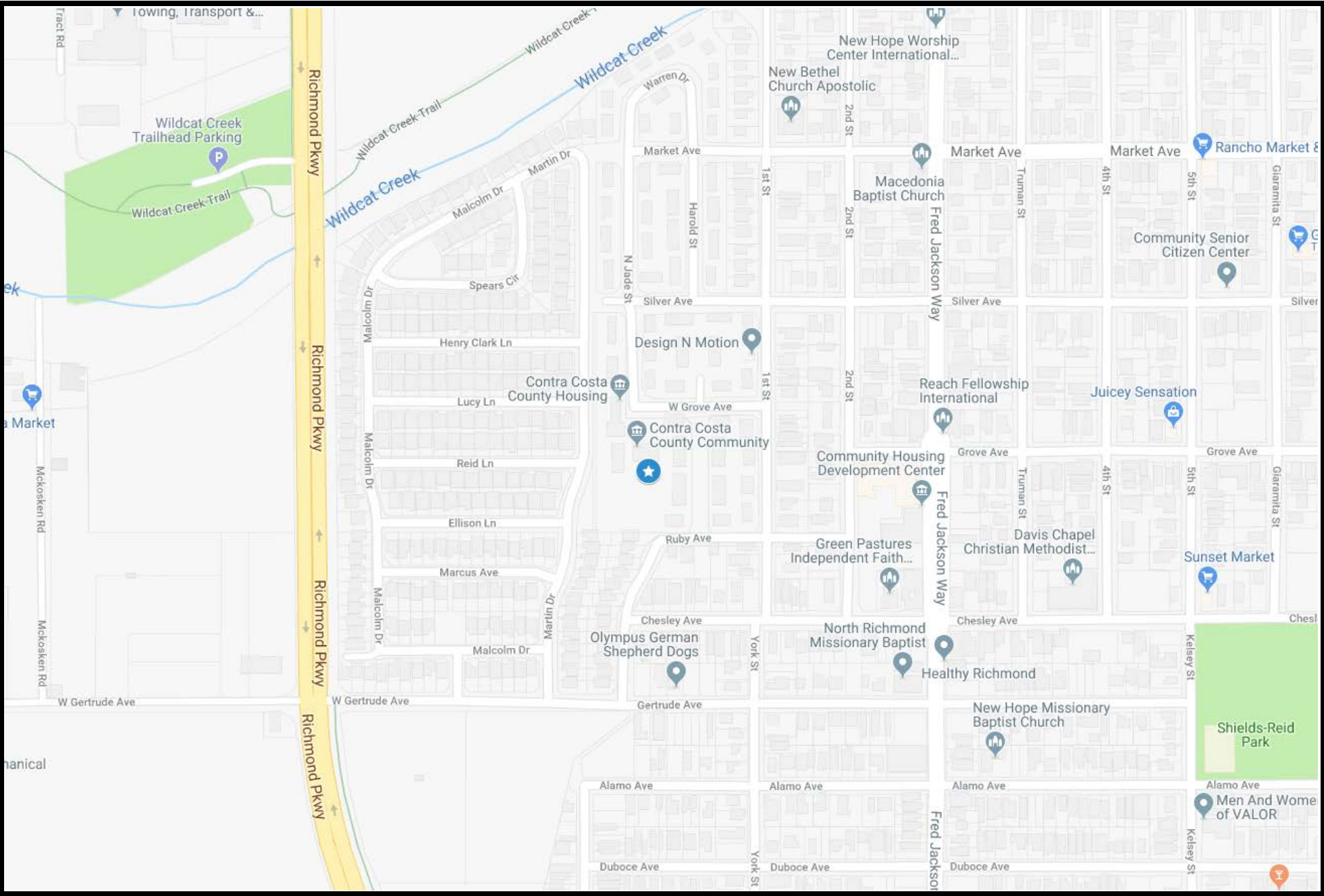
C. Neighborhood Description and Environs

The subject is part of the Las Deltas public housing project which currently contains a total of approximately 178 units. The project was originally built in the 1950s and 1960s to provide low cost rental housing and was developed with 244 units. The property is older and in poor to fair condition.

The subject property is located in an unincorporated portion of West Contra Costa County, in North Richmond. The subject neighborhood is roughly bordered by Wildcat Creek to the north, Richmond Parkway to the west and south, freight train spur tracks to the south, and the Amtrak train tracks to the east (east of 7th Street). The subject neighborhood is primarily residential and comprised of single-family residences and multifamily uses. Nearby commercial uses are limited to two small neighborhood market with more commercial uses located in neighboring communities of Richmond and San Pablo.

To the north of the neighborhood is mostly vacant land that is interspersed with industrial uses such as recycling centers and towing yards. To the south of the subject neighborhood is industrial use with large warehouses. At the eastern border of the neighborhood is Annie's Annual and Perennials nursery located off of Market Avenue to the east of 7th Street as well as other industrial buildings. To the east of the neighborhood across the train tracks is also mostly residential, with some commercial uses and grocery stores located along Rumhill Boulevard.

NEIGHBORHOOD MAP



To the immediate west of the subject is a newer home development called Bella Flora. Homes in this development range in size from approximately 1,475 to 2,067 square feet and were built from 1990 to 2006. The average lot size of the development is approximately 2,600 to 4,000 square feet square feet. Most recently homes have sold in this development between \$550,000 and \$575,000. Based on Redfin the median list price for homes in the Bella Flora development is approximately \$566,500 or \$281 per square foot.

The subject's Walkscore (www.walkscore.com) is 43, which is a "Car Dependent", indicating that most errands require a car. It also has a Transit Score of 30 which indicates that while there is some transit, there are only a few nearby public transportation options. Walk Score uses a proprietary algorithm to measure the proximity of a property to basic services.

The outlook for the area is transitional, with older structures in the area slowly being replaced or renovated with new residential homes.

III. MARKET OVERVIEW

A. Contra Costa County Residential Market Trends

The subject property is comprised of duplexes and is located in North Richmond. As an unincorporated part of Contra Costa County, precise market statistics were limited for the subject neighborhood. However, the subject is located within the sphere of influence of the City of Richmond, and adjacent to the City of San Pablo.

The subject is located in North Richmond, in an area roughly bounded by Richmond Parkway to the west, Wildcat Creek to the North, Rumhill Boulevard to the east, and Gertrude Avenue to the south. According to data sourced from Paragon MLS, there were a total of 26 listings in the primary subject market area in 2018. Listings spent an average of 35 days on the market, with the longest time on market recorded as 210 days. Of the 26 listings, 20 homes sold. List prices ranged from \$246,000 to \$609,950 equating to an average list price of \$434,894 or a median list price of \$409,000. Sales prices ranged from \$225,000 to \$585,000. This equates to an average sales price of \$435,062 and a median sales price of \$439,000.

The above data includes sales of the homes located within the Bella Flora development, located west of Martin Drive, which was built in 1990 – 2006, and is comprised of newer, larger homes. Excluding the sales of the homes within the Bella Flora development, there have been 16 listings in the subject neighborhood in 2018. Listing prices ranged from \$246,000 to \$445,000, equating to an average list price of \$358,337 and a median list price of \$369,500. Of the 16 listings there were 11 sales, ranging from \$225,000 to \$475,000. This equates to an average sales price of \$353,437 and a median sales price of \$365,000. The sales were on the market for an average of 28 days.

In 2019, year to date, there has been one sale and one pending sale in the subject neighborhood. The pending sale is listed at \$369,000 and the sale property sold for its listing price of \$260,000.

The table below summarizes the average sales price for the subject and adjacent neighborhoods, according to market statistics provided by the Contra Costa County Association of Realtors. The subject is located in both the “Richmond – North & East” neighborhood, as well as the “Richmond North & West/Parchester” neighborhood.

Neighborhood	Single-Family			Townhouse-Condo		
	Jan 2018	Jan 2019	% Change	Jan 2018	Jan 2019	% Change
Richmond - El Sobrante	\$ 682,154	\$604,160	-12.9%	\$335,263	\$ -	N/A
Richmond - Hilltop/College	\$ 516,543	\$472,500	-9.3%	\$388,609	\$399,500	2.7%
Richmond View	\$ 714,812	\$687,250	-4.0%	\$ -	\$ -	N/A
Richmond - North & East	\$ 525,293	\$ 482,125	-9.0%	\$ -	\$ -	N/A
Richmond North & West/Parchester	\$ 406,354	\$ 433,167	6.2%	\$ 417,212	\$ -	N/A
Richmond - South	\$ 427,496	\$ 421,400	-1.4%	\$ 416,250	\$ -	N/A
Richmond - Point/Bayfront	\$ 976,193	\$ -	N/A	\$ 533,461	\$ 546,143	2.3%
Richmond - Annex	\$ 638,156	\$ 500,000	-27.6%	\$ -	\$ -	N/A
Richmond - Country Club	\$ 651,539	\$ -	N/A	\$ -	\$ -	N/A

As shown on the above table, single family home sales in the subject's CCAR neighborhood are on the low end of the range, with average sale prices ranging from \$406,000 to \$525,000.

In the Richmond North & West/Parchester neighborhood, there were a total of 21 new listings and 12 closed sales in 2018 of detached single-family houses. The average sales price was reportedly \$394,834, which is well below the Contra Costa County average. There was an average 24 days on market until sale. There were 2 total attached townhouse-condo listings in the neighborhood in 2018 with no closed sales.

The subject is far below the county average in terms of sales. The Contra Costa County Association of Realtors (CCAR) reports that there 7,047 active listings of single-family homes in Contra Costa County in 2018, and 2,243 listings of townhouses/condos. Of those listings, there were a total of 4,781 closed sales of single-family homes in 2018, as compared to 2,073 sales of townhouses/condos.

According to Zillow, the median home price in the City of Richmond is \$529,700 as of January 2019. Home values have gone up 11.3 percent over the past year and Zillow predicts they will rise 8.4 percent within the next year. The median list price per square foot in the City of Richmond is \$426. The median price of homes currently listed in the City of Richmond is \$499,000, while the median price of homes that sold is \$532,800. The median rent price in the City of Richmond is \$2,600.

Overall, relatively little product has sold in the past few years in the subject immediate neighborhood, at prices far below the metro and county averages.

B. Residential Construction Trends

The subject is located in North Richmond, in unincorporated Contra Costa County, however as stated above, it is located within the City of Richmond's sphere of influence. Historically, North Richmond area has seen limited new development due to its peripheral location and weak demographics. While the greater East Bay

market has seen spikes in demands, the subject is located in the North Richmond, which due to its longer commute has remained relatively affordable. CoStar reports that “limited demand has caused development in the [subject Richmond/Martinez] submarket to lag behind that in other parts of the East Bay.” According to CoStar, the subject’s Richmond/Martinez submarket, “marks the far northeast boundary of the East Bay Metro and comprises a mix of industrial cities and bedroom communities. The submarket lacks the wealth or urban amenities of popular neighbors to the immediate south, but recently saw its first developments since before the recession.”

The City of Richmond, however, has seen an influx of new development as a result of increasing demand for housing in the larger East Bay market. While the Richmond area has always been a peripheral location due to its distance from San Francisco and general commute difficulties, on January 10, 2019 the City of Richmond expanded their trans-bay transportation options by opening a ferry service between the Richmond Ferry Terminal and the San Francisco Ferry Building. The new ferry terminal is located in south Richmond, adjacent to the Richmond Marina Bay and the Harbor Channel. Transit time between Richmond and San Francisco is reportedly 35 minutes, with four runs during morning and evening commute hours. This is expected to draw commuters who would have otherwise shunned the hour-long vehicular commute from Richmond into San Francisco and have been priced out of other Bay Area markets.

Currently, the City of Richmond has several major projects active in their residential pipeline. There are three major projects under construction in Richmond. The NOMA project by William Lyon Homes is located at 830 Marina Way South and will contain approximately 197 townhomes and Live/Work units, as well as a 3,000 square foot business incubator, fitness center and parking. The Terraces at Nevin (located at Nevin Avenue between 21st and 23rd Streets) is a multifamily residential project of (2) six-story apartment buildings with a total of 289 units. The Waterline, located between Canal Boulevard and Seacliff Drive in southern Point Richmond, is comprised of (60) market rate two- and three-bedroom flats and townhomes.

Richmond currently has three currently approved major projects as well: the Miraflores Residential Development located in Park Plaza adjacent to East Richmond, has been approved for 190 units; the Quarry Residential Project has been approved for 200 new condos; and Latitude at 1500 Dornan Drive has been approved for 295 condos, 21 single family homes, 2,000 square feet of retail space and a 1.9 acre shoreline park. There are four other major projects currently proposed as well. The 12th and Macdonald development has been proposed for 256 units and approximately 25,000 square feet of commercial space. Marina Way South Residential Project by New West Communities has proposed 399 units and 1,800 square feet of retail space. Richmond Central is an affordable housing development proposed for 172 below market rate apartments. The Point Molate Development is still under discussion but is expected to dramatically redevelop the 266-acre site.

There is very little current or recent development in the North Richmond neighborhood. Richmond currently has one multifamily affordable project under construction, Heritage Point Development. The \$27 million-dollar project is located at 1500 Fred Jackson Way and will consist of a four story, 42 multifamily units with approximately 4,500 square feet of commercial space. It is proposed to be completed by late 2019 and is situated across from the Community Heritage Senior Apartments. The project is being developed by Community Housing Development Corporation (CDHC) in conjunction with the Contra Costa Housing Authority.

Overall, the demand for housing in the East Bay remains strong, and the subject's submarket is expected to benefit from the overall demand as more centralized areas become more expensive.

C. Conclusion

The Contra Costa County and Richmond housing and rental market is relatively stable, with moderate gains in rents and low, relatively level vacancy rates. From a supply perspective, there are new developments in the pipeline in the greater subject market area. Demand in the greater East Bay has grown, and Richmond is expected to benefit from the overflow. However, North Richmond has limited new product coming online in the near future, and their status in unincorporated Contra Costa County has led to municipal service gaps that discourage prospective buyers. Long term, the outlook is good that steady demand will continue for market rate housing and rental units.

IV. PROPERTY DATA AND ANALYSIS**A. Site Description**

The subject property consists of 3 contiguous parcels that are part of the Las Deltas Family Project in North Richmond. The subject parcels are situated on the blocks bounded by North Jade Street to the west, Silver Avenue to the north, First Street to the west and Ruby Avenue to the south. The Subject Identification Table on the following page lists the subject properties and notes the lot area, the condition of the existing improvements on the parcel, street address and unit identification number as well as the comments.

The subject lots range in size from 56,323 to 132,161 square feet, or from 1.29 to 3.03 acres. The parcels are generally regular in shape. The topography of the parcels is generally level. The parcels are divided by North Jade Street and West Grove Avenue. The streets are improved with sidewalks, curbs and gutters. All utilities are available to the sites.

The immediate environs include vacant lots as well as poor quality, single family homes and duplexes. Many of the units are under the same ownership as the subject property. Other homes are privately owned and there are several churches in the area. Uses east of Seventh Street are typically industrial.

B. Environmental Observations

An environmental assessment of the subject property was not provided. Upon inspection of the subject property, the appraisers did not observe any evidence of toxic contamination on the property. This appraisal assumes that the site and improvements are free of toxic contaminants. The reader is referred to the limiting condition to this effect in chapter one of this report.

C. Flood Zone and Seismic Information

According to Flood Map 06013C0228G, dated September 30, 2015, the subject is located in Flood Zone X, an area that is determined to be outside the 100- and 500-year floodplains.

The subject property is not located in the Alquist Priolo zone. According to governmental geological evaluations, the entire San Francisco Bay Area is located in a seismic zone. No active faults are known to exist on the subject property. Inasmuch as similar seismic conditions generally affect competitive properties, no adverse impact on the subject property is considered.

SUBJECT IDENTIFICATION TABLE
Appraisal of 3 Parcels within the Las Deltas Family Project
CA006
North Richmond, California

#	Address	Unit Number	Parcel Size (SF) 1	General Plan	Zoning	Existing Condition	Unit Size (SF)	Unit Type	Comments
APN Number								Total Bldg SF	
1	409-210-023-1	1645 N Jade Street	395	ML	P-1	4BD/1.5 BA - Boarded up	1,155	Duplex	L-shaped site with frontage on Jade Street
		1635 N Jade Street	396	ML	P-1	4BD/1.5 BA - Boarded up	1,155	2,310	West Grove Avenue and West Ruby Street
		1621 N Jade Street	397	ML	P-1	4BD/1.5 BA- Boarded up	1,155	Duplex	
		1611 N Jade Street	398	ML	P-1	4BD/1.5 BA- Boarded up	1,155	2,310	4 Duplexes
		131 W Grove Avenue	431	ML	P-1	1BD/1 BA -Boarded up	578	Duplex	
		117 W Grove Avenue	432	ML	P-1	2BD/1BA - Boarded Up	770	1,348	7,481 sf of Residential bldg area
		1595 N Opal Street	433	ML	P-1	Land/ Unit Demolished			
		1593 N Opal Street	434	ML	P-1	Land/ Unit Demolished			
		1589 N Opal Street	435	ML	P-1	Land/ Unit Demolished			
		1587 N Opal Street	436	ML	P-1	Land/ Unit Demolished			
		1583 N Opal Street	437	ML	P-1	Land/ Unit Demolished			
		1581 N Opal Street	438	ML	P-1	Land/ Unit Demolished			
		1575 N Opal Street	439	ML	P-1	Land/ Unit Demolished			
		1573 N Opal Street	440	ML	P-1	Land/ Unit Demolished			
		1569 N Opal Street	441	ML	P-1	Land/ Unit Demolished			
		1567 N Opal Street	442	ML	P-1	Land/ Unit Demolished			
		1563 N Opal Street	443	ML	P-1	Land/ Unit Demolished			
		1561 N Opal Street	444	ML	P-1	Land/ Unit Demolished			
		130 W Ruby Avenue	445	ML	P-1	3BD/1.5 BA Boarded Up	935	Duplex	
		116 W Ruby Avenue	446	ML	P-1	1BD/1BA- Boarded Up	578	1,513	
		North Jade Street	NA	ML	P-1	Admin- Office/Maintenance- Vacant		Community	3,735 Square Feet
		North Jade Street	NA	ML	P-1	Maintenance Storage- Vacant		Community	1,025 Square Feet
		West Grove Avenue	NA	ML	P-1	Project Pride- Vacant		Community	3,128 Square Feet
		West Grove Avenue	NA	ML	P-1	Preschool/Headstart Occupied		Community	3,950 Square Feet
2	409-210-022-3	1608 N Jade Street	399	ML	P-1	1BD/1BA Vacant- Boarded up	578	Duplex	Block bounded by Silver and W Grove
		1616 N Jade Street	400	ML	P-1	3BD/1.5 BA Vacant- Boarded up	935	1,513	Avenues and N Jade and First Streets
		1624 N Jade Street	401	ML	P-1	3BD/1.5 BA Vacant- Boarded up	935	Duplex	
		1632 N Jade Street	402	ML	P-1	1BD/1BA Vacant- Boarded up	578	1,513	10 Duplexes
		1642 N Jade Street	403	ML	P-1	1BD/1BA Vacant- Boarded up	578	Duplex	
		1648 N Jade Street	404	ML	P-1	3BD/1.5 BA Vacant- Boarded up	935	1,513	16,724 sf of Residential bldg area
		40 Silver Avenue	405	ML	P-1	4BD/1.5 BA- Boarded up	1,155	Duplex	
		44 Silver Avenue	406	ML	P-1	4BD/1.5 BA- Boarded up	1,155	2,310	
		50 Silver Avenue	407	ML	P-1	4BD/1.5 BA- Boarded up	1,155	Duplex	Had been converted to Community Bldg.
		54 Silver Avenue	408	ML	P-1	4BD/1.5 BA- Boarded up	1,155	2,310	Vacant
		1649 First Street	409	ML	P-1	3BD/1.5 BA - Boarded Up	935	Duplex	
		1643 First Street	410	ML	P-1	1BD/1BA- Boarded Up	578	1,513	
		1633 First Street	411	ML	P-1	1BD/1BA- Boarded Up	578	Duplex	
		1625 First Street	412	ML	P-1	3BD/1.5 BA - Boarded Up	935	1,513	
		1617 First Street	413	ML	P-1	3BD/1.5 BA - Boarded Up	935	Duplex	
		1609 First Street	414	ML	P-1	1BD/1BA- Boarded Up	578	1,513	
		40 W Grove Avenue	415	ML	P-1	1BD/1BA- Boarded Up	578	Duplex	
		54 W Grove Avenue	416	ML	P-1	3BD/1.5 BA - Boarded Up	935	1,513	
		1620 Opal Court	417	ML	P-1	Land/ Unit Demolished			
		1622 Opal Court	418	ML	P-1	Land/ Unit Demolished			
		1628 Opal Court	419	ML	P-1	Land/ Unit Demolished			
		1630 Opal Court	420	ML	P-1	Land/ Unit Demolished			
		1636 Opal Court	421	ML	P-1	Land/ Unit Demolished			
		1638 Opal Court	422	ML	P-1	Land/ Unit Demolished			
		1639 Opal Court	423	ML	P-1	Land/ Unit Demolished			
		1637 Opal Court	424	ML	P-1	Land/ Unit Demolished			
		1631 Opal Court	425	ML	P-1	Land/ Unit Demolished			
		1629 Opal Court	426	ML	P-1	Land/ Unit Demolished			
		1623 Opal Court	427	ML	P-1	Land/ Unit Demolished			
		1621 Opal Court	428	ML	P-1	Land/ Unit Demolished			
		116 W Grove Avenue	429	ML	P-1	3BD/1.5 BA - Boarded up	935	Duplex	
		130 W Grove Avenue	430	ML	P-1	1BD/1BA- Boarded Up	578	1,513	

SUBJECT IDENTIFICATION TABLE
Appraisal of 3 Parcels within the Las Deltas Family Project
CA006
North Richmond, California

#	Address	Unit	Parcel Size	General	Zoning	Existing Condition	Unit Type	Comments
APN Number	Number	(SF) 1	Plan			Unit Size (SF)	Total Bldg SF	
3	409-210-024-9	54 W Ruby Avenue	447	ML	P-1	3BD/1.5 BA - Boarded up	935	Duplex
		40 W Ruby Avenue	448	ML	P-1	1BD/1BA- Boarded Up	578	1,513
		1562 N Opal Street	449	ML	P-1	Land/ Unit Demolished		
		1564 N Opal Street	450	ML	P-1	Land/ Unit Demolished		6 Duplexes
		1568 N Opal Street	451	ML	P-1	Land/ Unit Demolished		
		1570 N Opal Street	452	ML	P-1	Land/ Unit Demolished		9,078 sf of bldg area
		1574 N Opal Street	453	ML	P-1	Land/ Unit Demolished		
		1576 N Opal Street	454	ML	P-1	Land/ Unit Demolished		
		1580 N Opal Street	455	ML	P-1	Land/ Unit Demolished		
		1582 N Opal Street	456	ML	P-1	Land/ Unit Demolished		
		1586 N Opal Street	457	ML	P-1	Land/ Unit Demolished		
		1588 N Opal Street	458	ML	P-1	Land/ Unit Demolished		
		1592 N Opal Street	459	ML	P-1	Land/ Unit Demolished		
		1594 N Opal Street	460	ML	P-1	Land/ Unit Demolished		
		55 W Grove Avenue	461	ML	P-1	3BD/1.5 BA - Boarded up	935	Duplex
		41 W Grove Avenue	462	ML	P-1	1BD/1BA- Boarded Up	578	1,513
		1599 First Street	463	ML	P-1	1BD/1BA- Boarded Up	578	Duplex
		1591 First Street	464	ML	P-1	3BD/1.5 BA - Boarded up	935	1,513
		1587 First Street	465	ML	P-1	3BD/1.5 BA - Boarded up	935	Duplex
		1581 First Street	466	ML	P-1	1BD/1BA- Boarded Up	578	1,513
		1573 First Street	467	ML	P-1	1BD/1BA- Occupied	578	Duplex
		1567 First Street	468	ML	P-1	3BD/1.5 BA - Boarded up	935	1,513
		1559 First Street	469	ML	P-1	3BD/1.5 BA - Boarded up	935	Duplex
		1551 First Street	470	ML	P-1	1BD/1BA- Boarded Up	578	1,513

1) Site area based on public records.

282,356 sf
6.48 Acres
11.72 density

Property 6

BR Size	BD Count	SF	Total SF
1	16	578	9,248
2	1	770	770
3	15	935	14,025
4	8	1,155	9,240
4- SF	0	1,155	0
20 Duplexes	40		33,283
	36		
	76		

6- Six plexes (2 BD) which were demolished/ 36 units
Total original number of units on site

Source: Watts, Cohn & Partners, Inc., March 2019
19-WCP-018C-Summary

D. Zoning Designation

The subject properties are located in Contra Costa County within the North Richmond Redevelopment Area and although the Redevelopment Agency has been dissolved, the guidelines are still applicable. The subject property has a General Plan land use designation of Multiple Family Residential Low Density, (ML). The General Plan land use designation allows between 7.3 to 11.9 units per net acre. The minimum lot size is 10,000 square feet. Primary land uses include attached single-family residences such as duplexes or duets, multiple family residential such as condominiums, apartments, mobile home parks. Secondary land uses allowed include churches, small residential care and child care facilities.

The subject has a zoning designation of Planned Unit District (P-1) within the North Richmond Area. This zoning designation is meant to provide *“a large-scale integrated development or a general plan special area of concern provides an opportunity for, and requires cohesive design when flexible regulations are applied; whereas the application of conventional regulation, designed primarily for individual lot development, to a large-scale development or special area may create a monotonous and inappropriate neighborhood. The planned unit district is intended to allow diversification in the relationship of various uses, buildings, structures, lot sizes and open space while insuring substantial compliance with the general plan and the intent of the county code in requiring adequate standards necessary to satisfy the requirements of the public health, safety and general welfare. These standards shall be observed without unduly inhibiting the advantages of large-scale site or special area planning.”*

This zoning district allows the following permitted uses; a) any land uses with final plan approval for development which are in harmony, serve to fulfill the function of the development, and consistent with the General Plan; b) detached single-family dwelling on each legally established lot with the accessory structures and uses normally auxiliary to it. Allowed uses also include duplexes, secondary units, and child care for less than 12 children. Based on the North Richmond Redevelopment Plan area development guidelines, single family lots require a minimum of 4,500 square feet, a duplex requires 7,000 square feet and a multi-family project requires a minimum lot area of 10,000 square feet. The maximum building height is 30 feet or two stories.

Interim uses are also allowed under this zoning designation where no preliminary development plan is approved. These include any nonconforming use existing at the time of the establishment of the P-1 District which may be repaired, rebuilt, or enlarged. Administrative use permits can also be granted. The subject property is currently zoned P-1 and has a General Plan of Multiple Family Residential Low Density. Any planned development would need to be reviewed by the County Planning Department and a Development Permit is required for residential construction over three units. The subject parcels currently appear to be legally conforming uses.

A- POR. RANCHO SAN PABLO, LOT 198
B- POR. SEC. 2. T1N, R5W, M.D.B. & M.
C- POR. TRUMAN ADDITION TO RICHMOND M.B. 8-198

SUBJECT

PB
408

210

1961 ROLL
ASSESSOR'S MAP

BOOK 409 PAGE 21

1-9-18 19-20
5-11-59 G.C.C. CONTRA COSTA COUNTY, CALIF.

E. Easements and Restrictions

The appraisers were not provided with a preliminary title report for the subject property. Inspection of the property and review of the parcel maps indicated that there are several public utility easements affecting the subject parcels, which is common for this type of property. None of the noted easements or restrictions appear to adversely impact the utility or marketability of the subject property.

The subject property is currently owned by the Housing Authority of Contra Costa County. The subject is potentially affected by regulatory agreements recorded on the site which restrict the development and/or use. This appraisal assumes that there are no rent restrictions encumbering the subject property.

F. Ownership and Sales History

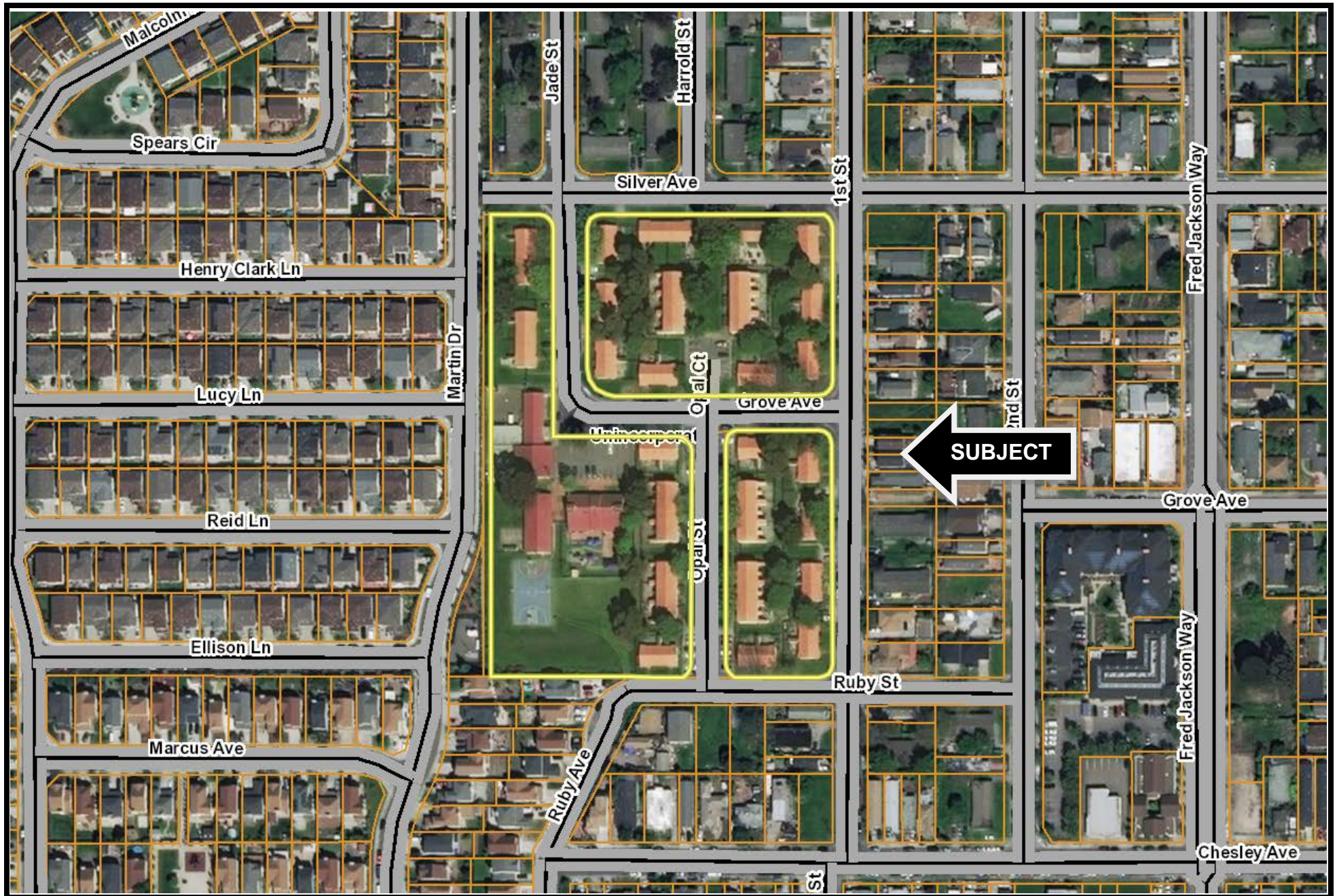
The appraisers were not provided with title reports for the subject parcels. According to public records, title to the subject property is currently vested in Contra Costa County Housing Authority. There have been no transfers of ownership in the past several decades.

G. Assessed Valuation and Real Estate Taxes

Under California property tax laws instituted by the passage of Proposition 13, property taxes can only be increased a maximum of two percent annually unless a property is sold, or additional value is added through new construction or alteration. Upon sale, property is taxed on the basis of one percent of the reassessed value, most often equal to the purchase price, plus existing bond indebtedness. The tax rate for the subject tax rate area for the 2018-2019 fiscal year is reportedly 1.2591 percent. The tax rate is broken down as follows:

CONTRA COSTA COUNTY 2018-2019 DETAIL OF TAX RATES						
TAX RATE AREA	TRA RATE	DESCRIPTION	SPECIAL RATE	DISTRICT RATE	GROUP RATE	TRA RATE
85075	1.2591	COUNTYWIDE TAX		1.0000	1.0000	
		BART		0.0052		
		BART BOND 2016		0.0018		
		BART			0.0070	
		EAST BAY REG PK BD		0.0021	0.0021	
		WEST CC UNIF BD 98		0.0047	0.0047	
		WCC UNIF BOND 2000		0.0183		
		WCCUSD 2002 BOND		0.0600		
		WCC UNIF BOND 2005		0.0600		
		WCCUSD 2010 BOND		0.0480		
		WEST CONTRA COSTA UNIF			0.2390	
		WCCUSD 2012 BOND		0.0480	0.0480	
		COMM COLL 2002 BND		0.0030		
		COMM COLL 2006 BND		0.0065		
		COMM COLL 2014 BND		0.0015		
		COMMUNITY COLLEGE			0.0110	1.2591

AERIAL MAP



For the current 2018-2019 tax year, the subject parcel has total assessed values and property taxes as follows:

	Subject	Land	Improvements	Tax Rate	Gross Value	Special	Total
1	409-210-023-1	\$ 131,841	\$ 997,127	0%	\$ 1,128,968	\$ 8,534	\$ 8,534
2	409-210-022-3	\$ 103,390	\$ 419,303	0%	\$ 522,693	\$ 8,534	\$ 8,534
3	409-210-024-9	\$ 68,919	\$ 302,086	0%	\$ 371,005	\$ 8,534	\$ 8,534
	TOTAL	\$ 304,150	\$ 1,718,516		\$ 2,022,666	\$ 25,602	\$ 25,602

Source: Contra Costa County Tax Collector

The subject property has received an exemption for 99% of the total assessed value of the land and improvements from ad valorem taxes due to the non-profit management/ownership of the subject. However, the special assessments are not exempt and total \$25,602. The special assessments include West County Wastewater District Sewer Charges. According to the County Tax Collector, as of the date of this appraisal, all taxes due have been paid in full.

H. Description of Existing Improvements

The subject consists of 3 contiguous parcels and is improved with 20 duplexes units. The subject dwelling units are of wood frame construction on concrete slabs with stucco exteriors. The units have gas wall heaters, and the windows are single pane aluminum frame. The interior finishes of the units consist of vinyl flooring and drywall. The one-bedroom units contain 578 square feet. The two-bedroom units contain approximately 770 square feet, the three-bedroom units have 935 square feet and the four-bedroom units consist of 1,155 square feet. The units have a dryer connection and a connection for a washing machine in the kitchen area. The roofing is seam metal panels which were installed in the mid-1980s. The duplexes have a concrete driveway for parking one vehicle at each unit. The units have rear yard with cyclone fencing and a concrete patio

The existing condition of the units are noted on the Subject Identification Table on the preceding page. The subject units were built in 1952 and are generally in very poor condition. Most of the units are currently boarded up and uninhabitable. Many of the units have been gutted. Of the 40 units, approximately one unit is currently occupied, and the other 39 units are vacant.

Many of the units have been vandalized with copper piping and wiring removed. Most of the water heaters appear to have been damaged and there was some water damage observed from broken pipes. Walls have been damaged and in some cases the ceiling has been partially opened. The vacant units are typically boarded-up to prevent squatters or additional damage. The front and rear doors have been removed by VPS (the vacant property security system). Several of the units have been damaged by fire.

SUBJECT PHOTOGRAPHS



Administrative Offices



Administrative Building



Parking Lot and Neighboring Improvements



Vacant Land

SUBJECT PHOTOGRAPHS



W Grove Avenue and N Opal Street



Former Six-plex Site



Former Six-plex Site



Subject Neighborhood

SUBJECT PHOTOGRAPHS



1625 North Jade Street



1621 North Jade Street



1621 North Jade Street Interior



1621 North Jade Street Interior

SUBJECT PHOTOGRAPHS



Preschool Exterior



Preschool Exterior



Preschool



Preschool Kitchen Area

The subject originally contained a total of (6) six-unit townhouse style buildings. Due to the condition of the units and safety issues these (36) two-bedroom units were demolished in December 2018.

The subject property includes five administrative/community buildings which are located on two parcels. The Youth Empowerment Center is located within Units 407 and 408 on Silver Avenue on Subject Parcel Number 2 and was converted from two duplex units. The building has an office, community room, kitchen and bathroom. The building is currently vacant and in poor condition. The four other buildings are located on Subject Parcel Number 1 with three of the buildings vacant. The vacant buildings had been used as a maintenance structure, administrative offices and community building. These buildings appear to be at the end of their economic life and are considered to have no value.

The remaining building is occupied by Headstart and is a preschool. It is located at 135 West Grove Street. The preschool building has several offices, two classrooms, a crib room a nursery play area, laundry room two children restrooms and a kitchen. The center has a fenced playground area. The preschool contains approximately 3,950 square feet and is in average condition. The preschool is currently rented on a month to month basis as the lease expired in June 2017.

Estimated Costs of Renovation

The majority of the units are currently boarded-up and uninhabitable. The vacant units are typically boarded-up to prevent squatters or additional damage. However, in many cases the units have been broken into and there has been additional damage. Essentially the units will need to be completely gutted and renovated to become occupiable. In 2014 the subject property representative indicated that the costs to repair vacant units ranged from \$25,000 to \$90,000 depending of the level of renovation needed and if there was structural damage. These costs have only increased over the past five years.

The appraiser acknowledges that the costs to renovate a residential unit can vary greatly depending on the type of buyer such as an owner user, institutional or speculator, as well as the ultimate scope of the renovation. According to EMG which completed a Physical Needs Assessment for a portion of Las Deltas, on December 2018, the estimated base cost for the renovation of the residential units was approximately \$120,000 per unit. Adding contractor fees of 15% the cost is approximately \$138,000 per unit. These costs did not include roof replacement, parking upgrades or ADA installations.

Discussions with broker in the market area indicated that the costs to gut renovate a red tagged single family home in San Pablo was estimated by a contractor at a cost of \$140,000. The home contained 1,100 square feet and had two bathrooms. Other information provided to the appraiser by contractors indicated costs in the

range of \$100,000 to \$120,000 per unit based on two bathrooms and an average three-bedroom unit of approximately 1,000 square feet.

The subject contains approximately 33,283 square feet of residential improvements, with an average unit size of 832 square feet. Based on our research as well as discussions with brokers and other active participants in the real estate market, a benchmark renovation cost of \$120 per square foot is concluded. In the valuation analysis, this cost is deducted from all of the units at the subject as they would all require renovation to be habitable.

I. Conformance to American Disabilities Act (ADA)

An ADA compliance survey was not provided for review, nor was one performed by the appraiser. The reader is directed to the limiting condition in Chapter I of this report, which states that any effect on value of potential ADA noncompliance has not been considered in this appraisal.

V. HIGHEST AND BEST USE AND VALUATION METHODOLOGY

A. Highest and Best Use

The highest and best use is that use, from among reasonably probable and legal alternative uses, found to be legally permissible, physically possible, financially feasible, and which results in the highest land value.

The four criteria the highest and best use must meet are physical possibility, legal permissibility, financial feasibility, and maximum productivity. Analysis of the subject's highest and best use is made as if the site were vacant, and as improved with the existing improvements.

1. *As-If Vacant*

a) *Physically Possible*

The subject neighborhood contains primarily residential structures as well as vacant lots. The subject consists of 3 contiguous parcels that range from 1.29 to 3.03 acres. The site sizes are sufficient to support a variety of residential development. Overall, physical characteristics do not limit the highest and best use of the subject site.

b) *Legally Permissible*

The subject properties have a General Plan designation of Multiple Family Residential - Low Density (ML) and are zoned Planned Unit (P-1). Duplexes or attached residential or apartment uses are the primary zoning for the subject properties with secondary uses allowed of residential care and child care facilities as well as churches. Based on the legal parameters, with consideration given to conformance with the surrounding neighborhood, the highest and best use of the subject property, as if vacant, appears to be low density multifamily residential development.

c) *Financially Feasible*

The subject sites are located in a weak residential market area in the unincorporated area of North Richmond, Contra Costa County. Market conditions currently support speculative development for the subject sites. This is supported by an adjacent residential development that was built over the past 10 years. The maximum productive use is that use, from among financially feasible uses, that provides the highest rate of return or value. Therefore, the highest

and best use of the subject sites as-if vacant, is considered to be for residential development.

d) *Maximally Productive/Highest and Best Use Conclusion*

Overall, based on these factors, the highest and best use of the subject sites as-if vacant would be for the construction of a new residential development consistent with the subject's zoning.

2. *As-Improved*

The subject properties consist of poor quality residential duplex units that were built in the 1950s. Almost all of the subject units are vacant and most have been vandalized. As is demonstrated in the valuation chapter, given the age, condition and quality of the units, as well as the cost to repair the improvements, the existing vacant improvements are considered to have lower value than land and should be demolished. This conclusion is further supported by the fact that 36 townhouse style units on the subject property were demolished in late 2018.

The subject lots are relatively large in size and are contiguous. It is likely that the property would appeal to a developer and could be redeveloped to form a new residential subdivision. Based on these factors, the highest and best use is to demolish the existing improvements and redevelop the property with a residential project.

B. Valuation Methodology

The valuation of any parcel of real estate is derived principally through three approaches to the market value. From the indications of these analyses, and the weight accorded to each, an opinion of value is reached. Each approach is more particularly described below.

1. *Cost Approach*

This approach is the summation of the estimated value of the land, as if vacant, and the reproduction or replacement cost of the improvements. From these are deducted the appraiser's estimate of physical deterioration, functional obsolescence, and economic obsolescence, as observed during inspection of the property and its environs. The Cost Approach is based on the premise that, except under the most unusual circumstances, the value of a property cannot be greater than the cost of constructing a similar building on a comparable site.

2. *Sales Comparison Approach*

This approach is based on the principal of substitution, i.e., the value of a property is governed by the prices generally obtained for similar properties. In analyzing the market data, it is essential that the sale prices be reduced to common denominators to relate the degree of comparability to the property under appraisal. The difficulty in this approach is that two properties are never exactly alike.

3. *Income Approach*

An investment property is typically valued in proportion to its ability to produce income. Hence the Income Approach involves an analysis of the property in terms of its ability to provide a net annual income. This estimated income is then capitalized at a market-oriented rate commensurate with the risks inherent in ownership of the property, relative to the rate of return offered by other investments.

The Sales Comparison approach is used in estimating the market value of the subject as land and as improved. A deduction is made for the repair or demolition costs to derive an as-is market value. The Cost Approach is not used, because purchasers in the subject marketplace do not give weight to this approach.

The following chapters further discuss the methodologies used in valuing the subject property.

VI. VALUATION BY THE SALES COMPARISON APPROACH

The approach utilized in estimating the current market value of the subject properties is the Sales Comparison Approach. In this analysis, value is estimated by comparing the subject to similar land sites which have transferred prior to the effective date of appraisal. The index properties show characteristics which are similar to the property being appraised. The Comparable Sales Table is on the following page.

Those transactions which are considered appropriate to indexing the value of the subject parcels are summarized on the table. The prices paid for the comparable properties are shown on an absolute basis and on a price per square foot basis, which is the most common unit value used for land. In valuing the subject site, adjustments are made as necessary to each comparable for location, accessibility, functional utility, date of sale, terms of sale, and size.

For valuing the existing improvements, the prices paid for the comparables is shown on an absolute basis and per unit basis. Adjustments are made for location, age, condition, quality and size.

A. Presentation and Analysis of Comparable Land Sales

The subject three parcels are relatively large and contain between 1.29 and 3.03 acres. No sale data was available for larger parcels in northern Richmond and our search was expanded to include other market areas, somewhat similar to the subject property. The table on the following page show land sales in other parts of Richmond as well as listings in Vallejo and Pittsburg for multifamily land.

Land Sales 1 and 2 pertain to recent sales of entitled land in the Hilltop neighborhood and Marina Bay neighborhood of Richmond. The comparables were purchased for \$37 per square foot. Both properties are superior to the subject in terms of location and both have a higher density. In addition, both comparables hare located in the City of Richmond which has superior city services. A lower price per square foot is indicated.

Land Sale 3 is an older sale of property located at 2200 Nevin Avenue in Richmond. The property consists of two parcels which are separated by 22nd Street. At the time of sale the property was proposed for a 289 unit below market rate residential development. The property was purchased for \$24 per square foot including demolition costs. Although this is an older sale which warrants an upward adjustment for current stronger market conditions, the comparable has a superior location in the City of Richmond and a significantly higher density. The comparable supports a lower unit value for the subject parcels.

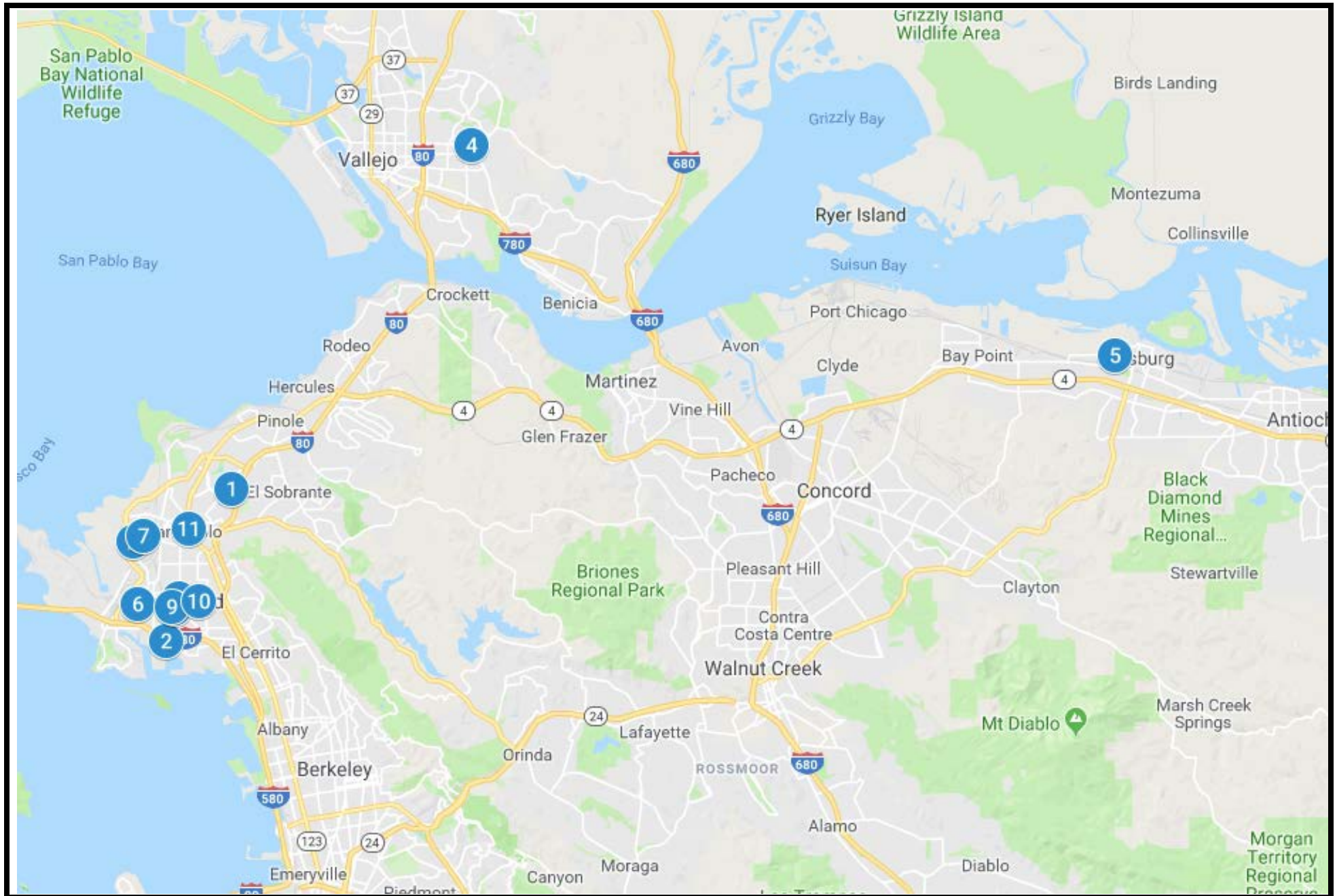
Land Sales 4 and 5 pertain to listings of properties in Vallejo and Pittsburg. Land Sale 4 is listed for sale at \$11 per square foot. This property is located on a sloping hillside and will require additional costs for site work. Land Sale 5 is listed for sale at \$21 per square foot and is a higher density site in Pittsburg. Given that this is an

RESIDENTIAL COMPARABLE SALES
Appraisal of 3 Parcels within the Las Deltas Family Project
CA006
North Richmond, California

#	Location / APN	Sale Date	Sale Price	Size SF/Acre	Price Per SF of Land	Zoning/ Units Allowed/Proposed Density	Comments	Grantor/ Grantee (Document#)
<u>Land Sales</u>								
1a	3151 Garrity Way Richmond APN: 405-290-069	7/18	\$3,500,000 Entitled	95,396 SF 2.19 AC	\$37	CR - City of Richmond 98 Units 45 Du/Acre	Located at Hilltop neighborhood Proposed for apt units. Vacant Land	Home Sweet Home LLC/ Zhangs Management Group LLC #107514
1b	3151 Garrity Way	Listing	\$4,800,000 Entitled		\$50			
2	830 Marina Way South Richmond APN: 560-190-007-8	11/17	\$16,250,000 Entitled	436,035 SF 10.01 AC	\$37	PA - City of Richmond 197 Units 20 Du/Acre	Former Industrial Site Proposed for apt units. Vacant Land	Development Solutions Seascape/ William Lyon Hms Inc. #214851
3	2200 Nevin Avenue Richmond APN: 514-090-018-3, 514-080-013	4/15	\$1,690,000 \$93,750 \$1,783,750 Unentitled	74,813 SF 1.72 AC (1)	\$23 \$24	MFR-3/C-2 - City of Richmond 289 Units 168 Du/Acre	Proposed for affordable housing	Adams Carl Trust/ Affordable Housing Land Consultants #300640
4	Tennessee Street & Avian Drive Vallejo APNs: 0069-430-010, various	Listing	\$1,400,000 Entitled	121,968 SF 2.80 AC	\$11	PDR - City of Vallejo 28 Units 10 Du/Acre	Sloping hillside site	G Annas & Fatemeh Maroofi/ NA
5	505 W. 10th Street Pittsburg APNs: 082-260-009, -012, -044, 243-001, -002 and -178	Listing	\$2,200,000 Entitled	102,797 SF 2.36 AC	\$21	M - City of Pittsburg 54 Units 23 Du/Acre	Vacant land mixed-Use development	Amerasla Real Estate Fund LLC/ NA
<u>Multifamily Unit Sales</u>								
6	203 Bissell Avenue Richmond APN: 538-190-021-5	7/18	\$875,000	3,932 SF Bldg. 0.08 AC 3,655 SF	\$109,375 Per Unit \$223	RM2 - City of Richmond 4 - Studio, 4 - 1BD/1BA 492	8 Unit Blt in 1908 Poor Condition	Eustolia P De Fregoso/ Hamilton, B/ Wu S H F #0112249
7	417 Verde Avenue North Richmond APN: 409-262-010-5	6/18	\$1,100,000	5,410 SF Bldg. 0.24 AC 10,500 SF	\$137,500 Per Unit \$203	P1 - Contra Costa County 4 - 3BD/1BA, 4 - 2BD/1BA 676	8 Unit Blt in 1957 Fair Condition	Verde Ave, LLC/ JWT Capital Holding Group One, LLC #202656
8	2023 Chanslor Avenue Richmond APN: 540-190-009-6	3/18	\$1,130,000	6,264 SF Bldg. 0.19 AC 8,276 SF	\$141,250 Per Unit \$180	R-3 - City of Richmond 8 - 2BD/1BA 783	8 Unit Blt in 1964 Average Condition	Tackabary Family Trust 2017/ Davis, William E Jr. & Silvia G. #041392
9	146 19th Street Richmond APN: 540-200-017-7	2/17	\$1,190,000	5,966 SF Bldg. 0.19 AC 8,438 SF	\$132,222 Per Unit \$199	RM2 - City of Richmond 1 - 1BD/1BA, 8 - 2BD/1BA 663	9 Unit Blt in 1961 Average Condition	Community Commerce Bank/ MW General Ptshp #024643
10	3202 Nevin Ave Richmond APN: 538-190-021-5	6/17	\$1,300,000	9,410 SF Bldg. 0.34 AC 15,002 SF	\$108,333 Per Unit \$138	RL2 - City of Richmond 12 - 2BD/1BA 784	12 Unit Blt in 1948 Poor Condition	Cruz-Nevin Trust/ Levy, Ephraim & Rosemary Trust 103991
11	2394 Road 20 San Pablo APN: 416-120-020-1	7/17	\$2,650,000	12,600 SF Bldg. 0.67 AC 29,142 SF	\$147,222 Per Unit \$210	I - City of San Pablo 3 - 1BD/1BA, 15 - 2BD/1BD 700	18 Unit Blt in 1961 Good Condition	Eric Antonico/ Road 20 MF Partners LLC #114598

Source: Watts, Cohn & Partners, Inc., March 2019
19-WCP-018C-Summary

COMPARABLE SALES MAP



asking price not a closed sale and has a higher proposed density, a lower unit value is warranted for the subject sites.

Based on the comparable land sales, and considering the location, density, size, utility, approval status, and market conditions, a unit value between \$15 and \$20 per square foot is estimated for the subject parcels as if vacant. A per square foot value of \$15 is concluded for the largest subject parcel of over 3 acres as if vacant. For the smaller parcels of 1.29 and 2.16 acres a unit value of \$18 per square foot is concluded as if vacant.

B. Presentation and Analysis of Multiplex Unit Sales

Comparables 6 through 11 are sales of improved multiplex residential properties in North Richmond, Richmond and San Pablo. The comparables consist of 8 to 18 unit properties. The sale prices are between \$875,000 to \$2,650,000, or from \$108,333 to \$147,222 per unit.

The subject contains parcels with 3 to 10 duplexes or between 6 and 20 units. Based on the subject size and location a per unit value of \$145,000 is concluded for Subject Parcel Number 1 with 8 units or 4 duplexes. This value assumes the units are in habitable condition.

The Subject Parcel Number 3 is a large parcel with 6 duplexes or 12 units. Given the larger size of the property a unit value of \$120,000 is concluded. Subject Parcel Number 2 contains 20 units or 10 duplexes, a unit value of \$110,000 per unit is concluded. Again, this value assumes the units are in habitable condition.

C. Deduction for Renovation/Demolition Costs

All but one of the subject units are not occupied and have been boarded up. The units are in poor condition and the costs to repair the units was previously estimated at approximately \$120 per square foot, based our discussions with brokers and real estate representatives. The renovation cost is deducted from the concluded value of the improved properties as if habitable to derive an as-is value in the current uninhabitable condition.

Further, in order to estimate only land value, the cost to demolish the improvements is based on Marshall Valuation Service and is estimated at approximately \$10.00 per square foot. This is equal to a cost of approximately \$22,560 per duplex and includes the costs to demolish the community buildings. This cost includes asbestos and lead abatement as well as remediation costs. These costs are utilized in the analysis and are deducted from the value conclusions to derive an as-is value as land.

D. As-Is Value Conclusions as Individual Properties

The valuation for the subject properties is summarized on the table on the following page. The table includes our estimation of the improved value with renovation costs which are deducted from the units, to derive an as-is value of the improvements in their existing uninhabitable condition. In addition, the three parcels have surplus land where the six-plexes had been demolished late last year. A surplus land value of approximately 50% of the previously concluded land value is concluded given that it is only a portion of the larger site and can't be developed independently.

The Subject Parcel Number 1 also contains a preschool building that contains 3,950 square feet. The preschool is currently occupied and rented on a monthly basis for a nominal rent. Sales of small schools or institutional buildings in the area indicate sale prices of between \$114 to \$220 per square foot. The preschool is in average condition but is situated on a larger parcel with other uses. Based upon the condition and location of the subject preschool, a unit value of \$100 per square foot is concluded. No values are applied to the other auxiliary buildings which are at the end of their useful life.

In addition, the value of the subject land with a deduction made for the demolition of the improvements is shown. Based on our conclusions and discussed in the highest and best use chapter of the appraisal, the subject has greater value as a land redevelopment site and the improvements should be demolished.

The table on the following page indicates the individual values of the subject property. The total bulk market value of the subject is the sum of the 3 properties as no discount would be indicated for the development of the total site. The total bulk market value of the subject property as if sold in a single transaction is \$4,230,000.

VALUATION OF SUBJECT PROPERTIES
 Appraisal of 3 Parcels within the Las Deltas Family Project
 CA006
 North Richmond, California

#	APN Number	Address	ID Unit Number	Parcel Size (SF) 1	Use	Size/ Unit No.	Unit Value/ Value	Demolition/ Renovation	Values
1	409-210-023-1	1645 N Jade Street 1635 N Jade Street 1621 N Jade Street 1611 N Jade Street 131 W Grove Avenue 117 W Grove Avenue 1595 N Opal Street 1593 N Opal Street 1589 N Opal Street 1587 N Opal Street 1583 N Opal Street 1581 N Opal Street 1575 N Opal Street 1573 N Opal Street 1569 N Opal Street 1567 N Opal Street 1563 N Opal Street 1561 N Opal Street 130 W Ruby Avenue 116 W Ruby Avenue North Jade Street North Jade Street 116 West Grove Avenue West Grove Avenue	395 396 397 398 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 NA NA 429 NA	132,161 3.03 Acres	4-Duplexes Costs to renovate duplex units Surplus Land Preschool Value as Improved Land Value	8 Units 7,481 sf 79,296 sf 3,950 sf 132,161 sf	\$145,000 Per Unit \$7.50 psf \$100.00 \$15.00 \$1,982,415	 \$120 psf (193,190) Demolition of bldgs at \$10 psf	\$1,160,000 (897,720) \$594,720 <u>\$395,000</u> \$1,252,000 \$1,789,225 \$1,790,000
2	409-210-022-3	1608 N Jade Street 1616 N Jade Street 1624 N Jade Street 1632 N Jade Street 1642 N Jade Street 1648 N Jade Street 129 Silver Avenue 105 Silver Avenue 55 Silver Avenue 41 Silver Avenue 1649 First Street 1643 First Street 1633 First Street 1625 First Street 1617 First Street 1609 First Street 40 W Grove Avenue 54 W Grove Avenue 1620 Opal Court 1622 Opal Court 1628 Opal Court 1630 Opal Court 1636 Opal Court 1638 Opal Court 1639 Opal Court 1637 Opal Court 1631 Opal Court 1629 Opal Court 1623 Opal Court 1621 Opal Court 116 W Grove Avenue 130 W Grove Avenue	399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430	93,872 2.16 Acres	10-Duplexes Cost to renovate duplex units Surplus Land Value as Improved Land Value	20 Units 16,724 sf 35,202 sf 93,872 sf	\$110,000 Per Unit \$9.00 psf \$18.00 \$1,689,696	 \$120 psf (167,240) Demolition of bldgs at \$10 psf	\$2,200,000 (2,006,880) <u>\$316,818</u> \$509,938 \$1,522,456 \$1,520,000
3	409-210-024-9	54 W Ruby Avenue 40 W Ruby Avenue 1562 N Opal Street 1564 N Opal Street 1568 N Opal Street 1570 N Opal Street 1574 N Opal Street 1576 N Opal Street 1580 N Opal Street 1582 N Opal Street 1586 N Opal Street 1588 N Opal Street 1592 N Opal Street 1594 N Opal Street 55 W Grove Avenue 41 W Grove Avenue 1599 First Street 1591 First Street 1587 First Street 1581 First Street 1573 First Street 1567 First Street 1559 First Street 1551 First Street	447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470	56,323 1.29 Acres	6-Duplexes Cost to fix duplex units Surplus Land Value as Improved Land Value	12 Units 9,078 sf 28,161 sf 56,323 sf	\$120,000 \$9.00 psf \$18.00 \$1,013,814	 \$120 psf (90,780) Demolition of bldgs at \$10 psf	\$1,440,000 (1,089,360) <u>\$253,453</u> \$604,093 \$923,034 \$920,000
									\$4,230,000

- 1) Square Foot of land area based on public records.
 2) Demolition Costs provided by Marshall Valuation Service at \$10 per square foot.
 Cost to renovate unit is estimated at \$120 psf.

ADDENDA

COMPARABLE SALES PHOTOGRAPHS



203 Bissell Avenue
Richmond



417 Verde Avenue
North Richmond



2023 Chanslor Avenue
Richmond



146 19th Street
Richmond

COMPARABLE SALES PHOTOGRAPHS



3202 Nevin Avenue
Richmond



2394 Road 20
San Pablo

QUALIFICATIONS OF SARA A. COHN, MAI
California Certified General Real Estate Appraiser No. AG014469

EXPERIENCE

Sara A. Cohn is a Partner with Watts, Cohn and Partners, Inc. a new firm providing commercial real estate valuation. From 1988 to 2016, she worked for Carneghi and Partners and was a Senior Project Manager/Partner in their San Francisco office. Carneghi and Partners, and now Watts, Cohn and Partners, provide real estate appraisal and consulting services in the San Francisco Bay Area. Clients include financial institutions, government agencies, law firms, development companies and individuals. Typical assignments include both valuation and evaluations of a broad variety of property types, uses and ownership considerations.

Ms. Cohn has over 30 years of appraisal experience. She has completed a wide variety of valuation and evaluation analyses. Ms. Cohn has extensive knowledge of the San Francisco Bay Area and has appraised many property types including office buildings, industrial properties, retail centers, hotels, residential projects, mixed-use properties and development sites. Recent work has involved the analysis of commercial buildings, residential subdivisions, valuation of affordable housing developments with bond financing and/or Low-Income Housing Tax Credits (LIHTCs), assessment districts, as well as co-housing projects.

EDUCATION

Bachelor of Arts, University of California, Berkeley, 1978

Successful completion of all professional appraisal courses offered by the Appraisal Institute as a requirement of membership.

Continued attendance at professional real estate lectures and seminars.

PROFESSIONAL AFFILIATION AND STATE CERTIFICATION

Appraisal Institute - MAI Designation (Member Appraisal Institute) No. 12017
Continuing Education Requirement Complete

State of California Certified General Real Estate Appraiser No. AG014469
Certified Through March 2021

State of California Licensed Landscape Architect No. 2102

Member, Board of Directors, Northern California Chapter of the Appraisal Institute,
2008-2010

Seminars Co-Chair, Northern California Chapter of the Appraisal Institute, 2005-2007

QUALIFICATIONS OF MARK A. WATTS

Mark A. Watts is a Partner with Watts, Cohn and Partners, Inc.

Following is a brief summary of his background and experience:

EXPERIENCE

Commercial Real Estate Appraisal Experience

Mr. Watts has been a commercial real estate appraiser since 1987, and has over 20 years experience in the analysis of commercial real estate. He has completed valuation assignments on a variety of projects, including industrial facilities, residential subdivisions, apartments, shopping centers, cemeteries and recreational facilities. He has also performed feasibility studies and assisted owners in making asset management decisions.

Mr. Watts has provided litigation support and served as an expert witness in court. He has also served in arbitrations as an expert witness. He has been qualified as an expert in San Francisco and San Mateo County Superior Courts.

He served on the San Francisco County Assessment Appeals Board from 2011 to 2016.

Commercial Real Estate Investment Experience

Simultaneous to his work as a commercial appraiser, Mr. Watts has been an active real estate investor/developer. He is experienced in the acquisition, redevelopment and management of commercial properties. He has witnessed and experienced many real estate cycles and stays abreast of current trends. His personal experience as an investor makes him uniquely qualified to appraise commercial real estate.

Over the last 20 years he has completed more than 30 investment real estate transactions, an average of 1.5 transactions per year. He has negotiated with buyers and sellers directly as a principal. He has completed nearly a dozen 1031 exchanges. Beginning with a small initial capital investment, he has built a large real estate portfolio. Based on his ownership experience, Mr. Watts is keenly aware that the success or failure of an acquisition is closely related to its location. Likewise, he is sensitive to locational differences in the appraisal of real estate.

Mr. Watts has broad experience with the construction, maintenance and repair of real estate. He has demolished and re-built two structures from the ground up. He has completed fire damage repairs and remediated toxic mold. He has remodeled kitchens and baths. He has replaced foundations on structures, made additions, and made other improvements. As the quality and condition of real estate has a strong correlation with its value, his experience enables superior judgement of these attributes in his work as a commercial real estate appraiser.

Community Involvement

Mr. Watts served on the Board of Managers of the Stonestown Family YMCA from 2002 to 2017. This is an approximately 30,000 square foot health club facility. He was active on the Facilities Committee. He served as the Board Chair in 2008. He has been a member of the Olympic Club in San Francisco since 1976. He served the Forest Hill Neighborhood Association as President from 2013 to 2017.

EDUCATION

Bachelor of Arts, University of California, Davis

PROFESSIONAL AFFILIATION

State Accredited Affiliate of the Appraisal Institute
State of California Certified General Real Estate Appraiser No. AG015362

WATTS, COHN and PARTNERS, INC.

COMMERCIAL REAL ESTATE APPRAISAL

APPRAISAL OF:
LAS DELTAS FAMILY PROJECT
ANNEX I
NORTH RICHMOND, CALIFORNIA
CA009A

PREPARED FOR:
HOUSING AUTHORITY OF CONTRA COSTA COUNTY
MARTINEZ, CA

MARCH 2019
19-WCP-018A SUMMARY

WATTS, COHN and PARTNERS, INC.

COMMERCIAL REAL ESTATE APPRAISAL

March 29, 2019

Mr. Joseph Villarreal
Executive Director
Housing Authority of Contra Costa County
3133 Estudillo Street
P.O. Box 2759
Martinez, CA 94553

Re: 19-WCP-018A-Summary Appraisal
Las Deltas Family Housing
North Richmond, California
CA009A Las Deltas Annex 1

Dear Mr. Villarreal:

At your request and authorization, Watts, Cohn and Partners, Inc. has made an appraisal of the above referenced property. The subject properties appraised are a portion of the Las Deltas Family Project, located on (5) contiguous parcels on the blocks bounded by Warren Drive, Silver Avenue, North Jade Street, and Harrold Street in North Richmond unincorporated Contra Costa County, California. The subject contains a total of 4.9 acres, or 213,401 square feet of land area on 5 parcels.

The subject parcels are improved with 29 duplexes, or a total of 58 units. The units consist of one, two, three, and four-bedroom units. Currently, only one unit is occupied with the remaining 57 units vacant. The remaining tenant is in the process of moving. The improvements were built in approximately 1960 and are of poor quality and condition. The vacant units are boarded-up and most of the units have been vandalized, with the wiring and copper removed. In addition, several of the units have sustained fire damage. The existing improvements are considered to add no value to the underlying land. The property interest appraised is fee simple.

The purpose of this appraisal is to estimate the as-is fee simple market value of the subject property. The intended use (function) for which this appraisal was contracted is for the exclusive use of the Housing Authority of the County of Contra Costa for assisting in a Demolition/Disposition application to HUD. ***This report should not be used or relied upon by any other parties for any reason.***

582 Market Street, Suite 512 | San Francisco, CA 94104 | 415-777-2666

Mark Watts | mark@wattscohn.com | Sara Cohn, MAI | sara@wattscohn.com

A more complete description of the subject property appraised, as well as the research and analysis leading to our opinions of value, is contained in the attached report. Chapter I provides a basic summary of salient facts and conditions upon which this appraisal is based and reviews the value conclusions.

EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS

Extraordinary and Hypothetical Conditions

1. A title report was not provided to the appraisers. This appraisal assumes that the subject title is free from easements and encumbrances which would affect market value.
2. This appraisal assumes that there are no rent restrictions encumbering the subject properties once they are sold. The buyer is free to demolish the existing improvements or to rent them at market.

The use of hypothetical conditions and extraordinary assumptions in this report might have affected the assignment results.

VALUATION SUMMARY

As-Is Market Values of 5 Individual Parcels

Based on the research and analyses contained in this appraisal report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the appraisers that the as-is individual fee simple market values of the subject property which consists of 5 contiguous parcels in Las Deltas Annex 1, as of March 12, 2019, are estimated to be:

Parcel Number: 409-210-025-6	\$480,000
Parcel Number 409-210-026-4	\$1,220,000
Parcel Number 409-210-020-7	\$500,000
Parcel Number 409-210-021-5	\$920,000
Parcel Number 409-210-011-6	\$410,000

Bulk Market Value of Subject 5 Parcels

Based on the research and analyses contained in this appraisal report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the appraisers that the fee simple market value of the subject property five legal parcels sold in a single transaction (bulk) as of March 12, 2019, are estimated to be:

THREE MILLION FIVE HUNDRED THIRTY THOUSAND DOLLARS

(\$3,530,000)

Further, it is our opinion that the subject properties could be sold at the above value conclusions within a 12-month active marketing period. The exposure period is also concluded to be 12 months.

This letter must remain attached to the appraisal report, identified on the footer of each page as 19-WCP-018A-Summary, plus related exhibits, in order for the value opinion set forth to be considered valid.

CERTIFICATION

We, the undersigned, hereby certify that, to the best of our knowledge and belief: the statements of fact contained in this report are true and correct; the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions; we have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved; we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment; our engagement in this assignment was not contingent upon developing or reporting predetermined results, our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal; the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan; our analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice, Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, and is in compliance with FIRREA; Sara Cohn and Mark Watts have made a personal inspection of the property that is the subject of this report; no one provided significant real property appraisal assistance to the persons signing this report. The use of this report is subject to the requirements of the Appraisal Institute related to review by its duly authorized representatives. As of the date of this report Sara Cohn has completed the requirements under the continuing education program of the Appraisal Institute. In accordance with the Competency Rule in the USPAP, we certify that our education, experience and knowledge are sufficient to appraise the type of property being valued in this report. We have not provided services regarding the property that is the subject of this report in the 36 months prior to accepting this assignment.

Watts, Cohn and Partners, Inc.

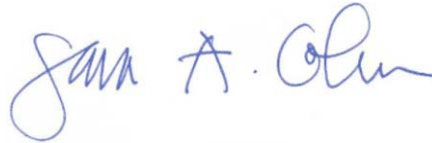
Commercial Real Estate Appraisal

19-WCP-018A-Summary

We are pleased to have had this opportunity to be of service. Please contact us if there are any questions regarding this appraisal.

Sincerely,

WATTS, COHN and PARTNERS, INC.



Sara Cohn, MAI
Certified General Real Estate Appraiser
State of California No. AG014469

Phone: 415-777-2666 x 102
Email: sara@wattscohn.com



Mark Watts
Certified General Real Estate Appraiser
State of California No. AG015362

Phone: 415-777-2666 x 101
Email: mark@wattscohn.com

Watts, Cohn and Partners, Inc.
582 Market Street, Suite 512
San Francisco, CA 94104
www.wattscohn.com

TABLE OF CONTENTS

I. REPORT SUMMARY	1
A. Property Appraised.....	1
B. Property Identification	1
C. Client, Purpose, Intended Use and Intended User	1
D. Scope of Work.....	2
E. Appraisal Reporting Format.....	2
F. Appraisal and Report Dates	2
G. Definition of Terms	2
H. Value Conclusions	3
I. Assumptions and Limiting Conditions.....	4
II. AREA AND NEIGHBORHOOD DESCRIPTION	6
A. Contra Costa County	6
B. City of Richmond	7
C. Neighborhood Description and Environs.....	9
III. MARKET OVERVIEW.....	11
A. Contra Costa County Residential Market Trends.....	11
B. Residential Construction Trends	12
C. Conclusion.....	14
IV. PROPERTY DATA AND ANALYSIS	15
A. Site Description.....	15
B. Environmental Observations	15
C. Flood Zone and Seismic Information	15
D. Zoning Designation	16
E. Easements and Restrictions.....	17
F. Ownership and Sales History	17
G. Assessed Valuation and Real Estate Taxes	17
H. Description of Existing Improvements	18
I. Conformance to American Disabilities Act (ADA)	19
V. HIGHEST AND BEST USE AND VALUATION METHODOLOGY	20
A. Highest and Best Use.....	20
B. Valuation Methodology.....	21
VI. VALUATION BY THE SALES COMPARISON APPROACH.....	23
A. Presentation and Analysis of Comparable Land Sales.....	23

TABLE OF CONTENTS, CONT

B. Presentation and Analysis of Multiplex Unit Sales	24
C. Deduction for Renovation/Demolition Costs	24
D. As-Is Value Conclusions as Individual Properties	25

TABLE OF EXHIBITS

	Page
LIST OF TABLES	
Table 1 - Subject Identification Table	15.1
Table 2 - Comparable Residential Sales	23.1
Table 3 - Valuation Worksheet	24.1

LIST OF EXHIBITS

Regional Map	following	6
Neighborhood Map	following	9
Assessor's Parcel Map	following	16
Aerial Map	following	17
Subject Photos	following	18
Comparable Residential Sales Map	following	23.1

ADDENDA

Subject Photographs
Comparable Photographs
Qualification and License of Appraisers

I. REPORT SUMMARY**A. Property Appraised**

The subject properties appraised are a portion of the Las Deltas Family Project, located on (5) contiguous parcels on the blocks bounded by Warren Drive, Silver Avenue, North Jade Street, and Harrold Street in North Richmond unincorporated Contra Costa County, California. The subject contains a total of 4.9 acres, or 213,401 square feet of land area on 5 parcels.

The subject parcels are improved with 29 duplexes, or a total of 58 units. The units consist of one, two, three, and four-bedroom units. Currently, only one unit is occupied with the remaining 57 units vacant. The remaining tenant is in the process of moving. The improvements were built in approximately 1960 and are of poor quality and condition. The vacant units are boarded-up and most of the units have been vandalized, with the wiring and copper removed. In addition, several of the units have sustained fire damage. The existing improvements are considered to add no value to the underlying land.

The property interest appraised is fee simple.

B. Property Identification

Assessor's Parcel Nos.	409-210-025-6, 409-210-026-4, 409-210-020-7, 409-210-021-5 and 409-210-011-6
General Plan	ML - Multiple Family Residential Low Density
Zoning	P-1: Planned Unit District
Census Tract No.	3650.02
Zip Code	94801-1412
Flood Zone (Insurance is NOT Required)	X
Earthquake Fault Zone	No

C. Client, Purpose, Intended Use and Intended User

The client for this appraisal is Mr. Joseph Villarreal, Executive Director of the Housing Authority of Contra Costa County in Martinez, California. The purpose of this appraisal is to estimate the as-is fee simple market value of the subject property. It is our understanding that the intended use/user of this appraisal is for the exclusive use by the Housing Authority of Contra Costa County for assisting in a Demolition/Disposition application to HUD. ***This report should not be used or relied upon by any other parties for any reason.***

D. Scope of Work

Information pertaining to the subject improvements age, size, use and history was provided by the current property owner and verified where possible by public records, as well as based on the visual inspection by the appraiser.

The appraiser contacted Contra Costa County Planning Department for the zoning of the subject property, likelihood of any change in zoning and/or use, and any planned updates to the General Plan and/or zoning designations affecting the subject property.

The subject's market area was researched for market trends and land sales/comparables. Sources contacted included residential real estate agents.

For the subject property, the Sales Comparison Approach value was used in order to estimate the market value in as-is condition. The Income and Cost Approaches are not considered applicable indicators of value for this property type. The scope of this report is to utilize the appropriate standard approaches to value in accordance with Uniform Standards of Professional Appraisal Practice (USPAP) to arrive at a market value conclusion.

E. Appraisal Reporting Format

This appraisal report is presented in a narrative format. This report is intended to be an Appraisal Report prepared in conformance with USPAP Standard 2-2(a).

F. Appraisal and Report Dates

The effective date of valuation and date of inspection is March 7, 2019.

The date of this report is March 29, 2019.

G. Definition of Terms

1. Market Value (OCC 12 CFR 34.42 (g)) (OTS 12 CFR, Part 564.2 (g))

"Market value" means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised, and acting in what they consider their own best interests;
- c. A reasonable time is allowed for exposure in the open market;

- d. Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
- e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

2. *Fee Simple Interest (The Appraisal of Real Estate, 13th Edition, 2013, p.114)*

A fee simple interest in valuation terms is defined as "... absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat." It is an inheritable estate.

H. Value Conclusions

As-Is Market Values of 5 Individual Parcels

Based on the research and analyses contained in this appraisal report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the appraisers that the as-is individual market values of the subject property which consists of 5 contiguous parcels in Las Deltas Annex 1, as of March 12, 2019, are estimated to be:

Parcel Number: 409-210-025-6	\$480,000
Parcel Number 409-210-026-4	\$1,220,000
Parcel Number 409-210-020-7	\$500,000
Parcel Number 409-210-021-5	\$920,000
Parcel Number 409-210-011-6	\$410,000

Bulk Market Value of Subject 5 Parcels

Based on the research and analyses contained in this appraisal report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the appraisers that the fee simple market value of the subject property five legal parcels sold in a single transaction (bulk) as of March 12, 2019, are estimated to be:

THREE MILLION FIVE HUNDRED THIRTY THOUSAND DOLLARS

(\$3,530,000)

Further, it is our opinion that the subject properties could be sold at the above value conclusions within a 12-month active marketing period. The exposure period is also concluded to be 12 months.

I. Assumptions and Limiting Conditions

Extraordinary and Hypothetical Conditions

1. A title report was not provided to the appraisers. This appraisal assumes that the subject title is free from easements and encumbrances which would affect market value.
2. This appraisal assumes that there are no rent restrictions encumbering the subject properties once they are sold. The buyer is free to demolish the existing improvements or to rent them at market.

The use of hypothetical conditions and extraordinary assumptions in this report might have affected the assignment results.

General Assumptions

3. It is the client's responsibility to read this report and to inform the appraiser of any errors or omissions of which he/she is aware prior to utilizing this report or making it available to any third party.
4. No responsibility is assumed for legal matters. It is assumed that title of the property is marketable, and it is free and clear of liens, encumbrances and special assessments other than as stated in this report.
5. Plot plans and maps are included to assist the reader in visualizing the property. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the appraiser is assumed by the appraisers.
6. All information has been checked where possible and is believed to be correct but is not guaranteed as such.
7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors. It is assumed that no additional soil contamination exists, other than as outlined herein, as a result of chemical drainage or leakage in connection with any production operations on or near the property.
8. In this assignment, the existence (if any) of potentially hazardous materials used in the construction or maintenance of the improvements or disposed of on the site has not been considered. These materials may include (but are not limited to) the existence of formaldehyde foam insulation, asbestos insulation, or toxic

wastes. The appraiser is not qualified to detect such substances. The client is advised to retain an expert in this field.

9. Any projections of income and expenses in this report are not predictions of the future. Rather, they are an estimate of current market thinking of what future income and expenses will be. No warranty or representation is made that these projections will materialize.
10. The appraiser is not required to give testimony or appear in court in connection with this appraisal unless arrangements have been previously made.
11. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with the proper written qualification, only in its entirety, and only for the contracted intended use as stated herein.
12. Neither all nor part of the contents of this report shall be conveyed to the public through advertising, public relations, news sales, or other media without the written consent and approval of the appraiser, particularly as to the valuation conclusions, the identity of the appraiser, or any reference to the Appraisal Institute or the MAI designation.
13. Information regarding any earthquake and flood hazard zones for the subject property was provided by outside sources. Accurately reading flood hazard and earthquake maps, as well as tracking constant changes in the zone designations, is a specialized skill and outside the scope of the services provided in this appraisal assignment. No responsibility is assumed by the appraisers in the misinterpretation of these maps. It is recommended that any lending institution re-verify earthquake and flood hazard locations for any property for which they are providing a mortgage loan.

II. AREA AND NEIGHBORHOOD DESCRIPTION

A. Contra Costa County

Contra Costa County is located on the east side of San Francisco Bay, directly south of Suisun Bay. It is one of the nine counties comprising the greater San Francisco Bay Area. Contra Costa County continues to capture a significant portion of the region's population and employment growth.

Contra Costa County covers an area of approximately 798 square miles. The county is divided into three distinct regions by ranges of hills. The western portion along San Francisco Bay provides water access and is largely industrial in nature. Population and development density are greatest along the bay where most of the original development took place. This western portion of the East Bay is older and predominantly urban in character. The central portion is developing as a regional commercial/financial headquarters center. Eastern Contra Costa County has undergone change from primarily agricultural and undeveloped to a suburban area over the past decade.

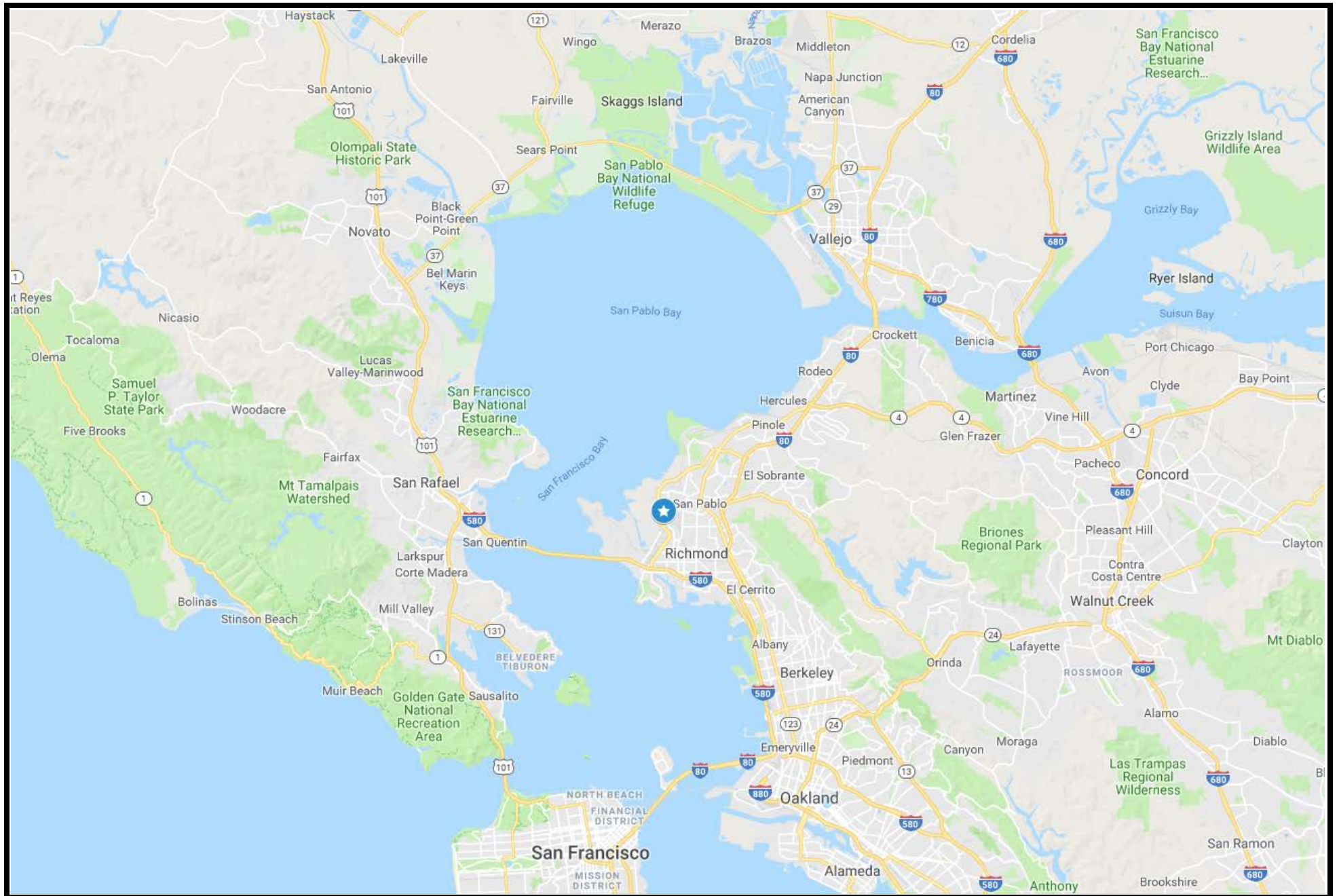
The central portion of Contra Costa County has historically been a bedroom community for workers employed in San Francisco and Alameda Counties. During the last several years, major office development has occurred in central Contra Costa County, resulting in a regional employment center stretching south along the Interstate 680 corridor from Martinez to San Ramon and on to Pleasanton in Alameda County. The communities in central Contra Costa County are largely built out and remain predominantly residential.

Contra Costa County is well served by major transportation systems. Freeways connect the area to San Francisco, Oakland and San Jose, while the former two can also be reached using the Bay Area Rapid Transit (BART) system. The California State Department of Finance most recently published estimates show a population of 1,149,363 as of January 1, 2018. This represents a 0.9 percent increase over the 2017 population figure.

Contra Costa County is also relatively affluent. As estimated by the Association of Bay Area Governments (ABAG), in their latest publication, Projections 2016 (data sourced from the most recent 2010-2014 U.S. Census Bureau), the mean household income was estimated at \$107,290 for 2014 and expected to increase. Major employment is found in management, business, science, and arts occupations, service occupations, and sales and office occupations, which together account for 84 percent of the total employment in the County.

According to the California Economic Development Department, the unemployment rate for Contra Costa County was 3.0 percent as of December 2018 (most recent available), which is a slight decrease from 3.2 percent a year prior. This is based on a labor force of 578,800 with 17,200 unemployed. According to

REGIONAL MAP



the California State Employment Development Department, the unemployment figure for the State of California for December 2018 was 4.1 percent. The unemployment rate for Contra Costa County has been lower than the average for the state and national range over the past several years.

B. City of Richmond

North Richmond is located adjacent to the City of Richmond and is situated within the City of Richmond's sphere of influence. The city of Richmond was incorporated in 1905 and has historically been industrially oriented. The city benefitted from its deep harbors, which have been used for shipping port terminals, and had one of the largest wartime shipbuilding yards during World War II. These shipyards were closed in 1945, but industrial development continued to occupy vacated shipyard buildings along the waterfront.

In general, land uses in the city are characterized by older industrial and residential neighborhoods. The location of the city resulted in its development as an industrial transportation hub. Shipping and railroad access have created extensive industrial development along the southern and western portions of Richmond. These older uses are now slowly being redeveloped to commercial, light industrial and residential uses.

The city of Richmond is situated in the western portion of Contra Costa County. As of January 1, 2018, the population of the city was estimated at 110,967 according to the California State Department of Finance. The population increased 0.8 percent from a year prior.

In terms of income and employment, Richmond reflects levels below that of Contra Costa County as a whole. As of December 2018 (most recent available) the City of Richmond had an unemployment rate of 3.4 percent, a slight decrease from 3.5 percent year over year. This is slightly higher than the Contra Costa County average of 3.0 percent. Richmond's median household income is \$57,107 according to the 2012-2016 American Community Survey, which is significantly lower than the County wide median income of \$82,881.

Richmond has the highest level of manufacturing employment in the county. There are over 300 manufacturing plants in the Richmond area. The major industry in the area is petroleum products and petrochemicals. Chevron USA and Kaiser Permanente are the major non-public employers in the area. Other significant industries are steel fabrication, shipping and warehousing. Heavy industrial and manufacturing uses remain an important component of the Richmond economy although the number of these heavy industrial uses has generally been declining over the past few decades.

The Hilltop Mall shopping center contains anchor tenants such as Macys and Sears department stores, and Wal-Mart. Although the shopping center has been struggling

given the decline in retail sales, the shopping center was recently purchased, and the owners plan to redevelop the center with a movie theater, food hall, entertainment related tenants, a supermarket, a 24-hour Fitness and multifamily residential units.

Richmond is well served by the Bay Area transportation facilities. Interstate 80 runs predominantly north-south through the eastern portion of the city. Interstate 580 extends west through Richmond and across the Richmond/San Rafael bridge. The Hoffman Expressway, connecting Interstates 580 and 80, greatly enhances access between Richmond and Marin County to the west. The Richmond Parkway connects with the Richmond/San Rafael Bridge in the southwestern part of the city. This thoroughfare connects Interstate 80 in the northern portion of the city with Interstate 580 and continues to the Richmond/San Rafael bridge near Point Richmond. The city is also served by BART rail service and the County Connection public bus service.

On January 10, 2019 the City of Richmond expanded their trans-bay transportation options by opening a ferry service between the Richmond Ferry Terminal and the San Francisco Ferry Building. The new ferry terminal is located in south Richmond, adjacent to the Richmond Marina Bay and the Harbor Channel. Transit time between Richmond and San Francisco is reportedly 35 minutes, with four runs during morning and evening commute hours. The new \$20 million-dollar terminal at Harbour Way South is proving popular with ridership exceeding expectations. The ferry terminal is also seen as a trigger for economic development as there is new housing projects underway in this area as well as planned restaurants and services.

North Richmond

The subject is located in North Richmond, which is located within unincorporated West Contra Costa County. Contra Costa County currently provides municipal government services to unincorporated North Richmond, including public works, planning, law enforcement, and fire services. North Richmond is governed by the County of Contra Costa and a community council known as the North Richmond Municipal Advisory Council.

Annexing North Richmond into the City of Richmond has been discussed in recent years, however as reported by the East Bay Times, efforts have stalled as North Richmond residents have “overwhelmingly expressed that they didn’t want the community to be incorporated by the city.” Per the article by the East Bay Times: “The chief concern among North Richmond residents was having to pay more in taxes and fees, Richmond city officials said. If the 3,717-person community were annexed, property taxes would rise \$140 per \$100,000 of a home’s assessed value. North Richmond residents would also have to pay a 1-percent higher sales tax, from the current 8.25 percent to 9.25 percent, and a utility users’ tax that would be 5 to

10 percent higher.” Consequentially, annexation efforts have been halted for the time being.

North Richmond is developed with a mix of industrial uses east of the Richmond Parkway and vacant land west of the Parkway. Residential uses are situated in the central portion between Wildcat Creek to the north, Richmond Parkway to the west and south, and the railroad tracks to the east (parallel to Rumhill Boulevard to the east). Commercial uses are located generally to the south, near Richmond Parkway and 7th Street, and west of 6th Street. There is a general lack of neighborhood serving retail in North Richmond, and the national grocery store chains are mostly located to the west in the City of San Pablo or to the South in the City of Richmond.

Overall, North Richmond is generally underserved due to its status as an unincorporated portion of Contra Costa County. The majority of the Contra Costa County vital municipal services are located twenty miles to the east in Martinez, resulting in large service gaps. Annexation into the City of Richmond was suggested as a way to provide better service to the area, however North Richmond residents recently voted against annexation due to tax and budget concerns.

Public transportation access in North Richmond is provided via two main buses that run along Third Street and a North Richmond Shuttle. Freeway access to and from Interstate 580 and Interstate 80 is good. Richmond Parkway is a major thoroughfare with two to three lanes in each direction, signalized intersections and limited access from adjoining properties.

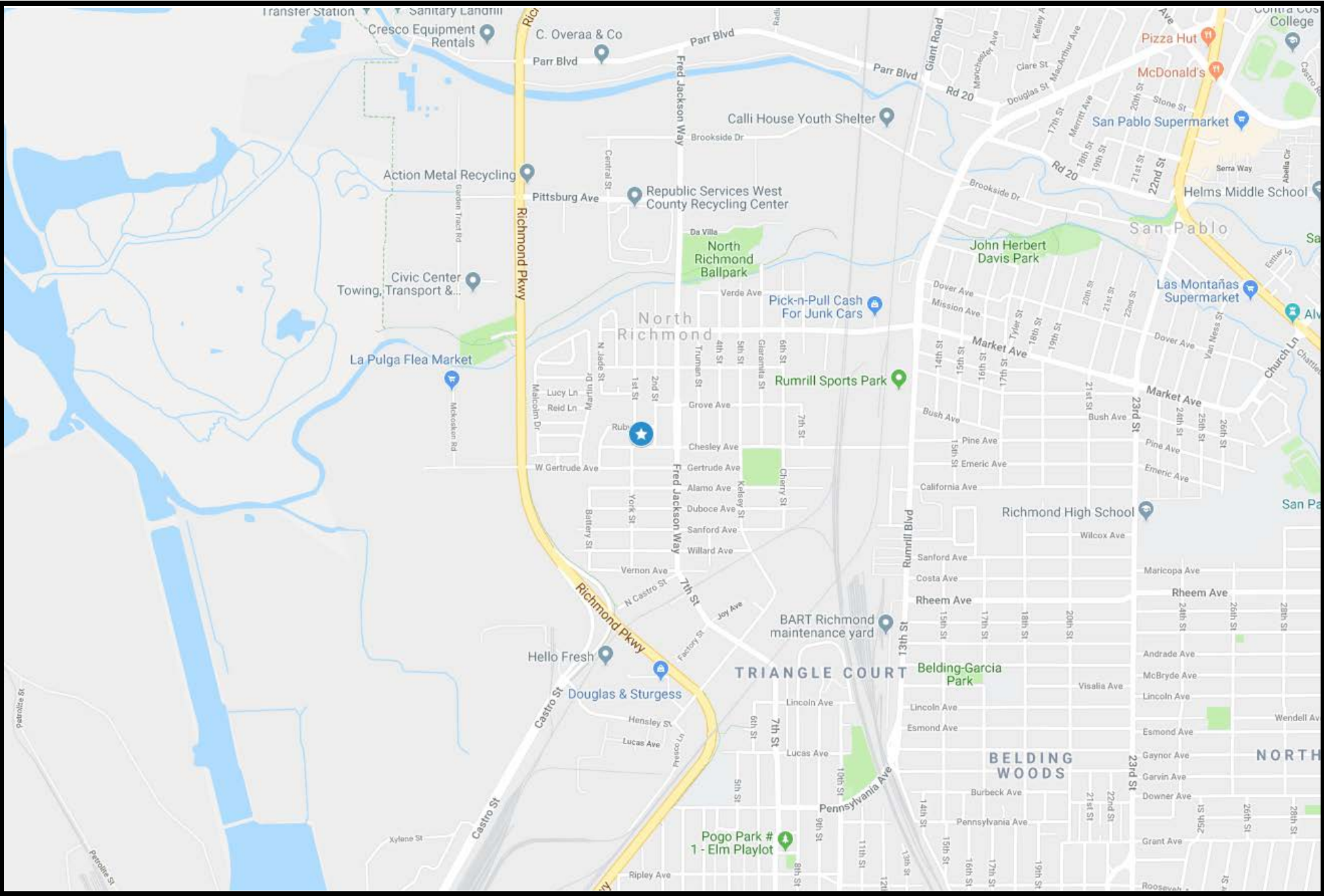
C. Neighborhood Description and Environs

The subject is part of the Las Deltas public housing project which currently contains a total of approximately 178 units. The project was originally built in the 1950s and 1960s to provide low cost rental housing and was developed with 244 units. The property is older and in poor to fair condition.

The subject property is located in an unincorporated portion of West Contra Costa County, in North Richmond. The subject neighborhood is roughly bordered by Wildcat Creek to the north, Richmond Parkway to the west and south, freight train spur tracks to the south, and Amtrak train tracks to the east (east of 7th Street). The subject neighborhood is primarily residential and comprised of single-family residences and multifamily uses. Nearby commercial uses are limited to two small neighborhood market with more commercial uses located in neighboring communities of Richmond and San Pablo.

To the north of the neighborhood is mostly vacant land that is interspersed with industrial uses such as recycling centers and towing yards. To the south of the subject neighborhood is industrial use with large warehouses. At the eastern border of the neighborhood is Annie’s Annual and Perennials nursery located off of Market Avenue to the east of 7th Street as well as other industrial buildings. To the

NEIGHBORHOOD MAP



east of the neighborhood across the train tracks is also mostly residential, with some commercial uses and grocery stores located along Rumhill Boulevard.

To the immediate west of the subject is a newer home development called Bella Flora. Homes in this development range in size from approximately 1,475 to 2,067 square feet and were built from 1990 to 2006. The average lot size of the development is approximately 2,600 to 4,000 square feet square feet. Most recently homes have sold in this development between \$550,000 and \$575,000. Based on Redfin the median list price for homes in the Bella Flora development is approximately \$566,500 or \$281 per square foot.

The subject's Walkscore (www.walkscore.com) is 43, which is a "Car Dependent", indicating that most errands require a car. It also has a Transit Score of 30 which indicates that while there is some transit, there are only a few nearby public transportation options. Walk Score uses a proprietary algorithm to measure the proximity of a property to basic services.

The outlook for the area is transitional, with older structures in the area slowly being replaced or renovated with new residential homes.

III. MARKET OVERVIEW

A. Contra Costa County Residential Market Trends

The subject property is comprised of duplexes and is located in North Richmond. As an unincorporated part of Contra Costa County, precise market statistics were limited for the subject neighborhood. However, the subject is located within the sphere of influence of the City of Richmond, and adjacent to the City of San Pablo.

The subject is located in North Richmond, in an area roughly bounded by Richmond Parkway to the west, Wildcat Creek to the North, Rumhill Boulevard to the east, and Gertrude Avenue to the south. According to data sourced from Paragon MLS, there were a total of 26 listings in the primary subject market area in 2018. Listings spent an average of 35 days on the market, with the longest time on market recorded as 210 days. Of the 26 listings, 20 homes sold. List prices ranged from \$246,000 to \$609,950 equating to an average list price of \$434,894 or a median list price of \$409,000. Sales prices ranged from \$225,000 to \$585,000. This equates to an average sales price of \$435,062 and a median sales price of \$439,000.

The above data includes sales of the homes located within the Bella Flora development, located west of Martin Drive, which was built in 1990 – 2006, and is comprised of newer, larger homes. Excluding the sales of the homes within the Bella Flora development, there have been 16 listings in the subject neighborhood in 2018. Listing prices ranged from \$246,000 to \$445,000, equating to an average list price of \$358,337 and a median list price of \$369,500. Of the 16 listings there were 11 sales, ranging from \$225,000 to \$475,000. This equates to an average sales price of \$353,437 and a median sales price of \$365,000. The sales were on the market for an average of 28 days.

In 2019, year to date, there has been one sale and one pending sale in the subject neighborhood. The pending sale is listed at \$369,000 and the sale property sold for its listing price of \$260,000.

The table below summarizes the average sales price for the subject and adjacent neighborhoods, according to market statistics provided by the Contra Costa County Association of Realtors. The subject is located in both the “Richmond – North & East” neighborhood, as well as the “Richmond North & West/Parchester” neighborhood.

Neighborhood	Single-Family			Townhouse-Condo		
	Jan 2018	Jan 2019	% Change	Jan 2018	Jan 2019	% Change
Richmond - El Sobrante	\$ 682,154	\$604,160	-12.9%	\$335,263	\$ -	N/A
Richmond - Hilltop/College	\$ 516,543	\$472,500	-9.3%	\$388,609	\$399,500	2.7%
Richmond View	\$ 714,812	\$687,250	-4.0%	\$ -	\$ -	N/A
Richmond - North & East	\$ 525,293	\$ 482,125	-9.0%	\$ -	\$ -	N/A
Richmond North & West/Parchester	\$ 406,354	\$ 433,167	6.2%	\$ 417,212	\$ -	N/A
Richmond - South	\$ 427,496	\$ 421,400	-1.4%	\$ 416,250	\$ -	N/A
Richmond - Point/Bayfront	\$ 976,193	\$ -	N/A	\$ 533,461	\$ 546,143	2.3%
Richmond - Annex	\$ 638,156	\$ 500,000	-27.6%	\$ -	\$ -	N/A
Richmond - Country Club	\$ 651,539	\$ -	N/A	\$ -	\$ -	N/A

As shown on the above table, single family home sales in the subject's CCAR neighborhood are on the low end of the range, with average sale prices ranging from \$406,000 to \$525,000.

In the Richmond North & West/Parchester neighborhood, there were a total of 21 new listings and 12 closed sales in 2018 of detached single-family houses. The average sales price was reportedly \$394,834, which is well below the Contra Costa County average. There was an average 24 days on market until sale. There were 2 total attached townhouse-condo listings in the neighborhood in 2018 with no closed sales.

The subject is far below the county average in terms of sales. The Contra Costa County Association of Realtors (CCAR) reports that there 7,047 active listings of single-family homes in Contra Costa County in 2018, and 2,243 listings of townhouses/condos. Of those listings, there were a total of 4,781 closed sales of single-family homes in 2018, as compared to 2,073 sales of townhouses/condos.

According to Zillow, the median home price in the City of Richmond is \$529,700 as of January 2019. Home values have gone up 11.3 percent over the past year and Zillow predicts they will rise 8.4 percent within the next year. The median list price per square foot in the City of Richmond is \$426. The median price of homes currently listed in the City of Richmond is \$499,000, while the median price of homes that sold is \$532,800. The median rent price in the City of Richmond is \$2,600.

Overall, relatively little product has sold in the past few years in the subject immediate neighborhood, at prices far below the metro and county averages.

B. Residential Construction Trends

The subject is located in North Richmond, in unincorporated Contra Costa County, however as stated above, it is located within the City of Richmond's sphere of influence. Historically, North Richmond area has seen limited new development

due to its peripheral location and weak demographics. While the greater East Bay market has seen spikes in demands, the subject is located in the North Richmond, which due to its longer commute has remained relatively affordable. CoStar reports that “limited demand has caused development in the [subject Richmond/Martinez] submarket to lag behind that in other parts of the East Bay.” According to CoStar, the subject’s Richmond/Martinez submarket, “marks the far northeast boundary of the East Bay Metro and comprises a mix of industrial cities and bedroom communities. The submarket lacks the wealth or urban amenities of popular neighbors to the immediate south, but recently saw its first developments since before the recession.”

The City of Richmond, however, has seen an influx of new development as a result of increasing demand for housing in the larger East Bay market. While the Richmond area has always been a peripheral location due to its distance from San Francisco and general commute difficulties, on January 10, 2019 the City of Richmond expanded their trans-bay transportation options by opening a ferry service between the Richmond Ferry Terminal and the San Francisco Ferry Building. The new ferry terminal is located in south Richmond, adjacent to the Richmond Marina Bay and the Harbor Channel. Transit time between Richmond and San Francisco is reportedly 35 minutes, with four runs during morning and evening commute hours. This is expected to draw commuters who would have otherwise shunned the hour-long vehicular commute from Richmond into San Francisco and have been priced out of other Bay Area markets.

Currently, the City of Richmond has several major projects active in their residential pipeline. There are three major projects under construction in Richmond. The NOMA project by William Lyon Homes is located at 830 Marina Way South and will contain approximately 197 townhomes and Live/Work units, as well as a 3,000 square foot business incubator, fitness center and parking. The Terraces at Nevin (located at Nevin Avenue between 21st and 23rd Streets) is a multifamily residential project of (2) six-story apartment buildings with a total of 289 units. The Waterline, located between Canal Boulevard and Seacliff Drive in southern Point Richmond, is comprised of (60) market rate two- and three-bedroom flats and townhomes.

Richmond currently has three currently approved major projects as well: the Miraflores Residential Development located in Park Plaza adjacent to East Richmond, has been approved for 190 units; the Quarry Residential Project has been approved for 200 new condos; and Latitude at 1500 Dornan Drive has been approved for 295 condos, 21 single family homes, 2,000 square feet of retail space and a 1.9 acre shoreline park. There are four other major projects currently proposed as well. The 12th and Macdonald development has been proposed for 256 units and approximately 25,000 square feet of commercial space. Marina Way South Residential Project by New West Communities has proposed 399 units and 1,800 square feet of retail space. Richmond Central is an affordable housing development

proposed for 172 below market rate apartments. The Point Molate Development is still under discussion but is expected to dramatically redevelop the 266-acre site.

There is very little current or recent development in the North Richmond neighborhood. Richmond currently has one multifamily affordable project under construction, Heritage Point Development. The \$27 million-dollar project is located at 1500 Fred Jackson Way and will consist of a four story, 42 multifamily units with approximately 4,500 square feet of commercial space. It is proposed to be completed by late 2019 and is situated across from the Community Heritage Senior Apartments. The project is being developed by Community Housing Development Corporation (CDHC) in conjunction with the Contra Costa Housing Authority.

Overall, the demand for housing in the East Bay remains strong, and the subject's submarket is expected to benefit from the overall demand as more centralized areas become more expensive.

C. Conclusion

The Contra Costa County and Richmond housing and rental market is relatively stable, with moderate gains in rents and low, relatively level vacancy rates. From a supply perspective, there are new developments in the pipeline in the greater subject market area. Demand in the greater East Bay has grown, and Richmond is expected to benefit from the overflow. However, North Richmond has limited new product coming online in the near future, and their status in unincorporated Contra Costa County has led to municipal service gaps that have discourage prospective buyers. Long term, the outlook is good that steady demand will continue for market rate housing and rental units.

IV. PROPERTY DATA AND ANALYSIS

A. Site Description

The subject property consists of 5 contiguous parcels that are part of the Las Deltas Family Project in North Richmond. The subject parcels are situated on the blocks bounded by North Jade Street to the west, Warren Drive/Wildcat Creek to the north, Harrold Street/Warren Drive to the east and Silver Avenue to the south. The Subject Identification Table on the following page lists the subject properties and notes the lot area, the condition of the existing improvements on the parcel, street address and unit identification number as well as the comments.

The subject lots range in size from 22,608 to 74,488 square feet, or from 0.52 to 1.71 acres. Parcels 1, 3 and 4 are generally regular in shape, while Parcel 2 is comprised in an irregular “U” shape with an abutment in the upper northeast portion. Parcel 2 is located immediately south of Wildcat Creek. Parcel 5 is bounded by Warren Drive on three sides, and Market Avenue to the south. The topography of the parcels is generally level. The parcels are divided by North Jade Street, Warren Drive, Market Avenue, Harrold Street and Silver Avenue. The streets are improved with sidewalks, curbs and gutters. All utilities are available to the sites.

The immediate environs include vacant lots as well as poor to fair quality single family homes and duplexes. Many of the units are under the same ownership as the subject property. Other homes are privately owned and there are several churches in the area. Uses east of Seventh Street are typically industrial.

B. Environmental Observations

An environmental assessment of the subject property was not provided. Upon inspection of the subject property, the appraisers did not observe any evidence of toxic contamination on the property. This appraisal assumes that the site and improvements are free of toxic contaminants. The reader is referred to the limiting condition to this effect in chapter one of this report.

C. Flood Zone and Seismic Information

According to Flood Map 06013C0228G, dated September 30, 2015, the subject is located in Flood Zone X, an area that is determined to be outside the 100- and 500-year floodplains.

The subject property is not located in the Alquist Priolo zone. According to governmental geological evaluations, the entire San Francisco Bay Area is located in a seismic zone. No active faults are known to exist on the subject property. Inasmuch as similar seismic conditions generally affect competitive properties, no adverse impact on the subject property is considered.

SUBJECT IDENTIFICATION TABLE
Appraisal of 5 Parcels within the Las Deltas Family Project
CA009A - Annex 1
North Richmond, California

#	APN Number	Address	Unit Number	Parcel Size (SF) 1	General Plan	Zoning	Existing Condition	Unit Size (SF)	Unit Type Total Bldg SF	Comments
1	409-210-025-6	526 Silver Avenue 1721 N Jade Street 1735 N Jade Street 1745 N Jade Street 1755 N Jade Street 1765 N Jade Street 1775 N Jade Street 20 Market Avenue	526 527 528 529 530 531 532 533	27,878	ML ML ML ML ML ML ML ML	P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1	3BD/1.5 BA-Boarded Up 4BD/1.5 BA- Boarded Up 3BD/1.5 BA- Boarded Up 3BD/1.5 BA-Boarded Up 3BD/1.5 BA- Occupied 3BD/1.5 BA- Boarded Up 3BD/1.5 BA- Boarded Up 3BD/1.5 BA-Boarded Up	935 1,155 935 935 935 935 935 935	Duplex 2,090 Duplex 1,870 Duplex 1,870 Duplex 1,870	West side of Jade Street between Market and Silver Avenues 4- Duplexes 7,700 SF of bldg area
2	409-210-026-4	20 Market Avenue 1815 Warren Drive 1821 Warren Drive 1823 Warren Drive 1827 Warren Drive 1829 Warren Drive 1833 Warren Drive 1835 Warren Drive 1839 Warren Drive 1841 Warren Drive 1845 Warren Drive 1847 Warren Drive 1851 Warren Drive 1853 Warren Drive 1857 Warren Drive 1859 Warren Drive 1863 Warren Drive 1865 Warren Drive 1869 Warren Drive 51 Market Avenue	534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553	74,488	ML ML ML ML ML ML ML ML ML ML ML ML ML ML ML ML ML ML ML ML	P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1	2BD/1 BA- Boarded Up 2BD/1 BA- Boarded Up 1BD/1BA- Boarded Up 1BD/1BA- Boarded Up 1BD/1BA- Boarded Up 1BD/1BA- Boarded Up 1BD/1BA- Boarded up 1BD/1BA-Boarded Up 1BD/1BA- Boarded Up 1BD/1BA- Boarded Up 1BD/1BA- Boarded Up 1BD/1BA-Boarded Up 1BD/1BA- Boarded Up 1BD/1BA- Boarded Up 1BD/1BA- Boarded Up 1BD/1BA- Boarded Up 1BD/1BA-Boarded Up 2BD/1 BA-Boarded Up 2BD/1 BA- Boarded Up 2BD/1 BA- Boarded Up	770 770 578 578 578 578 578 578 578 578 578 578 578 578 578 578 578 578 770 770 770	Duplex 1,540 Duplex 1,156 Duplex 1,156 Duplex 1,156 Duplex 1,156 Duplex 1,156 Duplex 1,156 Duplex 1,156 Duplex 1,156 Duplex 1,348 Duplex 1,540	Warren Drive 10 Duplexes 12,520 SF of bldg area
3	409-210-020-7	50 Market Avenue 1768 Harrold Street 1758 Harrold Street 1748 Harrold Street 1738 Harrold Street 1728 Harrold Street 1714 Harrold Street 51 Silver Avenue	554 555 556 557 558 559 560 561	28,750	ML ML ML ML ML ML ML ML	P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1	4BD/1.5 BA - Boarded Up 3BD/1.5 BA - Boarded Up 3BD/1.5 BA - Boarded Up 3BD/1.5 BA -Boarded Up 4BD/1.5 BA - Boarded Up 3BD/1.5 BA - Boarded Up 2BD/1BA - Boarded Up 1BD/1BA-Boarded Up	1,155 935 935 935 1,155 935 770 578	Duplex 2,090 Duplex 1,870 Duplex 2,090 Duplex 1,348	East Side of Harold Street between Market and Silver Avenues 4 Duplexes 7,398 SF of bldg area
4	409-210-021-5	41 Silver Street 1719 Harrold Street 1733 Harrold Street 1743 Harrold Street 1753 Harrold Street 1763 Harrold Street 1773 Harrold Street 40 Market Avenue 30 Market Avenue 1772 Jade Street 1762 N Jade Street 1752 N Jade Street 1742 N Jade Street 1732 N Jade Street 1722 N Jade Street 33 Silver Avenue	562 563 564 565 566 567 568 569 576 577 578 579 580 581 582 583	59,677	ML ML ML ML ML ML ML ML ML ML ML ML ML ML ML ML	P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1 P-1	3BD/1.5 BA - Boarded Up 4BD/1.5 BA - Boarded Up 4BD/1.5 BA - Boarded Up 4BD/1.5 BA -Boarded Up 2BD/1BA- Boarded Up 2BD/1BA- Boarded Up 2BD/1BA- Boarded Up 3BD/1.5 BA -Boarded Up 3BD/1.5 BA - Boarded Up 4BD/1.5 BA - Boarded Up 4BD/1.5 BA - Boarded Up 3BD/1.5 BA - Boarded Up 3BD/1.5 BA - Boarded up 3BD/1.5 BA- Boarded Up 2BD/1BA- Boarded Up 3BD/1.5 BA- Boarded Up	935 1,155 1,155 1,155 770 770 770 935 935 1,155 1,155 935 935 935 770 935	Duplex 2,090 Duplex 2,310 Duplex 1,540 Duplex 1,705 Duplex 2,090 Duplex 2,090 Duplex 1,870 Duplex 1,705	Block bounded by Market and Silver Avenues and Harrold and Jade Streets 8 Duplexes 15,400 SF of bldg area
5	409-210-011-6	41 Market Avenue 1868 Warren Drive 1836 Warren Drive 1832 Warren Drive 1814 Warren Drive 31 Market Avenue	570 571 572 573 574 575	22,608	ML ML ML ML ML ML	P-1 P-1 P-1 P-1 P-1 P-1	2BD/1BA- Boarded Up 2BD/1BA- Boarded Up 2BD/1BA- Boarded Up 2BD/1BA- Boarded Up 2BD/1BA- Boarded Up 2BD/1BA- Boarded Up	770 770 770 770 770 770	Duplex 1,540 Duplex 1,540 Duplex 1,540	Block bounded by Warren Drive and Market Avenue 3 Duplexes Fire Damaged 4,620 SF of bldg area

213,401 SF
4.90 Acres

1) Site area based on public records.

Property 9A

BR Size	BD Count	SF	Total SF
1	16	578	9,248
2	16	770	12,320
3	18	935	16,830
4	8	1,155	9,240
4- SF	0	1,155	0
	58		47,638

29 Duplexes

D. Zoning Designation

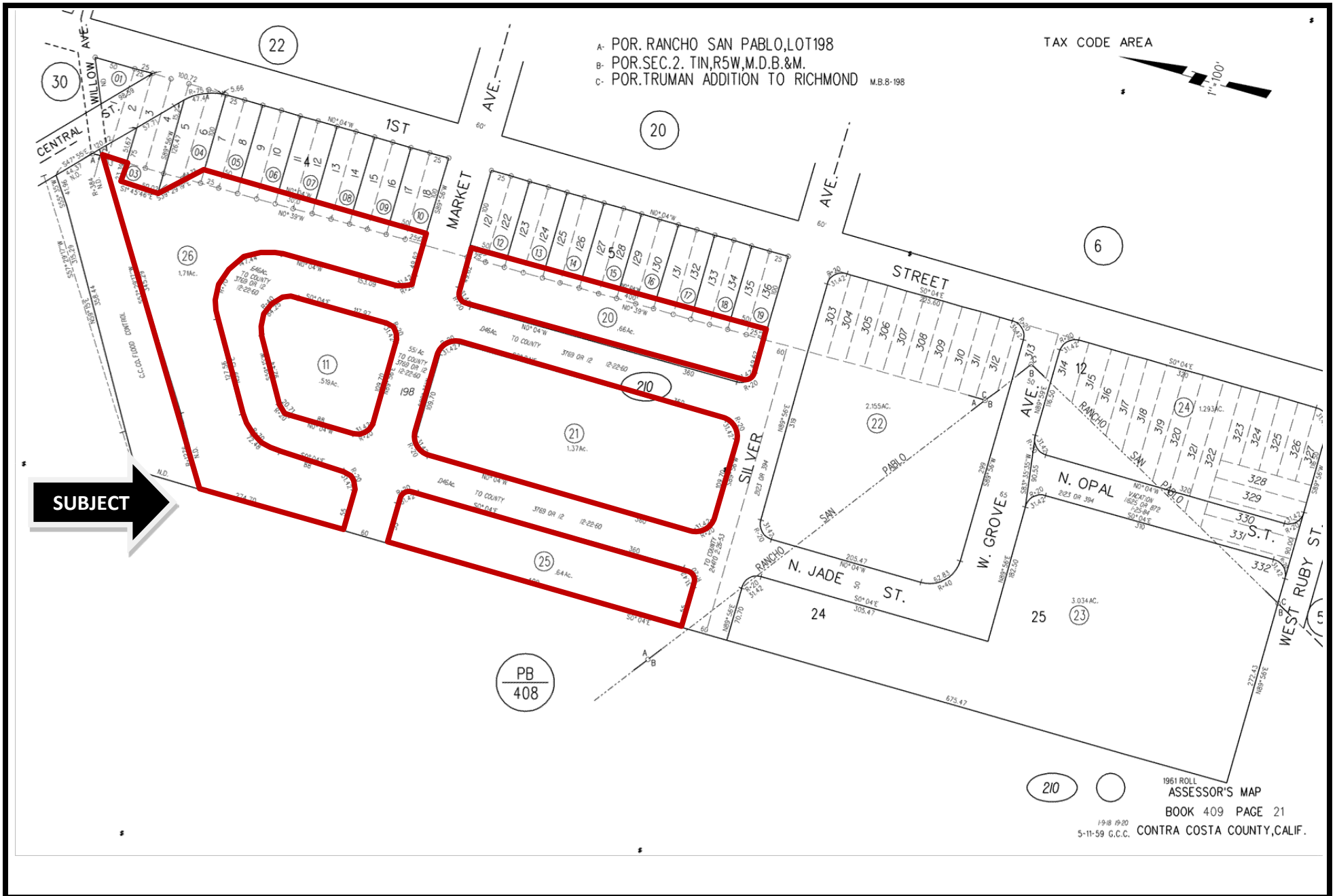
The subject properties are located in Contra Costa County within the North Richmond Redevelopment Area and although the Redevelopment Agency has been dissolved, the guidelines are still applicable. The subject property has a General Plan land use designation of Multiple Family Residential Low Density, (ML). The General Plan land use designation allows between 7.3 to 11.9 units per net acre. The minimum lot size is 10,000 square feet. Primary land uses include attached single-family residences such as duplexes or duets, multiple family residential such as condominiums, apartments, mobile home parks. Secondary land uses allowed include churches, small residential care and child care facilities.

The subject has a zoning designation of Planned Unit District (P-1) within the North Richmond Area. This zoning designation is meant to provide *“a large-scale integrated development or a general plan special area of concern provides an opportunity for, and requires cohesive design when flexible regulations are applied; whereas the application of conventional regulation, designed primarily for individual lot development, to a large-scale development or special area may create a monotonous and inappropriate neighborhood. The planned unit district is intended to allow diversification in the relationship of various uses, buildings, structures, lot sizes and open space while insuring substantial compliance with the general plan and the intent of the county code in requiring adequate standards necessary to satisfy the requirements of the public health, safety and general welfare. These standards shall be observed without unduly inhibiting the advantages of large-scale site or special area planning.”*

This zoning district allows the following permitted uses; a) any land uses with final plan approval for development which are in harmony, serve to fulfill the function of the development, and consistent with the General Plan; b) detached single-family dwelling on each legally established lot with the accessory structures and uses normally auxiliary to it. Allowed uses also include duplexes, secondary units, and child care for less than 12 children. Based on the North Richmond Redevelopment Plan area development guidelines, single family lots require a minimum of 4,500 square feet, a duplex requires 7,000 square feet and a multi-family project requires a minimum lot area of 10,000 square feet. The maximum building height is 30 feet or two stories.

Interim uses are also allowed under this zoning designation where no preliminary development plan is approved. These include any nonconforming use existing at the time of the establishment of the P-1 District which may be repaired, rebuilt, or enlarged. Administrative use permits can also be granted. The subject property is currently zoned P-1 and has a General Plan of Multiple Family Residential Low Density. Any planned development would need to be reviewed by the County Planning Department and a Development Permit is required for residential

PARCEL MAP



construction over three units. The subject parcels currently appear to be legally conforming uses.

E. Easements and Restrictions

The appraisers were not provided with a preliminary title report for the subject property. Inspection of the property and review of the parcel maps indicated that there are several public utility easements affecting the subject parcels, which is common for this type of property. None of the noted easements or restrictions appear to adversely impact the utility or marketability of the subject property.

The subject property is currently owned by the Housing Authority of Contra Costa County. The subject is potentially affected by regulatory agreements recorded on the site which restrict the development and/or use. This appraisal assumes that there are no rent restrictions encumbering the subject property.

F. Ownership and Sales History

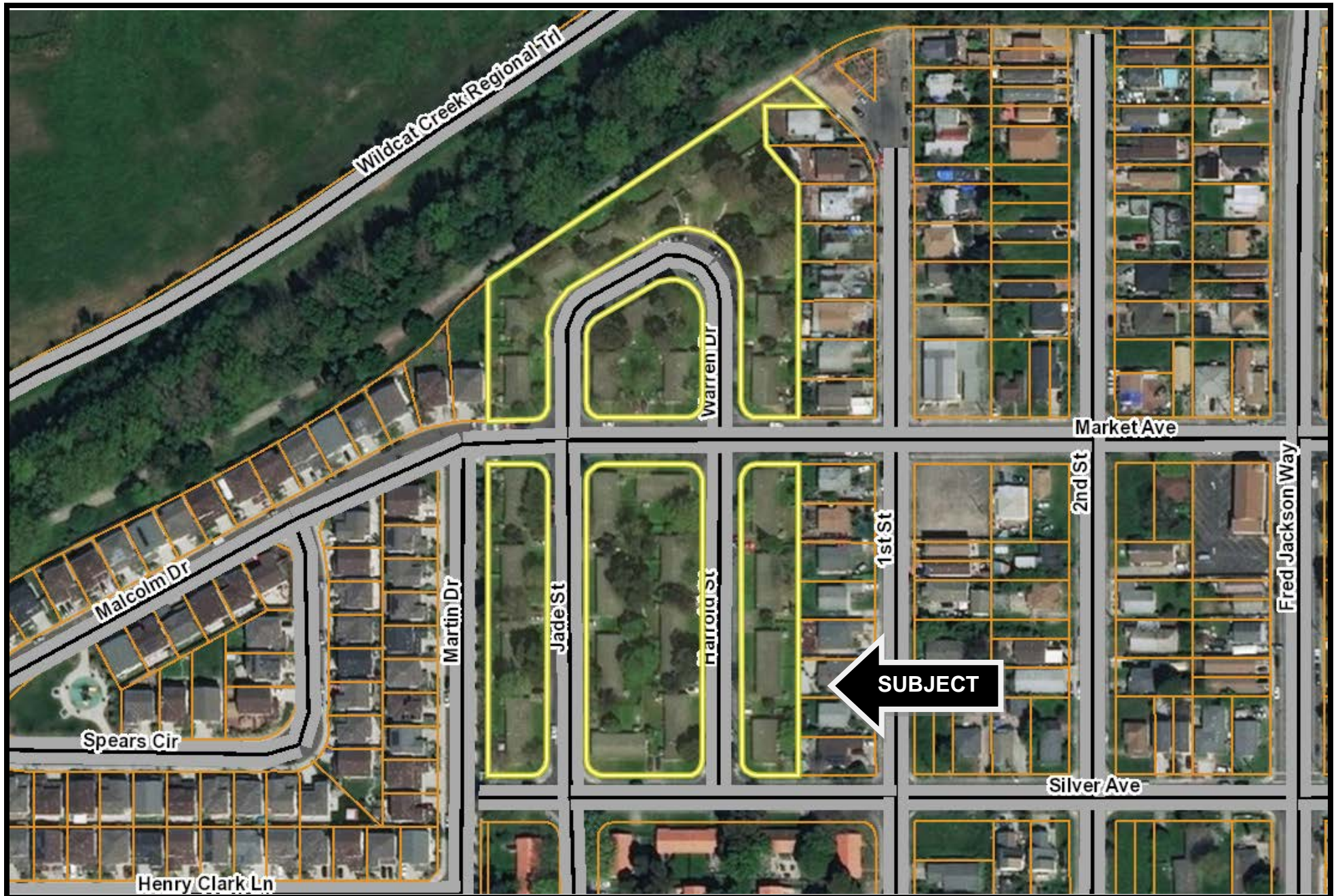
The appraisers were not provided with title reports for the subject parcels. According to public records, title to the subject property is currently vested in Contra Costa County Housing Authority. There have been no transfers of ownership in the past several decades.

G. Assessed Valuation and Real Estate Taxes

Under California property tax laws instituted by the passage of Proposition 13, property taxes can only be increased a maximum of two percent annually unless a property is sold, or additional value is added through new construction or alteration. Upon sale, property is taxed on the basis of one percent of the reassessed value, most often equal to the purchase price, plus existing bond indebtedness. The tax rate for the subject tax rate area for the 2018-2019 fiscal year is reportedly 1.2591 percent. The tax rate is broken down as follows:

CONTRA COSTA COUNTY 2018-2019 DETAIL OF TAX RATES						
TAX RATE AREA	TRA RATE	DESCRIPTION	SPECIAL RATE	DISTRICT RATE	GROUP RATE	TRA RATE
85075	1.2591	COUNTYWIDE TAX		1.0000	1.0000	
		BART		0.0052		
		BART BOND 2016		0.0018		
		BART			0.0070	
		EAST BAY REG PK BD		0.0021	0.0021	
		WEST CC UNIF BD 98		0.0047	0.0047	
		WCC UNIF BOND 2000		0.0183		
		WCCUSD 2002 BOND		0.0600		
		WCC UNIF BOND 2005		0.0600		
		WCCUSD 2010 BOND		0.0480		
		WEST CONTRA COSTA UNIF			0.2390	
		WCCUSD 2012 BOND		0.0480	0.0480	
		COMM COLL 2002 BND		0.0030		
		COMM COLL 2006 BND		0.0065		
		COMM COLL 2014 BND		0.0015		
		COMMUNITY COLLEGE			0.0110	1.2591

AERIAL MAP



For the current 2018-2019 tax year, the subject parcels have total assessed values and property taxes as follows:

	Subject	Land	Improvements	Tax Rate	Gross Value	Special	Total
1	409-210-025-6	\$ 34,443	\$ 127,618	0%	\$ 162,061	\$ 8,534	\$ 8,534
2	409-210-026-4	\$ 86,161	\$ 232,691	0%	\$ 318,852	\$ 9,036	\$ 9,036
3	409-210-020-7	\$ 34,443	\$ 123,654	0%	\$ 158,097	\$ 8,534	\$ 8,534
4	409-210-021-5	\$ 68,919	\$ 256,836	0%	\$ 325,755	\$ 8,534	\$ 8,534
5	409-210-011-6	\$ 25,816	\$ 81,417	0%	\$ 107,233	\$ 8,534	\$ 8,534
TOTAL		\$ 249,782	\$ 822,216		\$ 1,071,998	\$ 43,172	\$ 43,172

Source: Contra Costa County Tax Collector

The subject property has received an exemption for 99% of the total assessed value of the land and improvements from ad valorem taxes due to the non-profit management/ownership of the subject. However, the special assessments are not exempt and total \$43,172. The special assessments include West County Wastewater District Sewer Charges. According to the County Tax Collector, as of the date of this appraisal, all taxes due have been paid in full.

H. Description of Existing Improvements

The subject consists of 5 contiguous parcels and is improved with 29 duplexes, or 58 units. The subject dwelling units are of wood frame construction on concrete slabs with stucco exteriors. The units have gas wall heaters, and the windows are single pane aluminum frame. The interior finishes of the units consist of vinyl flooring and drywall. The one-bedroom units contain 578 square feet. The two-bedroom units contain approximately 770 square feet, the three-bedroom units have 935 square feet and the four-bedroom units consist of 1,155 square feet. The units have a dryer connection and a connection for a washing machine in the kitchen area. The roofing is tar and gravel. The duplexes have a concrete driveway for parking one vehicle at each unit. The duplexes have rear yard with cyclone fencing and a concrete patio.

The existing condition of the units are noted on the Subject Identification Table on the preceding page. The subject units were built in 1959 and are generally in very poor condition. The majority of the units are currently boarded-up and uninhabitable. Many of the units have been gutted. Of the 58 units, approximately one unit is currently occupied, and the other 57 units are vacant.

Many of the units have been vandalized with copper piping and wiring removed. Most of the water heaters appear to have been damaged and some water damage observed from broken pipes. Walls have been damaged and in some cases the ceiling has been partially opened. The vacant units are typically boarded-up to prevent squatters or additional damage. The front and rear doors have been removed by VPS (the vacant property security system). Several of the units have been damaged by fire.

SUBJECT PHOTOGRAPHS



1832 Warren Drive



1829 Seventh Street



1714 Harrold Street



1835 Warren Drive

SUBJECT PHOTOGRAPHS



1827 Warren Drive



1815 Warren Drive



20 Market Avenue



40 Market Avenue

SUBJECT PHOTOGRAPHS



1763 Harrold Street



1719 Harrold Street

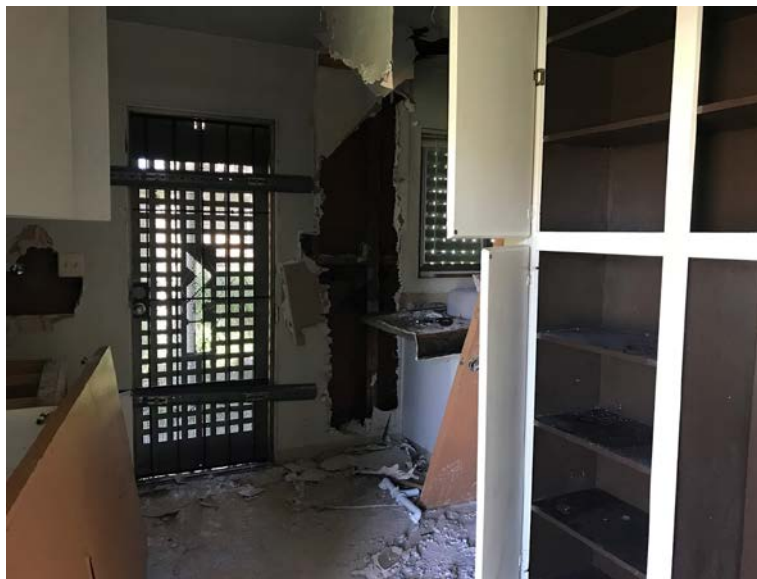


1733 Harrold Street



1722 North Jade Street

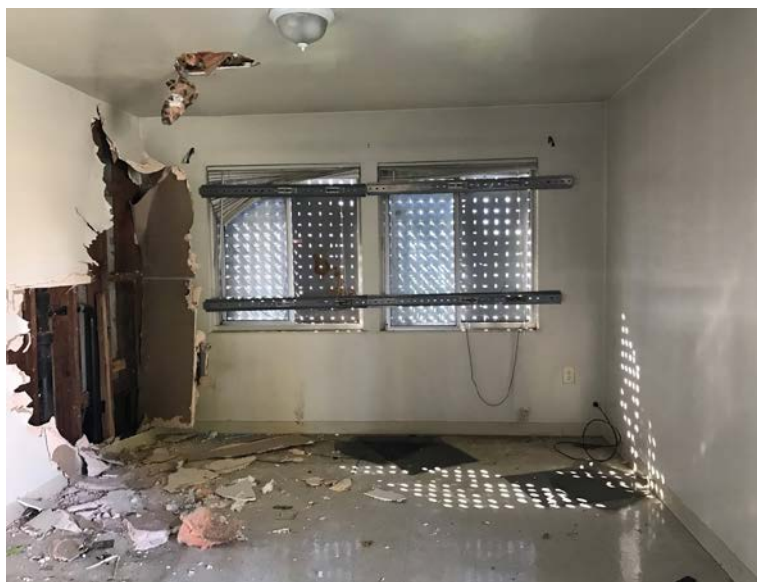
SUBJECT PHOTOGRAPHS



1722 N Jade Street Interior



1722 N Jade Street Interior



1722 N Jade Street Interior



1722 N Jade Street Interior

SUBJECT PHOTOGRAPHS



1853 Warren Drive

Estimated Costs of Renovation

The majority of the units are currently boarded-up and uninhabitable. The vacant units are typically boarded-up to prevent squatters or additional damage. However, in many cases the units have been broken into and there has been additional damage. Essentially the units will need to be completely gutted and renovated to become occupiable. In 2014 the subject property representative indicated that the costs to repair vacant units ranged from \$25,000 to \$90,000 depending of the level of renovation needed and if there was structural damage. These costs have only increased over the past five years.

The appraiser acknowledges that the costs to renovate a residential unit can vary greatly depending on the type of buyer such as an owner user, institutional or speculator, as well as the ultimate scope of the renovation. According to EMG which completed a Physical Needs Assessment for a portion of Las Deltas, on December 2018, the estimated base cost for the renovation of the residential units was approximately \$120,000 per unit. Including contractor fees of 15 percent, the cost is approximately \$138,000 per unit. These costs did not include roof replacement, parking upgrades or ADA installations.

Discussions with broker in the market area indicated that the costs to gut renovate a red tagged single family home in San Pablo was estimated by a contractor at a cost of \$140,000. The home contained 1,100 square feet and had two bathrooms. Other information provided to the appraiser by contractors indicated costs in the range of \$100,000 to \$120,000 per unit based on two bathrooms and an average three-bedroom unit of approximately 1,000 square feet.

The subject contains approximately 47,638 square feet of improvements, with an average unit size of 821 square feet. Based on our research as well as discussions with brokers and other active participants in the real estate market, a benchmark renovation cost of \$120 per square foot is concluded. This cost is applied to all of the units at the subject as they all require renovation.

I. Conformance to American Disabilities Act (ADA)

An ADA compliance survey was not provided for review, nor was one performed by the appraiser. The reader is directed to the limiting condition in Chapter I of this report, which states that any effect on value of potential ADA noncompliance has not been considered in this appraisal.

V. HIGHEST AND BEST USE AND VALUATION METHODOLOGY

A. Highest and Best Use

The highest and best use is that use, from among reasonably probable and legal alternative uses, found to be legally permissible, physically possible, financially feasible, and which results in the highest land value.

The four criteria the highest and best use must meet are physical possibility, legal permissibility, financial feasibility, and maximum productivity. Analysis of the subject's highest and best use is made as if the site were vacant, and as improved with the existing improvements.

1. *As-If Vacant*

a) *Physically Possible*

The subject neighborhood contains primarily residential structures as well as vacant lots. The subject consists of 5 contiguous parcels that range from 22,608 to 74,488 square feet. The site sizes are sufficient to support a variety of residential development. Overall, physical characteristics do not limit the highest and best use of the subject site.

b) *Legally Permissible*

The subject properties have a General Plan designation of Multiple Family Residential- Low Density (ML) and are zoned Planned Unit (P-1). Duplexes or attached residential or apartment uses are the primary zoning for the subject properties with secondary uses allowed of residential care and child care facilities as well as churches. Based on the legal parameters, with consideration given to conformance with the surrounding neighborhood, the highest and best use of the subject property, as if vacant, appears to be low density multifamily residential development.

c) *Financially Feasible*

The subject sites are located in a weak residential market area in the unincorporated area of North Richmond, Contra Costa County. Market conditions currently support speculative development for the subject sites. This is supported by an adjacent residential development that was built over the past 10 years. The maximum productive use is that use, from among financially feasible uses, that provides the highest rate of return or value. Therefore, the highest

and best use of the subject sites as-if vacant, is considered to be for residential development.

d) *Maximally Productive/Highest and Best Use Conclusion*

Overall, based on these factors, the highest and best use of the subject sites as-if vacant would be for the construction of a new residential development consistent with the subject's zoning.

2. *As-Improved*

The subject properties consist of poor quality residential duplex units that were built in the 1960s. Almost all of the subject units are vacant and most have been vandalized. As is demonstrated in the valuation chapter, given the age, condition, and quality of the units, as well as the cost to repair the improvements, the existing vacant improvements are considered to have lower value than the land and should be demolished.

The subject lots are relatively large in size and are contiguous. It is likely that the property would appeal to a developer and could be redeveloped to form a new residential subdivision. Based on these factors the highest and best use is to demolish the existing improvements and redevelop the property with a residential project.

B. *Valuation Methodology*

The valuation of any parcel of real estate is derived principally through three approaches to the market value. From the indications of these analyses, and the weight accorded to each, an opinion of value is reached. Each approach is more particularly described below.

1. *Cost Approach*

This approach is the summation of the estimated value of the land, as if vacant, and the reproduction or replacement cost of the improvements. From these are deducted the appraiser's estimate of physical deterioration, functional obsolescence, and economic obsolescence, as observed during inspection of the property and its environs. The Cost Approach is based on the premise that, except under the most unusual circumstances, the value of a property cannot be greater than the cost of constructing a similar building on a comparable site.

2. *Sales Comparison Approach*

This approach is based on the principal of substitution, i.e., the value of a property is governed by the prices generally obtained for similar properties.

In analyzing the market data, it is essential that the sale prices be reduced to common denominators to relate the degree of comparability to the property under appraisal. The difficulty in this approach is that two properties are never exactly alike.

3. *Income Approach*

An investment property is typically valued in proportion to its ability to produce income. Hence the Income Approach involves an analysis of the property in terms of its ability to provide a net annual income. This estimated income is then capitalized at a market-oriented rate commensurate with the risks inherent in ownership of the property, relative to the rate of return offered by other investments.

The Sales Comparison approach is used in estimating the market value of the subject as land and as improved. A deduction is made for the repair or demolition costs to derive an as-is market value. The Cost Approach is not used, because purchasers in the subject marketplace do not give weight to this approach.

The following chapters further discuss the methodologies used in valuing the subject property.

VI. VALUATION BY THE SALES COMPARISON APPROACH

The approach utilized in estimating the current market value of the subject properties is the Sales Comparison Approach. In this analysis, value is estimated by comparing the subject to similar land sites which have transferred prior to the effective date of appraisal. The index properties show characteristics which are similar to the property being appraised. The Comparable Sales Table is on the following page.

Those transactions which are considered appropriate to indexing the value of the subject parcels are summarized on the table. The prices paid for the comparable properties are shown on an absolute basis and on a price per square foot basis, which is the most common unit value used for land. In valuing the subject site, adjustments are made as necessary to each comparable for location, accessibility, functional utility, date of sale, terms of sale, and size.

For valuing the existing improvements, the prices paid for the comparables is shown on an absolute basis and per unit basis. Adjustments are made for location, age, condition, quality and size.

A. Presentation and Analysis of Comparable Land Sales

The five subject parcels are relatively large and contain between 0.52 and 1.71 acres. No sales data was available for larger parcels in northern Richmond and our search was expanded to include other market areas somewhat similar to the subject property. The table on the following page show land sales in other parts of Richmond as well as listings in Vallejo and Pittsburg for multifamily land.

Land Sales 1 and 2 pertain to recent sales of entitled land in the Hilltop neighborhood and Marina Bay neighborhood of Richmond. The comparables were purchased for \$37 per square foot. Both properties are superior to the subject in terms of location and both have a higher density. In addition, both comparables are located in the City of Richmond which has superior city services. A lower price per square foot is indicated.

Land Sale 3 is an older sale of property located at 2200 Nevin Avenue in Richmond. The property consists of two parcels which are separated by 22nd Street. At the time of sale, the property was proposed for a 289 unit below market rate residential development. The property was purchased for \$24 per square foot including demolition costs. Although this is an older sale which warrants an upward adjustment for current stronger market conditions, the comparable has a superior location in the City of Richmond and a significantly higher density. The comparable supports a lower unit value for the subject parcels.

Land Sales 4 and 5 pertain to listings of properties in Vallejo and Pittsburg. Land Sale 4 is listed for sale at \$11 per square foot. This property is located on a sloping hillside and will require additional costs for site work. Land Sale 5 is listed for sale at \$21 per square foot and is a higher density site in Pittsburg. Given that this is an

COMPARABLE RESIDENTIAL SALES
Appraisal of 5 Parcels within the Las Deltas Family Project
CA009A - Annex 1
North Richmond, California

#	Location / APN	Sale Date	Sale Price	Size SF/Acre	Price Per SF of Land	Zoning/ Units Allowed/Proposed Density	Comments	Grantor/ Grantee (Document#)
<u>Land Sales</u>								
1a	3151 Garrity Way Richmond APN: 405-290-069	7/18	\$3,500,000 Entitled	95,396 SF 2.19 AC	\$37	CR - City of Richmond 98 Units 45 Du/Acre	Located at Hilltop neighborhood Proposed for apt units. Vacant Land	Home Sweet Home LLC/ Zhangs Management Group LLC #107514
1b	3151 Garrity Way	Listing	\$4,800,000 Entitled		\$50			
2	830 Marina Way South Richmond APN: 560-190-007-8	11/17	\$16,250,000 Entitled	436,035 SF 10.01 AC	\$37	PA - City of Richmond 197 Units 20 Du/Acre	Former Industrial Site Proposed for apt units. Vacant Land	Development Solutions Seascape/ William Lyon Hms Inc. #214851
3	2200 Nevin Avenue Richmond APN: 514-090-018-3, 514-080-013	4/15	\$1,690,000 \$93,750 \$1,783,750 Unentitled	74,813 SF 1.72 AC (1)	\$23 \$24	MFR-3/C-2 - City of Richmond 289 Units 168 Du/Acre	Proposed for affordable housing	Adams Carl Trust/ Affordable Housing Land Consultants #300640
4	Tennessee Street & Avian Drive Vallejo APNs: 0069-430-010, various	Listing	\$1,400,000 Entitled	121,968 SF 2.80 AC	\$11	PDR - City of Vallejo 28 Units 10 Du/Acre	Sloping hillside site	G Annas & Fatemeh Maroofi/ NA
5	505 W. 10th Street Pittsburg APNs: 082-260-009, -012, -044, 243-001, -002 and -178	Listing	\$2,200,000 Entitled	102,797 SF 2.36 AC	\$21	M - City of Pittsburg 54 Units 23 Du/Acre	Vacant land mixed-Use development	Amerasla Real Estate Fund LLC/ NA

asking price and not a closed sale, and has a higher proposed density, a lower unit value is warranted for the subject sites.

Based on the comparable land sales, and considering the location, density, size, utility, approval status, and market conditions, a unit value between \$18 and \$20 per square foot is estimated for the subject parcels as if vacant. A per square foot value of \$20 is concluded for the smaller subject parcels of approximately 22,608 to 28,750 square feet as if vacant. For the larger parcels of 59,677 and 74,488 square feet a unit value of \$18 per square foot is concluded as if vacant.

B. Presentation and Analysis of Multiplex Unit Sales

Comparables 6 through 11 are sales of improved multiplex residential properties in North Richmond, Richmond and San Pablo. The comparables consist of 8 to 18-unit properties. The sale prices are between \$875,000 to \$2,650,000, or from \$108,333 to \$147,222 per unit.

The subject contains parcels with 3 to 10 duplexes or between 6 and 20 units. Based on the subject size and location, a per unit value of \$145,000 is concluded for Subject Parcel Numbers 1, 3 and 5 with 6 to 8 units or 3 to 4 duplexes. This value assumes the units are in habitable condition.

The Subject Parcel Number 4 is a large parcel with 8 duplexes or 16 units. Given the larger size of the property a unit value of \$120,000 is concluded. Subject Parcel Number 2 contains 20 units or 10 duplexes, and a unit value of \$110,000 per unit is concluded. Again, this value assumes the units are in habitable condition.

C. Deduction for Renovation/Demolition Costs

All but one of the subject units are not occupied and have been boarded up. The units are in poor condition and the costs to repair the units was previously estimated at approximately \$120 per square foot, based our discussions with brokers and real estate representatives. The renovation cost is deducted from the concluded value of the improved properties as if habitable to derive an as-is value in the current uninhabitable condition.

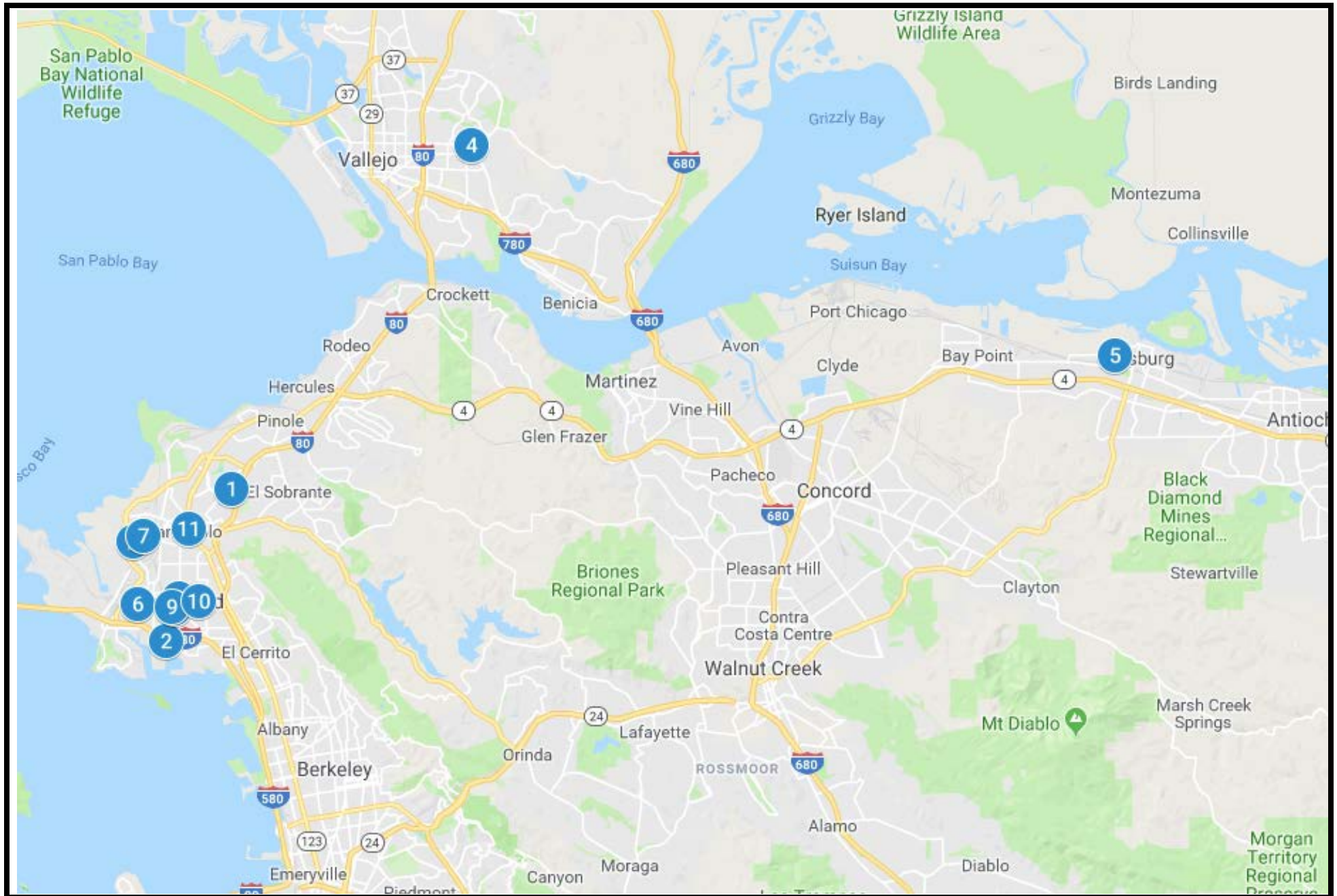
Further, in order to estimate only land value, the cost to demolish the improvements is based on Marshall Valuation Service and is estimated at approximately \$10.00 per square foot. This is equal to approximately \$16,500 per duplex. This cost includes asbestos and lead abatement as well as remediation costs. These costs are utilized in the analysis and are deducted from the value conclusions to derive an as-is value as land.

COMPARABLE RESIDENTIAL SALES
 Appraisal of 5 Parcels within the Las Deltas Family Project
 CA009A - Annex 1
 North Richmond, California

#	Location / APN	Sale Date	Sale Price	Size SF/Acre	Price Per SF of Land	Zoning/ Units Allowed/Proposed Density	Comments	Grantor/ Grantee (Document#)
<i>Multifamily Unit Sales</i>								
6	203 Bissell Avenue Richmond APN: 538-190-021-5	7/18	\$875,000	3,932 SF Bldg. 0.08 AC 3,655 SF	\$109,375 Per Unit \$223	RM2 - City of Richmond 4 - Studio, 4 - 1BD/1BA 492	8 Unit Blt in 1908 Poor Condition	Eustolia P De Fregoso/ Hamilton, B/ Wu S H F #0112249
7	417 Verde Avenue North Richmond APN: 409-262-010-5	6/18	\$1,100,000	5,410 SF Bldg. 0.24 AC 10,500 SF	\$137,500 Per Unit \$203	P1 - Contra Costa County 4 - 3BD/1BA, 4 - 2BD/1BA 676	8 Unit Blt in 1957 Fair Condition	Verde Ave, LLC/ JWT Capital Holding Group One,LLC #202656
8	2023 Chanslor Avenue Richmond APN: 540-190-009-6	3/18	\$1,130,000	6,264 SF Bldg. 0.19 AC 8,276 SF	\$141,250 Per Unit \$180	R-3 - City of Richmond 8 - 2BD/1BA 783	8 Unit Blt in 1964 Average Condition	Tackabary Family Trust 2017/ Davis, William E Jr. & Silvia G. #041392
9	146 19th Street Richmond APN: 540-200-017-7	2/17	\$1,190,000	5,966 SF Bldg. 0.19 AC 8,438 SF	\$132,222 Per Unit \$199	RM2 - City of Richmond 1 - 1BD/1BA, 8 - 2BD/1BA 663	9 Unit Blt in 1961 Average Condition	Community Commerce Bank/ MW General Ptshp #024643
10	3202 Nevin Ave Richmond APN: 538-190-021-5	6/17	\$1,300,000	9,410 SF Bldg. 0.34 AC 15,002 SF	\$108,333 Per Unit \$138	RL2 - City of Richmond 12 - 2BD/1BA 784	12 Unit Blt in 1948 Poor Condition	Cruz-Nevin Trust/ Levy, Ephraim & Rosemary Trust 103991
11	2394 Road 20 San Pablo APN: 416-120-020-1	7/17	\$2,650,000	12,600 SF Bldg. 0.67 AC 29,142 SF	\$147,222 Per Unit \$210	I - City of San Pablo 3 - 1BD/1BA , 15 - 2BD/1BD 700	18 Unit Blt in 1961 Good Condition	Eric Antonicic/ Road 20 MF Partners LLC #114598

Source: Watts, Cohn & Partners, Inc., March 2019
 19-WCP-018A Summary

COMPARABLE SALES MAP



D. As-Is Value Conclusions as Individual Properties

The valuation for the subject properties is summarized on the table on the following page. The table includes our estimation of the improved value with renovation costs which are deducted from the units, to derive an as-is value of the improvements in their existing uninhabitable condition.

In addition, the value of the subject land with a deduction made for the demolition of the improvements is shown. Based on our conclusions, and discussed in the highest and best use chapter of the appraisal, the subject has greater value as a land site and the improvements should be demolished.

The table on the following page indicates the individual values of the subject property. The total bulk market value of the subject is the sum of the 5 properties as no discount would be indicated for the development of the total site. The total bulk market value of the subject property as if sold in a single transaction is \$3,530,000.

SUBJECT PROPERTIES VALUATION WORKSHEET

Appraisal of 5 Parcels within the Las Deltas Family Project

CA009A - Annex 1

North Richmond, California

#	APN Number	Address	ID Unit Number	Parcel Size (SF) 1	Use	Size/ Unit No.	Unit Value/ Value	Demolition/ Renovation (2)	Values
1	409-210-025-6	21 Silver Avenue 1721 N Jade Street 1735 N Jade Street 1745 N Jade Street 1755 N Jade Street 1765 N Jade Street 1775 N Jade Street 20 Market Avenue	526 527 528 529 530 531 532 533	27,878 0.64 Acres	4-Duplexes Costs to renovate duplex Value as Improved Land Value	8 units 7,700 sf 27,878 sf	\$145,000 \$20.00 \$557,560	 \$120 psf (\$77,000) demo costs	\$1,160,000 <u>(\$924,000)</u> \$236,000 \$480,560 As-Is Market Value \$480,000
2	409-210-026-4	20 Market Avenue 1815 Warren Drive 1821 Warren Drive 1823 Warren Drive 1827 Warren Drive 1829 Warren Drive 1833 Warren Drive 1835 Warren Drive 1839 Warren Drive 1841 Warren Drive 1845 Warren Drive 1847 Warren Drive 1851 Warren Drive 1853 Warren Drive 1857 Warren Drive 1859 Warren Drive 1863 Warren Drive 1865 Warren Drive 1869 Warren Drive 51 Market Avenue	534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553	74,488 1.71 Acres	10-Duplexes Costs to renovate duplex Value as Improved Land Value	20 units 12,520 sf 74,488 sf	\$110,000 \$18.00 \$1,340,784	 \$120 psf (\$125,200) demo costs	\$2,200,000 <u>(\$1,502,400)</u> \$697,600 \$1,215,584 As-Is Market Value \$1,220,000
3	409-210-020-7	50 Market Avenue 1768 Harrold Street 1758 Harrold Street 1748 Harrold Street 1738 Harrold Street 1728 Harrold Street 1714 Harrold Street 51 Silver Avenue	554 555 556 557 558 559 560 561	28,750 0.66 Acres	4-Duplexes Costs to renovate duplex Value as Improved Land Value	8 units 7,398 sf 28,750 sf	\$145,000 \$20.00 \$575,000	 \$120 psf (\$73,980) demo costs	\$1,160,000 <u>(\$887,760)</u> \$272,240 \$501,020 As-Is Market Value \$500,000
4	409-210-021-5	41 Silver Street 1719 Harrold Street 1733 Harrold Street 1743 Harrold Street 1753 Harrold Street 1763 Harrold Street 1773 Harrold Street 40 Market Avenue 30 Market Avenue 1772 Jade Street 1762 N Jade Street 1752 N Jade Street 1742 N Jade Street 1732 N Jade Street 1722 N Jade Street 33 Silver Avenue	562 563 564 565 566 567 568 569 576 577 578 579 580 581 582 583	59,677 1.37 Acres	8-Duplexes Costs to renovate duplex Value as Improved Value as Improved	16 units 15,400 sf 59,677 sf	\$120,000 \$18.00 \$1,074,186	 \$120 psf (\$154,000) demo costs	\$1,920,000 <u>(\$1,848,000)</u> \$72,000 \$920,186 As-Is Market Value \$920,000
5	409-210-011-6	41 Market Avenue 1868 Warren Drive 1836 Warren Drive 1832 Warren Drive 1814 Warren Drive 31 Market Avenue	570 571 572 573 574 575	22,608 0.52 Acres	3-Duplex Costs to renovate duplex Value as Improved Land Value	6 units 4,620 sf 22,608 sf	\$145,000 \$20.00 \$452,160	 \$120 psf (\$46,200) demo costs	\$870,000 <u>(\$554,400)</u> \$315,600 \$405,960 As-Is Market Value \$410,000

1) Square Foot of land area based on public records.

2) Demolition Costs provided by Marshall Valuation Service at \$10 psf.,
Cost to renovate unit is estimated at \$120 psf.**\$3,530,000**Source: Watts, Cohn & Partners, Inc., March 2019
19-WCP-018A Summary

ADDENDA

COMPARABLE SALES PHOTOGRAPHS



203 Bissell Avenue
Richmond



417 Verde Avenue
North Richmond



2023 Chanslor Avenue
Richmond



146 19th Street
Richmond

COMPARABLE SALES PHOTOGRAPHS



3202 Nevin Avenue
Richmond



2394 Road 20
San Pablo

QUALIFICATIONS OF SARA A. COHN, MAI
California Certified General Real Estate Appraiser No. AG014469

EXPERIENCE

Sara A. Cohn is a Partner with Watts, Cohn and Partners, Inc. a new firm providing commercial real estate valuation. From 1988 to 2016, she worked for Carneghi and Partners and was a Senior Project Manager/Partner in their San Francisco office. Carneghi and Partners, and now Watts, Cohn and Partners, provide real estate appraisal and consulting services in the San Francisco Bay Area. Clients include financial institutions, government agencies, law firms, development companies and individuals. Typical assignments include both valuation and evaluations of a broad variety of property types, uses and ownership considerations.

Ms. Cohn has over 30 years of appraisal experience. She has completed a wide variety of valuation and evaluation analyses. Ms. Cohn has extensive knowledge of the San Francisco Bay Area and has appraised many property types including office buildings, industrial properties, retail centers, hotels, residential projects, mixed-use properties and development sites. Recent work has involved the analysis of commercial buildings, residential subdivisions, valuation of affordable housing developments with bond financing and/or Low-Income Housing Tax Credits (LIHTCs), assessment districts, as well as co-housing projects.

EDUCATION

Bachelor of Arts, University of California, Berkeley, 1978

Successful completion of all professional appraisal courses offered by the Appraisal Institute as a requirement of membership.

Continued attendance at professional real estate lectures and seminars.

PROFESSIONAL AFFILIATION AND STATE CERTIFICATION

Appraisal Institute - MAI Designation (Member Appraisal Institute) No. 12017
Continuing Education Requirement Complete

State of California Certified General Real Estate Appraiser No. AG014469
Certified Through March 2021

State of California Licensed Landscape Architect No. 2102

Member, Board of Directors, Northern California Chapter of the Appraisal Institute,
2008-2010

Seminars Co-Chair, Northern California Chapter of the Appraisal Institute, 2005-2007

QUALIFICATIONS OF MARK A. WATTS

Mark A. Watts is a Partner with Watts, Cohn and Partners, Inc.

Following is a brief summary of his background and experience:

EXPERIENCE

Commercial Real Estate Appraisal Experience

Mr. Watts has been a commercial real estate appraiser since 1987, and has over 20 years experience in the analysis of commercial real estate. He has completed valuation assignments on a variety of projects, including industrial facilities, residential subdivisions, apartments, shopping centers, cemeteries and recreational facilities. He has also performed feasibility studies and assisted owners in making asset management decisions.

Mr. Watts has provided litigation support and served as an expert witness in court. He has also served in arbitrations as an expert witness. He has been qualified as an expert in San Francisco and San Mateo County Superior Courts.

He served on the San Francisco County Assessment Appeals Board from 2011 to 2016.

Commercial Real Estate Investment Experience

Simultaneous to his work as a commercial appraiser, Mr. Watts has been an active real estate investor/developer. He is experienced in the acquisition, redevelopment and management of commercial properties. He has witnessed and experienced many real estate cycles and stays abreast of current trends. His personal experience as an investor makes him uniquely qualified to appraise commercial real estate.

Over the last 20 years he has completed more than 30 investment real estate transactions, an average of 1.5 transactions per year. He has negotiated with buyers and sellers directly as a principal. He has completed nearly a dozen 1031 exchanges. Beginning with a small initial capital investment, he has built a large real estate portfolio. Based on his ownership experience, Mr. Watts is keenly aware that the success or failure of an acquisition is closely related to its location. Likewise, he is sensitive to locational differences in the appraisal of real estate.

Mr. Watts has broad experience with the construction, maintenance and repair of real estate. He has demolished and re-built two structures from the ground up. He has completed fire damage repairs and remediated toxic mold. He has remodeled kitchens and baths. He has replaced foundations on structures, made additions, and made other improvements. As the quality and condition of real estate has a strong correlation with its value, his experience enables superior judgement of these attributes in his work as a commercial real estate appraiser.

Community Involvement

Mr. Watts served on the Board of Managers of the Stonestown Family YMCA from 2002 to 2017. This is an approximately 30,000 square foot health club facility. He was active on the Facilities Committee. He served as the Board Chair in 2008. He has been a member of the Olympic Club in San Francisco since 1976. He served the Forest Hill Neighborhood Association as President from 2013 to 2017.

EDUCATION

Bachelor of Arts, University of California, Davis

PROFESSIONAL AFFILIATION

State Accredited Affiliate of the Appraisal Institute
State of California Certified General Real Estate Appraiser No. AG015362

WATTS, COHN and PARTNERS, INC.

COMMERCIAL REAL ESTATE APPRAISAL

APPRAISAL OF:
LAS DELTAS FAMILY PROJECT
ANNEX II
NORTH RICHMOND, CALIFORNIA
CA009B

PREPARED FOR:
HOUSING AUTHORITY OF CONTRA COSTA COUNTY
MARTINEZ, CA

MARCH 2019
19-WCP-018B SUMMARY

WATTS, COHN and PARTNERS, INC.

COMMERCIAL REAL ESTATE APPRAISAL

March 29, 2019

Mr. Joseph Villarreal
Executive Director
Housing Authority of Contra Costa County
3133 Estudillo Street
P.O. Box 2759
Martinez, CA 94553

Re: 19-WCP-018B-Summary Appraisal
Las Deltas Family Housing
North Richmond, California
CA009B Las Deltas Annex 2

Dear Mr. Villarreal:

At your request and authorization, Watts, Cohn and Partners, Inc. has made an appraisal of the above referenced property. The subject properties appraised are a portion of the Las Deltas Family Project, located on 31 noncontiguous parcels in North Richmond, Contra Costa County, California. The parcels are located on blocks bounded by Chesley Avenue, First Street, Seventh Street and Wildcat Creek Regional Trail, north of Verde Avenue. The subject contains a total of 7.69 acres, or 334,836 square feet of land area on 31 parcels.

The subject parcels are improved with a mixture of 4 single-family homes and 38 duplexes, for a total of 80 units. Currently, only seven units are occupied with the remaining 73 units vacant. The remaining tenants are in the process of moving. The improvements were built in approximately 1961 and are of uniformly poor condition and quality. The vacant units are currently boarded-up and most of the units have been vandalized with the wiring and copper removed. Several of the units have sustained fire damage and are considered to add no value to the underlying land. Other properties at the subject are considered viable to be renovated, and the retention of the existing improvements is concluded as the highest and best use.

The purpose of this appraisal is to estimate the as-is fee simple market value of the subject property. The intended use (function) for which this appraisal was contracted is for the exclusive use of the Housing Authority of the County of Contra Costa for assisting in a Demolition/Disposition

582 Market Street, Suite 512 | San Francisco, CA 94104 | 415-777-2666

Mark Watts | mark@wattscohn.com | Sara Cohn, MAI | sara@wattscohn.com

application to HUD. ***This report should not be used or relied upon by any other parties for any reason.***

A more complete description of the subject property appraised, as well as the research and analysis leading to our opinions of value, is contained in the attached report. Chapter I provides a basic summary of salient facts and conditions upon which this appraisal is based and reviews the value conclusions.

EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS

Extraordinary and Hypothetical Conditions

1. A title report was not provided to the appraisers. This appraisal assumes that the subject title is free from easements and encumbrances which would affect market value.
2. This appraisal assumes that there are no rent restrictions encumbering the subject properties once they are sold. The buyer is free to demolish the existing improvements or to rent them at market.

The use of hypothetical conditions and extraordinary assumptions in this report might have affected the assignment results.

VALUATION SUMMARY

As-Is Market Value of 31 Individual Parcels

Based on the research and analyses contained in this appraisal report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the appraisers that the as-is individual fee simple market values of the subject property which consists of 31 noncontiguous parcels in Las Deltas Annex 2, as of March 12, 2019, are shown on the table on the following table and are estimated to be:

AS-IS VALUATION OF SUBJECT PROPERTIES

Appraisal of 31 Parcels within the Las Deltas Family Project

CA009B - Annex 2

North Richmond, California

#	APN Number	Address	ID Unit Number	SF Units	Total Bldg SF	Parcel Size (SF) 1	As-Is Market Value
1	409-052-009-1	1520 First Street 1518 First Street	584 585	935 935	1,870	7,463	\$250,000 \$33 (Land Value PSF)
2	409-052-003-4	121 Chesley Avenue 1511 Second Street	586 587	770 935	1,705	10,040	\$270,000 \$27 (Land Value PSF)
3	409-200-016-7	1714 First Street 1710 First Street	588 589	935 935	1,870	7,500	\$250,000 \$33 (Land Value PSF)
4	409-191-009-3	317 Silver Avenue 325 Silver Avenue	592 593	935 935	1,870	10,026	\$250,000 \$25 (Land Value PSF)
5	409-191-013-5	1730 Fred Jackson Way	594	1,155	1,155	7,578	\$190,000 \$25 (Land Value PSF)
6	409-251-022-3	1844 Truman Street 1840 Truman Street	595 596	935 935	1,870	7,500	\$250,000 \$33 (Land Value PSF)
7	409-162-018-9	1725 Fourth Street 1727 Fourth Street	599 600	935 935	1,870	7,500	\$250,000 \$33 (Land Value PSF)
8	409-161-001-6	1744 Fourth Street	602	1,155		4,998	\$190,000 \$38 (Land Value PSF)
9	409-142-005	1649 Giaramita Street 1643 Giaramita Street 1639 Giaramita Street 1623 Giaramita Street 1619 Giaramita Street Total SF	603 604 605 606 607	1,155 1,155 935 935 935	1,155 2,090 <u>1,870</u> 5,115	21,299	\$290,000 \$14 (Land Value PSF)
10	409-151-011-7	1710 Giaramita Street	608	1,155	1,155	5,000	\$90,000
11	409-152-007-4	1711 Giaramita Street 525 Silver Avenue	610 609	578 578	1,156	7,580	\$240,000 \$32 (Land Value PSF)
12	409-282-019-2	1814 Sixth Street 611 Market Avenue	612 613	1,155 770	1,925	7,500	\$240,000 \$32 (Land Value PSF)
13	409-151-005-9	1741 Sixth Street 1737 Sixth Street	614 615	935 935	1,870	9,983	\$250,000 \$25 (Land Value PSF)

AS-IS VALUATION OF SUBJECT PROPERTIES

Appraisal of 31 Parcels within the Las Deltas Family Project

CA009B - Annex 2

North Richmond, California

#	APN Number	Address	ID Unit Number	SF Units	Total Bldg SF	Parcel Size (SF) 1	As-Is Market Value
14	409-060-018-2	1572 First Street	616	1,155	2,090	15,065	\$250,000
		1574 First Street	617	935			\$17
		1560 First Street	618	1,155	2,090		(Land Value PSF)
		1558 First Street	619	935			
15	409-052-001-8	1529 Second Street	620	935	1,870	7,499	\$250,000
		114 W Ruby Street	621	935			\$33 (Land Value PSF)
16	409-060-009-1	1601 Second Street	622	935	1,870	9,865	\$130,000
		1605 Second Street	623	935			
17	409-182-002-9	220 Silver Avenue	624	1,155	2,310	11,365	\$150,000
		218 Silver Avenue	625	1,155			
18	409-191-001-0	308 Market Avenue	626	935	1,870	15,214	\$230,000
		1748 Fred Jackson Way	627	935			\$15
		322 Market Avenue	628	935	1,870		(Land Value PSF)
		320 Market Avenue	629	935			
19	409-252-008-1	315 Verde Avenue	634	935	1,870	8,081	\$250,000
		317 Verde Avenue	635	935			\$31 (Land Value PSF)
20	409-171-015-4	1624 Fourth Street	636	1,155	2,090	10,557	\$220,000
		1622 Fourth Street	637	935			\$21 (Land Value PSF)
21	409-100-004-4	1542 Fourth Street	638	935	1,870	25,288	\$230,000 \$9 (Land Value PSF)
		1540 Fourth Street	639	935			
		1534 Fourth Street	640	935	NA		
		1532 Fourth Street	641	935			
		1539 Fifth Street	642	935	1,870		
		1541 Fifth Street	643	935			
22	409-161-008-1	423 Silver Avenue	644	935	1,870	7,316	\$250,000
		1709 Fifth Street	645	935			\$34 (Land Value PSF)
23	409-272-009-5	1927 Giaramita Street	648	1,155	2,310	10,208	\$200,000
		1925 Giaramita Street	649	1,155			\$20 (Land Value PSF)
24	409-292-001-8	1932 Giaramita Street	650	935	1,870	26,529	\$260,000 \$10 (Land Value PSF)
		1934 Giaramita Street	651	935			
		1923 Sixth Street	662	935	1,870		
		1925 Sixth Street	663	935			
		1929 Sixth Street	664	935	1,870		
		1931 Sixth Street	665	935			
		1945 Sixth Street	666	935	1,870		
		1943 Sixth Street	667	935			

AS-IS VALUATION OF SUBJECT PROPERTIES

Appraisal of 31 Parcels within the Las Deltas Family Project

CA009B - Annex 2

North Richmond, California

#	APN Number	Address	ID Unit Number	SF Units	Total Bldg SF	Parcel Size (SF) 1	As-Is Market Value
25	409-281-001-1	1844 Giamrita Street	652	1,155	2,310	17,502	\$250,000
		542 Verde Avenue	653	1,155			
		1842 Giamrita Street	654	935			
		1840 Giamrita Street	655	935	1,870		
							\$14 (Land Value PSF)
26	409-110-007-5	1525 Giamrita Street	656	935	1,870	8,384	\$250,000
		1527 Giamrita Street	657	935			
							\$30 (Land Value PSF)
27	409-120-005-7	1547 Sixth Street	658	935	1,870	7,710	\$250,000
		1549 Sixth Street	659	935			
							\$32 (Land Value PSF)
28	409-141-006-0	1639 Sixth Street	660	935	1,870	7,993	\$250,000
		1641 Sixth Street	661	935			
							\$31 (Land Value PSF)
29	409-291-009-2	1932 Sixth Street	668	935	1,870	7,530	\$250,000
		1930 Sixth Street	669	935			
							\$33 (Land Value PSF)
30	409-131-003-9	1724 Sixth Street	670	935	1,870	9,967	\$250,000
		1722 Sixth Street	671	935			
							\$25 (Land Value PSF)
31	409-282-005-1	1817 Seventh Street	672	935	1,870	14,958	\$230,000
		1819 Seventh Street	673	935			
		1829 Seventh Street	674	935			
		1827 Seventh Street	675	935	1,870		
							\$15 (Land Value PSF)

Total:

\$7,160,000

1) Square Foot of land area based on public records.

Watts, Cohn and Partners, Inc., March 2019

19-WCP-018B-Summary

Bulk Discounted Market Value of Subject 31 Parcels

Based on the research and analyses contained in this appraisal report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the appraisers that the fee simple market value of the subject property 31 legal parcels sold in a single transaction (bulk), as of March 12, 2019, is estimated to be:

SIX MILLION NINETY THOUSAND DOLLARS

(\$6,090,000)

Further, it is our opinion that the subject properties could be sold at the above value conclusions within a 12-month active marketing period. The exposure period is also concluded to be 12 months.

This letter must remain attached to the appraisal report, identified on the footer of each page as 19-WCP-018B-Summary, plus related exhibits, in order for the value opinion set forth to be considered valid.

CERTIFICATION

We, the undersigned, hereby certify that, to the best of our knowledge and belief: the statements of fact contained in this report are true and correct; the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions; we have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved; we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment; our engagement in this assignment was not contingent upon developing or reporting predetermined results, our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal; the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan; our analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice, Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, and is in compliance with FIRREA; Sara Cohn and Mark Watts have made a personal inspection of the property that is the subject of this report; no one provided significant real property appraisal assistance to the persons signing this report. The use of this report is subject to the requirements of the Appraisal Institute related to review by its duly authorized representatives. As of the date of this report Sara Cohn has completed the requirements under the continuing education program of the Appraisal Institute. In accordance with the Competency Rule in the USPAP, we certify that our education, experience and knowledge are sufficient to appraise the type of property being valued in this report. We have not provided services regarding the property that is the subject of this report in the 36 months prior to accepting this assignment.

Watts, Cohn and Partners, Inc.

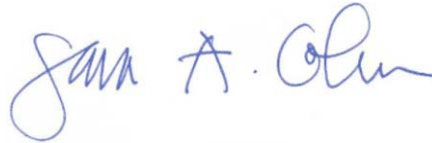
Commercial Real Estate Appraisal

19-WCP-018B- Summary

We are pleased to have had this opportunity to be of service. Please contact us if there are any questions regarding this appraisal.

Sincerely,

WATTS, COHN and PARTNERS, INC.



Sara Cohn, MAI
Certified General Real Estate Appraiser
State of California No. AG014469

Phone: 415-777-2666 x 102
Email: sara@wattscohn.com



Mark Watts
Certified General Real Estate Appraiser
State of California No. AG015362

Phone: 415-777-2666 x 101
Email: mark@wattscohn.com

Watts, Cohn and Partners, Inc.
582 Market Street, Suite 512
San Francisco, CA 94104
www.wattscohn.com

TABLE OF CONTENTS

I. REPORT SUMMARY	1
A. Property Appraised.....	1
B. Property Identification	1
C. Client, Purpose, Intended Use and Intended User	2
D. Scope of Work.....	2
E. Appraisal Reporting Format.....	2
F. Appraisal and Report Dates	2
G. Definition of Terms	3
H. Value Conclusions	3
I. Assumptions and Limiting Conditions.....	4
II. AREA AND NEIGHBORHOOD DESCRIPTION	7
A. Contra Costa County	7
B. The City of Richmond.....	8
<i>North Richmond</i>	9
C. Neighborhood Description and Environs.....	10
III. MARKET OVERVIEW.....	12
A. Contra Costa County Residential Market Trends	12
B. Residential Construction Trends	13
C. Conclusion.....	15
IV. PROPERTY DATA AND ANALYSIS	16
A. Site Description.....	16
B. Environmental Observations	16
C. Flood Zone and Seismic Information	16
D. Zoning Designation	17
E. Easements and Restrictions.....	18
F. Ownership and Sales History	18
G. Assessed Valuation and Real Estate Taxes	18
H. Description of Existing Improvements.....	19
I. Conformance to American Disabilities Act (ADA)	21
V. HIGHEST AND BEST USE AND VALUATION METHODOLOGY	22
A. Highest and Best Use.....	22
B. Valuation Methodology.....	23
VI. VALUATION BY THE SALES COMPARISON APPROACH.....	25

TABLE OF CONTENTS, CONT

A. Presentation and Analysis of Land Sales	25
B. Presentation and Analysis of Single-Family Home Sales	26
C. Presentation and Analysis of Duplexes, Fourplexes and Multiplex Unit Sales	26
D. Deduction for Renovation/Demolition Costs	27
E. As-Is Value Conclusions as Individual Properties	28
VII.DISCOUNTED MARKET (BULK) VALUE.....	29
A. Summary of Assumptions.....	29
B. Marketing and Administrative Costs	29
C. Inflation/Appreciation	30
D. Discount Rate.....	30
E. Bulk Market Value Conclusion.....	31

TABLE OF EXHIBITS

	Page
LIST OF TABLES	
Table 1 - As-Is Valuation	3.1
Table 2 - Subject Identification Table	16.1
Table 3 - Comparable Land and SFH Sales	25.1
Table 4 - Comparable Multifamily Building Sales	26.1
Table 5 - Valuation Worksheet	28.1
Table 6 - Discounted Bulk (Market) Value of Subject Property	29.1

LIST OF EXHIBITS

Regional Map	following	7
Neighborhood Map	following	10
Aerial Map	following	17
Subject Photos	following	18
Comparable Land and SFH Sales Map	following	25.1
Comparable Multifamily Building Sales Map	following	26.1

ADDENDA

Assessor Parcel Maps
Subject Photographs
Comparable Photographs
Qualification and License of Appraisers

I. REPORT SUMMARY

A. Property Appraised

The subject properties appraised are a portion of the Las Deltas Family Project, located on 31 noncontiguous parcels in North Richmond, Contra Costa County, California. The parcels are located on blocks bounded by Chesley Avenue, First Street, Seventh Street and Wildcat Creek Regional Trail, north of Verde Avenue. The subject contains a total of 7.69 acres, or 334,836 square feet of land area on 31 parcels.

The subject parcels are improved with a mixture of 4 single-family homes and 38 duplexes, for a total of 80 units. Currently, only seven units are occupied with the remaining 73 units vacant. The remaining tenants are in the process of moving. The improvements were built in approximately 1961 and are of uniformly poor condition and quality. The vacant units are currently boarded-up and most of the units have been vandalized with the wiring and copper removed. Several of the units have sustained fire damage and are considered to add no value to the underlying land. Other properties at the subject are considered viable to be renovated, and the retention of the existing improvements is concluded as the highest and best use.

The property interest appraised is fee simple.

B. Property Identification

APNs	409-052-009-1, 409-052-003-4, 409-200-016-7 409-191-009-3, -191-013-5, 409-251-022-3 409-162-018-9, 409-161-001-6, 409-142-005 409-151-011-7, 409-152-007-4, 409-282-019-2 409-151-005-9, 409-060-018-2, 409-052-001-8 409-060-009-1, 409-182-002-9, 409-191-001 409-252-008-1, 409-171-015-4, 409-100-004-4 409-161-008-1, 409-272-009-5, 409-292-001-8 409-281-001-1, 409-110-007-5, 409-120-005-7 409-120-005-7, 409-141-006, 409-291-009-2 409-131-003-9 & 409-282-005-1
General Plan	SH - Single Family Residential High Density
Zoning	P-1: Planned Unit District
Census Tract No	3650.02
Zip Code	94801-1412
Flood Zone	X (Insurance is NOT Required)
Earthquake Fault Zone	No

C. Client, Purpose, Intended Use and Intended User

The client for this appraisal is Mr. Joseph Villarreal, Executive Director of the Housing Authority of Contra Costa County in Martinez, California. The purpose of this appraisal is to estimate the current as-is fee simple market value of the subject property. It is our understanding that the intended use/user of this appraisal is for the exclusive use by the Housing Authority of Contra Costa County for assisting in a Demolition/Disposition application to HUD. ***This report should not be used or relied upon by any other parties for any reason.***

D. Scope of Work

Information pertaining to the subject improvements age, size, use and history was provided by the current property owner and verified where possible by public records, as well as based on the visual inspection by the appraiser.

The appraiser contacted Contra Costa County Planning Department for the zoning of the subject property, likelihood of any change in zoning and/or use, and any planned updates to the General Plan and/or zoning designations affecting the subject property.

The subject's market area was researched for market trends and land sales/comparables. Sources contacted included commercial and residential real estate agents.

For the subject property, the Sales Comparison Approach value was used in order to estimate the market value in as-is condition. The Income and Cost Approaches are not considered applicable indicators of value for this property type. The scope of this report is to utilize the appropriate standard approaches to value in accordance with Uniform Standards of Professional Appraisal Practice (USPAP) to arrive at a market value conclusion.

E. Appraisal Reporting Format

This appraisal report is presented in a narrative format. This report is intended to be an Appraisal Report prepared in conformance with USPAP Standard 2-2(a).

F. Appraisal and Report Dates

The effective date of valuation and date of inspection is March 12, 2019.

The date of this report is March 29, 2019.

G. Definition of Terms

1. *Market Value (OCC 12 CFR 34.42 (g)) (OTS 12 CFR, Part 564.2 (g))*

“Market value” means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised, and acting in what they consider their own best interests;
- c. A reasonable time is allowed for exposure in the open market;
- d. Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
- e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

2. *Fee Simple Interest (The Appraisal of Real Estate, 13th Edition, 2013, p.114)*

A fee simple interest in valuation terms is defined as “... absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.” It is an inheritable estate.

H. Value Conclusions

As-Is Market Values of 31 Individual Parcels

Based on the research and analyses contained in this appraisal report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the appraisers that the as-is fee simple individual market values of the subject property which consists of 31 noncontiguous parcels in Las Deltas Annex 2, as of March 12, 2019, are shown on the following table and are estimated to be:

AS-IS VALUATION OF SUBJECT PROPERTIES

Appraisal of 31 Parcels within the Las Deltas Family Project

CA009B - Annex 2

North Richmond, California

#	APN Number	Address	ID Unit Number	SF Units	Total Bldg SF	Parcel Size (SF) 1	As-Is Market Value
1	409-052-009-1	1520 First Street 1518 First Street	584 585	935 935	1,870	7,463	\$250,000 \$33 (Land Value PSF)
2	409-052-003-4	121 Chesley Avenue 1511 Second Street	586 587	770 935	1,705	10,040	\$270,000 \$27 (Land Value PSF)
3	409-200-016-7	1714 First Street 1710 First Street	588 589	935 935	1,870	7,500	\$250,000 \$33 (Land Value PSF)
4	409-191-009-3	317 Silver Avenue 325 Silver Avenue	592 593	935 935	1,870	10,026	\$250,000 \$25 (Land Value PSF)
5	409-191-013-5	1730 Fred Jackson Way	594	1,155	1,155	7,578	\$190,000 \$25 (Land Value PSF)
6	409-251-022-3	1844 Truman Street 1840 Truman Street	595 596	935 935	1,870	7,500	\$250,000 \$33 (Land Value PSF)
7	409-162-018-9	1725 Fourth Street 1727 Fourth Street	599 600	935 935	1,870	7,500	\$250,000 \$33 (Land Value PSF)
8	409-161-001-6	1744 Fourth Street	602	1,155		4,998	\$190,000 \$38 (Land Value PSF)
9	409-142-005	1649 Giaramita Street 1643 Giaramita Street 1639 Giaramita Street 1623 Giaramita Street 1619 Giaramita Street Total SF	603 604 605 606 607	1,155 1,155 935 935 935	1,155 2,090 <u>1,870</u> 5,115	 21,299	\$290,000 \$14 (Land Value PSF)
10	409-151-011-7	1710 Giaramita Street	608	1,155	1,155	5,000	\$90,000
11	409-152-007-4	1711 Giaramita Street 525 Silver Avenue	610 609	578 578	1,156	7,580	\$240,000 \$32 (Land Value PSF)
12	409-282-019-2	1814 Sixth Street 611 Market Avenue	612 613	1,155 770	1,925	7,500	\$240,000 \$32 (Land Value PSF)
13	409-151-005-9	1741 Sixth Street 1737 Sixth Street	614 615	935 935	1,870	9,983	\$250,000 \$25 (Land Value PSF)

AS-IS VALUATION OF SUBJECT PROPERTIES

Appraisal of 31 Parcels within the Las Deltas Family Project
CA009B - Annex 2
North Richmond, California

#	APN Number	Address	ID Unit Number	SF Units	Total Bldg SF	Parcel Size (SF) 1	As-Is Market Value
14	409-060-018-2	1572 First Street	616	1,155	2,090	15,065	\$250,000
		1574 First Street	617	935			\$17
		1560 First Street	618	1,155	2,090		(Land Value PSF)
		1558 First Street	619	935			
15	409-052-001-8	1529 Second Street	620	935	1,870	7,499	\$250,000
		114 W Ruby Street	621	935			\$33 (Land Value PSF)
16	409-060-009-1	1601 Second Street	622	935	1,870	9,865	\$130,000
		1605 Second Street	623	935			
17	409-182-002-9	220 Silver Avenue	624	1,155	2,310	11,365	\$150,000
		218 Silver Avenue	625	1,155			
18	409-191-001-0	308 Market Avenue	626	935	1,870	15,214	\$230,000
		1748 Fred Jackson Way	627	935			\$15
		322 Market Avenue	628	935	1,870		(Land Value PSF)
		320 Market Avenue	629	935			
19	409-252-008-1	315 Verde Avenue	634	935	1,870	8,081	\$250,000
		317 Verde Avenue	635	935			\$31 (Land Value PSF)
20	409-171-015-4	1624 Fourth Street	636	1,155	2,090	10,557	\$220,000
		1622 Fourth Street	637	935			\$21 (Land Value PSF)
21	409-100-004-4	1542 Fourth Street	638	935	1,870	25,288	\$230,000 \$9 (Land Value PSF)
		1540 Fourth Street	639	935			
		1534 Fourth Street	640	935	NA		
		1532 Fourth Street	641	935			
		1539 Fifth Street	642	935	1,870		
		1541 Fifth Street	643	935			
22	409-161-008-1	423 Silver Avenue	644	935	1,870	7,316	\$250,000
		1709 Fifth Street	645	935			\$34 (Land Value PSF)
23	409-272-009-5	1927 Giaramita Street	648	1,155	2,310	10,208	\$200,000
		1925 Giaramita Street	649	1,155			\$20 (Land Value PSF)
24	409-292-001-8	1932 Giaramita Street	650	935	1,870	26,529	\$260,000 \$10 (Land Value PSF)
		1934 Giaramita Street	651	935			
		1923 Sixth Street	662	935	1,870		
		1925 Sixth Street	663	935			
		1929 Sixth Street	664	935	1,870		
		1931 Sixth Street	665	935			
		1945 Sixth Street	666	935	1,870		
		1943 Sixth Street	667	935			

AS-IS VALUATION OF SUBJECT PROPERTIES

Appraisal of 31 Parcels within the Las Deltas Family Project

CA009B - Annex 2

North Richmond, California

#	APN Number	Address	ID Unit Number	SF Units	Total Bldg SF	Parcel Size (SF) 1	As-Is Market Value
25	409-281-001-1	1844 Giaramita Street 542 Verde Avenue 1842 Giaramita Street 1840 Giaramita Street	652 653 654 655	1,155 1,155 935 935	2,310 1,870	17,502	\$250,000 \$14 (Land Value PSF)
26	409-110-007-5	1525 Giaramita Street 1527 Giaramita Street	656 657	935 935	1,870	8,384	\$250,000 \$30 (Land Value PSF)
27	409-120-005-7	1547 Sixth Street 1549 Sixth Street	658 659	935 935	1,870	7,710	\$250,000 \$32 (Land Value PSF)
28	409-141-006-0	1639 Sixth Street 1641 Sixth Street	660 661	935 935	1,870	7,993	\$250,000 \$31 (Land Value PSF)
29	409-291-009-2	1932 Sixth Street 1930 Sixth Street	668 669	935 935	1,870	7,530	\$250,000 \$33 (Land Value PSF)
30	409-131-003-9	1724 Sixth Street 1722 Sixth Street	670 671	935 935	1,870	9,967	\$250,000 \$25 (Land Value PSF)
31	409-282-005-1	1817 Seventh Street 1819 Seventh Street 1829 Seventh Street 1827 Seventh Street	672 673 674 675	935 935 935 935	1,870 1,870	14,958	\$230,000 \$15 (Land Value PSF)

Total:

\$7,160,000

1) Square Foot of land area based on public records.

Watts, Cohn and Partners, Inc., March 2019

19-WCP-018B-Summary

Bulk Discounted Market Value of Subject 31 Parcels

Based on the research and analyses contained in this appraisal report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the fee simple market value of the subject property 31 legal parcels sold in a single transaction (bulk), as of March 12, 2019, is estimated to be:

SIX MILLION NINETY THOUSAND DOLLARS

(\$6,090,000)

Further, it is our opinion that the subject properties could be sold at the above value conclusions within a 12-month active marketing period. The exposure period is also concluded to be 12 months.

I. Assumptions and Limiting Conditions

Extraordinary and Hypothetical Conditions

1. A title report was not provided to the appraisers. This appraisal assumes that the subject title is free from easements and encumbrances which would affect market value.
2. This appraisal assumes that there are no rent restrictions encumbering the subject properties once they are sold. The buyer is free to demolish the existing improvements or to rent them at market.

The use of hypothetical conditions and extraordinary assumptions in this report might have affected the assignment results.

General Assumptions

3. It is the client's responsibility to read this report and to inform the appraiser of any errors or omissions of which he/she is aware prior to utilizing this report or making it available to any third party.
4. No responsibility is assumed for legal matters. It is assumed that title of the property is marketable, and it is free and clear of liens, encumbrances and special assessments other than as stated in this report.
5. Plot plans and maps are included to assist the reader in visualizing the property. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the appraiser is assumed by the appraisers.

6. All information has been checked where possible and is believed to be correct but is not guaranteed as such.
7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors. It is assumed that no additional soil contamination exists, other than as outlined herein, as a result of chemical drainage or leakage in connection with any production operations on or near the property.
8. In this assignment, the existence (if any) of potentially hazardous materials used in the construction or maintenance of the improvements or disposed of on the site has not been considered. These materials may include (but are not limited to) the existence of formaldehyde foam insulation, asbestos insulation, or toxic wastes. The appraiser is not qualified to detect such substances. The client is advised to retain an expert in this field.
9. Any projections of income and expenses in this report are not predictions of the future. Rather, they are an estimate of current market thinking of what future income and expenses will be. No warranty or representation is made that these projections will materialize.
10. The appraiser is not required to give testimony or appear in court in connection with this appraisal unless arrangements have been previously made.
11. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with the proper written qualification, only in its entirety, and only for the contracted intended use as stated herein.
12. Neither all nor part of the contents of this report shall be conveyed to the public through advertising, public relations, news sales, or other media without the written consent and approval of the appraiser, particularly as to the valuation conclusions, the identity of the appraiser, or any reference to the Appraisal Institute or the MAI designation.
13. Information regarding any earthquake and flood hazard zones for the subject property was provided by outside sources. Accurately reading flood hazard and earthquake maps, as well as tracking constant changes in the zone designations, is a specialized skill and outside the scope of the services provided in this appraisal assignment. No responsibility is assumed by the appraisers in the misinterpretation of these maps. It is recommended that any lending institution re-verify earthquake and flood hazard locations for any property for which they are providing a mortgage loan.

14. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey and analysis of the subject development to determine whether or not it is in conformity with the various detailed requirements of the ADA.

II. AREA AND NEIGHBORHOOD DESCRIPTION

A. Contra Costa County

Contra Costa County is located on the east side of San Francisco Bay, directly south of Suisun Bay. It is one of the nine counties comprising the greater San Francisco Bay Area. Contra Costa County continues to capture a significant portion of the region's population and employment growth.

Contra Costa County covers an area of approximately 798 square miles. The county is divided into three distinct regions by ranges of hills. The western portion along San Francisco Bay provides water access and is largely industrial in nature. Population and development density are greatest along the bay where most of the original development took place. This western portion of the East Bay is older and predominantly urban in character. The central portion is developing as a regional commercial/financial headquarters center. Eastern Contra Costa County has undergone change from primarily agricultural and undeveloped to a suburban area over the past decade.

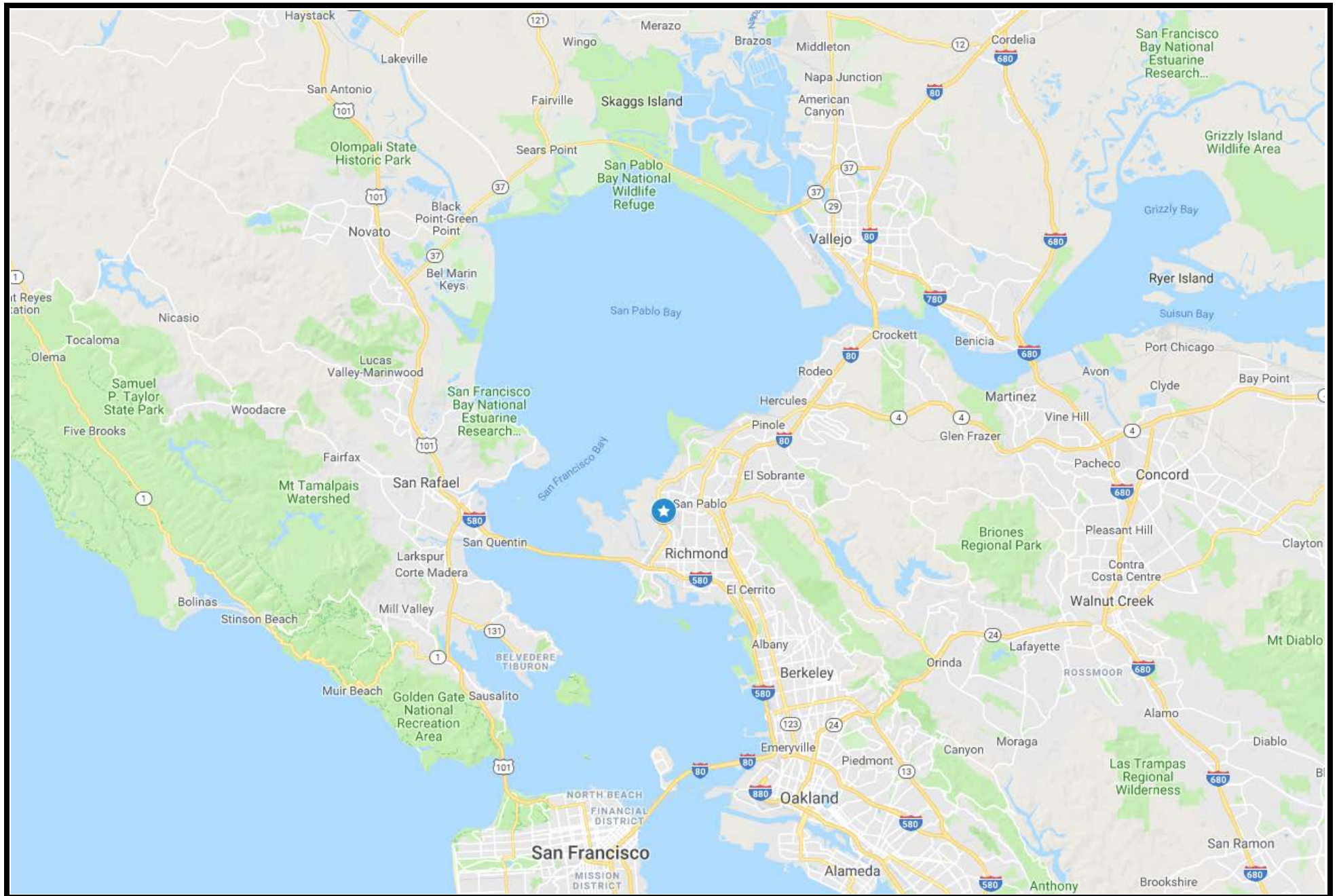
The central portion of Contra Costa County has historically been a bedroom community for workers employed in San Francisco and Alameda Counties. During the last several years, major office development has occurred in central Contra Costa County, resulting in a regional employment center stretching south along the Interstate 680 corridor from Martinez to San Ramon and on to Pleasanton in Alameda County. The communities in central Contra Costa County are largely built out and remain predominantly residential.

Contra Costa County is well served by major transportation systems. Freeways connect the area to San Francisco, Oakland and San Jose, while the former two can also be reached using the Bay Area Rapid Transit (BART) system. The California State Department of Finance most recently published estimates show a population of 1,149,363 as of January 1, 2018. This represents a 0.9 percent increase over the 2017 population figure.

Contra Costa County is also relatively affluent. As estimated by the Association of Bay Area Governments (ABAG), in their latest publication, Projections 2016 (data sourced from the most recent 2010-2014 U.S. Census Bureau), the mean household income was estimated at \$107,290 for 2014 and expected to increase. Major employment is found in management, business, science, and arts occupations, service occupations, and sales and office occupations, which together account for 84 percent of the total employment in the County.

According to the California Economic Development Department, the unemployment rate for Contra Costa County was 3.0 percent as of December 2018 (most recent available), which is a slight decrease from 3.2 percent a year prior. This is based on a labor force of 578,800 with 17,200 unemployed. According to

REGIONAL MAP



the California State Employment Development Department, the unemployment figure for the State of California for December 2018 was 4.1 percent. The unemployment rate for Contra Costa County has been lower than the average for the state and national range over the past several years.

B. The City of Richmond

North Richmond is located adjacent to the City of Richmond and is situated within the City of Richmond's sphere of influence. The City of Richmond was incorporated in 1905 and has historically been industrially oriented. The city benefitted from its deep harbors, which have been used for shipping port terminals, and had one of the largest wartime shipbuilding yards during World War II. These shipyards were closed in 1945, but industrial development continued to occupy vacated shipyard buildings along the waterfront.

In general, land uses in the city are characterized by older industrial and residential neighborhoods. The location of the city resulted in its development as an industrial transportation hub. Shipping and railroad access have created extensive industrial development along the southern and western portions of Richmond. These older uses are now slowly being redeveloped to commercial, light industrial and residential uses.

The city of Richmond is situated in the western portion of Contra Costa County. As of January 1, 2018, the population of the city was estimated at 110,967 according to the California State Department of Finance. The population increased 0.8 percent from a year prior.

In terms of income and employment, Richmond reflects levels below that of Contra Costa County as a whole. As of December 2018 (most recent available) the City of Richmond had an unemployment rate of 3.4 percent, a slight decrease from 3.5 percent year over year. This is slightly higher than the Contra Costa County average of 3.0 percent. Richmond's median household income is \$57,107 according to the 2012-2016 American Community Survey, which is significantly lower than the County wide median income of \$82,881.

Richmond has the highest level of manufacturing employment in the county. There are over 300 manufacturing plants in the Richmond area. The major industry in the area is petroleum products and petrochemicals. Chevron USA and Kaiser Permanente are the major non-public employers in the area. Other significant industries are steel fabrication, shipping and warehousing. Heavy industrial and manufacturing uses remain an important component of the Richmond economy although the number of these heavy industrial uses has generally been declining over the past few decades.

The Hilltop Mall shopping center contains anchor tenants such as Macys and Sears department stores, and Wal-Mart. Although the shopping center has been struggling

given the decline in retail sales, the shopping center was recently purchased, and the owners plan to redevelop the shopping center with a movie theater, food hall, entertainment related tenants, a supermarket, a 24-hour fitness and multifamily residential units.

Richmond is well served by the Bay Area transportation facilities. Interstate 80 runs predominantly north-south through the eastern portion of the city. Interstate 580 extends west through Richmond and across the Richmond/San Rafael bridge. The Hoffman Expressway, connecting Interstates 580 and 80, greatly enhances access between Richmond and Marin County to the west. The Richmond Parkway connects with the Richmond/San Rafael Bridge in the southwestern part of the city. This thoroughfare connects Interstate 80 in the northern portion of the city with Interstate 580 and continues to the Richmond/San Rafael bridge near Point Richmond. The city is also served by BART rail service and the County Connection public bus service.

On January 10, 2019 the City of Richmond expanded their trans-bay transportation options by opening a ferry service between the Richmond Ferry Terminal and the San Francisco Ferry Building. The new ferry terminal is located in south Richmond, adjacent to the Richmond Marina Bay and the Harbor Channel. Transit time between Richmond and San Francisco is reportedly 35 minutes, with four runs during morning and evening commute hours. The new \$20 million dollar terminal at Harbour Way South is proving popular with ridership exceeding expectations. The ferry terminal is also seen as a trigger for economic development as there is new housing projects underway in this area as well as planned restaurants and services.

North Richmond

The subject is located in North Richmond, which is located within unincorporated West Contra Costa County. Contra Costa County currently provides municipal government services to unincorporated North Richmond, including public works, planning, law enforcement, and fire services. North Richmond is governed by the County of Contra Costa and a community council known as the North Richmond Municipal Advisory Council.

Annexing North Richmond into the City of Richmond has been discussed in recent years, however as reported by the East Bay Times, efforts have stalled as North Richmond residents have “overwhelmingly expressed that they didn’t want the community to be incorporated by the city.” Per the article by the East Bay Times: “The chief concern among North Richmond residents was having to pay more in taxes and fees, Richmond city officials said. If the 3,717-person community were annexed, property taxes would rise \$140 per \$100,000 of a home’s assessed value. North Richmond residents would also have to pay a 1-percent higher sales tax, from the current 8.25 percent to 9.25 percent, and a utility users’ tax that would be 5 to

10 percent higher.” Consequentially, annexation efforts have been halted for the time being.

North Richmond is developed with a mix of industrial uses east of the Richmond Parkway and vacant land west of the Parkway. Residential uses are situated in the central portion between Wildcat Creek to the north, Richmond Parkway to the west and south, and the railroad tracks to the east (parallel to Rumhill Boulevard to the east). Commercial uses are located generally to the south, near Richmond Parkway and 7th Street, and west of 6th Street. There is a general lack of neighborhood serving retail in North Richmond, and the national grocery store chains are mostly located to the west in the City of San Pablo or to the South in the City of Richmond.

Overall, North Richmond is generally underserved due to its status as an unincorporated portion of Contra Costa County. The majority of the Contra Costa County vital municipal services are located twenty miles to the east in Martinez, resulting in large service gaps. Annexation into the City of Richmond was suggested as a way to provide better service to the area, however North Richmond residents recently voted against annexation due to tax and budget concerns.

Public transportation access in North Richmond is provided via two main buses that run along Third Street and a North Richmond Shuttle. Freeway access to and from Interstate 580 and Interstate 80 is good. Richmond Parkway is a major thoroughfare with two to three lanes in each direction, signalized intersections and limited access from adjoining properties.

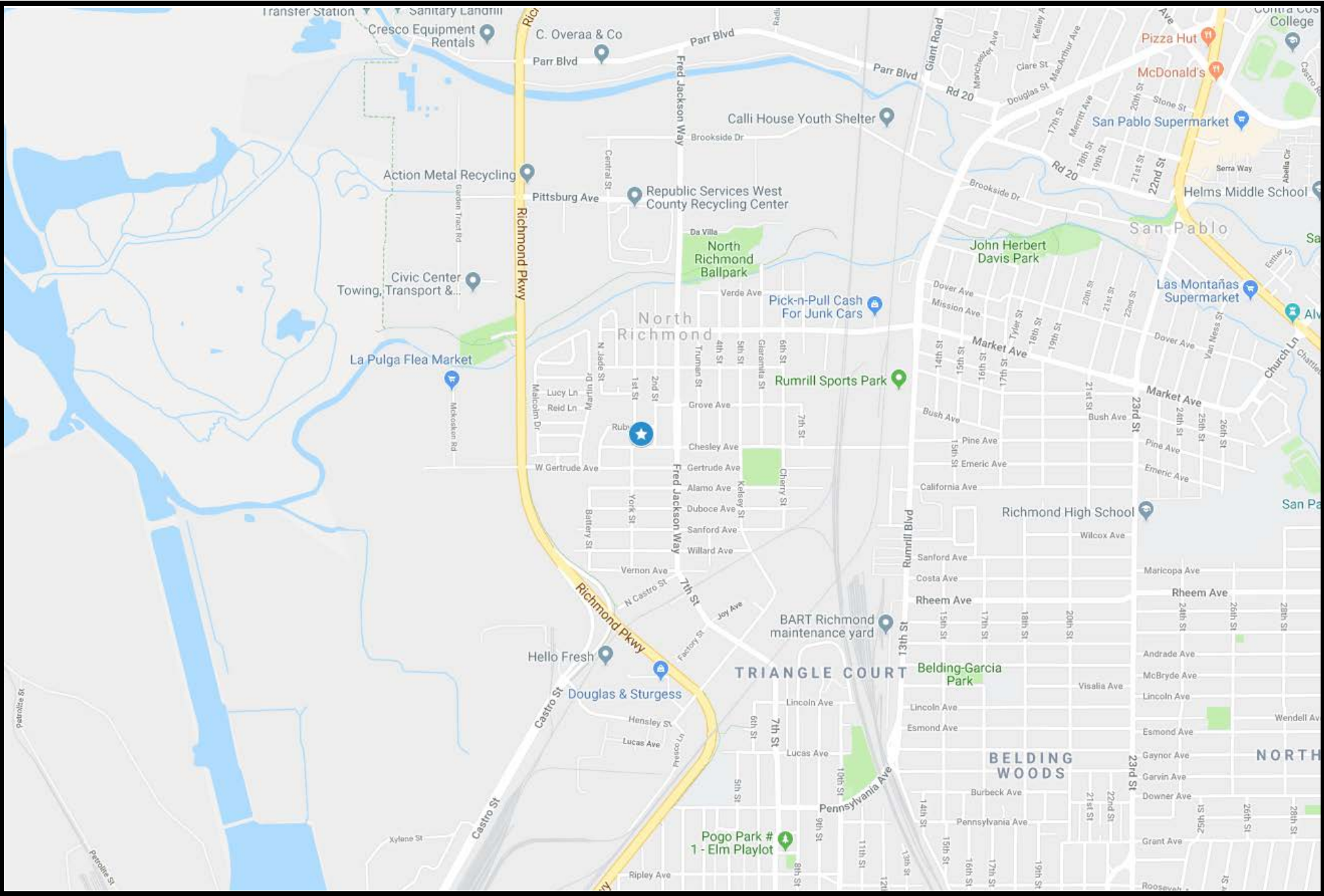
C. Neighborhood Description and Environs

The subject is part of the Las Deltas public housing project which currently contains a total of approximately 178 units. The project was originally built in the 1950s and 1960s to provide low cost rental housing and was developed with 244 units. The property is older and in poor condition.

The subject property is located in an unincorporated portion of West Contra Costa County, in North Richmond. The subject neighborhood is roughly bordered by Wildcat Creek to the north, Richmond Parkway to the west and south, freight train spur tracks to the south, and the Amtrak train tracks to the east (east of 7th Street). The subject neighborhood is primarily residential and comprised of single-family residences and multifamily uses. Nearby commercial uses are limited to two small neighborhood market with more commercial uses located in the neighboring communities of Richmond and San Pablo.

To the north of the neighborhood is mostly vacant land that is interspersed with industrial uses such as recycling centers and towing yards. To the south of the greater subject neighborhood is industrial use with large warehouses. At the eastern border of the neighborhood is Annie’s Annual and Perennials nursery located off of Market Avenue to the east of 7th Street as well as other industrial buildings. To

NEIGHBORHOOD MAP



the east of the neighborhood across the train tracks is also mostly residential, with some commercial uses and grocery stores located along Rumhill Boulevard.

The subject immediate neighborhood consists of single family and multifamily residential units. There are also vacant lots. The homes consist of older and newer improvements that are in fair to average condition. The listed home prices in the immediate neighborhood have ranged from \$246,000 to \$445,000, according to MLS.

The subject's Walkscore (www.walkscore.com) is 43, which is a "Car Dependent", indicating that most errands require a car. It also has a Transit Score of 30 which indicates that while there is some transit, there are only a few nearby public transportation options. Walk Score uses a proprietary algorithm to measure the proximity of a property to basic services.

The outlook for the area is transitional, with older structures in the area slowly being replaced or renovated with new residential homes.

III. MARKET OVERVIEW

A. Contra Costa County Residential Market Trends

The subject property is comprised of single-family homes and duplexes and is located in North Richmond. As an unincorporated part of Contra Costa County, precise market statistics were limited for the subject neighborhood. However, the subject is located within the sphere of influence of the City of Richmond, and adjacent to the City of San Pablo.

The subject is located in North Richmond, in an area roughly bounded by Richmond Parkway to the west, Wildcat Creek to the North, Rumhill Boulevard to the east, and Gertrude Avenue to the south. According to data sourced from Paragon MLS, there were a total of 26 listings in the primary subject market area in 2018. Listings spent an average of 35 days on the market, with the longest time on market recorded as 210 days. Of the 26 listings, 20 homes sold. List prices ranged from \$246,000 to \$609,950 equating to an average list price of \$434,894 or a median list price of \$409,000. Sales prices ranged from \$225,000 to \$585,000. This equates to an average sales price of \$435,062 and a median sales price of \$439,000.

The above data includes sales of the homes located within the Bella Flora development, located west of Martin Drive, which was built in 1990 – 2006, and is comprised of newer, larger homes. Excluding the sales of the homes within the Bella Flora development, there have been 16 listings in the subject neighborhood in 2018. Listing prices ranged from \$246,000 to \$445,000, equating to an average list price of \$358,337 and a median list price of \$369,500. Of the 16 listings there were 11 sales, ranging from \$225,000 to \$475,000. This equates to an average sales price of \$353,437 and a median sales price of \$365,000. The sales were on the market for an average of 28 days.

In 2019, year to date, there has been one sale and one pending sale in the subject neighborhood. The pending sale is listed at \$369,000 and the sale property sold for its listing price of \$260,000.

The table below summarizes the average sales price for the subject and adjacent neighborhoods, according to market statistics provided by the Contra Costa County Association of Realtors. The subject is located in both the “Richmond – North & East” neighborhood, as well as the “Richmond North & West/Parchester” neighborhood.

Neighborhood	Single-Family			Townhouse-Condo		
	Jan 2018	Jan 2019	% Change	Jan 2018	Jan 2019	% Change
Richmond - El Sobrante	\$ 682,154	\$604,160	-12.9%	\$335,263	\$ -	N/A
Richmond - Hilltop/College	\$ 516,543	\$472,500	-9.3%	\$388,609	\$399,500	2.7%
Richmond View	\$ 714,812	\$687,250	-4.0%	\$ -	\$ -	N/A
Richmond - North & East	\$ 525,293	\$ 482,125	-9.0%	\$ -	\$ -	N/A
Richmond North & West/Parchest	\$ 406,354	\$ 433,167	6.2%	\$ 417,212	\$ -	N/A
Richmond - South	\$ 427,496	\$ 421,400	-1.4%	\$ 416,250	\$ -	N/A
Richmond - Point/Bayfront	\$ 976,193	\$ -	N/A	\$ 533,461	\$ 546,143	2.3%
Richmond - Annex	\$ 638,156	\$ 500,000	-27.6%	\$ -	\$ -	N/A
Richmond - Country Club	\$ 651,539	\$ -	N/A	\$ -	\$ -	N/A

As shown on the above table, single family home sales in the subject's CCAR neighborhood are on the low end of the range, with average sale prices ranging from \$406,000 to \$525,000.

In the Richmond North & West/Parchester neighborhood, there were a total of 21 new listings and 12 closed sales in 2018 of detached single-family houses. The average sales price was reportedly \$394,834, which is well below the Contra Costa County average. There was an average 24 days on market until sale. There were 2 total attached townhouse-condo listings in the neighborhood in 2018 with no closed sales.

The subject is far below the county average in terms of sales. The Contra Costa County Association of Realtors (CCAR) reports that there 7,047 active listings of single-family homes in Contra Costa County in 2018, and 2,243 listings of townhouses/condos. Of those listings, there were a total of 4,781 closed sales of single-family homes in 2018, as compared to 2,073 sales of townhouses/condos.

According to Zillow, the median home price in the City of Richmond is \$529,700 as of January 2019. Home values have gone up 11.3 percent over the past year and Zillow predicts they will rise 8.4 percent within the next year. The median list price per square foot in the City of Richmond is \$426. The median price of homes currently listed in the City of Richmond is \$499,000, while the median price of homes that sold is \$532,800. The median rent price in the City of Richmond is \$2,600.

Overall, relatively little product has sold in the past few years in the subject immediate neighborhood, at prices below the metro and county averages.

B. Residential Construction Trends

The subject is located in North Richmond, in unincorporated Contra Costa County, however as stated above, it is located within the City of Richmond's sphere of influence. Historically, North Richmond area has seen limited new development due to its peripheral location and weak demographics. While the greater East Bay

market has seen spikes in demands, the subject is located in the North Richmond, which due to its longer commute has remained relatively affordable. CoStar reports that “limited demand has caused development in the [subject Richmond/Martinez] submarket to lag behind that in other parts of the East Bay.” According to CoStar, the subject’s Richmond/Martinez submarket, “marks the far northeast boundary of the East Bay Metro and comprises a mix of industrial cities and bedroom communities. The submarket lacks the wealth or urban amenities of popular neighbors to the immediate south, but recently saw its first developments since before the recession.”

The City of Richmond, however, has seen an influx of new development as a result of increasing demand for housing in the larger East Bay market. While the Richmond area has always been a peripheral location due to its distance from San Francisco and general commute difficulties, on January 10, 2019 the City of Richmond expanded their trans-bay transportation options by opening a ferry service between the Richmond Ferry Terminal and the San Francisco Ferry Building. The new ferry terminal is located in south Richmond, adjacent to the Richmond Marina Bay and the Harbor Channel. Transit time between Richmond and San Francisco is reportedly 35 minutes, with four runs during morning and evening commute hours. This is expected to draw commuters who would have otherwise shunned the hour-long vehicular commute from Richmond into San Francisco, and have been priced out of other Bay Area markets.

Currently, the City of Richmond has several major projects active in their residential pipeline. There are three major projects under construction in Richmond. The NOMA project by William Lyon Homes is located at 830 Marina Way South and will contain approximately 197 townhomes and Live/Work units, as well as a 3,000 square foot business incubator, fitness center and parking. The Terraces at Nevin (located at Nevin Avenue between 21st and 23rd Streets) is a multifamily residential project of (2) six-story apartment buildings with a total of 289 units. The Waterline, located between Canal Boulevard and Seacliff Drive in southern Point Richmond, is comprised of (60) market rate two- and three-bedroom flats and townhomes.

Richmond currently has three currently approved major projects as well: the Miraflores Residential Development located in Park Plaza adjacent to East Richmond, has been approved for 190 units; the Quarry Residential Project has been approved for 200 new condos; and Latitude at 1500 Dornan Drive has been approved for 295 condos, 21 single family homes, 2,000 square feet of retail space and a 1.9 acre shoreline park. There are four other major projects currently proposed as well. The 12th and Macdonald development has been proposed for 256 units and approximately 25,000 square feet of commercial space. Marina Way South Residential Project by New West Communities has proposed 399 units and 1,800 square feet of retail space. Richmond Central is an affordable housing development proposed for 172 below market rate apartments. The Point Molate Development is still under discussion but is expected to dramatically redevelop the 266-acre site.

There is very little current or recent development in the North Richmond neighborhood. Richmond currently has one multifamily affordable project under construction, Heritage Point Development. The \$27 million-dollar project is located at 1500 Fred Jackson Way and will consist of a four story, 42 multifamily units with approximately 4,500 square feet of commercial space. It is proposed to be completed by late 2019 and is situated across from the Community Heritage Senior Apartments. The project is being developed by Community Housing Development Corporation (CDHC) in conjunction with the Contra Costa Housing Authority.

Overall, the demand for housing in the East Bay remains strong, and the subject's submarket is expected to benefit from the overall demand as more centralized areas become more expensive.

C. Conclusion

The Contra Costa County and Richmond rental housing market is relatively stable, with moderate gains in rents and low, relatively level vacancy rates. From a supply perspective, there are new developments in the pipeline in the greater subject market area. Demand in the greater East Bay has grown, and Richmond is expected to benefit from the overflow. However, North Richmond has limited new product coming online in the near future, and their status in unincorporated Contra Costa County has led to municipal service gaps that have discouraged prospective buyers. Long term, the outlook is good that steady demand will continue for market rate housing and rental units.

IV. PROPERTY DATA AND ANALYSIS

A. Site Description

The subject property consists of a total of 31 parcels located on various sites in North Richmond and is part of the Las Deltas Family Project CA 009B - Annex 2. There are 31 noncontiguous parcels that are situated on the blocks bounded by First Street to the west, Chesley Avenue to the south, Seventh Street to the east and Wildcat Creek Regional Trail to the north. The Subject Identification Table on the following page lists the subject properties and notes the lot area, the condition of the existing improvements on the parcel, street address and unit identification number as well as the comments.

The subject lots range in size from 4,998 to 26,529 square feet. The parcels are typically regular in shape and the topography of the parcels is generally level. The streets are improved with sidewalks, curbs and gutters. All utilities are available to the sites.

The immediate environs include vacant lots as well as poor to fair quality single family homes and duplexes. Many of the units are under the same ownership as the subject property. Other homes are privately owned and there are several churches in the area. Uses east of Seventh Street are typically industrial.

B. Environmental Observations

An environmental assessment of the subject property was not provided. Upon inspection of the subject property, the appraisers did not observe any evidence of toxic contamination on the property. No further information was available as to the content of the ceiling material. This appraisal assumes that the site and improvements are free of toxic contaminants. The reader is referred to the limiting condition to this effect in chapter one of this report.

C. Flood Zone and Seismic Information

According to Flood Map 06013C0228G, dated September 30, 2015, the subject is located in Flood Zone X, an area that is determined to be outside the 100- and 500-year floodplains.

The subject property is not located in the Alquist Priolo zone. According to governmental geological evaluations, the entire San Francisco Bay Area is located in a seismic zone. No active faults are known to exist on the subject property. Inasmuch as similar seismic conditions generally affect competitive properties, no adverse impact on the subject property is considered.

SUBJECT IDENTIFICATION TABLE
Appraisal of 31 Parcels within the Las Deltas Family Project
CA009B - Annex 2
North Richmond, California

#	APN Number	Address	Unit Number	Parcel Size (SF) 1	General Plan	Zoning	Existing Condition (2)	Unit Size (SF)	Unit Type Total Bldg SF	Comments
1	409-052-009-1	1520 First Street	584	7,463	SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex 1,870	East side of First Street between W Ruby Street and Chesley Avenue
		1518 First Street	585		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935		
2	409-052-003-4	121 Chesley Avenue	586	10,040	SH	P-1	2BD/1 BA - Vacant Poor Cond.	770	Duplex 1,705	NW corner of Chelsley Ave & 2nd St.
		1511 Second Street	587		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935		
3	409-200-016-7	1714 First Street	588	7,338	SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex 1,870	East side of First Street between Market and Silver Avenues
		1710 First Street	589		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935		
4	409-191-009-3	317 Silver Avenue	592	10,026	SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex 1,870	North side of Silver Avenue, mid-block btwn 3rd & Truman Streets. Duplex
		325 Silver Avenue	593		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935		
5	409-191-013-5	1730 Fred Jackson Way	594	7,578	SH	P-1	4BD/1.5 BA - Vacant Poor Cond.	1,155	SF 1,155	East side of 3rd Street, mid-block between Market Avenue & Silver Avenue.
6	409-251-022-3	1844 Truman Street	595	7,500	SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex 1,870	East side of Truman Street, mid-block between Verde & Market Ave.
		1840 Truman Street	596		SH	P-1	3BD/1.5 BA - Occupied	935		
7	409-162-018-9	1725 Fourth Street	599	7,500	SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex 1,870	West side of Fourth Street between Market and Silver Avenues
		1727 Fourth Street	600		SH	P-1	3BD/1.5 BA - Vacant	935		
8	409-161-001-6	1744 Fourth Street	602	4,998	SH	P-1	4BD/1.5 BA - Vacant Poor Cond.		SF	SE corner of 4th Street & Market Avenue.
9	409-142-005	1649 Giaranita Street	603	21,299	SH	P-1	4BD/1.5 BA - Vacant Poor Cond.	1,155	SF	SW corner of Silver and Giaranita Street
		1643 Giaranita Street	604		SH	P-1	4BD/1.5 BA - Vacant Poor Cond.	1,155	Duplex	West side of Giaranita Street btw
		1639 Giaranita Street	605		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	2,090	Grove and Silver Avenues
		1623 Giaranita Street	606		SH	P-1	3BD/1.5 BA Occupied	935	Duplex	5,115 sf of bldg area
		1619 Giaranita Street	607		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	1,870	

SUBJECT IDENTIFICATION TABLE
Appraisal of 31 Parcels within the Las Deltas Family Project
CA009B - Annex 2
North Richmond, California

#	APN Number	Address	Unit Number	Parcel Size (SF) 1	General Plan	Zoning	Existing Condition (2)	Unit Size (SF)	Unit Type Total Bldg SF	Comments
10	409-151-011-7	1710 Giaramita Street	608	5,000	SH	P-1	4BD/1.5 BA - Vacant Very Poor		SF	NE corner of Giaramita St. & Silver Ave. Structural Damage- Land Value
11	409-152-007-4	1711 Giaramita Street	610	7,580	SH	P-1	1BD/1BA-Vacant Poor Cond.	578	Duplex	Northwest corner of Giaramita Street
		525 Silver Avenue	609		SH	P-1	1BD/1BA-Vacant Poor Cond.	578	1,156	and Silver Avenue
12	409-282-019-2	1814 Sixth Street	612	7,500	SH	P-1	4BD/1.5 BA - Vacant Poor Cond.	1,155	Duplex	NE corner of 6th Street & Market Avenue.
		611 Market Avenue	613		SH	P-1	2BD/1 BA - Vacant Poor Cond.	770	1,925	
13	409-151-005-9	1741 Sixth Street	614	9,983	SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex	East side of 6th Street, mid-block betwn
		1737 Sixth Street	615		SH	P-1	3BD/1.5 BA- Vacant Poor Cond.	935	1,870	Market & Silver Avenues. Damage
14	409-060-018-2	1572 First Street	616	15,065	SH	P-1	4BD/1.5 BA - Vacant Poor Cond.	1,155	Duplex	East side of 1st Street, mid-block betwn
		1574 First Street	617		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	2,090	West Ruby Street & Silver Avenue.
		1560 First Street	618		SH	P-1	4BD/1.5 BA - Vacant Poor Cond.	1,155	Duplex	4,180 sf of bldg area
		1558 First Street	619		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	2,090	
15	409-052-001-8	1529 Second Street	620	7,499	SH	P-1	3BD/1.5 BA - Occupied	935	Duplex	
		114 West Ruby Street	621		SH	P-1	3BD/1.5 BA- Occupied	935	1,870	
16	409-060-009-1	1601 Second Street	622	9,865	SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex	West side of 2nd Street, mid-block betwn
		1605 Second Street	623		SH	P-1	3BD/1.5 BA- Vacant Poor Cond.	935	1,870	Grove & Silver Aves. Str. Damage. Land Value
17	409-182-002-9	220 Silver Avenue	624	11,365	SH	P-1	4BD/1.5 BA Vacant- Boarded Up	1,155	Duplex	South side of Silver Ave, mid-block
		218 Silver Avenue	625		SH	P-1	4BD/1.5 BA Vacant- Boarded Up	1,155	2,310	btwn 2nd & 3rd Strs. Str. Damage. Land Value
18	409- 191-001	308 Market Avenue	626	15,214	SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex	SE Corner of Market and Third
		1748 Fred Jackson Way	627		SH	P-1	3BD/1.5 BA- Vacant Poor Cond.	935	1,870	East Side of Third Street
		322 Market Avenue	628		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex	SS of Market St bwt. Third & Truman St.
		320 Market Avenue	629		SH	P-1	3BD/1.5 BA- Vacant Poor Cond.	935	1,870	3,740 sf of bldg area

SUBJECT IDENTIFICATION TABLE
Appraisal of 31 Parcels within the Las Deltas Family Project
CA009B - Annex 2
North Richmond, California

#	APN Number	Address	Unit Number	Parcel Size (SF) 1	General Plan	Zoning	Existing Condition (2)	Unit Size (SF)	Unit Type Total Bldg SF	Comments
19	409-252-008-1	315 Verde Avenue	634	8,081	SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex	West side of Verde Avenue mid-block between Fourth and Truman Streets
		317 Verde Avenue	635		SH	P-1	3BD/1.5 BA- Vacant Poor Cond.	935	1,870	
20	409-171-015-4	1624 Fourth Street	636	10,557	SH	P-1	4BD/1.5 BA Vacant- Boarded Up	1,155	Duplex	East side of 4th Street, mid-block betwn Grove & Silver Avenues.
		1622 Fourth Street	637		SH	P-1	4BD/1.5 BA Vacant- Boarded Up	1,155	2,310	
21	409-100-004-4	1542 Fourth Street	638	25,288	SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex	Gutted
		1540 Fourth Street	639		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	1,870	L Shape Lot. Frontage on 5th and 4th
		1534 Fourth Street	640		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex	Street. Located betwn Grove and
		1532 Fourth Street	641		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	1,870	Chesley Avenues. 2 units Fire Damage
		1539 Fifth Street	642		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex	Gutted
		1541 Fifth Street	643		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	1,870	5,610 sf of bldg area
22	409-161-008-1	423 Silver Avenue	644	7,316	SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex	NW corner of Fifth, Grove and Siliver
		1709 Fifth Street	645		SH	P-1	3BD/1.5 BA- Vacant Poor Cond.	935	1,870	
23	409-272-009-5	1927 Giaranita Street	648	10,208	SH	P-1	4BD/1.5 BA Vacant- Boarded Up	1,155	Duplex	West side of Giaranita Street north of Verde Avenue
		1925 Giaranita Street	649		SH	P-1	4BD/1.5 BA Vacant- Boarded Up	1,155	2,310	
24	409-292-001-8	1932 Giaranita Street	650	26,529	SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex	Irregular shaped lot with frontage on Sixth and Giaranita Streets, north of Verde Avenue. Adjacent to creek and school.
		1934 Giaranita Street	651		SH	P-1	3BD/1.5 BA - Occupied	935	1,870	
		1923 Sixth Street	662		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex	
		1925 Sixth Street	663		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	1,870	
		1929 Sixth Street	664		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex	
		1931 Sixth Street	665		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	1,870	
		1945 Sixth Street	666		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex	7,480 sf of bldg area
		1943 Sixth Street	667		SH	P-1	3BD/1.5 BA - Occupied	935	1,870	
25	409-281-001-1	1844 Giaranita Street	652	17,502	SH	P-1	4BD/1.5 BA Vacant- Boarded Up	1,155	Duplex	SE corner of Verde Ave & Giramita St.
		542 Verde Avenue	653		SH	P-1	4BD/1.5 BA Vacant- Boarded Up	1,155	2,310	
		1842 Giaranita Street	654		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex	4,180 sf of bldg area
		1840 Giaranita Street	655		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	1,870	

SUBJECT IDENTIFICATION TABLE
Appraisal of 31 Parcels within the Las Deltas Family Project
CA009B - Annex 2
North Richmond, California

#	APN Number	Address	Unit Number	Parcel Size (SF) 1	General Plan	Zoning	Existing Condition (2)	Unit Size (SF)	Unit Type Total Bldg SF	Comments
26	409-110-007-5	1525 Giaramita Street	656	8,384	SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex 1,870	West side of Giaramita Street, mid-block btwn Chelsley & Grove Avenues.
		1527 Giaramita Street	657		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935		
27	409-120-005-7	1547 Sixth Street	658	7,710	SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex 1,870	West side of 6th Street, mid-block betwn Chelsley & Grove Avenues.
		1549 Sixth Street	659		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935		
28	409-141-006-0	1639 Sixth Street	660	7,993	SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex 1,870	West side of Sixth Street mid-block between Silver and Grove Avenues
		1641 Sixth Street	661		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935		
29	409-291-009-2	1932 Sixth Street	668	7,530	SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex 1,870	East side of Sixth Street North of Verde Avenue
		1930 Sixth Street	669		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935		
30	409-131-003-9	1724 Sixth Street	670	9,967	SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex 1,870	East side of Sixth Street mid-block betwn Market and Silver Avenues
		1722 Sixth Street	671		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935		
31	409-282-005-1	1817 Seventh Street	672	14,958	SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935	Duplex 1,870	West side of 7th Street, mid-block betwn Market & Verde Avenues. 3,740 sf of bldg area
		1819 Seventh Street	673		SH	P-1	3BD/1.5 BA Occupied	935		
		1829 Seventh Street	674		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935		
		1827 Seventh Street	675		SH	P-1	3BD/1.5 BA - Vacant Poor Cond.	935		

- 1) Site area based on public records.
- 2) All vacant improvements boarded-up
- 334,836 SF of Land
- 7.69 Acres
- 10 du/ac

Property 9B

BR Size	BD Count	SF	Total SF
1	2	578	1,156
2	2	770	1,540
3	61	935	57,035
4	11	1,155	12,705
4- SF	4	1,155	4,620
	80		77,056

4 SF

38 Duplexes

D. Zoning Designation

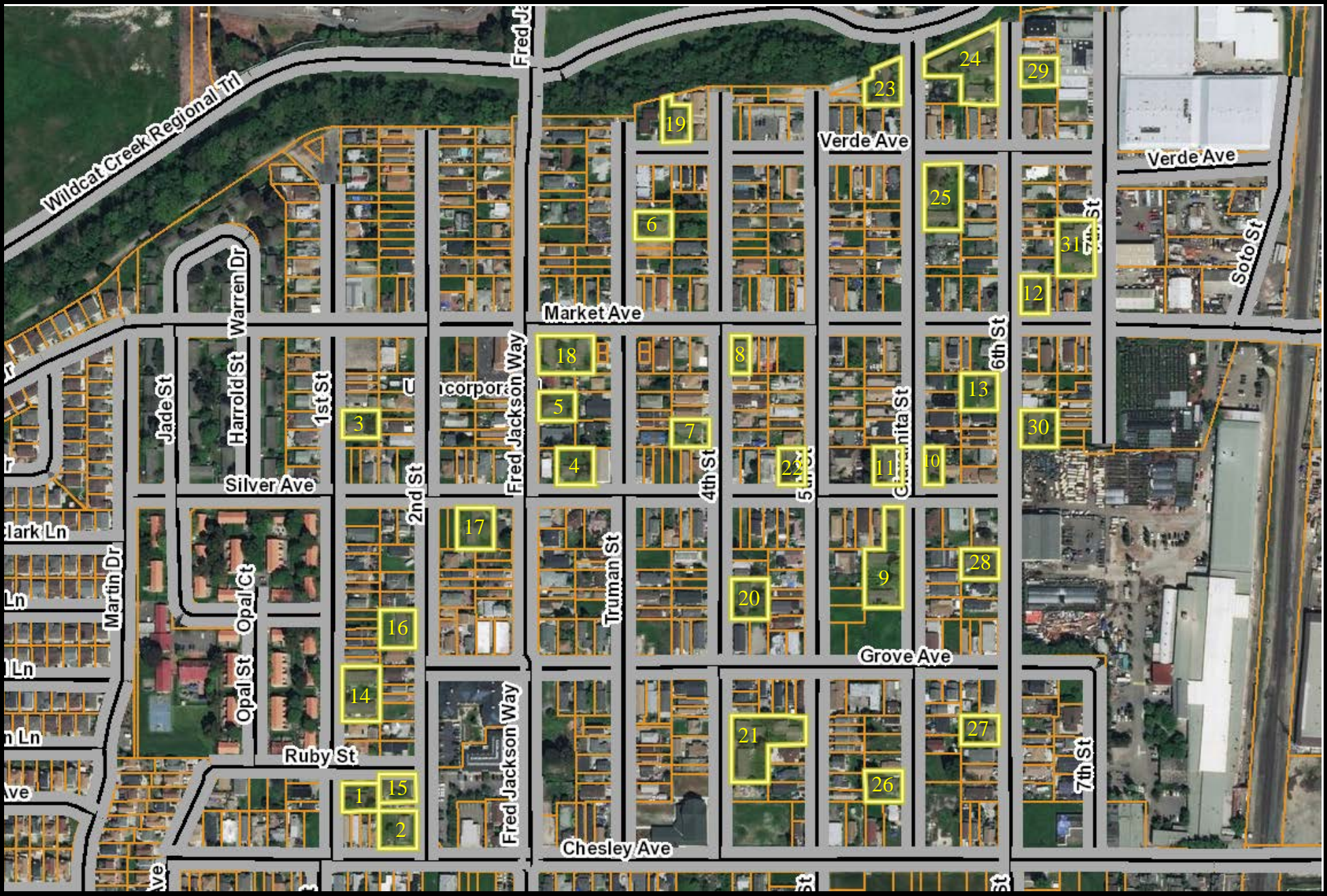
The subject properties are located in Contra Costa County within the North Richmond Redevelopment Area and although the Redevelopment Agency has been dissolved, the guidelines are still applicable. The subject property has a General Plan land use designation of Single Family Residential High Density, (SH). The General Plan land use designation allows between 5.0 to 7.2 single family units per net acre. Attached single family units (duplexes or duets) may be allowed as well as churches, small residential care and child care facilities. The minimum lot size is 4,500 square feet for a single family and 7,000 square feet for a duplex. The building height limit is 30 feet or two stories.

The subject has a zoning designation of Planned Unit District (P-1) within the North Richmond Area. This zoning designation is meant to provide *“a large-scale integrated development or a general plan special area of concern provides an opportunity for, and requires cohesive design when flexible regulations are applied; whereas the application of conventional regulation, designed primarily for individual lot development, to a large-scale development or special area may create a monotonous and inappropriate neighborhood. The planned unit district is intended to allow diversification in the relationship of various uses, buildings, structures, lot sizes and open space while insuring substantial compliance with the general plan and the intent of the county code in requiring adequate standards necessary to satisfy the requirements of the public health, safety and general welfare. These standards shall be observed without unduly inhibiting the advantages of large-scale site or special area planning.”*

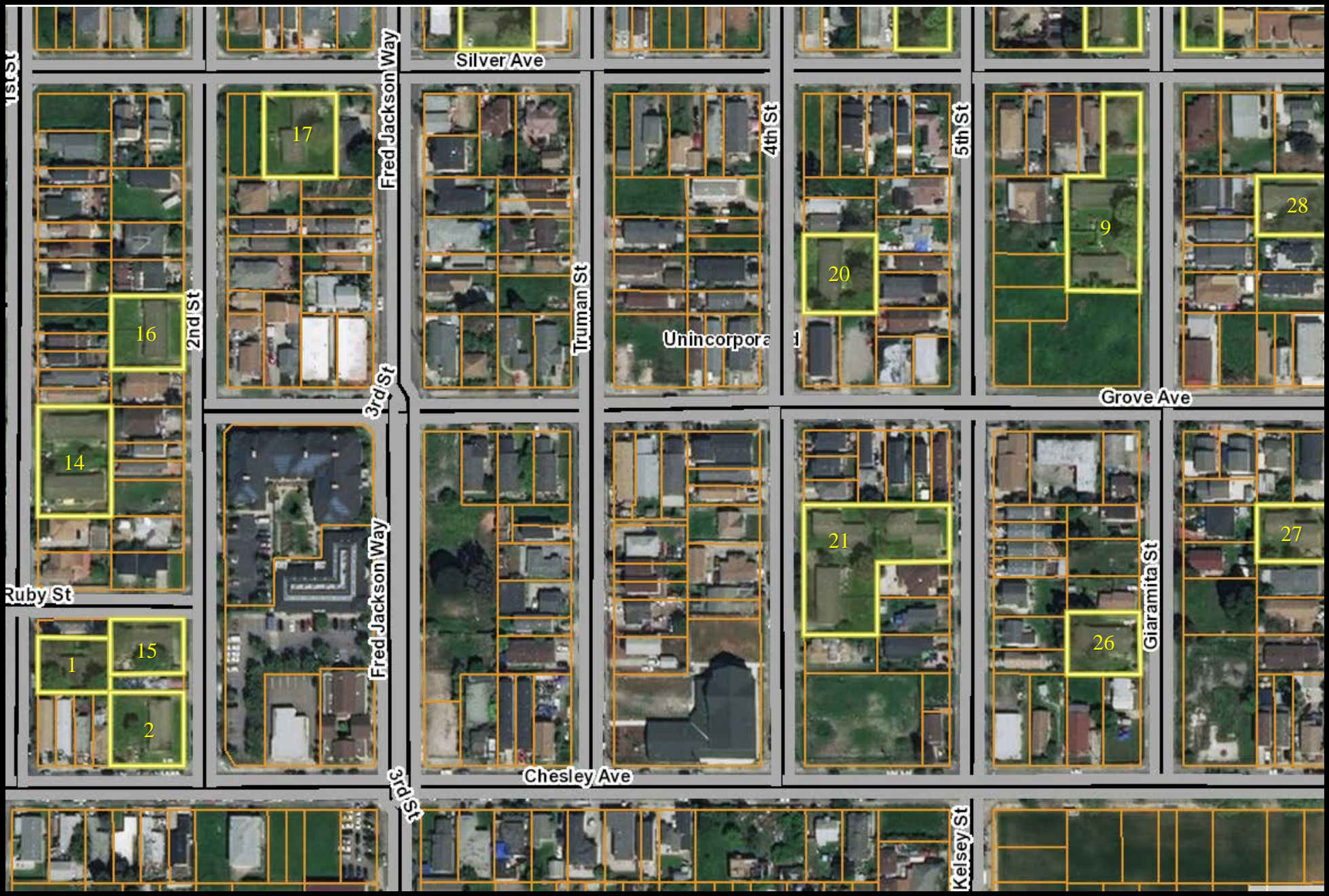
This zoning district allows the following permitted uses; a) any land uses with final plan approval for development which are in harmony, serve to fulfill the function of the development, and consistent with the General Plan; b) detached single-family dwelling on each legally established lot with the accessory structures and uses normally auxiliary to it. Allowed uses also include duplexes, secondary units, and child care for less than 12 children. Based on the North Richmond Redevelopment Plan area development guidelines, single family lots require a minimum of 4,500 square feet, a duplex requires 7,000 square feet and a multi-family project requires a minimum lot area of 10,000 square feet. The maximum building height is 30 feet or two stories.

Interim uses are also allowed under this zoning designation where no preliminary development plan is approved. These include any nonconforming use existing at the time of the establishment of the P-1 District which may be repaired, rebuilt, or enlarged. Administrative use permits can also be granted. The subject property is currently zoned P-1 and has a General Plan of Single-Family High Density Residential (SH). Any planned development would need to be reviewed by the County Planning Department and a Development Permit is required for residential construction over three units. The subject parcels currently appear to be legally conforming uses.

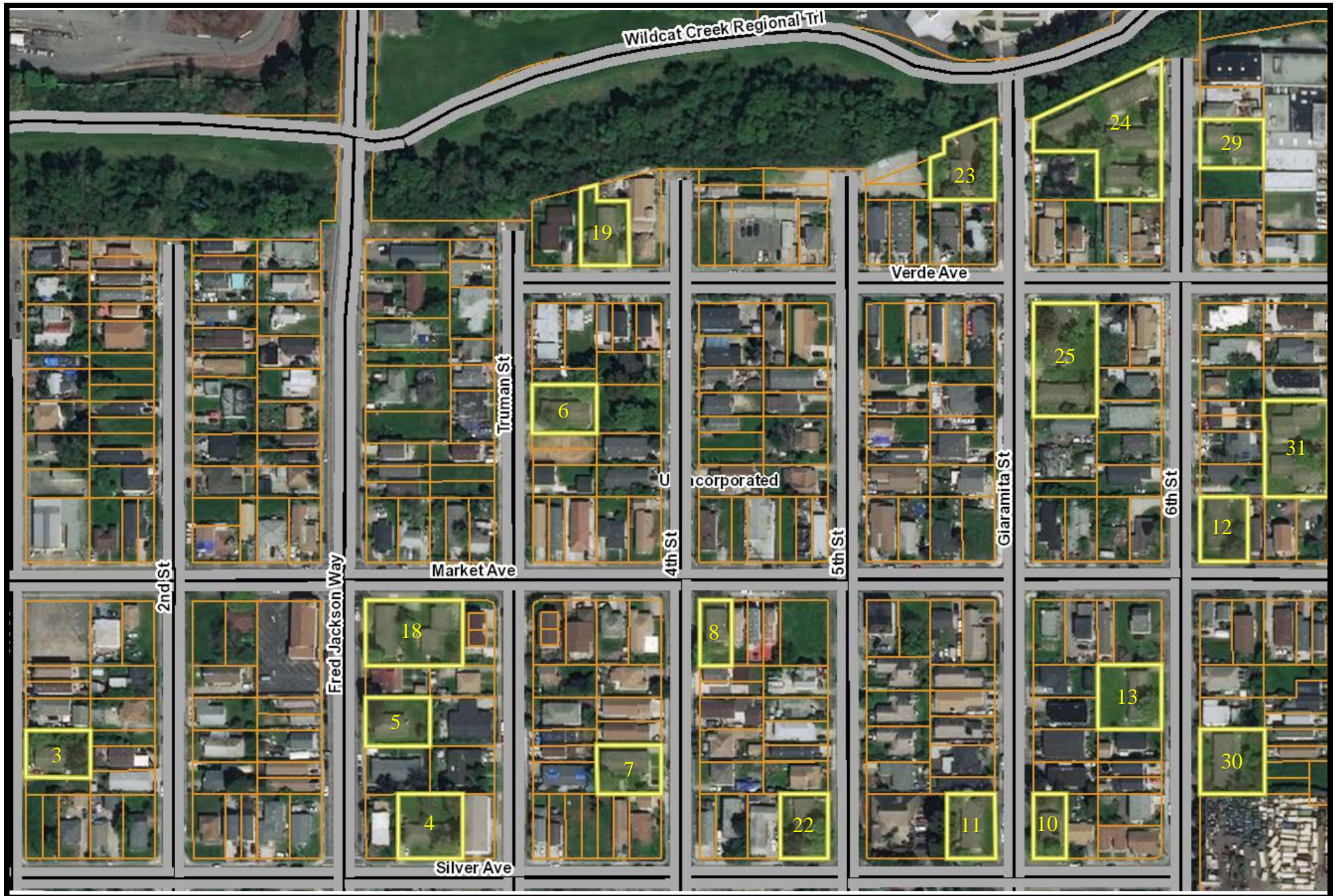
AERIAL MAP



AERIAL MAP



AERIAL MAP



E. Easements and Restrictions

The appraisers were not provided with a preliminary title report for the subject property. Inspection of the property and review of the parcel maps indicated that there are several public utility easements affecting the subject parcels, which is common for this type of property. None of the noted easements or restrictions appear to adversely impact the utility or marketability of the subject property.

The subject property is currently owned by the Housing Authority of Contra Costa County. The subject is potentially affected by regulatory agreements recorded on the site which restrict the development and/or use. This appraisal assumes that there are no rent restrictions encumbering the subject property.

F. Ownership and Sales History

The appraisers were not provided with title reports for the subject parcels. According to public records, title to the subject property is currently vested in Contra Costa County Housing Authority. There have been no transfers of ownership in the past several decades.

G. Assessed Valuation and Real Estate Taxes

Under California property tax laws instituted by the passage of Proposition 13, property taxes can only be increased a maximum of two percent annually unless a property is sold, or additional value is added through new construction or alteration. Upon sale, property is taxed on the basis of one percent of the reassessed value, most often equal to the purchase price, plus existing bond indebtedness. The tax rate for the subject tax rate area for the 2018-2019 fiscal year is reportedly 1.2591 percent. The tax rate is broken down as follows:

CONTRA COSTA COUNTY 2018-2019 DETAIL OF TAX RATES						
TAX RATE AREA	TRA RATE	DESCRIPTION	SPECIAL RATE	DISTRICT RATE	GROUP RATE	TRA RATE
85075	1.2591	COUNTYWIDE TAX		1.0000	1.0000	
		BART		0.0052		
		BART BOND 2016		0.0018		
		BART			0.0070	
		EAST BAY REG PK BD		0.0021	0.0021	
		WEST CC UNIF BD 98		0.0047	0.0047	
		WCC UNIF BOND 2000		0.0183		
		WCCUSD 2002 BOND		0.0600		
		WCC UNIF BOND 2005		0.0600		
		WCCUSD 2010 BOND		0.0480		
		WEST CONTRA COSTA UNIF			0.2390	
		WCCUSD 2012 BOND		0.0480	0.0480	
		COMM COLL 2002 BND		0.0030		
		COMM COLL 2006 BND		0.0065		
		COMM COLL 2014 BND		0.0015		
		COMMUNITY COLLEGE			0.0110	1.2591

SUBJECT PHOTOGRAPHS



1529 Second Street



1529 Second Street Interior



1529 Second Street Kitchen



1529 Second Street Bathroom

SUBJECT PHOTOGRAPHS



1529 Second Street Interior



317 Silver Avenue



317 Silver Avenue Interior



317 Silver Avenue Interior

SUBJECT PHOTOGRAPHS



317 Silver Avenue Kitchen



317 Silver Avenue Interior



1549 Sixth Street



1549 Sixth Street Kitchen

SUBJECT PHOTOGRAPHS



1549 Sixth Street Interior



1623 Giaramita Street



Typical Guttied Interior



Typical Guttied Interior

SUBJECT PHOTOGRAPHS



1730 Fred Jackson Way



1932 Giaramita Avenue



1923 Sixth Street



1931 Sixth Street

SUBJECT PHOTOGRAPHS



1925 Sixth Street



1925 Sixth Street Kitchen



1925 Sixth Street Bathroom



1925 Sixth Street Interior

SUBJECT PHOTOGRAPHS



1539 Fifth Street



1639 Sixth Street



611 Market Avenue



423 Silver Avenue

SUBJECT PHOTOGRAPHS



1725 Fourth Street



315 Verde Avenue



1844 Truman Street

For the current 2018-2019 tax year, the subject parcel has total assessed values and special taxes as follows:

	Subject	Land	Improvements	Gross Value	Special	Taxes
1	409-052-009-1	\$ 8,587	\$ 31,215	\$ 39,802	\$ 576	\$ 576
2	409-052-003-4	\$ 10,741	\$ 26,982	\$ 37,723	\$ 576	\$ 576
3	409-200-016-7	\$ 8,587	\$ 31,215	\$ 39,802	\$ 576	\$ 576
4	409-191-009-3	\$ 10,741	\$ 29,054	\$ 39,795	\$ 576	\$ 576
5	409-191-013-5	\$ 8,587	\$ 20,438	\$ 29,025	\$ 576	\$ 576
6	409-251-022-3	\$ 8,598	\$ 31,217	\$ 39,815	\$ 576	\$ 576
7	409-162-018-9	\$ 9,025	\$ 31,005	\$ 40,030	\$ 576	\$ 576
8	409-161-001-6	\$ 6,433	\$ 22,584	\$ 29,017	\$ 576	\$ 576
9	409-142-005	\$ 24,757	\$ 81,846	\$ 106,603	\$ 1,506	\$ 1,506
10	409-151-011-7	\$ 6,433	\$ 22,584	\$ 29,017	\$ 576	\$ 576
11	409-152-007-4	\$ 8,587	\$ 31,215	\$ 39,802	\$ 576	\$ 576
12	409-282-019-2	\$ 9,025	\$ 19,633	\$ 28,658	\$ 576	\$ 576
13	409-151-005-9	\$ 10,741	\$ 29,054	\$ 39,795	\$ 576	\$ 576
14	409-060-018-2	\$ 17,201	\$ 67,849	\$ 85,050	\$ 1,004	\$ 1,004
15	409-052-001-8	\$ 8,587	\$ 31,215	\$ 39,802	\$ 576	\$ 576
16	409-060-009-1	\$ 10,741	\$ 29,054	\$ 39,795	\$ 576	\$ 576
17	409-182-002-9	\$ 10,741	\$ 34,443	\$ 45,184	\$ 1,004	\$ 1,004
18	409- 191-001	\$ 17,201	\$ 62,445	\$ 79,646	\$ 1,506	\$ 1,506
19	409-252-008-1	\$ 8,587	\$ 31,215	\$ 39,802	\$ 1,004	\$ 1,004
20	409-171-015-4	\$ 10,741	\$ 34,443	\$ 45,184	\$ 576	\$ 576
21	409-100-004-4	\$ 27,989	\$ 91,552	\$ 119,541	\$ 3,012	\$ 3,012
22	409-161-008-1	\$ 8,587	\$ 31,215	\$ 39,802	\$ 576	\$ 576
23	409-272-009-5	\$ 10,316	\$ 34,443	\$ 44,759	\$ 1,004	\$ 1,004
24	409-292-001-8	\$ 32,932	\$ 127,109	\$ 160,041	\$ 2,008	\$ 2,008
25	409-281-001-1	\$ 19,352	\$ 65,682	\$ 85,034	\$ 1,506	\$ 1,506
26	409-110-007-5	\$ 8,587	\$ 31,215	\$ 39,802	\$ 576	\$ 576
27	409-120-005-7	\$ 8,587	\$ 31,215	\$ 39,802	\$ 1,004	\$ 1,004
28	409-141-006-0	\$ 8,587	\$ 31,215	\$ 39,802	\$ 576	\$ 576
29	409-291-009-2	\$ 8,587	\$ 31,215	\$ 39,802	\$ 1,004	\$ 1,004
30	409-131-003-9	\$ 10,741	\$ 29,054	\$ 39,795	\$ 576	\$ 576
31	409-282-005-1	\$ 17,201	\$ 62,445	\$ 79,646	\$ 2,008	\$ 2,008
	TOTAL	\$ 376,107	\$ 1,265,066	\$ 1,641,173	\$ 28,514	\$ 28,514

Source: Contra Costa County Tax Collector

The subject property has received an exemption for 99% of the total assessed value of the land and improvements from ad valorem taxes due to the non-profit management/ownership of the subject. However, the special assessments are not exempt and total \$28,514. The special assessments include West County Wastewater District Sewer Charges. According to the County Tax Collector, as of the date of this appraisal, all taxes due have been paid in full.

H. Description of Existing Improvements

The subject consists of 31 parcels and is improved with duplexes or single-family rental units for a total of 80 residential units. The subject dwelling units are of wood frame construction on concrete slabs with stucco exteriors. The units have windows

which are single pane aluminum frame. The typical interior finishes of the units consist of vinyl flooring and drywall. The one-bedroom units contain 578 square feet. The two-bedroom units contain approximately 770 square feet, the three-bedroom units have 935 square feet and the four-bedroom units consist of 1,155 square feet. The subject contains four single family homes with four bedrooms and 1.5 baths with 1,155 square feet. The duplexes have a concrete driveway for parking one vehicle at each unit. The duplexes and single-family homes have rear yard with cyclone fencing and a concrete patio. The units have a dryer connection and a connection for a washing machine in the kitchen area.

The existing condition of the units are noted on the Subject Identification Table on the preceding page. The subject units were built in 1961 and are generally in very poor condition. The majority of the units are currently boarded-up and uninhabitable. Many of the units have been gutted. Of the 80 units, approximately 7 units are currently occupied, and the other 73 units are vacant.

Many of the units have been vandalized with copper piping and wiring removed. Most of the water heaters appear to have been damaged and some water damage was observed from broken pipes. Walls have been damaged and in some cases the ceiling has been partially opened. The vacant units are typically boarded-up to prevent squatters or additional damage. The front and rear doors have been removed by VPS (the vacant property security system). Several of the units have been damaged by fire.

Although the interior of the residential units is in very poor condition and essentially gutted, the building foundation and framing appears to be in average condition. The roof structure is tar and gravel and also appears to be in average condition with no signs of leaking.

Estimated Costs of Renovation

The majority of the units are currently boarded-up and uninhabitable. The vacant units are typically boarded-up to prevent squatters or additional damage. However, in many cases the units have been broken into and there has been additional damage. Essentially the units will need to be completely gutted and renovated to become occupiable. In 2014 the subject property representative indicated that the costs to repair vacant units ranged from \$25,000 to \$90,000 depending of the level of renovation needed and if there was structural damage. These costs have only increased over the past five years.

The appraiser acknowledges that the costs to renovate a residential unit can vary greatly depending on the type of buyer such as an owner user, institutional or speculator, as well as the ultimate scope of the renovation. According to EMG which completed a Physical Needs Assessment for a portion of Las Deltas, on December 2018, the estimated base cost for the renovation of the residential units was approximately \$120,000 per unit. Adding contractor fees of 15% the cost is

approximately \$138,000 per unit. These costs did not include roof replacement, parking upgrades or ADA installations.

Discussions with broker in the market area indicated that the costs to gut renovate a red tagged single family home in San Pablo was estimated by a contractor at a cost of \$140,000. The home contained 1,100 square feet and had two bathrooms. Other information provided to the appraiser by contractors indicated costs in the range of \$100,000 to \$120,000 per unit based on two bathrooms and an average three-bedroom unit of approximately 1,000 square feet.

The subject contains approximately 77,056 square feet of improvements, with an average unit size of 963 square feet. Based on our research as well as discussions with brokers and other active participants in the real estate market, a benchmark renovation cost of \$120 per square foot, or approximately \$120,000 per unit is concluded. This cost is applied to all of the units at the subject as they all require renovation.

I. Conformance to American Disabilities Act (ADA)

An ADA compliance survey was not provided for review, nor was one performed by the appraiser. The reader is directed to the limiting condition in Chapter I of this report, which states that any effect on value of potential ADA noncompliance has not been considered in this appraisal.

V. HIGHEST AND BEST USE AND VALUATION METHODOLOGY

A. Highest and Best Use

The highest and best use is that use, from among reasonably probable and legal alternative uses, found to be legally permissible, physically possible, financially feasible, and which results in the highest land value.

The four criteria the highest and best use must meet are physical possibility, legal permissibility, financial feasibility, and maximum productivity. Analysis of the subject's highest and best use is made as if the site were vacant, and as improved with the existing improvements.

1. *As-If Vacant*

a) *Physically Possible*

The subject neighborhood contains primarily residential structures as well as vacant lots. The subject consists of 31 parcels that range from 4,998 to 26,529 square feet. The site sizes are sufficient to support a variety of residential development. Overall, physical characteristics do not limit the highest and best use of the subject site.

b) *Legally Permissible*

The subject properties have a General Plan designation of Single Family Residential - High Density (SH) and are zoned Planned Unit (P-1). Residential uses are the primary zoning for the subject properties with secondary uses allowed of residential care and child care facilities as well as churches. Based on the legal parameters, with consideration given to conformance with the surrounding neighborhood, the highest and best use of the subject property, as if vacant, appears to be residential development.

c) *Financially Feasible*

The subject sites are located in a weak residential market area in the unincorporated area of North Richmond, Contra Costa County. Market conditions do not support speculative development for the subject sites. The maximum productive use is that use, from among financially feasible uses, that provides the highest rate of return or value. Therefore, the highest and best use of the subject sites as-if vacant, is considered to be to hold for future development or to be developed by an owner-occupant.

d) *Maximally Productive/Highest and Best Use Conclusion*

Overall, based on these factors, the highest and best use of the subject scattered sites as-if vacant would be to hold the property until market conditions improve and warrant construction of a new development consistent with the subject's zoning.

2. *As-Improved*

The subject properties consist of poor quality residential single family and duplex units that were built in the 1960s. Most of the subject units are vacant and have been vandalized and gutted. These units require renovation to be habitable.

Discussions with brokers and other construction specialists estimated costs of renovation ranging between \$100,000 to \$140,000 per unit or approximately \$100 to \$140 per square foot, based on an average 1,000 square foot unit.

Based on an estimated benchmark cost of \$120 per square foot, which includes new plumbing, wiring, heating, bathrooms and kitchens, flooring and walls, it is considered financially feasible to renovate most of the vacant units which do not have structural or fire damage.

Several of the units have sustained fire damage and have extensive structural damage. These improvements are considered to have no value and should be demolished. The highest and best use of three subject parcels, Numbers 10, 16 and 17, is to demolish the improvements and hold the land for future development potential given the condition of the improvements on the parcels.

There are an additional 28 parcels at the subject that are improved with 75 units. These improvements are considered to contribute value to the underlying land, and are valued as currently improved, with a deduction made for the estimated costs to renovate the units.

Therefore, the highest and best use of parcels identified as Numbers 1 through 9, 11 through 15 and Numbers 18 through 31 is to keep the existing duplex or single-family units and to renovate the residential units.

B. Valuation Methodology

The valuation of any parcel of real estate is derived principally through three approaches to the market value. From the indications of these analyses, and the weight accorded to each, an opinion of value is reached. Each approach is more particularly described below.

1. *Cost Approach*

This approach is the summation of the estimated value of the land, as if vacant, and the reproduction or replacement cost of the improvements. From these are deducted the appraiser's estimate of physical deterioration, functional obsolescence, and economic obsolescence, as observed during inspection of the property and its environs. The Cost Approach is based on the premise that, except under the most unusual circumstances, the value of a property cannot be greater than the cost of constructing a similar building on a comparable site.

2. *Sales Comparison Approach*

This approach is based on the principal of substitution, i.e., the value of a property is governed by the prices generally obtained for similar properties. In analyzing the market data, it is essential that the sale prices be reduced to common denominators to relate the degree of comparability to the property under appraisal. The difficulty in this approach is that two properties are never exactly alike.

3. *Income Approach*

An investment property is typically valued in proportion to its ability to produce income. Hence the Income Approach involves an analysis of the property in terms of its ability to provide a net annual income. This estimated income is then capitalized at a market-oriented rate commensurate with the risks inherent in ownership of the property, relative to the rate of return offered by other investments.

The Sales Comparison approach is used in estimating the market value of the subject as land and as improved. A deduction is made for the repair or demolition costs to derive an as-is market value. The Cost Approach is not used, because purchasers in the subject marketplace do not give weight to this approach.

The following chapters further discuss the methodologies used in valuing the subject property.

VI. VALUATION BY THE SALES COMPARISON APPROACH

The approach utilized in estimating the current market value of the subject properties is the Sales Comparison Approach. In this analysis, value is estimated by comparing the subject to similar land sites which have transferred prior to the effective date of appraisal. The index properties show characteristics which are similar to the property being appraised. The Comparable Sales Table is on the following page.

Those transactions which are considered appropriate to indexing the value of the subject parcels are summarized on the table. The prices paid for the comparable properties are shown on an absolute basis and on a price per square foot basis, which is the most common unit value used for land. In valuing the subject site, adjustments are made as necessary to each comparable for location, accessibility, functional utility, date of sale, terms of sale, and size.

For valuing the existing improvements, the prices paid for the comparables is shown on an absolute basis. Adjustments are made for location, age, condition, quality and size.

A. Presentation and Analysis of Land Sales

The table on the following page show land sales in the North Richmond market area. Most of the land sale comparables show a range from approximately \$75,000 to \$130,000 for lots that contain approximately 3,762 and 5,000 square feet. These lots contain one legal parcel. The price per square foot ranges from approximately \$16.00 to \$26.00 per square foot.

Land Sales for larger lots of 7,500 square feet indicate sale prices of between \$98,000 to \$250,000. The high end of the range pertains to the sale of three legal parcels which would allow for up to two legal units with an in-law or accessory unit. These comparables indicate a price per square foot range between approximately \$13 to \$33 per square foot. Less weight is placed on the high end of the range given that it is above the range of the comparables and could be divided into two lots.

No recent sale data was available for larger parcels in northern Richmond. A site containing 31,189 square feet, or 0.72 acres was purchased in February 2014 by Darryl Hughey for \$120,000. The sale consists of three adjacent parcels which could be subdivided into 12 lots. The property was purchased for \$3.85 per square foot. A significantly higher per square foot land value is indicated for the subject given the current stronger market conditions.

A recent sale of an entitled multifamily property in the Hilltop neighborhood of Richmond was purchased in July 2018 for \$36 per square foot. The property contains 2.19 acres and is entitled for 98 units. Given the subject's lower density and location a significantly lower land value would be indicated to the subject's larger high density residential single-family sites.

COMPARABLE LAND AND SINGLE FAMILY HOME SALES

Appraisal of 31 Parcels within the Las Deltas Family Project

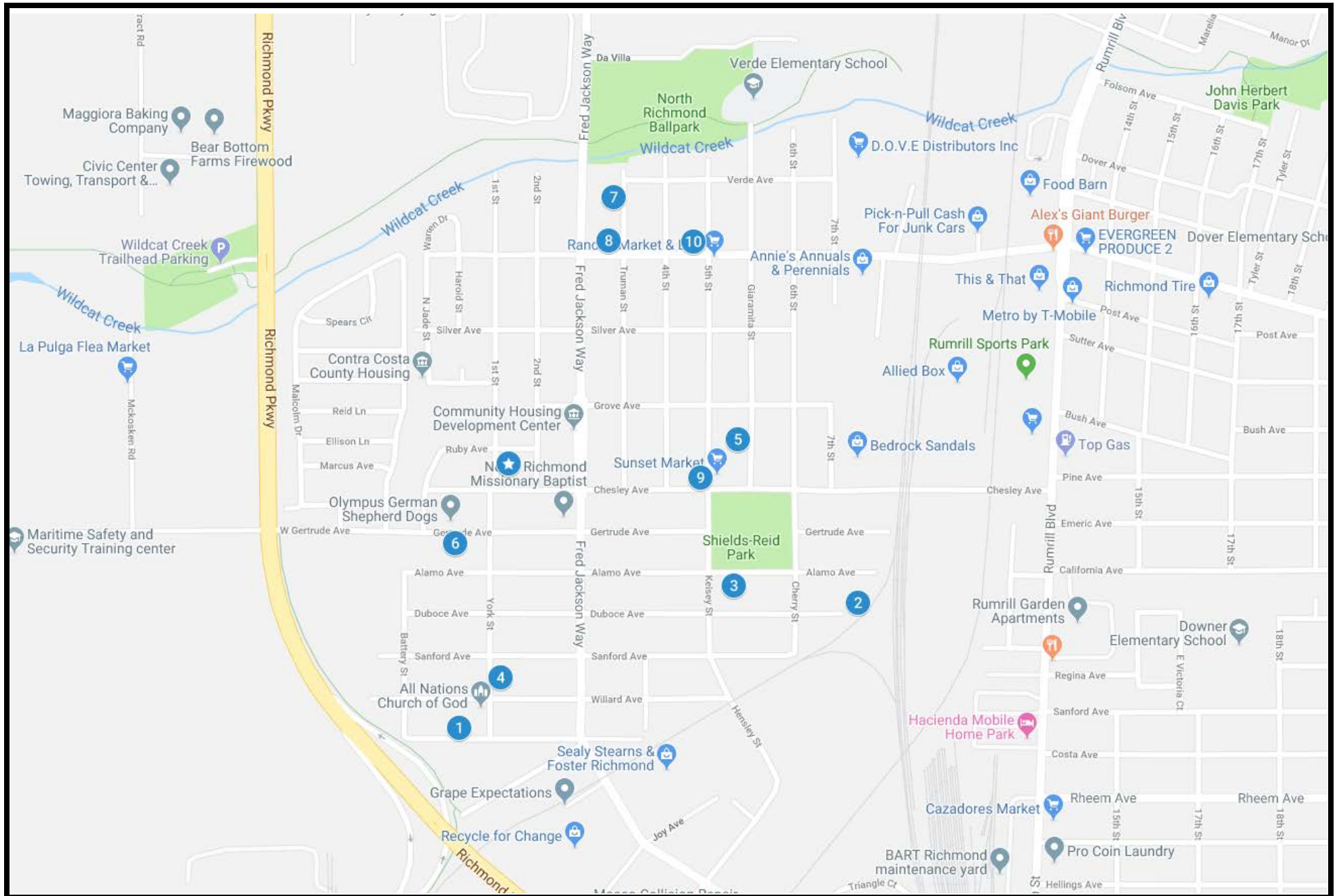
CA009B - Annex 2

North Richmond, California

#	Location / APN	Sale Date	Sale Price	Size SF/Acre	Price Per Unit / SF	Zoning/ Max. Allowed Density	Comments	Grantor/ Grantee (Document#)
<u>Land Sales</u>								
1	236 Vernon Avenue North Richmond APN: 409-021-028-9	3/19 COE	\$75,000 Contract Price	3,762 SF 0.09 AC	\$19.94	P-1 Contra Costa County 1 Unit	Three offers on property. One Lot	William Malbrough/ NA
2	800 Block Alamo Avenue Richmond APN: 561-252-029-5	3/19 Pending Sale	\$112,500 Asking Price	7,500 SF 0.17 AC	\$15.00	RL-2 City of Richmond 3 Units	Mid-block site One Lot	Chinlakovz, Ulian/ NA
3	560 Alamo Avenue Richmond APN: 561-231-001-0	12/18	\$130,000	5,000 SF 0.11 AC	\$26.00	RL-2 City of Richmond 2 Units	Mid-block site One Lot	De Leon, Celso E V/ YC & JJ LLC #197311
4	1240 York Street Richmond APNs: 561-151-028-9, -029-7, -027-1	10/18	\$250,000	7,500 SF 0.17 AC	\$33.33	RL-2 City of Richmond 2 Units	Mid-block site 3 Lots	Ron Ikebe/ Veronica Coleman #024588
5	1541 Giaramita North Richmond APN: 409-110-005-9	8/17	\$80,000	5,000 SF 0.11 AC	\$16.00	P-1 Contra Costa County 1 Unit	Mid-block vacant site One Lot	Prater, Jane H/ Yaramala, Krishna & Padmavathi #0154135
6	0 Block Gertrude Avenue North Richmond APNs: 409-042-018-5, -019, -020	5/17	\$98,000	7,500 SF 0.17 AC	\$13.07	P-1 Contra Costa County 3 Units	Mid-block site- 3 Lots Buyer plans to develop with three units	Domenico, Plinio D/ Montoya, Ricardo C/De Ceja, Wendy G #093923
<u>Single Family Units</u>								
7a	1853 Truman Street North Richmond APN: 409-240-005-2	2/19	\$283,250	987 SF Bldg. 0.06 AC 2,720 SF	\$287	P-1 Contra Costa County 3BD/1BA	Fixer Blt in 1949 Single Family	Ramiro S. Barrera/ Arturo & Yanira R Benavides #015991
7b		10/18	\$265,000	987 SF Bldg. 0.06 AC 2,720 SF	\$268	P-1 Contra Costa County 3BD/1BA	Fixer Blt in 1949 Single Family	Frankie M. Fulmore/ Ramiro S. Barrera #0168878
8	321 Market Avenue North Richmond APN: 409-240-024-3	12/18	\$410,000	1,000 SF Bldg. 0.08 AC 3,600 SF	\$410	P-1 Contra Costa County 3BD/1BA	Updated Blt in 1965 Single Family	Aaron & Ladonnike Morgan/ Audrey Davidson #0194226
9	425 Chesley Avenue North Richmond APN: 409-100-010-1	11/18	\$310,000	1,016 SF Bldg. 0.07 AC 2,850 SF	\$305	P-1 Contra Costa County 3BD/1BA	Avg Condition Blt in 1944 Single Family	Juan C. Cabrera/ Juan and Raquel Ruiz #0192434
10	423 Market Avenue North Richmond APN: 409-261-010-6	11/18	\$475,000	1,244 SF Bldg. 0.06 AC 2,500 SF	\$382	P-1 Contra Costa County 3BD/2BA	Above Avg./New Construction Blt in 2018 Single Family	Jinotega Inc./ Juan A Meza #0189935

Watts, Cohn and Partners, Inc., March 2019
19-WCP-018B-Summary

COMPARABLE LAND AND SFH SALES MAP



Based on the comparable land sales, and considering the location, density, size, utility, approval status, and market conditions a per square foot value between \$10.00 and \$20.00 per square foot is estimated for the subject parcels as vacant. A per square foot value of \$20 per square foot is concluded for the smaller subject parcels of approximately 5,000 to 7,500 square feet as vacant. For the larger subject parcels of 7,600 to 15,000 square feet a unit value of \$15 per square is concluded as vacant. A unit value of \$12.50 per square foot is estimated for the subject parcels which contain 15,000 to 20,000 square feet and for parcels greater than 20,000 square feet a unit value of \$10.00 per square foot is concluded as vacant.

These land values are applied to the subject parcels identified as Numbers 10, 16, 17.

B. Presentation and Analysis of Single-Family Home Sales

The table on the preceding page shows sales of single-family homes in the North Richmond neighborhood. The comparable single-family home sales show a range from approximately \$265,000 to \$475,000 for homes that range between 987 and 1,244 square feet. The homes contain three bedrooms and two bathrooms.

The high end of the range reflects the sale of a new home located at 423 Market Street at \$475,000. This home is larger than the subject units and is above average in quality. A lower unit value is suggested for the subject.

The low end of the range at \$265,000 and \$283,250 reflects the sale and resale of a home at 1853 Truman Street. According to the broker the property needed approximately \$40,000 to \$50,000 in renovation work, reflecting a total sale price of approximately \$325,000 as renovated. The buyer is planning to renovate and lease the property.

The remaining home sales indicate a range between \$310,000 and \$410,000. Both comparables are similar in size to the subject single-family homes. Given the condition and quality, a unit value of \$325,000 is concluded for the subject single-family units assuming renovation has been completed.

C. Presentation and Analysis of Duplexes, Fourplexes and Multiplex Unit Sales

The table on the following page indicate sales of duplexes, fourplexes and multiplex unit properties. Comparables 1 through 5 indicate the sales of duplexes in the greater market area and indicate sale prices between \$375,000 and \$540,000. This is equal to a per unit price of between \$187,500 and \$270,000. The low end of the range pertains to a property in poor condition, whereas the higher sale prices pertain to better quality properties in superior locations. Based on the location, condition, age and quality of the subject's duplex units a value of \$475,000 is estimated, or \$237,500 per unit is concluded, assuming that the duplex units have been renovated.

COMPARABLE MULTIFAMILY BUILDING SALES

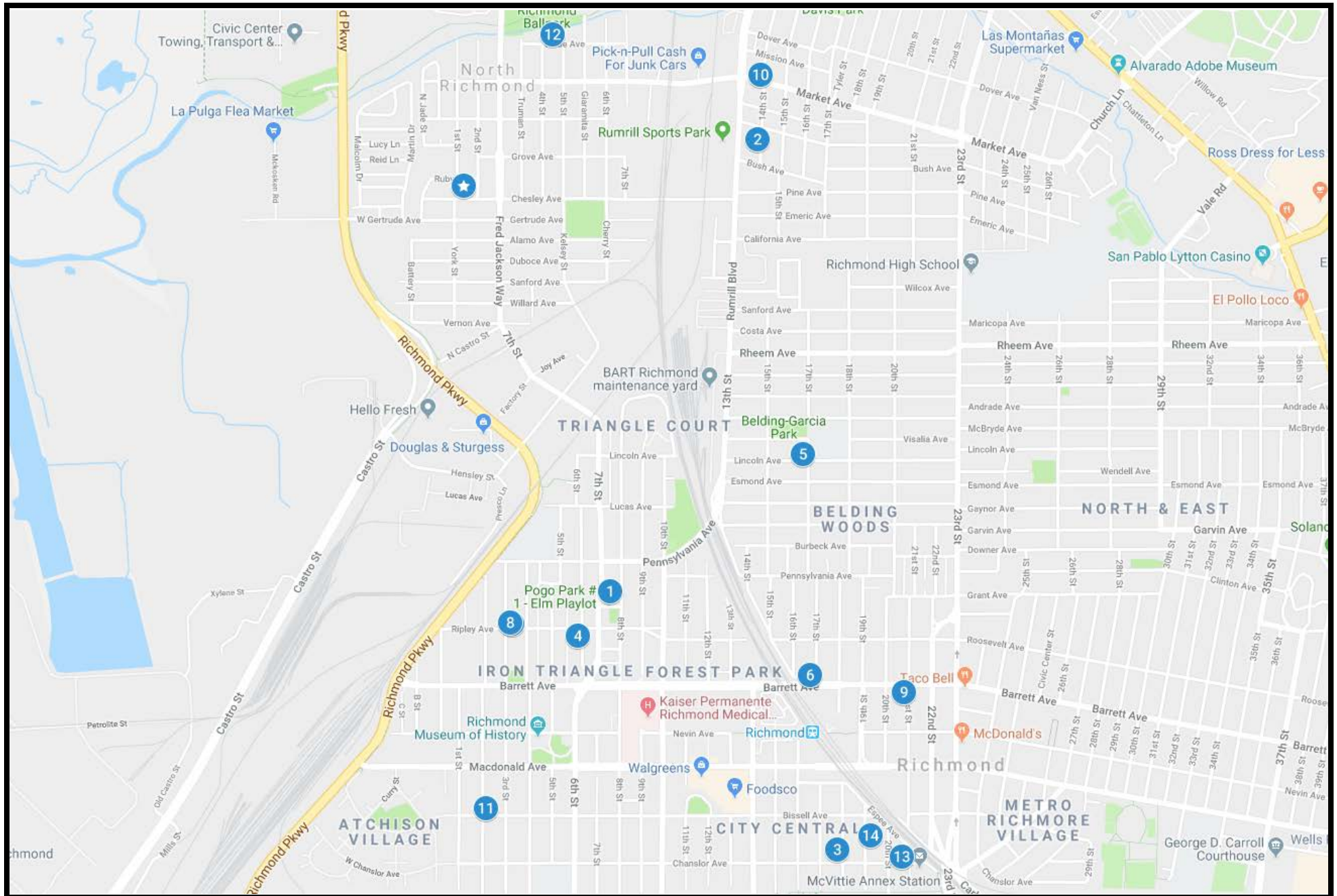
Appraisal of 31 Parcels within the Las Deltas Family Project

CA009B - Annex 2

North Richmond, California

Location / # APN	Sale Date	Sale Price	Size SF/Acre	Price Per Unit / SF	Zoning/ Unit Type Avg Unit Size SF (GBA)	Comments	Grantor/ Grantee (Document#)
<u>Duplex</u>							
1 724 Acacia Avenue Richmond APN: 534-191-003-1	10/18	\$375,000	2,070 SF Bldg. 0.09 AC 4,000 SF	\$187,500 Per Unit \$181	RL2- City of Richmond 2 Units - 2BD/1BA 1,035	Duplex 1986 Blt Poor Condition	Bank of New York/ Newton RPM Ltd. #0163494
2 1645 14th Street San Pablo APN: 410-251-020-5	9/18	\$480,000	2,070 SF Bldg. 0.08 AC 3,484 SF	\$240,000 Per Unit \$232	City of San Pablo 2 Units - 2BD/1BA 1,035	Duplex 1952 Blt Average Condition	Solomon Gorlock/ Juan and Josefina M Torres #203207
3 119 18th Street Richmond APN: 540-220-015-7	9/18	\$520,000	1,573 SF Bldg. 0.13 AC 5,650 SF	\$260,000 Per Unit \$331	RM2- City of Richmond 2 Units - 1BD/1BA 787	Duplex 1906 Blt Average Condition	Gundersen, Mark/ Molina-Ortiz, Silvestre R/Aguilera, Olivia P #0139955
4 587 6th Street Richmond APN: 534-301-004-6	9/18	\$540,000	1,876 SF Bldg. 0.09 AC 3,840 SF	\$270,000 Per Unit \$288	RM1- City of Richmond 2 Units - 3BD/1.5BA 938	Duplex Blt in 1952 Average Condition	Bang Jong S living Trust/ North County LLC #010713
5 1627 Lincoln Avenue Richmond APN: 530-290-008-8	6/18	\$510,000	1,559 SF Bldg. 0.11 AC 5,000 SF	\$255,000 Per Unit \$327	RM1- City of Richmond 3BD/2BA, 1BD/1BA 780	Duplex 1944 Blt Average Condition	Duke Partners II LLC/ Sean E Haggai #0125253
<u>Triplex and Fourplexes</u>							
6 1625 Portola Avenue Richmond APN: 514-162-025-1	1/19	\$662,500	2,602 SF Bldg. 0.09 AC 3,936 SF	\$220,833 Per Unit \$255	RM2- City of Richmond 3 Units - 2BD/1BA 867	Triplex Blt in 1984 Average Condition	Scott M. Blasingame/ Jesus S. Mendez #0002619
7 305 Ripley Avenue Richmond APN: 534-212-012-7	3/19	\$720,000	2,102 SF Bldg. 0.09 AC 3,800 SF	\$180,000 Per Unit \$343	RM1- City of Richmond 4 Units - 1BD/1BA 526	4 Unit 1927 Blt Above Average Condition	Moazeni, Behzad/ Rasouli, Ladan Trust/ NA
8 301 Ripley Avenue Richmond APN: 534-212-013-5	1/19	\$630,000	2,102 SF Bldg. 0.09 AC 3,800 SF	\$157,500 Per Unit \$300	RM1- City of Richmond 4 Units - 1BD/1BA 526	4 Unit 1927 Blt Average Condition	Moazeni, Behzad/ Rasouli, Ladan Trust/ Tewdros, Aron #012782
9 465 21st Street Richmond APN: 514-120-005-4	11/18	\$550,000	3,431 SF Bldg. 0.12 AC 5,300 SF	\$137,500 Per Unit \$160	CM5- City of Richmond 4 Units - 2BD/1BA 858	4 Unit Blt in 1954 Average Condition	McMacgregor LLC/ Ahsbaba, Ahmad/ Sedighi Farideh #190982
<u>Multiplexes</u>							
10 1333 Market Avenue San Pablo APN: 411-041-003-4	11/18	\$1,240,000	3,988 SF Bldg. 0.12 AC 5,227 SF	\$177,143 Per Unit \$311	CMU- City of San Pablo 7 Units - 6 1BD/1BA, 1 2BD/1BA 570	7 Unit Blt in 1962 Good Condition	Selbie C Wright Trust/ Garcia, Estevan/Lindstrom-Garice, Julie L. #179493
11 203 Bissell Avenue Richmond APN: 538-190-021-5	7/18	\$875,000	3,932 SF Bldg. 0.08 AC 3,655 SF	\$109,375 Per Unit \$223	RM2- City of Richmond 4- Studio, 4 1BD/1BA 492	8 Unit Blt in 1908 Poor Condition	Eustolia P De Fregoso/ Hamilton, B/ Wu S H F #0112249
12 417 Verde Avenue North Richmond APN: 409-262-010-5	5/18	\$1,100,000	5,410 SF Bldg. 0.24 AC 10,500 SF	\$137,500 Per Unit \$203	P1, Contra Costa County 8 units -4 3BD/1BA, 4 2BD/1BA 676	8 Unit Blt in 1957 Fair Condition	Verde Ave, LLC/ JWT Capital Holding Group One,LLC #202656
13 2023 Chanslor Avenue Richmond APN: 540-190-009-6	3/18	\$1,130,000	6,264 SF Bldg. 0.19 AC 8,438 SF	\$141,250 Per Unit \$180	R-3- City of Richmond 8 2BD/1BA 783	8 Unit Blt in 1964 Average Condition	Tackabary Family Trust 2017/ Davis, William E Jr. & Silvia G. #041392
14 146 19th Street Richmond APN: 540-200-017-7	2/17	\$1,190,000	5,966 SF Bldg. 0.19 AC 8,438 SF	\$132,222 Per Unit \$199	City of Richmond 9 units -1 1BD/1BA, 8 2BD/1BA 663	9 Unit Blt in 1961 Average Condition	Community Commerce Bank/ MW General Ptshp #024643

COMPARABLE MULTIFAMILY BUILDING SALES MAP



Comparables 6 through 9 reflect the sale of triplexes and fourplexes. The sales indicate a range between \$550,000 to \$720,000, or \$137,500 to \$220,833 per unit, with the high end of the per unit range pertaining to the smaller triplex property. The subject consists of one-story structures, or two duplexes on a property. Based on the location, condition, age and quality of the subject a fourplex value of \$680,000, or \$170,000 per unit is concluded which is within the range of the comparables assuming the units have been renovated.

Comparables 10 through 14 pertain to the sales of larger multifamily units. The comparables range in size from 7 to 8 units and the sale prices are between \$875,000 to \$1,240,000. This is equal to \$109,375 to \$177,143 per unit. The subject contains one parcel which contains 4 duplexes, or a total of 8 units. Given the subject's location and size, a unit value of \$145,000 is concluded.

Several of the parcels which require additional adjustments are discussed below.

The Subject Parcel Number 9 is a larger parcel that contains a single-family home as well as two duplexes. Given that the single-family home shares the parcel with the duplexes, a lower market value is attributable to this single-family unit of \$225,000.

The Subject Parcel Number 11 is a duplex that contains one-bedroom units. Given the smaller size of the property and the lower income potential a lower unit value of \$375,000 is concluded.

The Subject Parcel Numbers 14 and 25 contains two duplexes which has three- and four-bedroom units as well as relatively large lot size. A unit value of \$750,000 is applied to this comparable as it takes into consideration the additional income potential less the renovation costs.

The Subject Parcel Number 21 is a larger parcel which contains 25,288 square feet. The parcel has three duplexes, in which one duplex is fire damaged (Units 640 and 641). The fire damage to the duplex on this portion of the site is considered surplus land, and the cost of demolition is considered to offset the value of this portion of the land. No additional value is allocated to the surplus land. The concluded value of Parcel 21 includes the two duplexes, less renovation costs.

D. Deduction for Renovation/Demolition Costs

The majority of the subject units are not occupied and have been boarded up. The units are in poor condition and the costs to repair the units is estimated at approximately \$120 per square foot, based our discussions with brokers and real estate representatives. Currently the renovation cost is lower than the as renovated value of the properties. Therefore, this cost when required is deducted from the concluded value of the properties as renovated to derive an as-is value.

The cost to demolish each unit is based on Marshall Valuation Service and is estimated at approximately \$10.00 per square foot. This cost includes asbestos and lead abatement as well as remediation costs and appears reasonable. These costs are utilized in the analysis and are deducted from the value conclusions to derive an as-is value as land.

E. As-Is Value Conclusions as Individual Properties

The valuation of the subject properties is summarized on the table on the following page. The table includes renovation costs which are applied to the units which are estimated to not have fire or structural damage. The demolition costs are applied to the units which have structural or more significant damage to derive a land value. The total sum of the 31 properties is \$7,160,000.

VALUATION OF SUBJECT PROPERTIES
Appraisal of 31 Parcels within the Las Deltas Family Project
CA009B - Annex 2
North Richmond, California

#	APN Number	Address	ID Unit Number	SF Units	Total Bldg SF	Parcel Size (SF) 1	Value Conclusions	Demolition/Repair Costs (2)	As-Is Market Value
1	409-052-009-1	1520 First Street 1518 First Street	584 585	935 935	1,870	7,463	\$475,000 Duplex	(\$224,400) cost to renovate	\$250,000 \$33 (Land Value PSF)
2	409-052-003-4	121 Chesley Avenue 1511 Second Street	586 587	770 935	1,705	10,040	\$475,000 Duplex	(\$204,600) cost to renovate	\$270,000 \$27 (Land Value PSF)
3	409-200-016-7	1714 First Street 1710 First Street	588 589	935 935	1,870	7,500	\$475,000 Duplex	(\$224,400) cost to renovate	\$250,000 \$33 (Land Value PSF)
4	409-191-009-3	317 Silver Avenue 325 Silver Avenue	592 593	935 935	1,870	10,026	\$475,000 Duplex	(\$224,400) cost to renovate	\$250,000 \$25 (Land Value PSF)
5	409-191-013-5	1730 Fred Jackson Way	594	1,155	1,155	7,578	\$325,000 Single Family	(\$138,600) cost to renovate	\$190,000 \$25 (Land Value PSF)
6	409-251-022-3	1844 Truman Street 1840 Truman Street	595 596	935 935	1,870	7,500	\$475,000 Duplex	(\$224,400) cost to renovate	\$250,000 \$33 (Land Value PSF)
7	409-162-018-9	1725 Fourth Street 1727 Fourth Street	599 600	935 935	1,870	7,500	\$475,000 Duplex	(\$224,400) cost to renovate	\$250,000 \$33 (Land Value PSF)
8	409-161-001-6	1744 Fourth Street	602	1,155		4,998	\$325,000 Single Family	(\$138,600) cost to renovate	\$190,000 \$38 (Land Value PSF)
9	409-142-005	1649 Giaranita Street 1643 Giaranita Street 1639 Giaranita Street 1623 Giaranita Street 1619 Giaranita Street Total SF	603 604 605 606 607	1,155 1,155 935 935 935	1,155 2,090	21,299	\$225,000 Single Family \$680,000 2- Duplexes \$905,000 Total	(\$613,800) cost to renovate	\$290,000 \$14 (Land Value PSF)
10	409-151-011-7	1710 Giaranita Street	608	1,155	1,155	5,000	\$100,000 land value	(\$11,550) demo costs at \$10 psf	\$90,000
11	409-152-007-4	1711 Giaranita Street 525 Silver Avenue	610 609	578 578	1,156	7,580	\$375,000 Duplex	(\$138,720) cost to renovate	\$240,000 \$32 (Land Value PSF)
12	409-282-019-2	1814 Sixth Street 611 Market Avenue	612 613	1,155 770	1,925	7,500	\$475,000 Duplex	(\$231,000) cost to renovate	\$240,000 \$32 (Land Value PSF)
13	409-151-005-9	1741 Sixth Street 1737 Sixth Street	614 615	935 935	1,870	9,983	\$475,000 Duplex	(\$224,400) cost to renovate	\$250,000 \$25 (Land Value PSF)
14	409-060-018-2	1572 First Street 1574 First Street 1560 First Street 1558 First Street	616 617 618 619	1,155 935 1,155 935	2,090 2,090	15,065	\$750,000 2- Duplexes	(\$501,600) cost to renovate	\$250,000 \$17 (Land Value PSF)
15	409-052-001-8	1529 Second Street 114 W Ruby Street	620 621	935 935	1,870	7,499	\$475,000 Duplex	(\$224,400) cost to renovate	\$250,000 \$33 (Land Value PSF)
16	409-060-009-1	1601 Second Street 1605 Second Street	622 623	935 935	1,870	9,865	\$147,975 land value	(\$18,700) demo costs at \$10 psf	\$130,000
17	409-182-002-9	220 Silver Avenue 218 Silver Avenue	624 625	1,155 1,155	2,310	11,365	\$170,475 land value	(\$23,100) demo costs at \$10 psf	\$150,000
18	409-191-001-0	308 Market Avenue 1748 Fred Jackson Way 322 Market Avenue 320 Market Avenue	626 627 628 629	935 935 935 935	1,870 1,870	15,214	\$680,000 2- Duplexes	(\$448,800) cost to renovate	\$230,000 \$15 (Land Value PSF)
19	409-252-008-1	315 Verde Avenue 317 Verde Avenue	634 635	935 935	1,870	8,081	\$475,000 Duplex	(\$224,400) cost to renovate	\$250,000 \$31 (Land Value PSF)
20	409-171-015-4	1624 Fourth Street 1622 Fourth Street	636 637	1,155 935	2,090	10,557	\$475,000 Duplex	(\$250,800) cost to renovate	\$220,000 \$21 (Land Value PSF)

VALUATION OF SUBJECT PROPERTIES
Appraisal of 31 Parcels within the Las Deltas Family Project
CA009B - Annex 2
North Richmond, California

#	APN Number	Address	ID Unit Number	SF Units	Total Bldg SF	Parcel Size (SF) 1	Value Conclusions	Demolition/Repair Costs (2)	As-Is Market Value
21	409-100-004-4	1542 Fourth Street 1540 Fourth Street 1534 Fourth Street 1532 Fourth Street 1539 Fifth Street 1541 Fifth Street	638 639 640 641 642 643	935 935 935 935 935 935	1,870 NA 1,870	25,288	\$680,000 2 -Duplexes \$0 Surplus Land \$680,000	(\$448,800) cost to renovate \$0 (\$448,800)	\$230,000 \$9 (Land Value PSF)
22	409-161-008-1	423 Silver Avenue 1709 Fifth Street	644 645	935 935	1,870	7,316	\$475,000 Duplex	(\$224,400) cost to renovate	\$250,000 \$34 (Land Value PSF)
23	409-272-009-5	1927 Giaranita Street 1925 Giaranita Street	648 649	1,155 1,155	2,310	10,208	\$475,000 Duplex	(\$277,200) cost to renovate	\$200,000 \$20 (Land Value PSF)
24	409-292-001-8	1932 Giaranita Street 1934 Giaranita Street 1923 Sixth Street 1925 Sixth Street 1929 Sixth Street 1931 Sixth Street 1945 Sixth Street 1943 Sixth Street	650 651 662 663 664 665 666 667	935 935 935 935 935 935 935 935	1,870 1,870 1,870 1,870 1,870	26,529	\$1,160,000 4- Duplexes	(\$897,600) cost to renovate	\$260,000 \$10 (Land Value PSF)
25	409-281-001-1	1844 Giaranita Street 542 Verde Avenue 1842 Giaranita Street 1840 Giaranita Street	652 653 654 655	1,155 1,155 935 935	2,310 1,870	17,502	\$750,000 2- Duplex	(\$501,600) cost to renovate	\$250,000 \$14 (Land Value PSF)
26	409-110-007-5	1525 Giaranita Street 1527 Giaranita Street	656 657	935 935	1,870	8,384	\$475,000 Duplex	(\$224,400) cost to renovate	\$250,000 \$30 (Land Value PSF)
27	409-120-005-7	1547 Sixth Street 1549 Sixth Street	658 659	935 935	1,870	7,710	\$475,000 Duplex	(\$224,400) cost to renovate	\$250,000 \$32 (Land Value PSF)
28	409-141-006-0	1639 Sixth Street 1641 Sixth Street	660 661	935 935	1,870	7,993	\$475,000 Duplex	(\$224,400) cost to renovate	\$250,000 \$31 (Land Value PSF)
29	409-291-009-2	1932 Sixth Street 1930 Sixth Street	668 669	935 935	1,870	7,530	\$475,000 Duplex	(\$224,400) cost to renovate	\$250,000 \$33 (Land Value PSF)
30	409-131-003-9	1724 Sixth Street 1722 Sixth Street	670 671	935 935	1,870	9,967	\$475,000 Duplex	(\$224,400) cost to renovate	\$250,000 \$25 (Land Value PSF)
31	409-282-005-1	1817 Seventh Street 1819 Seventh Street 1829 Seventh Street 1827 Seventh Street	672 673 674 675	935 935 935 935	1,870 1,870	14,958	\$680,000 2- Duplexes	(\$448,800) cost to renovate	\$230,000 \$15 (Land Value PSF)

Total:

\$7,160,000

- 1) Square Foot of land area based on public records.
- 2) Demolition Costs provided by Marshall Valuation Service at \$10 per square foot.
Cost to renovate unit is estimated at \$120 psf.

Watts, Cobb and Partners, Inc., March 2019
19-WCP-018B-Summary

VII. DISCOUNTED MARKET (BULK) VALUE

In this chapter, the bulk market value of the subject parcels is estimated. The bulk (discounted) market value estimate is defined as the sale of all 31 legal subject lots in a single transaction. It assumes that the project is sold to a single buyer. The bulk market value is determined by discounting the gross retail valuation over a projected absorption period, with deductions made to account for the cost of sales and entrepreneurial profit. The discounted analysis necessitates certain assumptions concerning the cost of sales, absorption rate, profit, discount rate and inflation. Each item in the discounted analysis is discussed below.

The table on the following page shows the discounted cash flow (DCF) analysis. Each element on the table is discussed below.

A. Summary of Assumptions

- The aggregate retail market value of the 31 individual parcels is calculated on the table on the previous page. The subject contains 80 residential units situated on the 31 parcels.

Total (Rounded): \$7,160,000

- Based on discussions with brokers in the market area it is estimated that absorption from the time parcels begin to be sold is projected at 3.0 parcels per month. This is equal to an average sale of 7.7 dwelling units per month. Brokers have indicated that there is demand for the subject units and this would indicate a total selling period of approximately 11 months.
- Marketing expenses are estimated at 5.0% of periodic sales revenue. This includes commissions and some costs associated with closing the units.
- The subject administrative costs are estimated at 1 percent of the gross sales.
- An overall yield rate of 20.0% is estimated for the subject property for the DCF analysis utilizing an all-inclusive IRR (i.e. profit and interest carry are both reflected in the rate).

B. Marketing and Administrative Costs

Marketing costs include sales commissions, advertising, and other costs related to a sales program. Based on market data, these costs are estimated at approximately 5.0% of the gross revenue derived from the sale of the planned units and are assumed to be incurred during each periodic sales period. This estimate is sufficient to compensate an outside sales company.

DISCOUNTED BULK (MARKET) VALUE OF SUBJECT PROPERTY

Appraisal of 31 Parcels within the Las Deltas Family Project

CA009B - Annex 2

North Richmond, California

ASSUMPTIONS:

31 Parcels	0.00% Inflation/Appreciation Rate
\$230,968 Avg. retail value per parcel	0.00% Concessions
\$7,160,000 Aggregate retail value of 31 Parcels	5.00% Marketing/Escrow Expense
\$89,500 Avg retail value per unit.	1.00% Administrative Costs
3.00 Parcel per mo absorption -	
2.6 Avg No of Units per Parcel	
80 Units	

MONTH		1	2	3	4	5	6	7	8	9	10	11
<u>GROSS INCOME</u>												
Parcels Sold Per Month		3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	1.00
Cumulative Parcels Sold		3.00	6.00	9.00	12.00	15.00	18.00	21.00	24.00	27.00	30.00	31.00
Remaining Unsold Parcels		28.00	25.00	22.00	19.00	16.00	13.00	10.00	7.00	4.00	1.00	0.00
Gross Sales Income		\$692,903	\$692,903	\$692,903	\$692,903	\$692,903	\$692,903	\$692,903	\$692,903	\$692,903	\$692,903	\$230,968
TOTAL GROSS SALES INCOME:		\$692,903	\$692,903	\$692,903	\$692,903	\$692,903	\$692,903	\$692,903	\$692,903	\$692,903	\$692,903	\$230,968
<u>LESS: COSTS OF SALES</u>												
Marketing		(\$34,645)	(\$34,645)	(\$34,645)	(\$34,645)	(\$34,645)	(\$34,645)	(\$34,645)	(\$34,645)	(\$34,645)	(\$34,645)	(\$11,548)
Administration		(\$6,929)	(\$6,929)	(\$6,929)	(\$6,929)	(\$6,929)	(\$6,929)	(\$6,929)	(\$6,929)	(\$6,929)	(\$6,929)	(\$2,310)
Special Assessments (Per Parcel/Yr)	\$919.81	(\$2,376)	(\$2,146)	(\$1,916)	(\$1,686)	(\$1,456)	(\$1,226)	(\$996)	(\$767)	(\$537)	(\$307)	(\$77)
Property Tax @	1.2591%	(\$6,388)	(\$5,770)	(\$5,152)	(\$4,534)	(\$3,915)	(\$3,297)	(\$2,679)	(\$2,061)	(\$1,443)	(\$824)	(\$206)
		(\$50,339)	(\$49,491)	(\$48,642)	(\$47,794)	(\$46,946)	(\$46,098)	(\$45,250)	(\$44,401)	(\$43,553)	(\$42,705)	(\$14,141)
NET SALES PROCEEDS BEFORE PROFIT		\$642,565	\$643,413	\$644,261	\$645,109	\$645,957	\$646,805	\$647,654	\$648,502	\$649,350	\$650,198	\$216,827
Discount Rate	20.0%	0.9836	0.9675	0.9516	0.9360	0.9207	0.9056	0.8907	0.8761	0.8618	0.8476	0.8337
Present Value		\$632,031	\$622,490	\$613,093	\$603,836	\$594,718	\$585,736	\$576,890	\$568,175	\$559,592	\$551,137	\$180,779
DISCOUNTED BULK VALUE OF UNITS:		\$6,088,477										
ROUNDED		\$6,090,000	85.0% Of Aggregate Retail Value									

\$196,000 per Parcel

Watts, Cohn and Partners, Inc., March 2019
19-WCP-018B-Summary

Administrative costs are also involved in the marketing of a residential project. These costs include annual recurring costs such as extraordinary insurance, maintenance, and security costs which are not covered by homeowner association dues. This analysis estimates these costs at 1% of the gross revenue. Administrative costs are assumed to be incurred throughout the holding period as a declining function of the value of unsold inventory, considered to roughly mirror market indications.

Real estate taxes on the unsold units are estimated based on the current tax rate percent. This figure is applied to the total discounted value indication for the subject property. The property tax figure and special assessments are reduced proportionately upon the sale of each unit. The individual units will then be reassessed based on the selling price, with the buyer responsible for paying the property tax.

C. Inflation/Appreciation

No inflation estimate is included until sales initiate. No inflation is included during the marketing period, because the sell-out occurs in less than one year.

D. Discount Rate

The appropriate discount rate for the subject analysis is affected by such factors as anticipated inflation, present and future market interest rates, economic conditions and overall project risk. The periodic income of the subject property is discounted based on an overall internal rate of return (IRR) method, or yield analysis. The selected discount rate for this analysis primarily reflects the cost of funds (both equity and debt) that the developer would incur over the development period, as well as entrepreneurial incentives.

Presently, developers are reporting yield expectations ranging from approximately 10% to 25% of retail sales revenue for residential developments. The PwC Real Estate Investor Survey, as of 4th Quarter 2018, conducted a specific survey for the development of land market and based on their survey discount rates (including developer's profit) reportedly range from 10% to 20% for entitled development land nationwide, with an average of 15.40%. The average was reported to have increased by 40 basis points since April 2018.

Furthermore, according to RealtyRates.com Developer Survey, as of the first quarter 2019, on an unleveraged basis, discount rates, including developers' profit, for the national condominium market range from approximately 9.93% to 27.65% and average 19.26%. These reflect historical rates achieved by survey respondents and most likely larger projects on average. California and the Bay Area have historically experienced rates towards the lower end of the range given the demand and lack of available land sites.

The subject consists of 80 units located on 31 parcels in North Richmond. The subject is a relatively large in size for the community and represents some risk to a potential

bulk buyer. Although it only has a fair location, there is demand for affordable housing and the subject has good proximity to job centers. Overall, considering current market conditions, as well as the relatively short absorption period of 11 months, an overall yield rate of 20% is estimated for the subject for the discounted cash flow (DCF) analysis utilizing an all-inclusive IRR.

E. Bulk Market Value Conclusion

The table on the previous page shows the DCF Analysis and summarizes the calculations utilized in this analysis, which produces a rounded, bulk sale value estimate for the subject property if sold to a single buyer. Based on an overall sell-out period of 11 months, an inclusive yield rate of 20% which includes the developer profit, the bulk market value estimate for the subject is estimated to be \$6,090,000, or approximately \$196,000 per parcel, as follows:

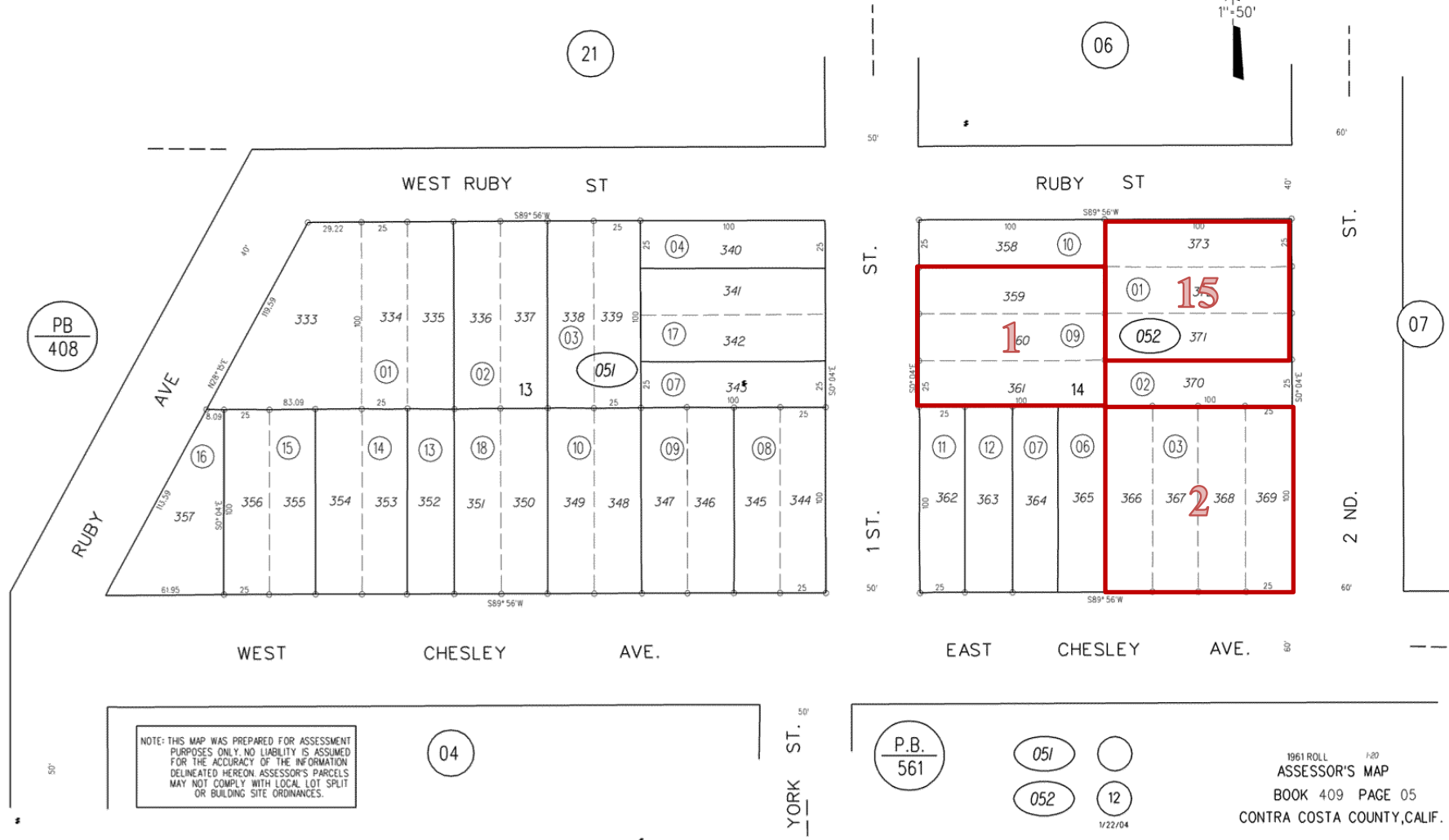
SIX MILLION NINETY THOUSAND DOLLARS

(\$6,090,000)

ADDENDA

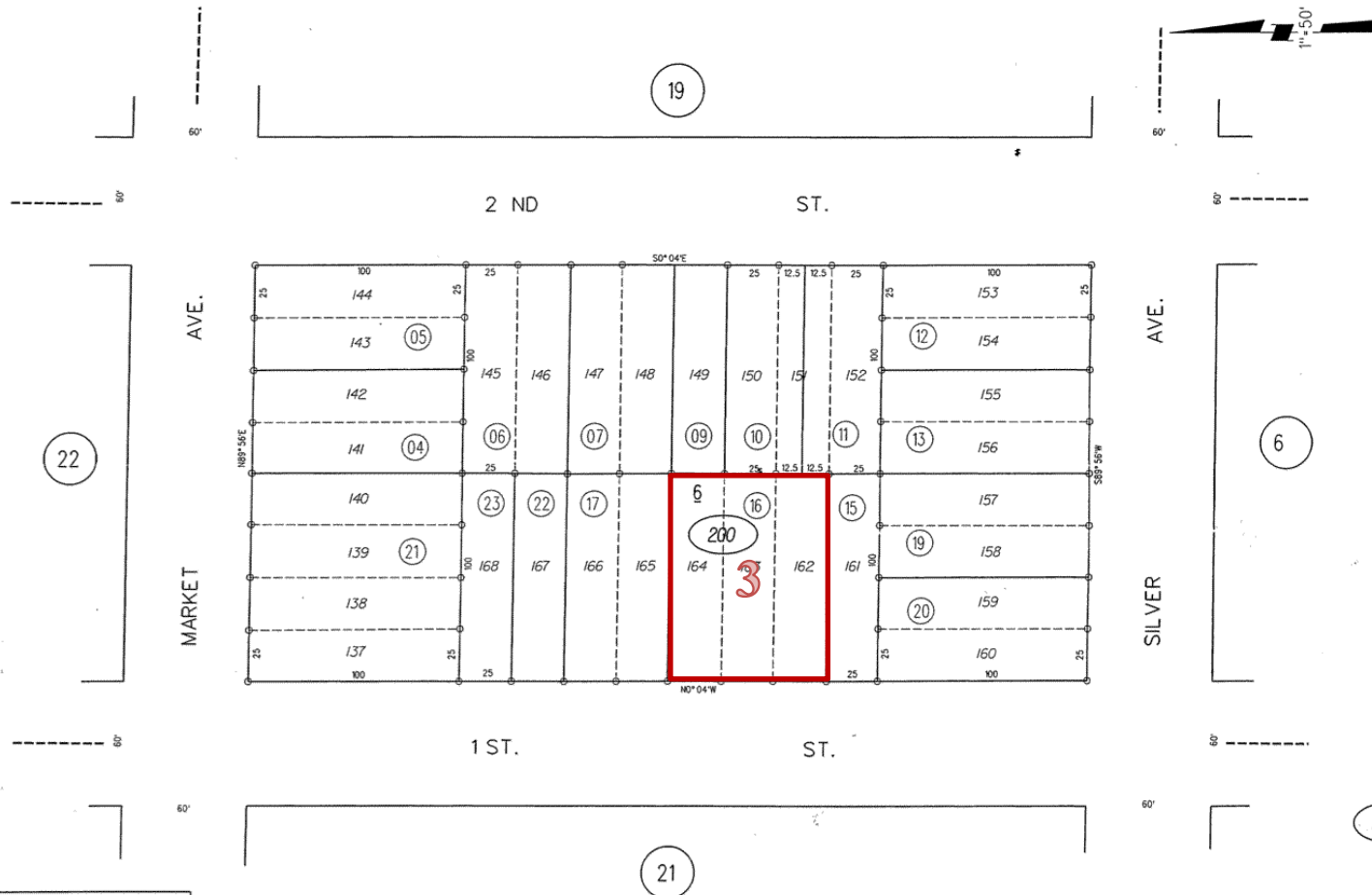
PARCEL MAP

TRUMAN ADDITION TO RICHMOND M.B. 8-198



PARCEL MAP

TRUMAN ADDITION TO RICHMOND M.B. 8-196



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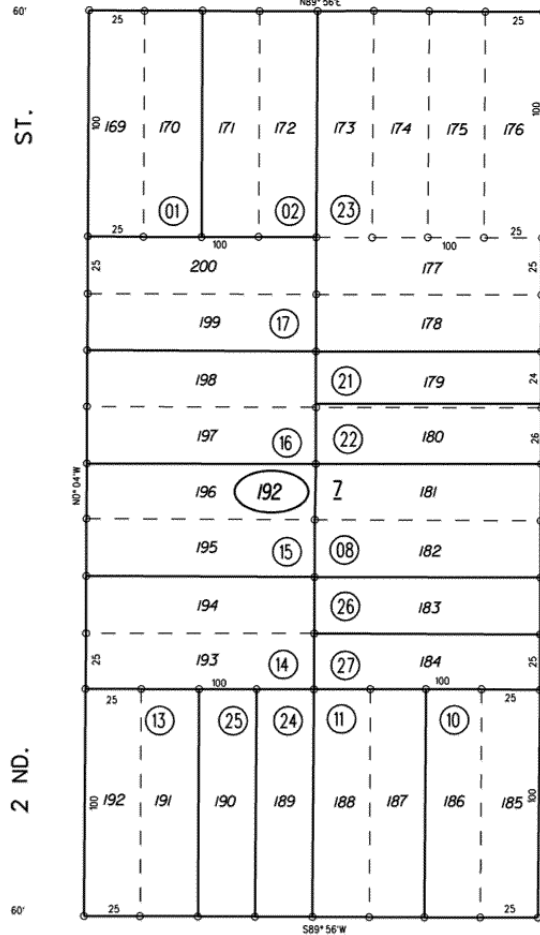
1961 ROLL 149
ASSESSOR'S MAP
BOOK 409 PAGE 20
CONTRA COSTA COUNTY, CALIF.

PARCEL MAP

TRUMAN ADDITION TO RICHMOND MB 8-198

MARKET

23



ST.

2 ND.

SILVER

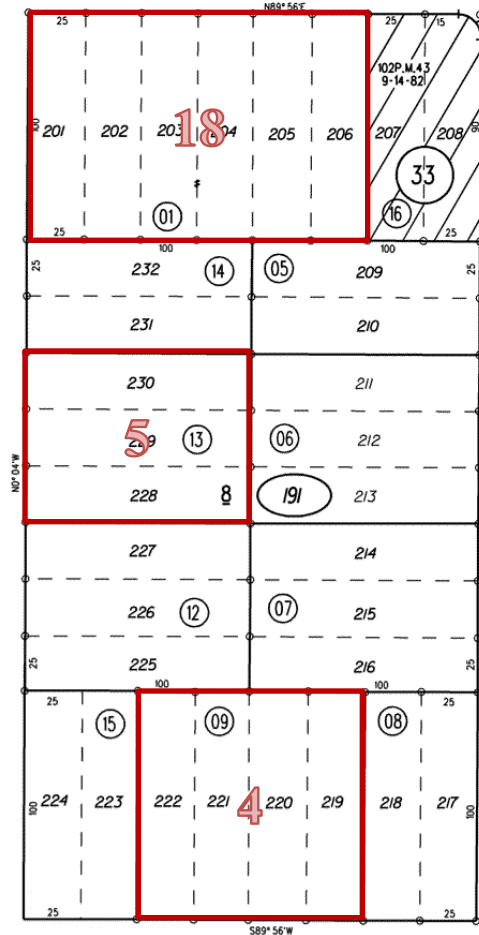
ST.

3 RD.

18

24

AVE.

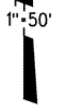


ST.

TRUMAN

ASSESSOR'S MAP
BOOK 409 PAGE 19
CONTRA COSTA COUNTY, CALIF.

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16

191

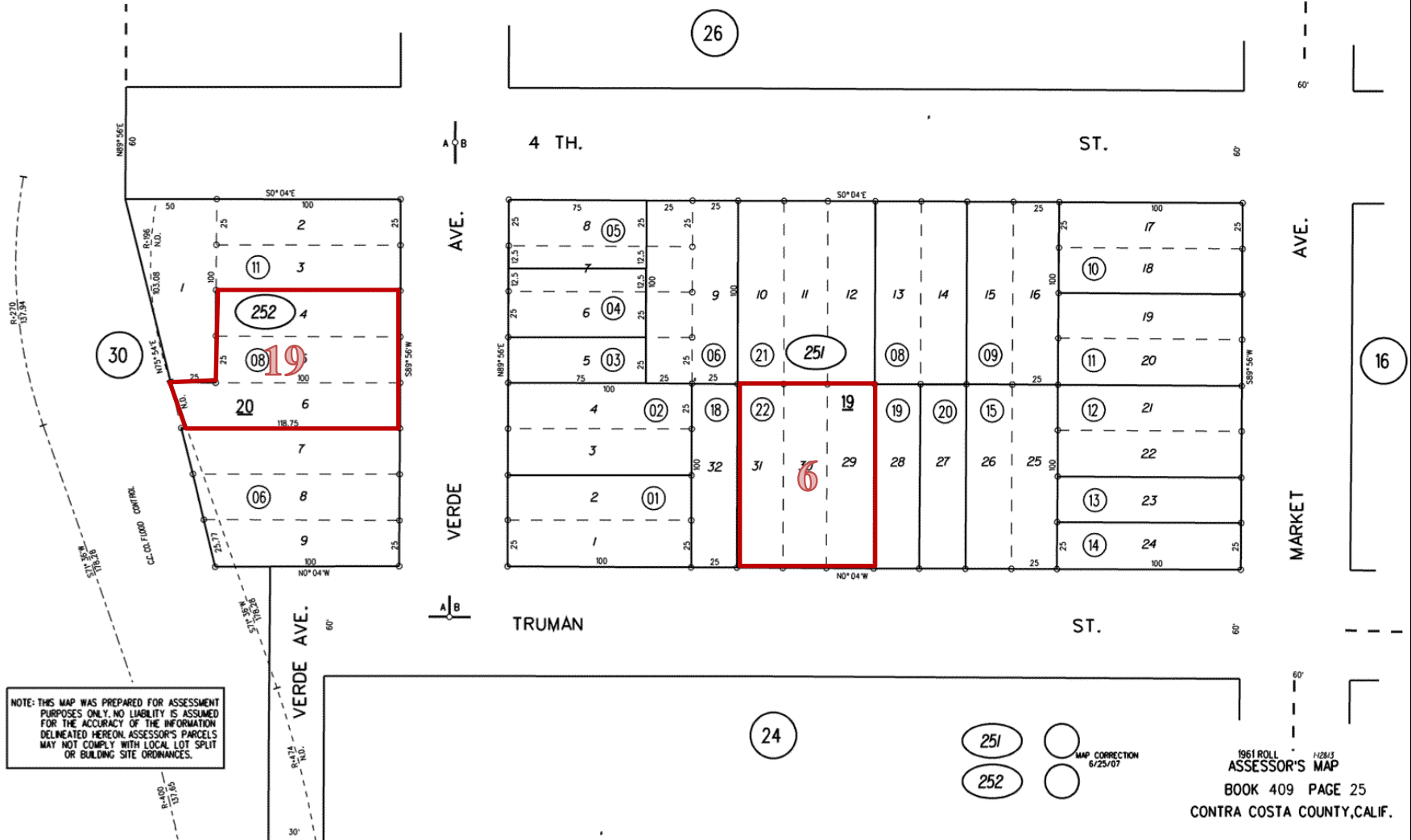
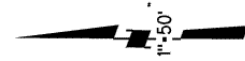
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7/18/05

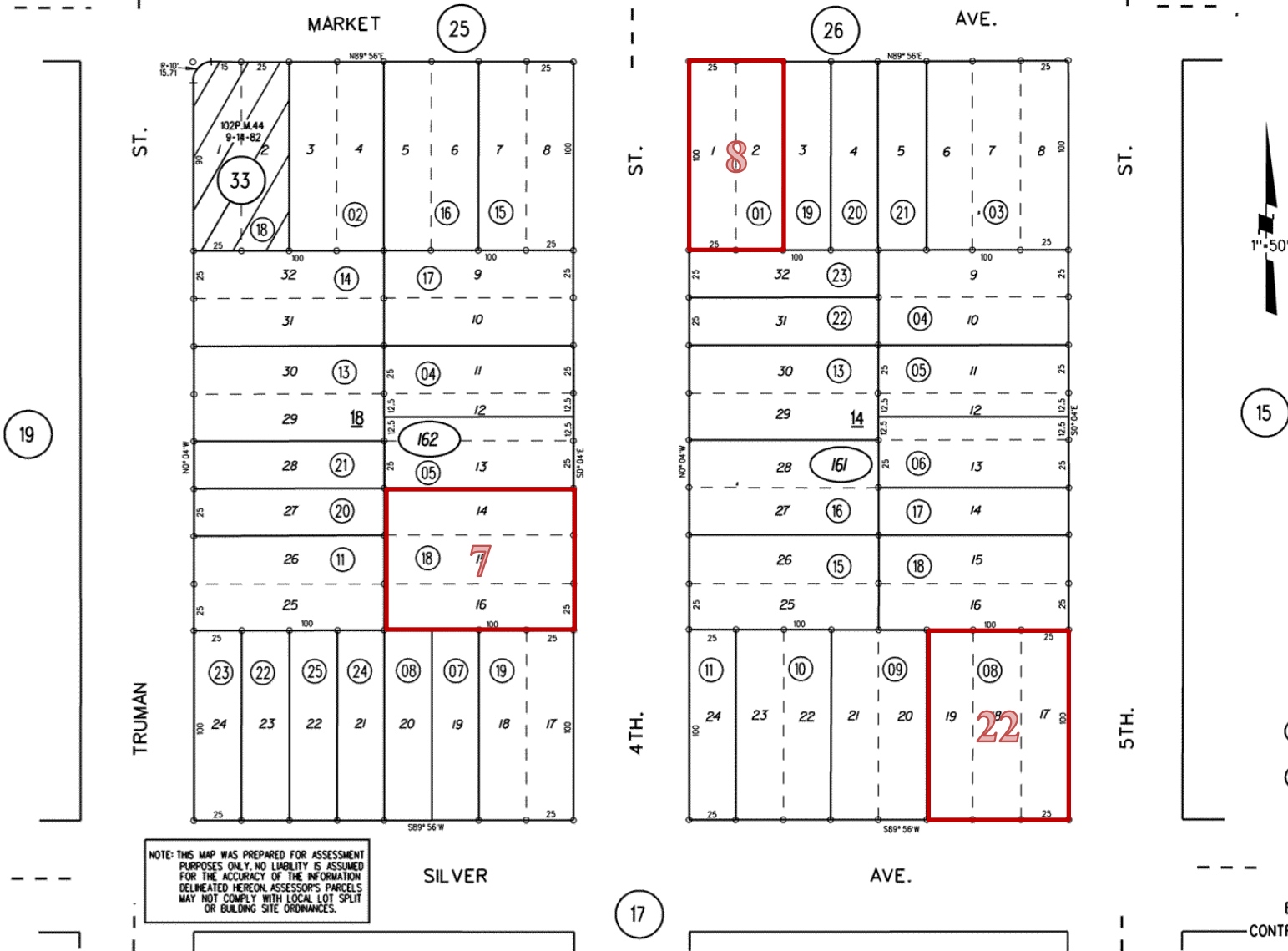
PARCEL MAP

A- NORTH RICHMOND TRACT NO 1 ADDITION MB 12-274
B- NORTH RICHMOND LAND & FERRY CO TRACT NO 1 MB 3-59



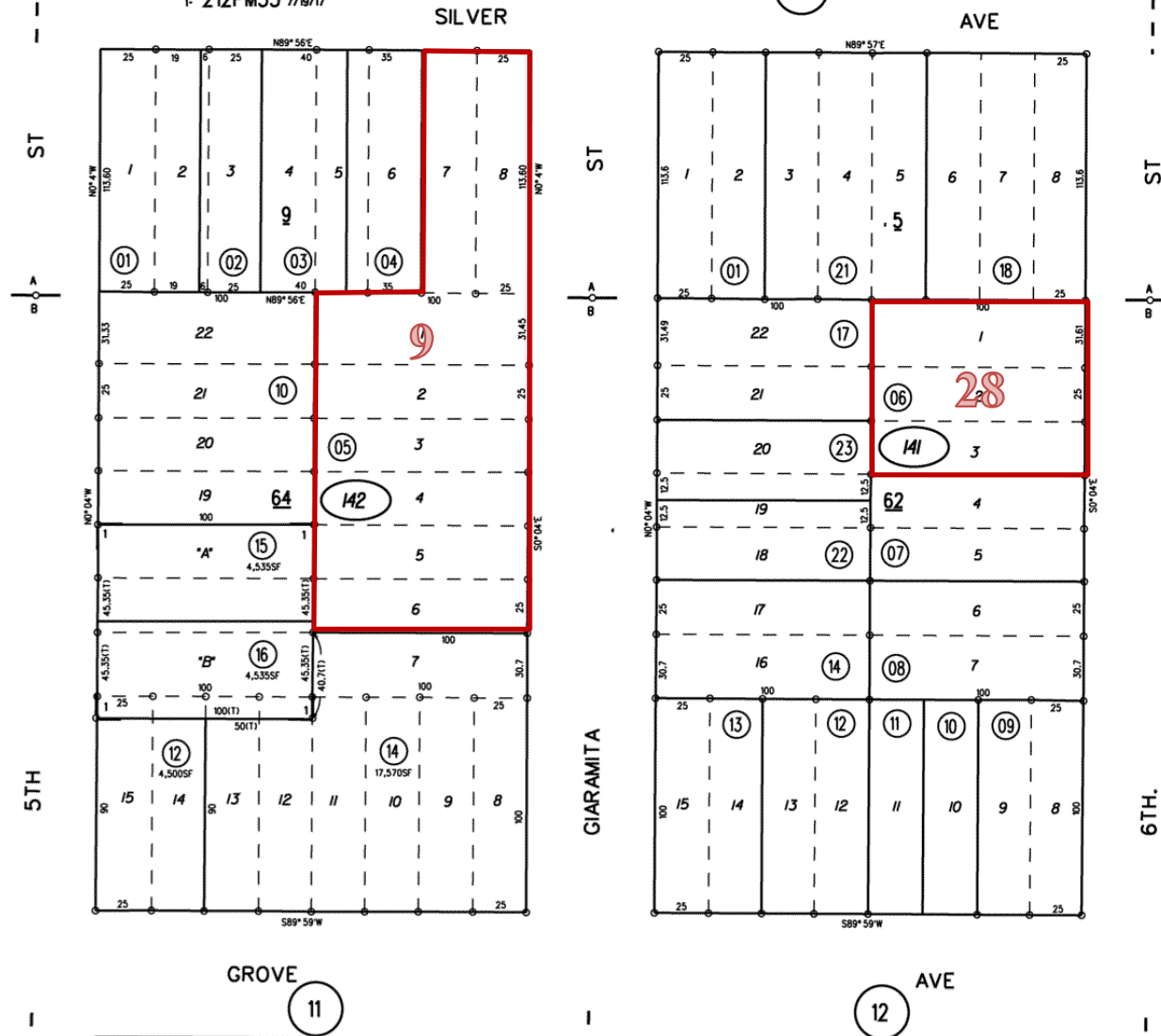
PARCEL MAP

NORTH RICHMOND LAND & FERRY CO. TRACT NO. 1 MB 3-59



PARCEL MAP

A- NORTH RICHMOND LAND & FERRY CO. TRACT NO. 1 M.B. 3-59
 B- NORTH RICHMOND LAND & FERRY CO. TRACT NO. 2 M.B. 5-124
 1- 212PM33 7/19/17



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PARCEL MAP

NORTH RICHMOND LAND & FERRY CO. TRACT NO. 1 M.B. 3-59

1- 113P.M. 33&34 12-7-84

2- 90L.S.M.41 5-15-89

MARKET

AVE.

ST.

ST.

ST.

5TH

GIARAMITA

6TH.

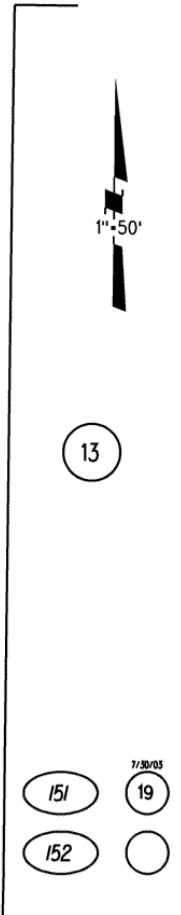
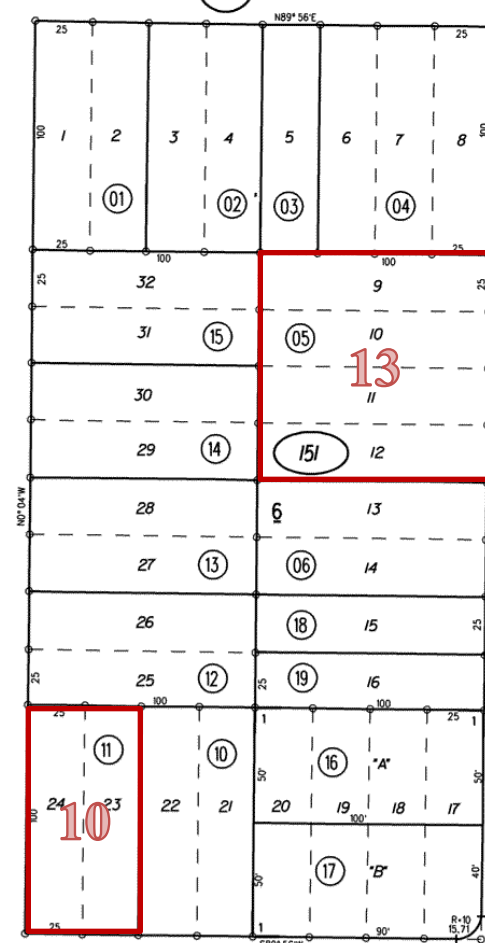
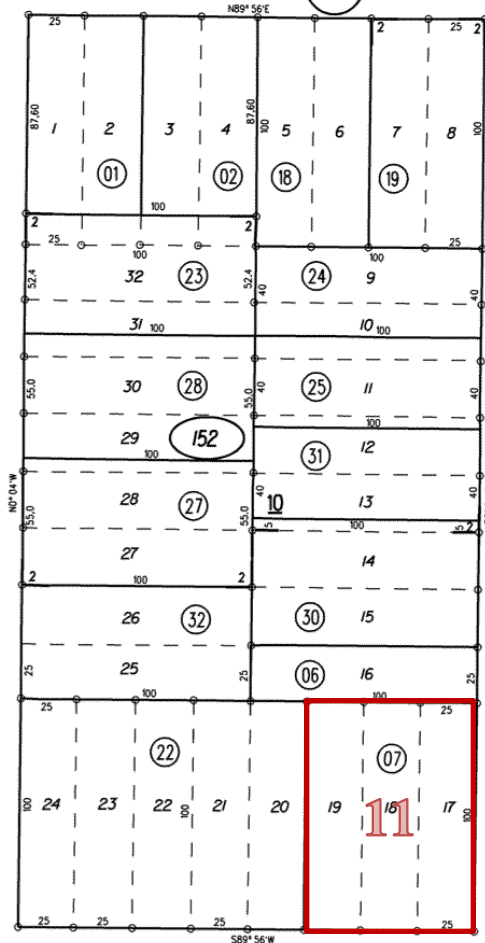
SILVER

AVE.

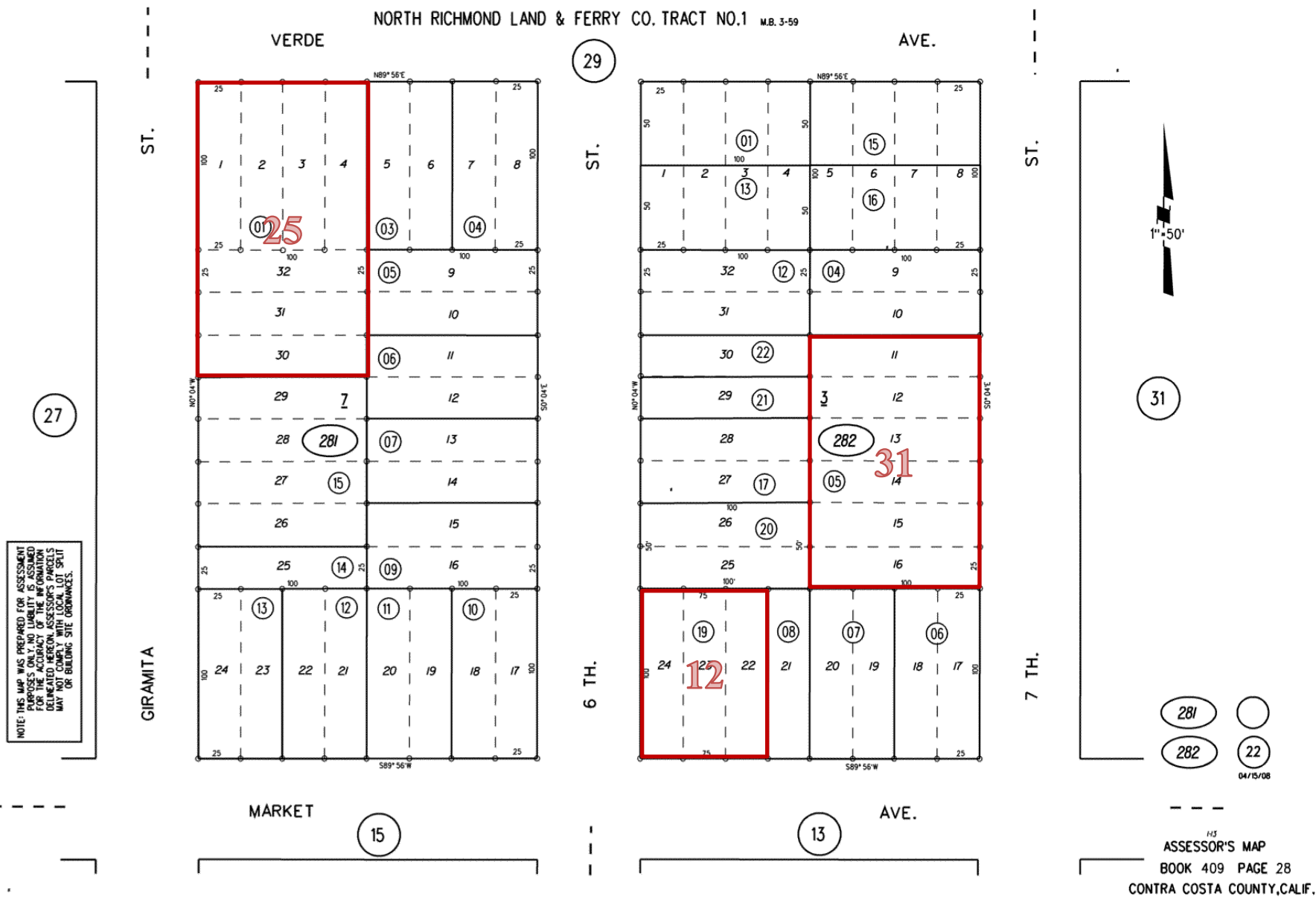
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1"=50'

1961 ROLL
ASSESSOR'S MAP
BOOK 409 PAGE 15
CONTRA COSTA COUNTY, CALIF.



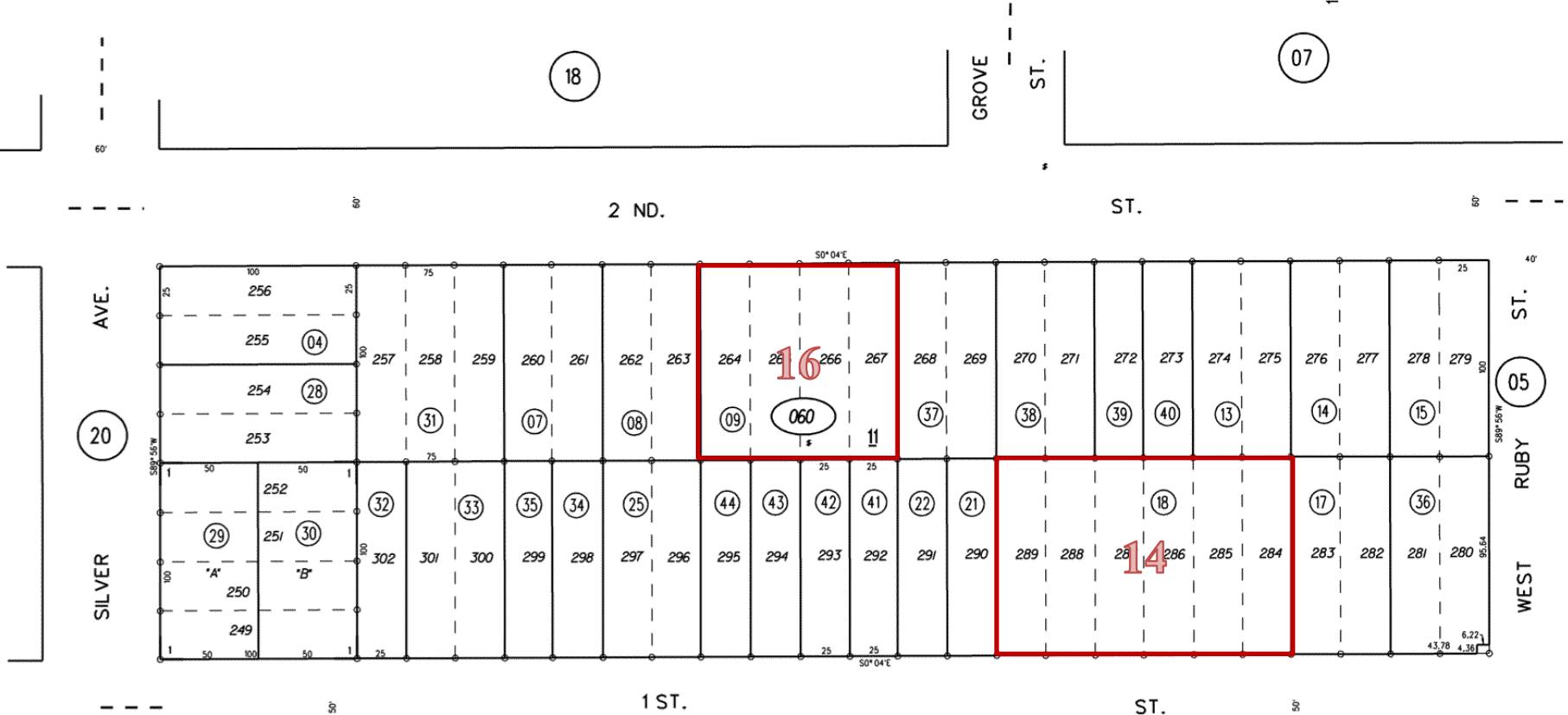
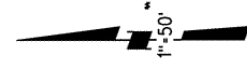
PARCEL MAP



PARCEL MAP

TRUMAN ADDITION TO RICHMOND M.B. 8-198
1- 125PM32 12-22-86

J-4



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21

060 44

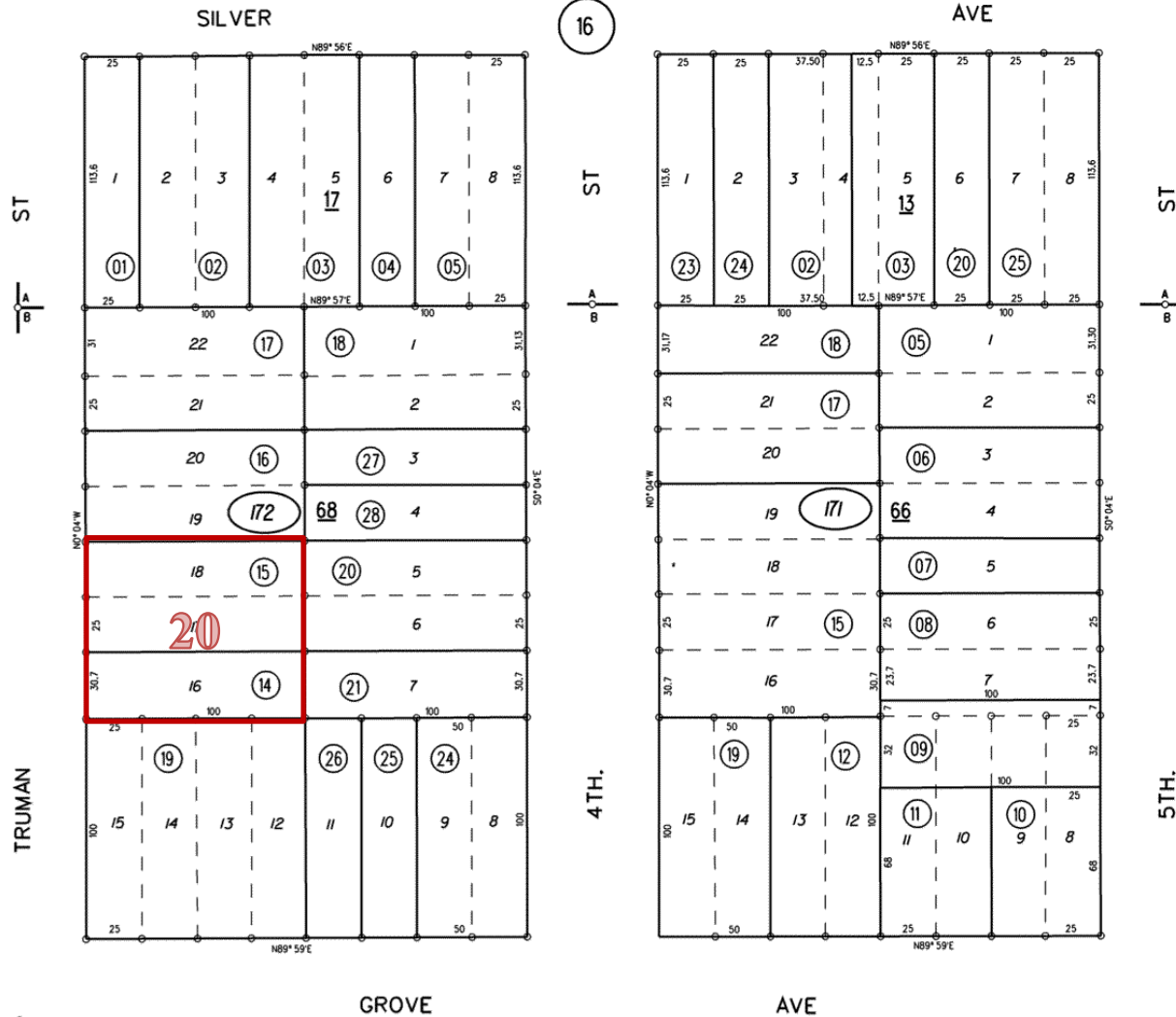
ASSESSOR'S MAP

BOOK 409 PAGE 06

CONTRA COSTA COUNTY, CALIF.

PARCEL MAP

A- NORTH RICHMOND LAND & FERRY CO TRACT NO 1 MB 3-59 7/11/1910
 B- NORTH RICHMOND LAND & FERRY CO TRACT NO 2 MB 5-124 9/19/1911



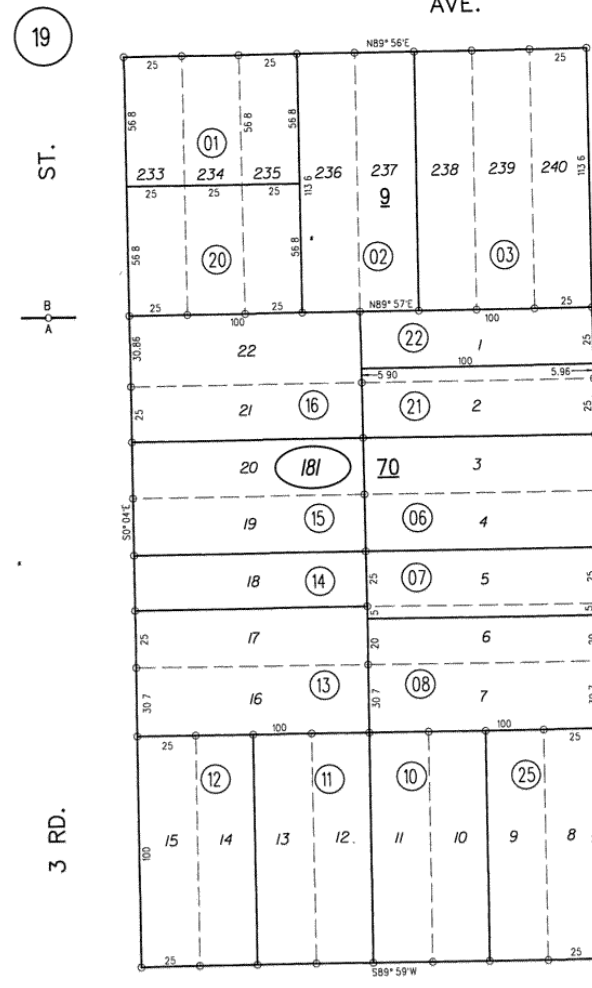
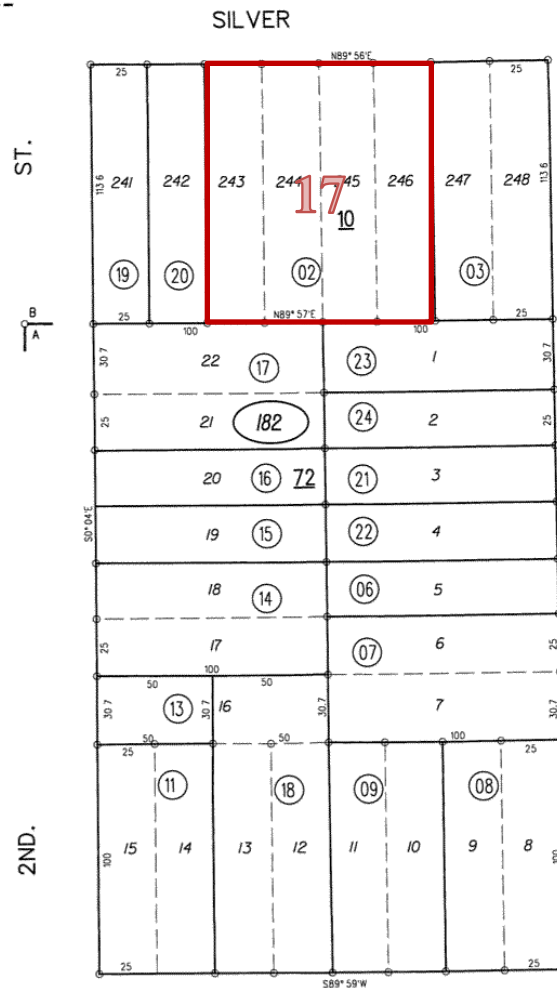
NOTE: THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE INFORMATION DELINEATED HEREON. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL LOT SPLIT OR BUILDING SITE ORDINANCES.



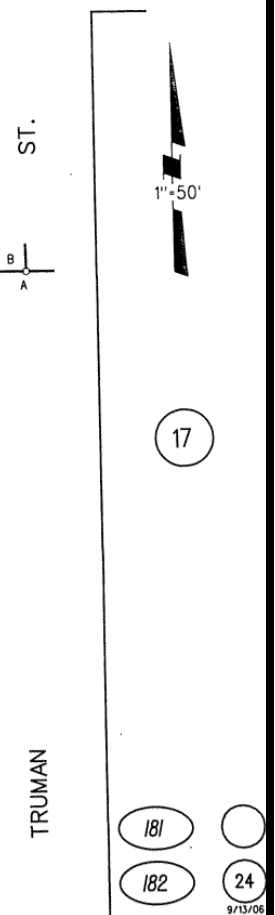
PARCEL MAP

A- NORTH RICHMOND LAND & FERRY CO TRACT NO. 2 MB 5-124

B- TRUMAN ADDITION TO RICHMOND MB 8-198



NOTE: THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE INFORMATION DELINEATED HEREON. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL LOT SPLIT OR BUILDING SITE ORDINANCES.



ASSESSOR'S MAP
BOOK 409 PAGE 18
CONTRA COSTA COUNTY, CALIF.

PARCEL MAP

NORTH RICHMOND LAND & FERRY CO TRACT NO. 2 MB 5-124

1'-50"

11

5 TH.

ST.

AVE.

AVE.

17

P.B.
561

GROVE

CHESLEY

4 TH.

ST.

09

(3)

1140

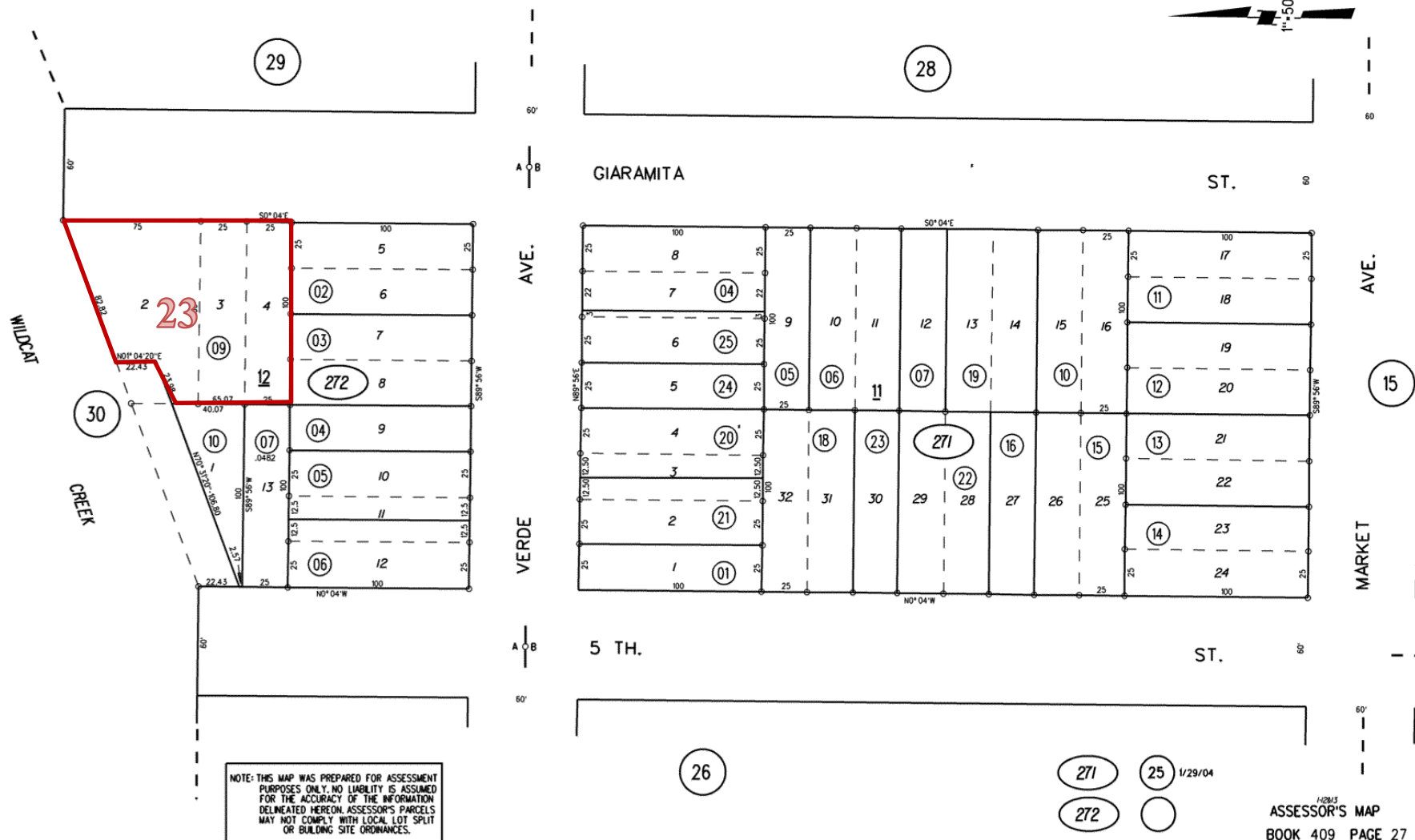
NOTE: THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE INFORMATION DELINEATED HEREON. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL LOT SPLIT OR BUILDING SITE ORDINANCES.

ASSESSOR'S MAP
BOOK 409 PAGE 10
CONTRA COSTA COUNTY,CALIF.

ASSESSOR'S MAP

A- NORTH RICHMOND TRACT NO 1 ADDITION M.B. 12-274

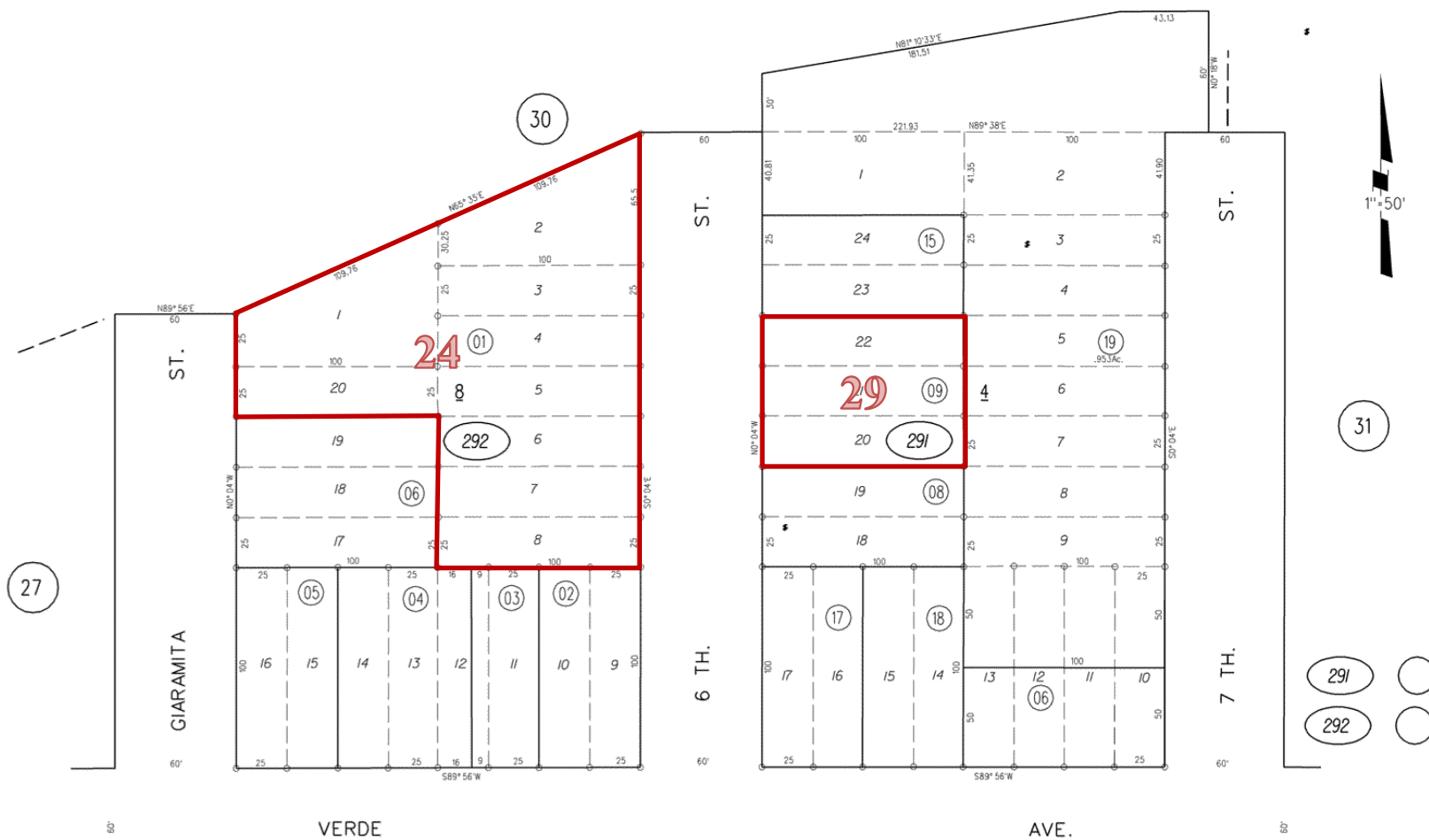
B- NORTH RICHMOND LAND & FERRY CO. TRACT NO 1 M.B. 3-59



PARCEL MAP

NORTH RICHMOND TRACT NO. 1 ADDITION M.B. 12-274

TAX CODE AREA



DATE	CHANGE	BY
05/11/95	CREATE 019	KR

1961 ROLL
ASSESSOR'S MAP
BOOK 409 PAGE 29
142 CONTRA COSTA COUNTY, CALIF.

ASSESSOR'S MAP

NORTH RICHMOND LAND & FERRY CO. TRACT NO. 2 MB 5-124



(12)

GIARAMITA

ST.

AVE.

AVE.

14

GROVE

CHESLEY

P.B.
561

5 TH.

ST.

10

NOTE: THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE INFORMATION DELINEATED HEREON. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL LOT SPLIT OR BUILDING SITE ORDINANCES.

110

(19)

1/20/05

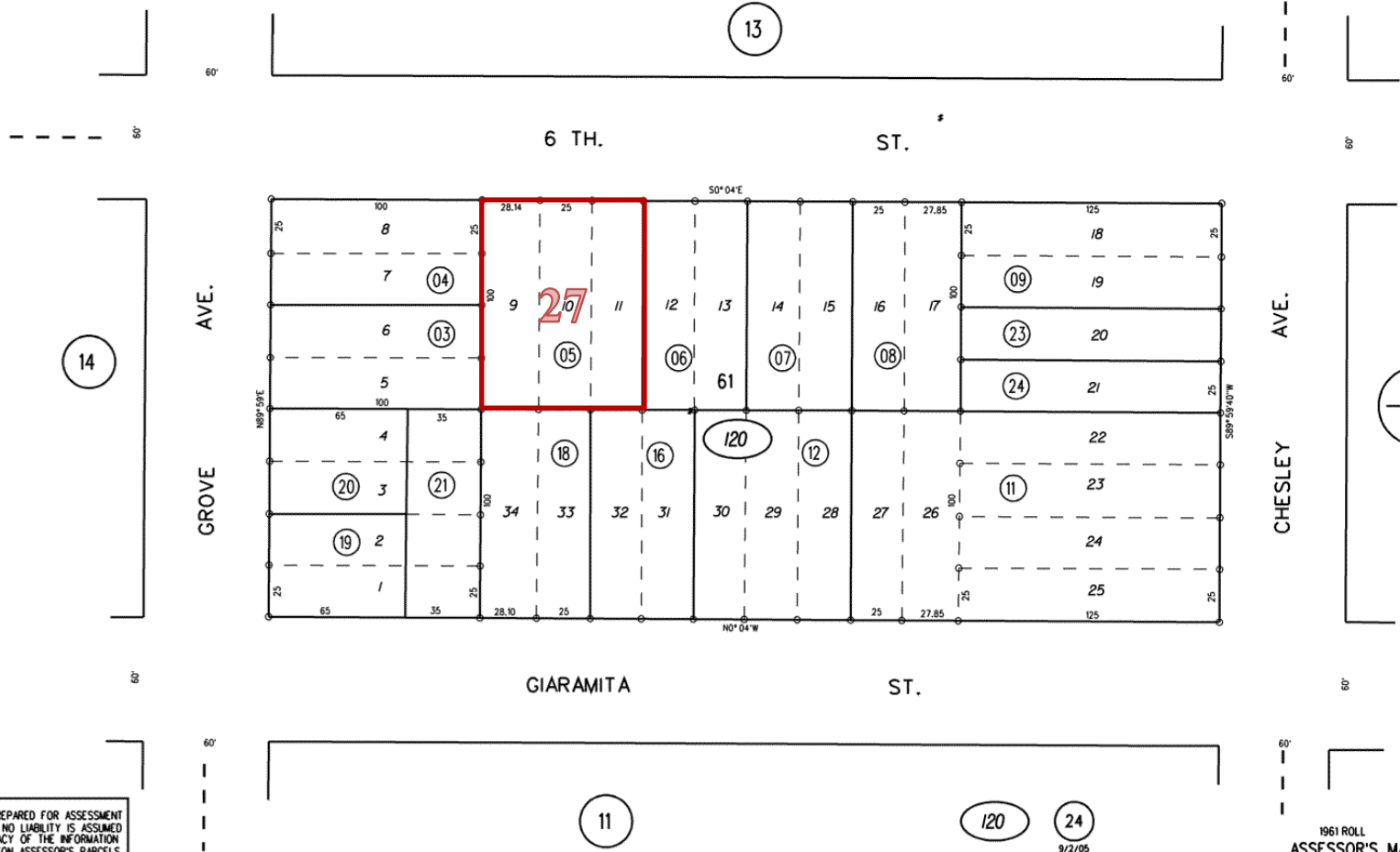
1961 ROLL
ASSESSOR'S MAP

BOOK 409 PAGE 11

CONTRA COSTA COUNTY,CALIF.

PARCEL MAP

NORTH RICHMOND LAND & FERRY CO TRACT NO. 2 MB 5-124

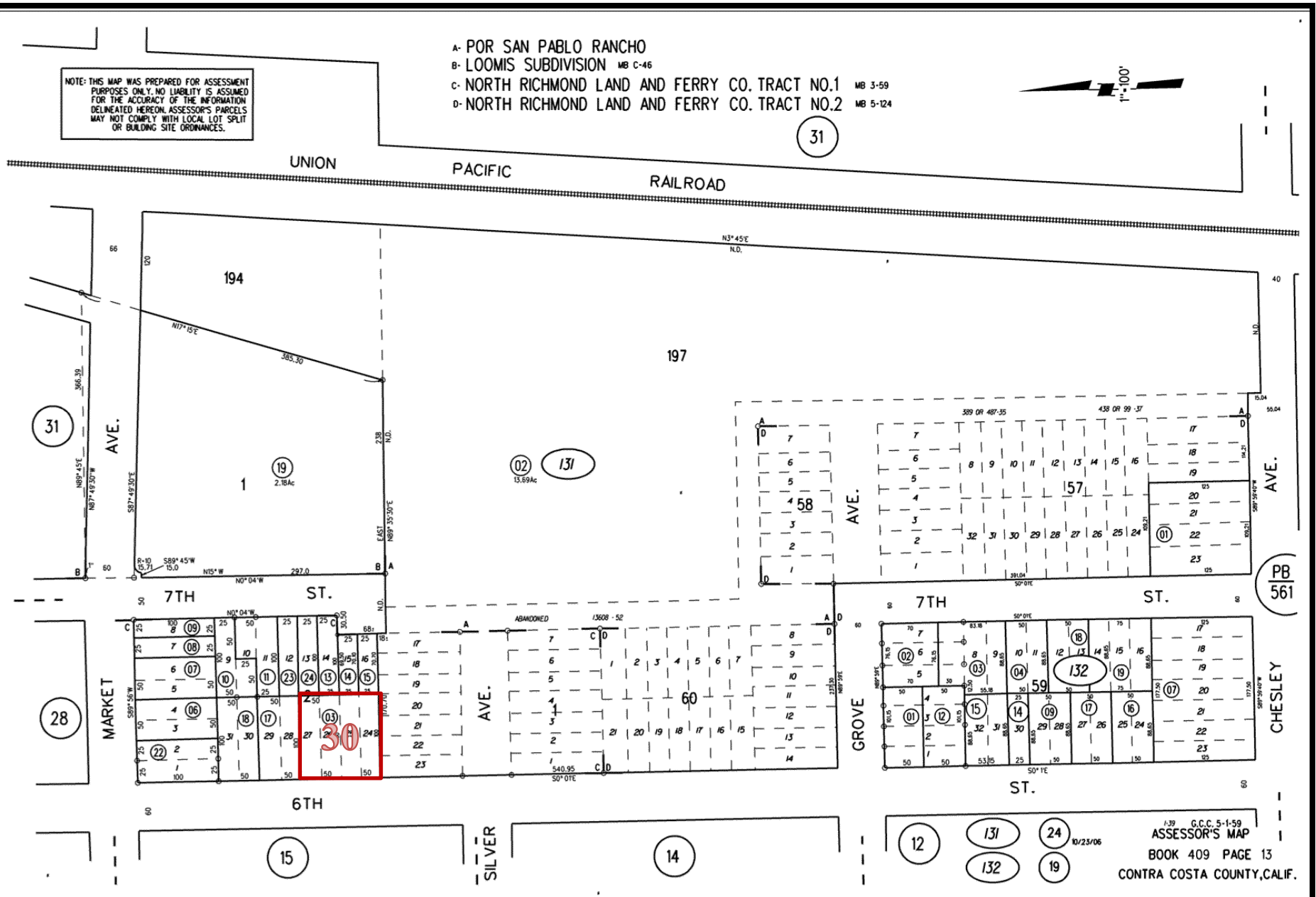


1961 ROLL
ASSESSOR'S MAP
BOOK 409 PAGE 12
CONTRA COSTA COUNTY, CALIF.
Sanborn Date : 01/15/1999

ASSESSOR'S MAP

NOTE: THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE INFORMATION DELINEATED HEREON. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL LOT SPLIT OR BUILDING SITE ORDINANCES.

- A- POR SAN PABLO RANCHO
- B- LOOMIS SUBDIVISION MB C-46
- C- NORTH RICHMOND LAND AND FERRY CO. TRACT NO.1 MB 3-59
- D- NORTH RICHMOND LAND AND FERRY CO. TRACT NO.2 MB 5-124



COMPARABLE MULTIFAMILY BUILDING SALES PHOTOGRAPHS



724 Acacia Avenue
Richmond



1645 14th Street
San Pablo



119 18th Street
Richmond



587 6th Street
Richmond

COMPARABLE MULTIFAMILY BUILDING SALES PHOTOGRAPHS



1627 Lincoln Avenue
Richmond



1625 Portola Avenue
Richmond



305 Ripley Avenue
Richmond



301 Ripley Avenue
Richmond

COMPARABLE MULTIFAMILY BUILDING SALES PHOTOGRAPHS



465 21st Street
Richmond



1333 Market Avenue
San Pablo



203 Bissell Avenue
Richmond



417 Verde Avenue
North Richmond

COMPARABLE MULTIFAMILY BUILDING SALES PHOTOGRAPHS



2023 Chanslor Avenue
Richmond



146 19th Street
Richmond

QUALIFICATIONS OF SARA A. COHN, MAI
California Certified General Real Estate Appraiser No. AG014469

EXPERIENCE

Sara A. Cohn is a Partner with Watts, Cohn and Partners, Inc. a new firm providing commercial real estate valuation. From 1988 to 2016, she worked for Carneghi and Partners and was a Senior Project Manager/Partner in their San Francisco office. Carneghi and Partners, and now Watts, Cohn and Partners, provide real estate appraisal and consulting services in the San Francisco Bay Area. Clients include financial institutions, government agencies, law firms, development companies and individuals. Typical assignments include both valuation and evaluations of a broad variety of property types, uses and ownership considerations.

Ms. Cohn has over 30 years of appraisal experience. She has completed a wide variety of valuation and evaluation analyses. Ms. Cohn has extensive knowledge of the San Francisco Bay Area and has appraised many property types including office buildings, industrial properties, retail centers, hotels, residential projects, mixed-use properties and development sites. Recent work has involved the analysis of commercial buildings, residential subdivisions, valuation of affordable housing developments with bond financing and/or Low-Income Housing Tax Credits (LIHTCs), assessment districts, as well as co-housing projects.

EDUCATION

Bachelor of Arts, University of California, Berkeley, 1978

Successful completion of all professional appraisal courses offered by the Appraisal Institute as a requirement of membership.

Continued attendance at professional real estate lectures and seminars.

PROFESSIONAL AFFILIATION AND STATE CERTIFICATION

Appraisal Institute - MAI Designation (Member Appraisal Institute) No. 12017
Continuing Education Requirement Complete

State of California Certified General Real Estate Appraiser No. AG014469
Certified Through March 2021

State of California Licensed Landscape Architect No. 2102

Member, Board of Directors, Northern California Chapter of the Appraisal Institute,
2008-2010

Seminars Co-Chair, Northern California Chapter of the Appraisal Institute, 2005-2007

QUALIFICATIONS OF MARK A. WATTS

Mark A. Watts is a Partner with Watts, Cohn and Partners, Inc.

Following is a brief summary of his background and experience:

EXPERIENCE

Commercial Real Estate Appraisal Experience

Mr. Watts has been a commercial real estate appraiser since 1987, and has over 20 years experience in the analysis of commercial real estate. He has completed valuation assignments on a variety of projects, including industrial facilities, residential subdivisions, apartments, shopping centers, cemeteries and recreational facilities. He has also performed feasibility studies and assisted owners in making asset management decisions.

Mr. Watts has provided litigation support and served as an expert witness in court. He has also served in arbitrations as an expert witness. He has been qualified as an expert in San Francisco and San Mateo County Superior Courts.

He served on the San Francisco County Assessment Appeals Board from 2011 to 2016.

Commercial Real Estate Investment Experience

Simultaneous to his work as a commercial appraiser, Mr. Watts has been an active real estate investor/developer. He is experienced in the acquisition, redevelopment and management of commercial properties. He has witnessed and experienced many real estate cycles and stays abreast of current trends. His personal experience as an investor makes him uniquely qualified to appraise commercial real estate.

Over the last 20 years he has completed more than 30 investment real estate transactions, an average of 1.5 transactions per year. He has negotiated with buyers and sellers directly as a principal. He has completed nearly a dozen 1031 exchanges. Beginning with a small initial capital investment, he has built a large real estate portfolio. Based on his ownership experience, Mr. Watts is keenly aware that the success or failure of an acquisition is closely related to its location. Likewise, he is sensitive to locational differences in the appraisal of real estate.

Mr. Watts has broad experience with the construction, maintenance and repair of real estate. He has demolished and re-built two structures from the ground up. He has completed fire damage repairs and remediated toxic mold. He has remodeled kitchens and baths. He has replaced foundations on structures, made additions, and made other improvements. As the quality and condition of real estate has a strong correlation with its value, his experience enables superior judgement of these attributes in his work as a commercial real estate appraiser.

Community Involvement

Mr. Watts served on the Board of Managers of the Stonestown Family YMCA from 2002 to 2017. This is an approximately 30,000 square foot health club facility. He was active on the Facilities Committee. He served as the Board Chair in 2008. He has been a member of the Olympic Club in San Francisco since 1976. He served the Forest Hill Neighborhood Association as President from 2013 to 2017.

EDUCATION

Bachelor of Arts, University of California, Davis

PROFESSIONAL AFFILIATION

State Accredited Affiliate of the Appraisal Institute
State of California Certified General Real Estate Appraiser No. AG015362