

SUMMARY REPORT

of

the Vacant Land Located at

Locust and Meade Streets
Shasta Lake, CA 96019

As Of:

12/09/2015

Prepared For:

AMC: None
Veterans Housing Development Corporation
c/o Burt McChesney@gmail.com

Prepared By:

Maureen Fuller, MAI, AG007181
Shasta Tehama Appraisal Services
P.O. Box 493025
Redding, CA 96049

LAND APPRAISAL REPORT

IDENTIFICATION	Owner _____		Census Tract <u>0117.03.</u>		Map Reference <u>N/A</u>	
	Property Address <u>Locust and Meade Streets</u>					
	City <u>Shasta Lake</u>		County <u>Shasta</u>		State <u>CA</u> Zip Code <u>96019</u>	
	Legal Description <u>Lots 15 - 20, Block 7, Ashby Subdivision, Unit 1, Map Book 5, Page 31</u>					
	Sale Price \$ <u>N/A</u>		Date of Sale <u>N/A</u>		Property Rights Appraised <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Leasehold <input type="checkbox"/> De Minimis PUD	
	Actual Real Estate Taxes \$ <u>Exempt</u> (yr)		Loan Charges to be paid by seller \$ <u>N/A</u>		Other Sales Concessions <u>N/A</u>	
	Client <u>Veterans Housing Development Corporation</u> Address <u>c/o Burt McChesney@gmail.com.</u>					
	Occupant <u>N/A</u>		Appraiser <u>Maureen Fuller</u>		Instructions to Appraiser <u>Estimate market value of the property</u>	
	Intended User <u>See Comments Page</u>		Intended Use <u>See Comments Page</u>			
	NEIGHBORHOOD	Location		<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural
Built Up		<input type="checkbox"/> Over 75%	<input checked="" type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%		
Growth Rate <input type="checkbox"/> Fully Dev.		<input checked="" type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Steady	<input type="checkbox"/> Slow		
Property Values		<input checked="" type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining		
Demand/Supply		<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Oversupply		
Marketing Time		<input type="checkbox"/> Under 3 Mos.	<input checked="" type="checkbox"/> 4-6 Mos.	<input type="checkbox"/> Over 6 Mos.		
Present Land Use <u>45 %1 Family</u>		<u>5 %2-4 Family</u>	<u>5 % Apts</u>	<u>0 % Condo</u>	<u>15 % Commercial</u>	
Change in Present Land Use		<input type="checkbox"/> Not Likely	<input checked="" type="checkbox"/> Likely(*)	<input type="checkbox"/> Taking Place (*)		
Predominate Occupancy		<input type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<input type="checkbox"/> % Vacant		
Single Family Price Range \$ <u>90,000</u> to \$ <u>200,000</u>		Predominant Value \$ <u>125,000</u>				
Single Family Age <u>0</u> yrs to <u>80</u> yrs.		Predominant Age <u>30</u> yrs				
Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): <u>See following Comments Addendum Pages.</u>						
SITE	Dimensions <u>250.13 x 150</u>		= <u>37,520 sf</u>		<input checked="" type="checkbox"/> Corner Lot	
	Zoning Classification <u>VC - Village Commercial;</u> Present Improvements <input type="checkbox"/> do <input type="checkbox"/> do not conform to zoning regulations					
	Highest and best use <input checked="" type="checkbox"/> Present use <input type="checkbox"/> Other (specify) <u>Develop with multi-residential development. 31-unit complex has been approved.</u>					
	Public <input checked="" type="checkbox"/> Other (Describe) _____		OFF SITE IMPROVEMENTS		Topo <u>Basically flat; very slight slope</u>	
	Elec. <input checked="" type="checkbox"/> Available		Street Access <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private		Size <u>Satisfactory for proposed development</u>	
	Gas <input checked="" type="checkbox"/> Available		Surface <u>Macadam</u>		Shape <u>Rectangular</u>	
	Water <input checked="" type="checkbox"/> Available		Maintenance <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private		View <u>Neighborhood</u>	
	San. Sewer <input checked="" type="checkbox"/> Available		<input checked="" type="checkbox"/> Storm Sewer <input type="checkbox"/> Curb/Gutter		Drainage <u>Appears adequate</u>	
	<input type="checkbox"/> Underground Elect. & Tel.		<input type="checkbox"/> Sidewalk <input checked="" type="checkbox"/> Street Lights		Is the property located in a HUD identified Special Flood Hazard Area? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
	Comments (favorable or unfavorable including any apparent adverse easements, encroachments or other adverse conditions): <u>See following Comments Addendum Pages..</u>					
MARKET DATA ANALYSIS	The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.					
	For the Market Data Analysis <input type="checkbox"/> See grid below <input type="checkbox"/> See narrative attachment					
	SUBJECT PROPERTY		COMPARABLE NO.1		COMPARABLE NO.2	
	Address <u>Locust and Meade Streets</u>		Address <u>2443 Mariposa Ave</u>		Address <u>Browning/Old Alturas Rd</u>	
	City <u>Shasta Lake, CA 96019</u>		City <u>Chico, CA 95926</u>		City <u>Redding, CA 96003</u>	
	Proximity to Subject		70.3 miles SE		6.6 miles S	
	Sales Price /Unit \$ <u>N/A</u>		\$ <u>16,667</u>		\$ <u>13,235</u>	
	Price / (Total) \$ <u>0</u>		\$ <u>16,340</u>		\$ <u>3,447</u>	
	Data Source		CH13104469, Recorder Office		MLS#SC15-1503, D#13-44190	
	Date of Sale and Time Adjustment		DESCRIPTION <u>12/17/2013</u>		DESCRIPTION <u>12/30/2013</u>	
Location		Superior		Superior		
Site/View		37,520 sf		3.84 ac		
No. of Units		31		34		
Access/Utilities		Public/Available		Public/Available		
SF/Units		1,210 SF/Unit		4,909 SF/Unit		
Sales or Financing		APN 005-025		APN		
Concessions		053,058,059		071-270-026-000		
Net Adj. (Total)		Plus <input checked="" type="checkbox"/> Minus <input type="checkbox"/> \$ <u>-7,000</u>		Plus <input checked="" type="checkbox"/> Minus <input type="checkbox"/> \$ <u>-5,000</u>		
Indicated Value of Subject		Net=-42% \$ <u>9,667</u>		Net=-38% \$ <u>8,235</u>		
		Gross=42%		Gross=57%		
Comments on Market Data <u>There are a total of eight comparables included in this report. They are summarized in the grids and the discussion of the comparables is shown on the pages, starting with the page showing Comparables No. 4 through No. 6</u>						
RECONCILIATION	Comments and Conditions of Appraisal: <u>See included Assumptions and Limiting Conditions</u>					
	Final Reconciliation: <u>As subject property is vacant land, sole consideration is given to the Sales Comparison Approach.</u>					
	I ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF <u>12/09/2015</u> to be \$ <u>248,000</u>					
	NL - Land 5/2007					
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	Page of					

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Property Address	Locust and Meade Streets			State	CA	Zip Code	96019
City	Shasta Lake	County	Shasta	State	CA	Zip Code	96019
Lender/Client	Veterans Housing Development Corporation, c/o Burt McChesney@gmail.com,						

NEIGHBORHOOD DATA:

The property is located in center of the City of Shasta Lake, which is north of the City of Redding. The property is one block south of Shasta Dam Boulevard, which is the main east-west arterial in the City that is west of the Interstate Five Freeway. The property offers very good access to the shopping as major shopping, with grocery, pharmacy, and general goods stores, as well as general and medical offices, and restaurants being along Shasta Dam Boulevard. The City Hall for Shasta Lake is about five blocks east of the subject.

The major residential neighborhoods for Shasta Lake City are located both north and south of the commercial district.

There is also good access from this neighborhood to the City of Redding and communities to the north and south, as there is an I-5 Interchange with both northerly and southerly access from Shasta Dam Boulevard.

SITE DATA:

The subject site is located on the northwest corner of Locust and Meade Streets. It has 250.13 feet of frontage on Meade Street, which is along the southerly boundary of the subject. The parcel also has 150 feet of frontage on Locust Street, which is along the easterly boundary of the subject. An alley runs along the northerly boundary of the site. This alley is shown as encumbering the northerly ten feet of subject, which reduces the useable area of the site about 2,500 square feet.

All required public utilities are available to the property. Both Locust and Meade Streets are paved, public roads. The curbs, gutters, and sidewalks have not been installed along the street frontages.

The property has been under the ownership of the City of Shasta Lake Housing Authority and has not been assessed for ad valorem taxes.

The zoning on the property is VC - Village Commercial, the purpose of which is "to provide a variety of public, commercial, and residential uses, emphasizing rehabilitation and in-fill to create a pedestrian-oriented "village." Single-family or multi-family residences are allowed in this zoning district with the issuance of an administrative permit. Administrative Permit 15-01 was issued on October 15, 2015, for the 31-unit multi-residential complex that is planned for the property.

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Property Address **Locust and Meade Streets**
 City **Shasta Lake** County **Shasta** State **CA** Zip Code **96019**
 Client **Veterans Housing Development Corporation** Address **c/o Burt McChesney@gmail.com,**

SUBJECT PROPERTY		COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 6	
Address Locust and Meade Streets Shasta Lake, CA 96019		Westside Rd Redding, CA 96001		5690 Cedars Rd Redding, CA 96001		930 E. Lassen Ave Chico, CA 95973	
Proximity to Subject		12.3 miles S		12.4 miles S		68.9 miles SE	
Sales Price	\$ N/A	\$ 5,068	\$ 3,821	\$ 18,750			
Price (Total)	\$ 0	\$ 1,377	\$ 1,426	\$ 150,000			
Data Source		SC#14-1512,D#14-17521	SC#D#14-30728	CH#14195205,D#14-37384			
Date of Sale and	DESCRIPTION	DESCRIPTION	Adjustment	DESCRIPTION	Adjustment	DESCRIPTION	Adjustment
Time Adjustment	N/A	07/07/2014		11/13/2014		11/21/2014	
Location	Average	Inferior	+5,000	Inferior	+5,000	Superior	-4,000
Site/View	37,520 sf	3.68 ac		2.68 ac		24,829 SF	
No. of Units	31	37		28		8	
Access/Utilities	Public/Available	Utilities/Available		Utilities/Available		Utilities/Available	
SF/Units	1,210 SF/Unit	4,332 SF/Unit	-1,500	4,169 SF/Unit	-1,500	3103 SF/Unit	-750
Sales or Financing	APN 005-025	APN 049-300-		APN		APN	
Concessions	053,058,059	064 & 066		049-430-003		073-200-032	
Net Adj. (Total)		X Plus Minus \$ 3,500		X Plus Minus \$ 3,500		Plus X Minus \$ -4,750	
Indicated Value of Subject		Net=69% Gross=128% \$ 8,568		Net=92% Gross=170% \$ 7,321		Net=-25% Gross=25% \$ 14,000	
Comments on Market Data							
DISCUSSION OF THE COMPARABLE SALES:							
There is a lack of comparable sales for multi-residential complexes and no multi-residential building permits have been issued in either the City of Redding or the City of Shasta Lake since 2012.							
There are a total of seven properties that are included as comparables for the subject property. One of the properties sold in 2014 and is, now, available for purchase. Therefore, this one property is included as both Comparable No. 3 and No. 8..							
Comparable No. 1 is the December 17, 2013, sale of a 30,492 square-foot site on Mariposa Avenue in the City of Chico. This is a 305+- x 100+- parcel that has been divided into six parcels, each of which is being improved with a single-family residence. A private road easement called Harrier Lane runs along the north side of the parcel providing access to all six lots. The parcel had all utilities available and the lot was flat. It was offered for sale with an asking price of \$130,000. It sold on December, 13, 2013, with a selling price of \$100,000 or \$16.667 per proposed unit. No trust deed was recorded as part of this transaction. This property is considered superior to subject in that its Chico location, as the home of the University of California, Chico, is superior to Shasta Lake and there are more square feet per unit in the parcel.							
Comparable No. 2 is the December, 2013, sale of the 3.84-acre parcel that is located on the north-east corner of Browning Drive and Old Alturas Road in the City of Redding. This property is located about one block from one of the major commercial districts in the City of Redding. The units in this development are 34 detached dwellings, ranging from 1700 to 2100 square feet. Since the purchase of the property, it has been divided into 13 separate lots that contain the 34 units. The property has all public utilities available and its topography is satisfactory for the development. The property was listed in April 2013 with an original asking price of \$1,250,000. It sold on December 31, 2013, with a selling price of \$450,000, or 13,235 per unit. Reportedly, the terms of the transaction are all cash to the seller. This property is also superior to subject in its location and in its size per unit.							
Comparable No. 3 and No. 8 are the property that is located at 355 Churn Creek Road in the City of Redding. Churn Creek Road is a main north-south arterial for the City of Redding, connecting State Highway 44 in the north with South Bonnyview Drive at the southerly end of the City. This parcel is located near a residential care facility and a City Fire Station. There are also a number of residential subdivisions and planned unit developments in this neighborhood. The property is zoned RM-15. The proposed development consists of a mixture of three-bedroom, 2.5-bath units with 2-bedroom, 2.5-bath units with attached single-car garages. The property was sold for \$150,000 on September 14, 2014, or \$8,823 per proposed unit. The terms of the transaction included a loan from a private party lender for \$125,000. The buyer has spent more than \$25,000 for plans and engineering for the proposed units and there is about \$60,000 in engineering to be done to have construction documents in hand. The buyer is now offering the property for sale through the Shasta County MLS, with an asking price of \$250,000, or \$14,706 per unit. The property is inferior in location, but is superior in size per unit. (continued on next page of Extra Comparables)							

**Shasta-Tehama Appraisal Services
EXTRA COMPARABLES 7-8-9**

File No. 15-0282

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Property Address **Locust and Meade Streets**
City **Shasta Lake** County **Shasta** State **CA** Zip Code **96019**
xxxxx/Client **Veterans Housing Development Corporation** Address **c/o Burt McChesney@gmail.com,**

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.									
SUBJECT PROPERTY		COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 6			
Address Locust and Meade Streets Shasta Lake, CA 96019		9034 Skyway Paradise, CA 95969		355 Churn Creek Rd. Redding, CA 96002					
Proximity to Subject		74.0 miles SE		5.0 miles S					
Sales Price \$ N/A		\$ 10,000		\$ 14,706		\$			
Price (Total) \$ 0		\$ 2,000		\$ 4,902		\$			
Data Source		Plaza Rlts/D#15-02831		SCMLS#15-0069					
Date of Sale and DESCRIPTION		DESCRIPTION Adjustment		DESCRIPTION Adjustment		DESCRIPTION Adjustment			
Time Adjustment N/A		01/28/2015		Current Listing -2,500					
Location Average		Sl. Inferior +1,000		Sl. Inferior +2,000					
Site/View 37,520 sf		5.0 ac		3.0 ac					
No. of Units 31		28		17					
Access/Utilities Public/Available		Public Available		Public /Available					
SF/Units 1,210 SF/Unit		7,779 SF/Unit -3,000		7,687 SF/Unit -3,000					
				Inc Engineering -2,000					
Sales or Financing APN 005-025		APN 050-040-131		APN 116-460-020					
Concessions 053,058,059									
Net Adj.(Total)		Plus X Minus \$ -2,000		Plus X Minus \$ -5,500		X Plus Minus \$ 0			
Indicated Value of Subject		Net=-20% Gross=40% \$ 8,000		Net=-37% Gross=65% \$ 9,206		Net=0% Gross=0% \$ 0			
Comments on Market Data									
Comparable No. 4 is the July, 2014, sale of a property that contains 3.68 acres and is located on Westside Road, in the southern portion of the City of Redding. This property has been approved for 37 single-family residence on a parcel that contains 3.68 acres. The property is located on both sides of a multi-residential complex. This neighborhood would be considered inferior to subject. The parcel sizes per unit are, however, superior to subject. The property was listed for \$249,000 and sold for \$187,500 on July 7, 2014, or \$5,068. The terms of the transaction are all cash to the seller..									
Comparable No. 5 is the November 13, 2014, sale of a 2.68-acre parcel that is located on Cedars Road. The westerly boundary of this property is the Anderson-Cottonwood Irrigation Canal. According to the City of Redding Interactive maps, both public water and sewer are available in this neighborhood. This location is inferior to subject; however, the parcel size per unit is superior. The property was listed in the Shasta County MLS with an asking price of \$115,000 and it sold for \$107,000, or \$3,821 per proposed unit. No trust deed was recorded as part of this transaction.									
Comparable No. 6 is the November 21, 2014, sales of a 24,829 square-foot that is located at 930 E. Lassen Avenue in Chico, Ca. This property has all public utilities available and has frontage on a paved, public road. The property is zoned R02 and can be developed with eight units. The property was listed for \$189,000, and sold for \$150,000, or \$18,750 per unit. There is some private financing that could be assumed. The selling price converts to \$18,750 per unit.									
Comparable No. 7 is the January 28, 2015, sale of a 5.0-acre parcel that is located at 9034 Skyway in the City of Paradise. This parcel is an approved development called Pheasant Ridge Commons. The proposed development is for 13 duplexes or 26 units. While it is intended to be a multi-residential project, it can easily be converted to condominiums or the zoning would allow a senior-only facility. The property as listed for \$295,000, and sold for \$260,000, or \$10,000 per proposed unit. The terms of the transaction are all cash to the seller.									
In considering these properties, little consideration is given to Comparable No. 1 and Comparable No. 7. They both are intended to be improved with less than ten units. The other properties can be developed with 17 to 37 units, which is closer in character to the subject. The upper indication of value is the current listing (Comparable No. 8), which is \$9,206 per unit sets the upper limit of value. The other properties show a range of indications from \$7,321 per unit to \$8,567 per unit. We, therefore, estimate that the appropriate indication for the subject property is \$8,000 per unit. This results in an indication by the Sales Comparison Approach of (31 units @ \$8,000/unit) \$248,000.									

Shasta-Tehama Appraisal Services
COMMENT ADDENDUM

File No. 15-0282

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Property Address	Locust and Meade Streets						
City	Shasta Lake	County	Shasta	State	CA	Zip Code	96019
Lender/Client	Veterans Housing Development Corporation, c/o Burt McChesney@gmail.com,						

Certification Required by USPAP:

I certify that, to the best of my 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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or 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.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Practice.
- I 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 person signing this report.
- I certify that, to the best of my knowledge and belief, the reported analyses, opinions, and conclusions were developed and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representative.
- As of the date of this report, I, Maureen Fuller, have completed the requirements of the Continuing Education Program of the Appraisal Institute.
- Maureen Fuller has not performed an appraisal assignment relative to the subject property in the 36 months prior to the effective date of this appraisal.

Maureen Fuller, MAI, Certification No. AG007181

Intended User of Appraisal and Report:

This report is made only for the benefit of the following: Veterans Housing Development Corporation, a subsidiary of Veterans Resource Centers of America. This appraisal and report were prepared with the above user in mind and he is the only intended user of this report.

Intended Use of Appraisal and Report:

This appraisal and report is intended to be used in assisting the client in obtaining state funds for the construction of the apartment units. It is not intended for any other purpose or use.

Competency of the Appraiser:

The appraiser believes that she has the experience and education to perform this appraisal and that she is competent to complete this assignment.

Source of Market Value Definition:

The source of the market value definition is the Code of Federal Regulations, as printed in The Dictionary of Real Estate Appraisal, Fourth Edition, Appraisal Institute, Chicago, Illinois, 2002.

Scope of Work:

For completion of this appraisal assignment, the subject property was inspected and information was obtained about the proposed project from the City of Shasta Lake. A search of pertinent market and other information was completed. Sources of information on subject property included the Shasta County Multiple Listing Service, Tehama County Multiple Listing Service, California Regional Multiple Listing Service, Loopnet.com., appropriate zoning and flood maps, and other experts when needed. As the property is vacant land, the Cost Approach is not considered necessary to provide a credible appraisal of this property. The Income Approach is not used, as the generation of income is not the usual purpose of vacant residential land. Only the Sales Comparison Approach is used in this appraisal.

This appraisal report is subject to the scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

DEFINITION OF MARKET VALUE: 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 is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) 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.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
3. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
4. The appraiser has noted in this appraisal report any adverse conditions (such as the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent deficiencies or adverse conditions of the property (such as, but not limited to, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the subject property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
9. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale of the subject property.
10. I have knowledge and experience in appraising this type of property in this market area.
11. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
12. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
13. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
14. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
15. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
16. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
17. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event.
18. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
19. I identified the client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
20. I am aware that any disclosure or distribution of this appraisal report by me or the client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

21. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature Maureen Fuller
 Name Maureen Fuller, MAI
 Company Name Shasta-Tehama Appraisal Services
 Company Address P.O. Box 493025
Redding, CA 96049
 Telephone Number 530-222-1831
 Email Address shastatehama@AOL.com
 Date of Signature and Report 12/11/2015
 Effective Date of Appraisal 12/09/2015
 State Certification # AG007181
 or State License # _____ State # CA
 or Other (describe) _____
 State _____
 Expiration Date of Certification or License 07/18/2016

ADDRESS OF PROPERTY APPRAISED

Locust and Meade Streets
Shasta Lake, CA 96019

APPRAISED VALUE OF SUBJECT PROPERTY \$ 248,000

CLIENT

Name AMC: None
 Company Name Veterans Housing Development Corporation
 Company Address c/o Burt McChesney@gmail.com
 Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

SUBJECT PROPERTY

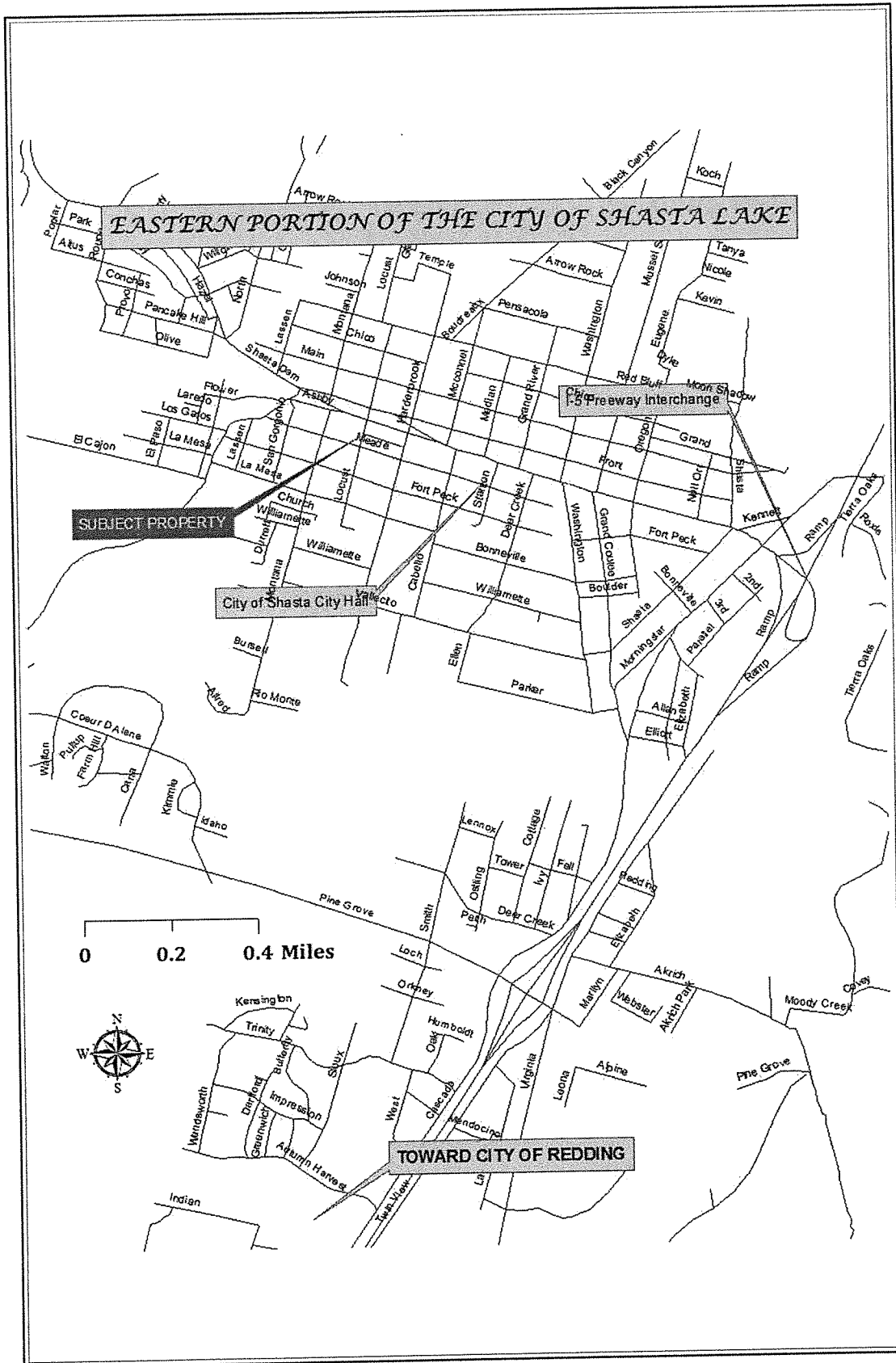
- ☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
 Date of Inspection _____
☐ Did inspect interior and exterior of subject property
 Date of Inspection _____

COMPARABLE SALES

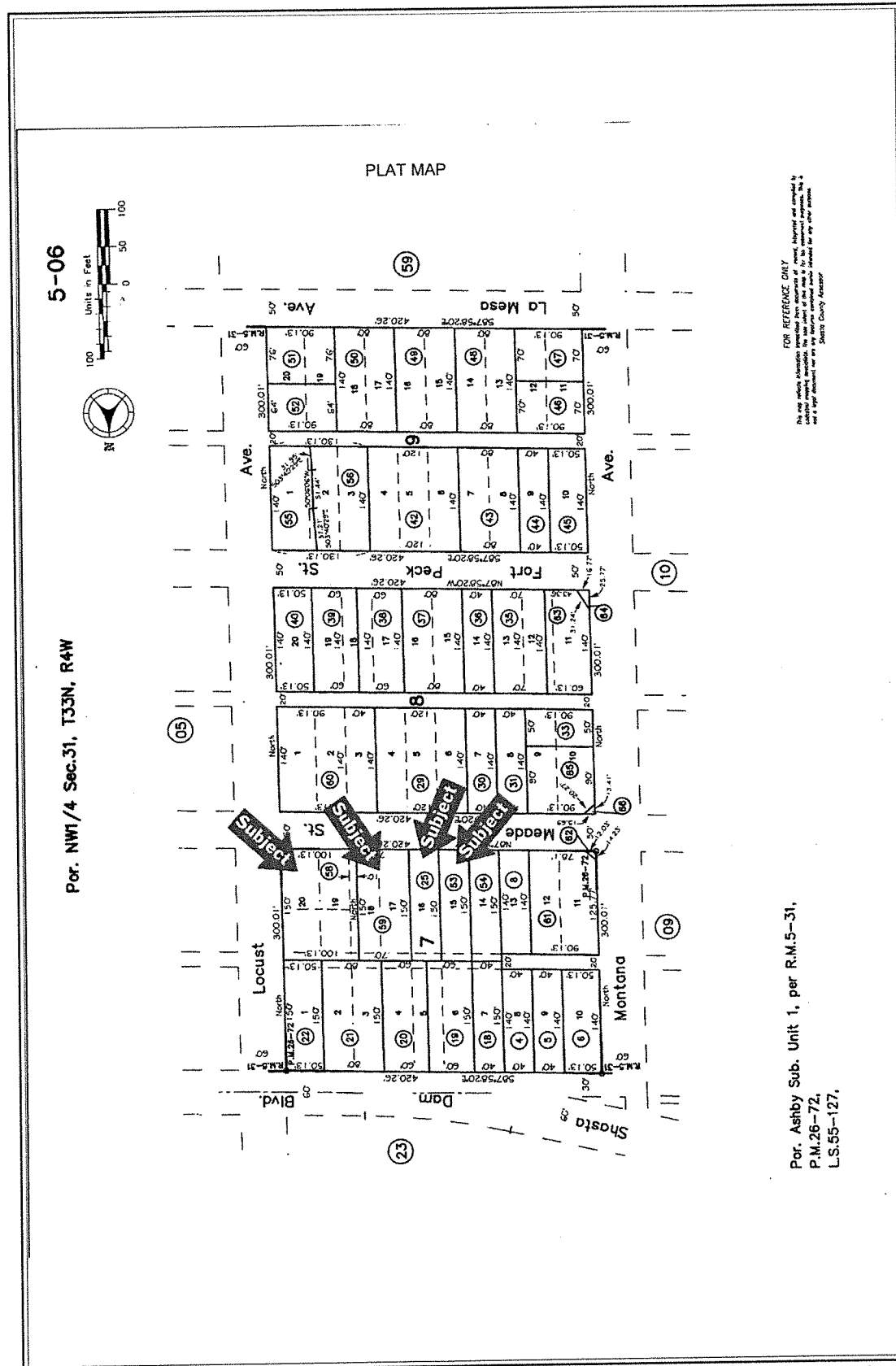
- ☐ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
 Date of Inspection _____

XZXXZ

Property Address	Locust and Meade Streets				
City	Shasta Lake	County	Shasta	State	CA
Zip Code	96019				
Lender/Client	Veterans Housing Development CorporationAddress c/o Burt McChesney@gmail.com,				



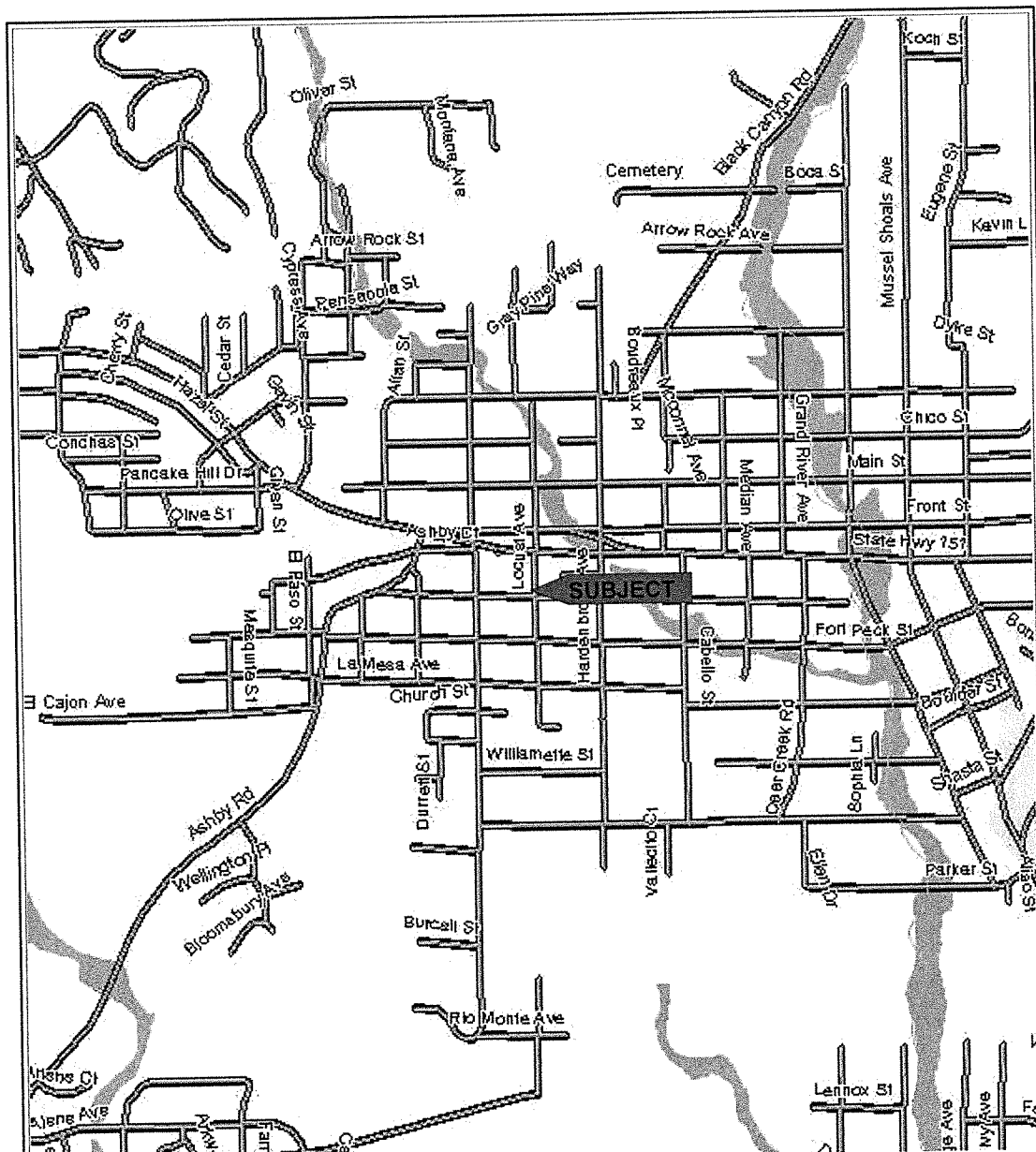
Property Address	Locust and Meade Streets						
City	Shasta Lake	County	Shasta	State	CA	Zip Code	96019
Lender/Client	Veterans Housing Development Corporation						
Address	c/o Burt McChesney@gmail.com.						



Property Address Locust and Meade Streets

Property Address	Locust and Meade Streets						
City	Shasta Lake	County	Shasta	State	CA	Zip Code	96019

City	Shasta Lake	County	Shasta	State	CA	zip	
Lender/Client	Veterans Housing Development Corporation		Address	c/o Burt McChesney@gmail.com,			



Flood Zone Determination

SFHA (Flood Zone): **Out**

- Areas inundated by 500-year flooding
- Areas outside of the 100 and 500 year flood plains
- Areas inundated by 100-year flooding
- Areas inundated by 100-year flooding with velocity hazard
- Floodway areas
- Floodway areas with velocity hazard
- Areas of undetermined but possible flood hazard
- Areas not mapped on any published FIRM

Within 250 ft. of multiple flood zones? **No**

Community: 060758

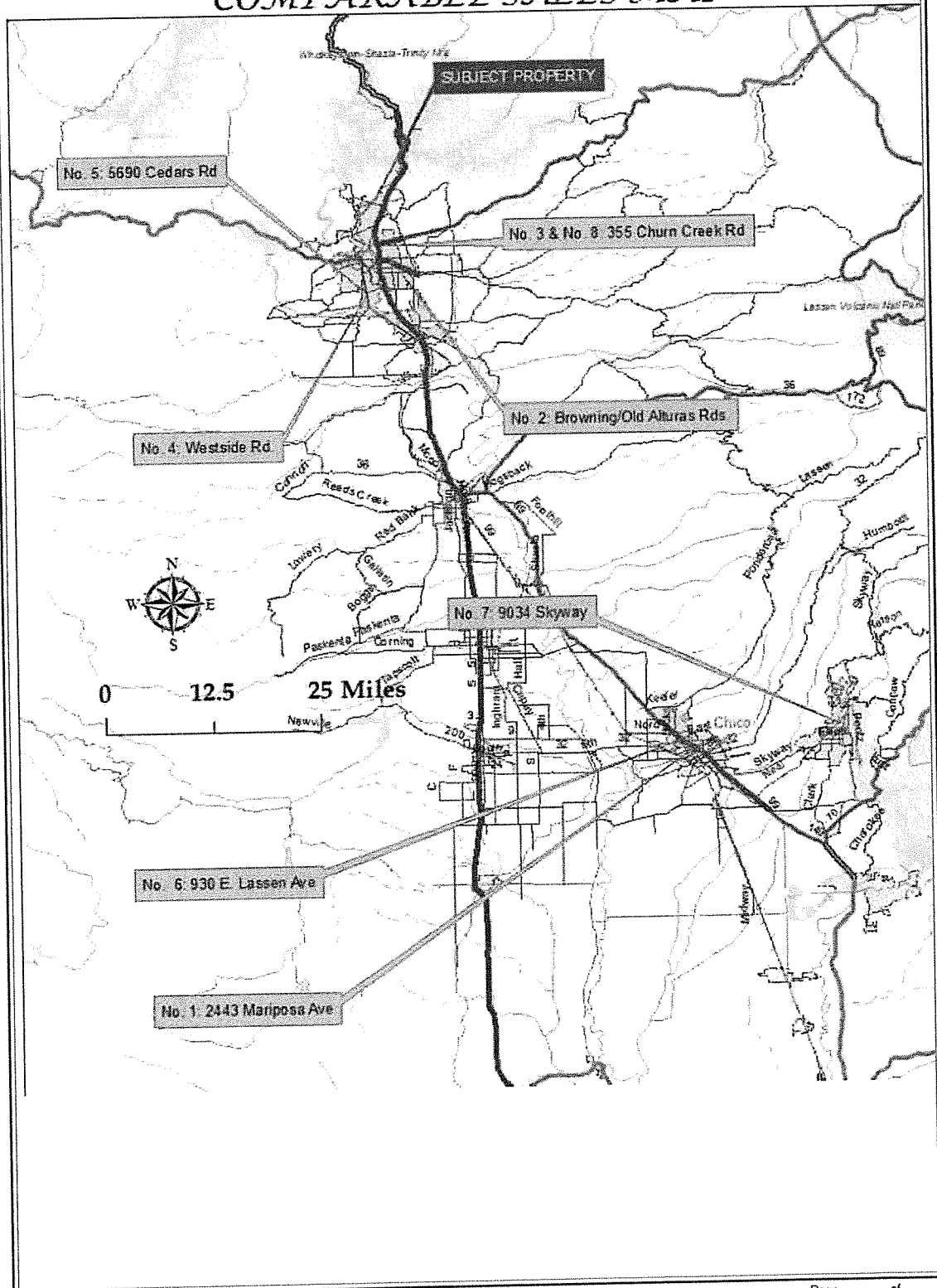
Community Name: **SHASTA LAKE, CITY OF**

Zone: X Panel: 060758 1236G Panel Date: 03/17/2011

FIPS Code: 06089 Census Tract: .

This Report is for the sole benefit of the Customer that ordered and paid for the Report and is based on the proprietary information provided by that Customer. That Customer's use of this Report is subject to the terms agreed to by that Customer when accessing this product. No third party is authorized to use or rely on this Report for any purpose. THE SELLER OF THIS REPORT MAKES NO REPRESENTATIONS OR WARRANTIES TO ANY PARTY CONCERNING THE CONTENT, ACCURACY OR COMPLETENESS OF THIS REPORT INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. The seller of this Report shall not have any liability to any third party for any use or misuse of this Report.

COMPARABLE SALES MAP



XZXZXZX

Property Address Locust and Meade Streets

City Shasta Lake

County

Shasta

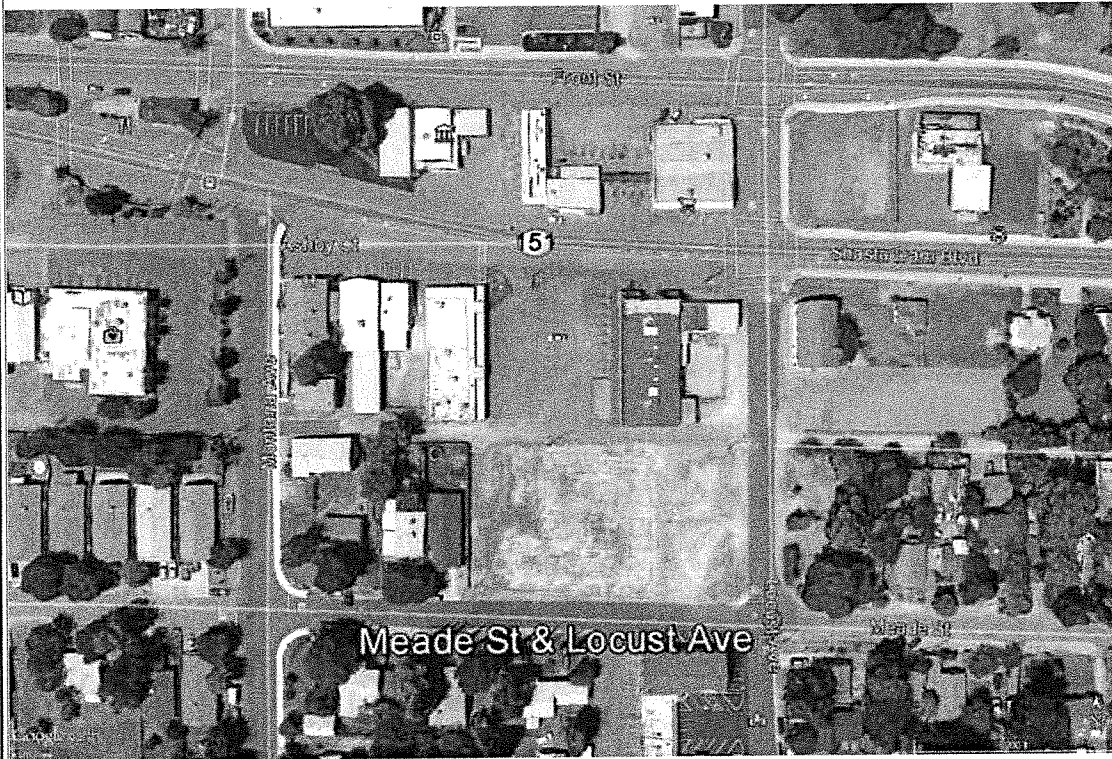
State CA

Zip Code

96019

Lender/Client Veterans Housing Development Corporation Address c/o Burt McChesney@gmail.com,

AERIAL PHOTOGRAPH

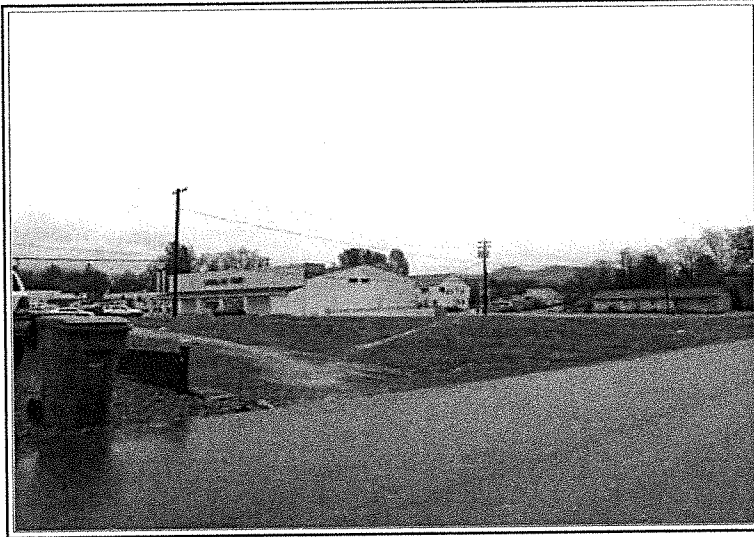


Shasta-Tehama Appraisal Services
SUBJECT PHOTO ADDENDUM

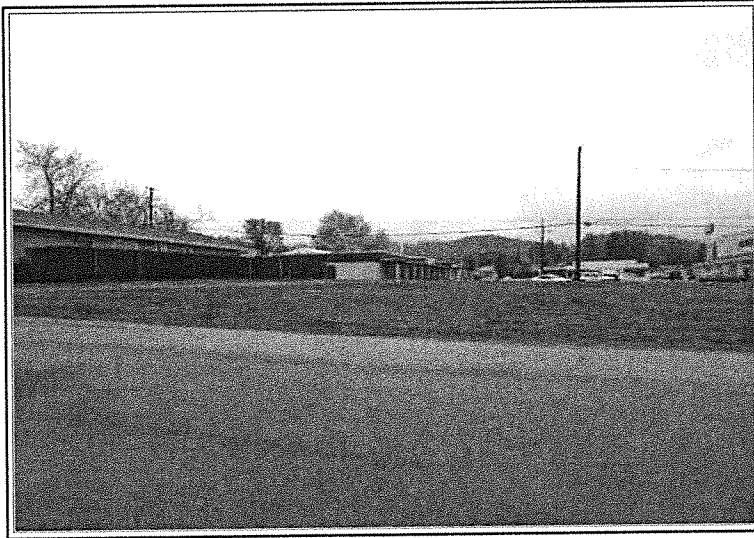
File No. 15-0282

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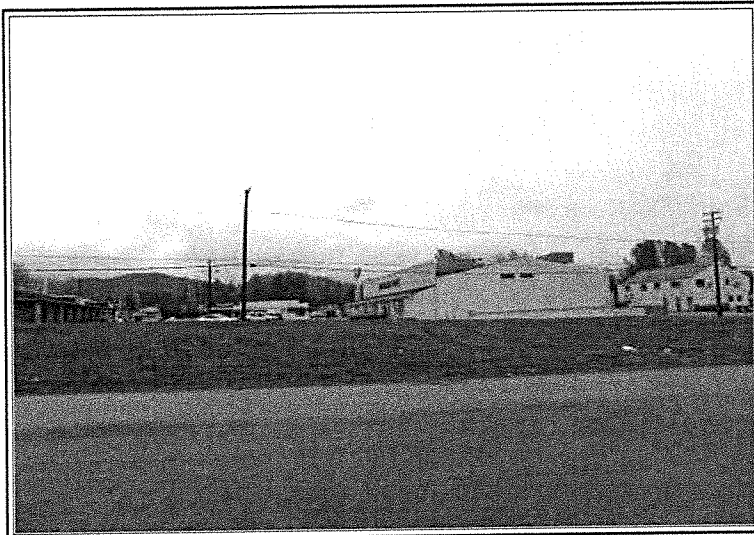
Property Address	Locust and Meade Streets				
City	Shasta Lake	County	Shasta	State	CA
				Zip Code	96019
Lender/Client	Veterans Housing Development Corporation Address c/o Burt McChesney@gmail.com,				



Subject from Southwest Corner
of the Property (Meade Street)



Subject Looking North from
Meade Street



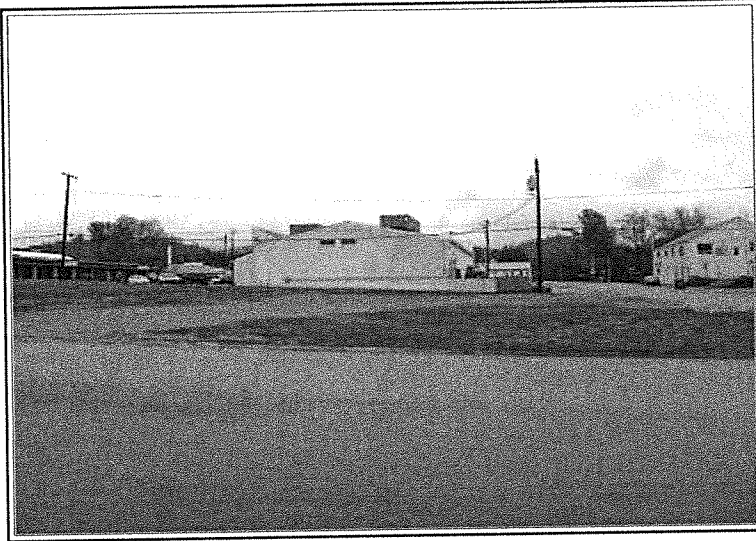
Subject Looking North from
Meade Street

Shasta-Tehama Appraisal Services
SUBJECT PHOTO ADDENDUM

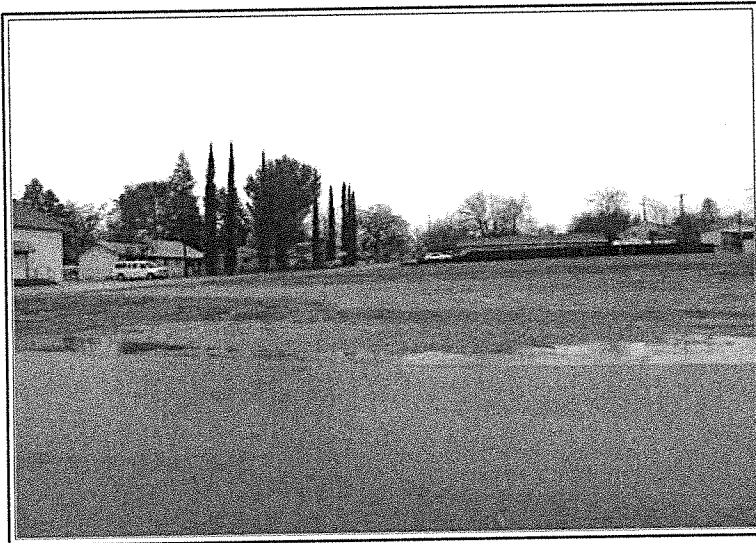
File No. 15-0282

XXXXXX

Property Address	Locust and Meade Streets					
City	Shasta Lake	County	Shasta	State	CA	Zip Code 96019
Lender/Client	Veterans Housing Development Corporation Address c/o Burt McChesney@gmail.com,					



Subject from the Corner of
Meade and Locust Street



Southern Portion of Subject
from Locust Street



Northern Portion of Subject
from Locust Street

Shasta-Tehama Appraisal Services
SUBJECT PHOTO ADDENDUM

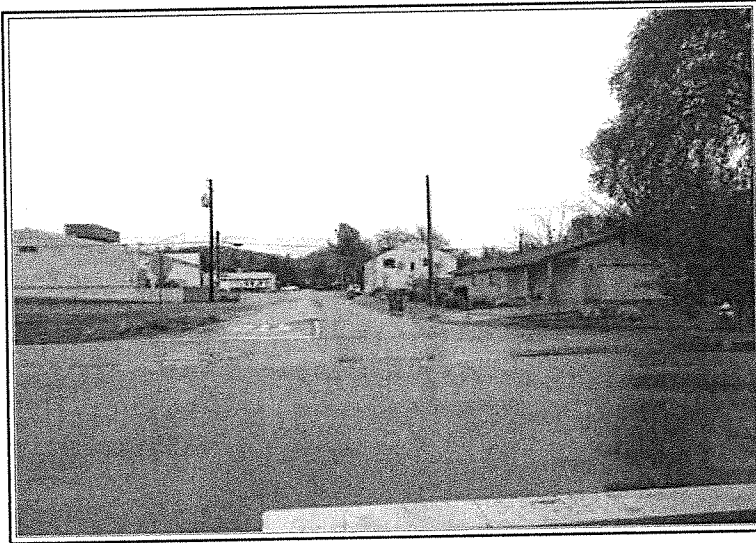
File No. 15-0282

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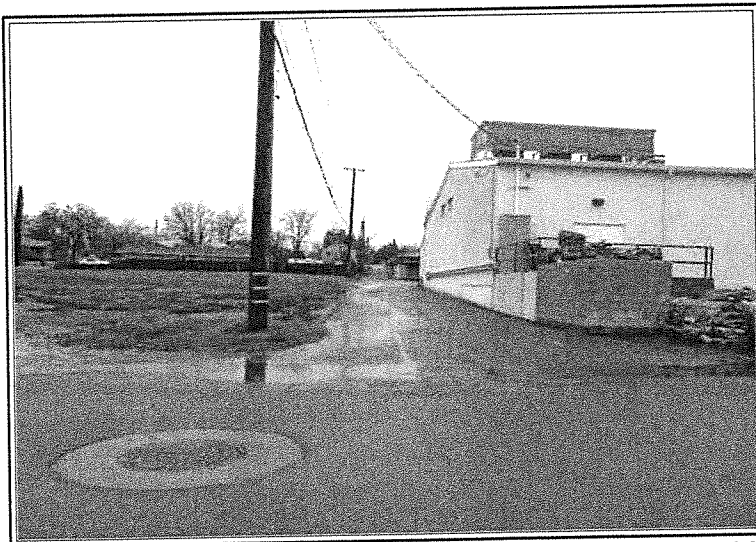
Property Address	Locust and Meade Streets					
City	Shasta Lake	County	Shasta	State	CA	Zip Code 96019
Lender/Client	Veterans Housing Development Corporation Address c/o Burt McChesney@gmail.com,					



Meade Street Along Southern
Boundary of Subject



Locust Street Along East Side
of Subject



Alley Along the North Side of
the Subject Property

Shasta-Tehama Appraisal Services
COMPARABLES 1-2-3

File No. 15-0282

Property Address	Locust and Meade Streets						
City	Shasta Lake	County	Shasta	State	CA	Zip Code	96019



COMPARABLE SALE # 1
2443 Mariposa Ave
Chico, CA 95926



COMPARABLE SALE # 2
Browning/Old Alturas Rd
Redding, CA 96003



COMPARABLE SALE # 3
355 Churn Creek Rd
Redding, CA 96003

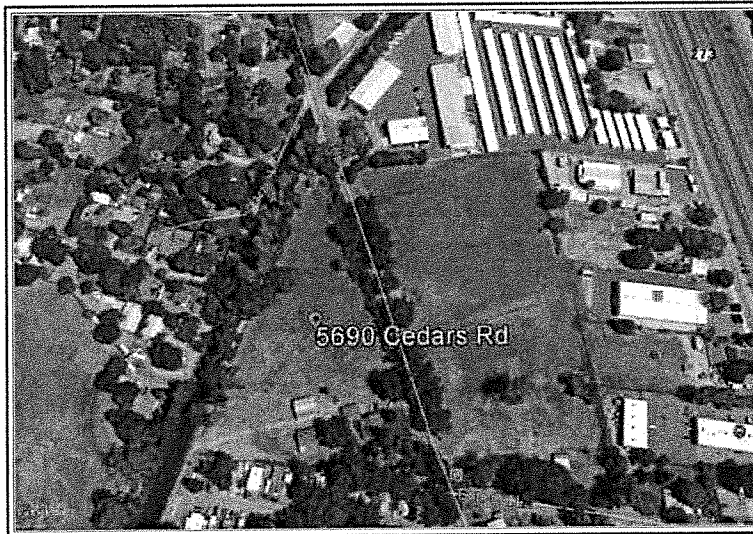
Shasta-Tehama Appraisal Services
COMPARABLES 4-5-6

File No. 15-0282

Property Address	Locust and Meade Streets						
City	Shasta Lake	County	Shasta	State	CA	Zip Code	96019



COMPARABLE SALE # 4
Westside Rd
Redding, CA 96001



COMPARABLE SALE # 5
5690 Cedars Rd
Redding, CA 96001



COMPARABLE SALE # 6
930 E. Lassen Ave
Chico, CA 95973

Shasta-Tehama Appraisal Services
COMPARABLES 7-8-9

File No. 15-0282

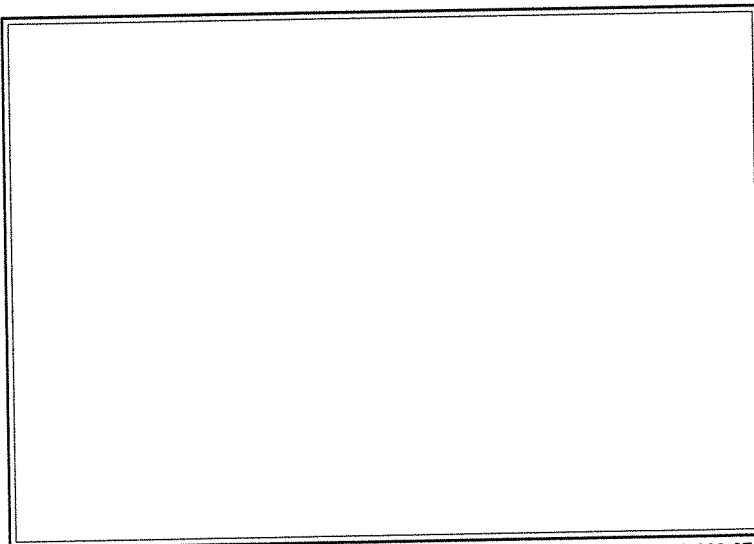
Property Address	Locust and Meade Streets						
City	Shasta Lake	County	Shasta	State	CA	Zip Code	96019



COMPARABLE SALE # 7
9034 Skyway
Paradise, CA 95969



COMPARABLE SALE # 8
355 Churn Creek Rd.
Redding, CA 96002



COMPARABLE SALE # 9

Shasta-Tehama Appraisal Services
COMMENT ADDENDUM

File No. 15-0282
Case No.

XZXXZ

Property Address	Locust and Meade Streets			State	CA	Zip Code	96019
City	Shasta Lake	County	Shasta	State	CA	Zip Code	96019
Lender/Client	Veterans Housing Development Corporation c/o Burt McChesney@gmail.com,						

DEFINITIONS RELATIVE TO THE SCOPE OF WORK:

1. Appraisal: A branch of applied economics. It is distinct from the applied sciences (engineering, surveying, mold or environmental testing, etc.) from the building trades (home inspection, pest and dry rot inspection, roof inspection, construction, etc.) and from the applied arts (architecture, home design or drafting).

The appraiser is not a home inspector and the appraisal report is not a home inspection. The appraisal report cannot be relied upon to disclose hidden defects that are not readily apparent from a visual observation of the surfaces of the subject property from standing height.

2. Inspection: Throughout this report, the use of the term "inspection" is more accurately defined as "observed" and is filtered through the framework of the skill set of the appraiser. As subject property is vacant land, the observation of the property is considered complete if the appraiser views the site.

3. Inspect each of the comparable sales: The inspection of the comparable is considered complete if it is viewed from a public street and/or from the area of a recorded easement for ingress and egress. It does not include going behind closed gates, going on any private driveway or any other property that is not encumbered with a recorded road easement. A picture from the multiple listing service may be used if it is better than the picture obtained by the appraiser. For vacant land, an aerial photograph may be used as it presents a better view of the entire property.

The comparable sales may have been inspected at any time since they were offered on the market. This includes the period in which they were listed, the period in which they were in escrow, or any time since the closing of the sale. The comparables may not have been inspected specifically for this appraisal.

4. Research: The appraiser employs office staff, who may do some of the preliminary research in conjunction with this appraisal. This may include looking into RealQuest.com and/or ParcelQuest by CD-DATA for public information on the property and obtaining maps of the property. The office staff also helps in maintaining the databases of comparable sales, etc.

The scope of this assignment did not include any investigation into the whereabouts of registered sex offenders within the community. This information may be obtained from local law enforcement officials. Nor does it include any investigation into the property's compliance with the Americans with Disabilities Act. The appraiser is not an expert in this legislation.

5. Verify: A sale is considered verified if it is listed in a multiple listing service and reported sold by that service, when the information on the recorded deed for the transaction agrees with the multiple listing information. This office undertakes a continuing process of verifying sales and taking pictures of properties that are intended to be used as comparables. This verification may have occurred any time after the closing of the sale and may not have been done specifically for this assignment.

The appraiser uses the information from the multiple listing service in which the property is located. In addition, ParcelQuest by CD-DATA and Realist are property information services utilized by the appraiser. This office undertakes a continuing process of verifying comparable information keeping the information in an "in-house" database. There may be some instances when the information on the comparable (or the subject) may not be the same in all of the sources utilized. In this circumstance, the appraiser uses the source believed to be the most reliable.

6. Analyze Data: The appraiser performs all analyses that is included in this report; however, the office staff employed by the appraiser may have done the clerical work in preparing the report for delivery and in completing any electronic transmission of the report.

The appraiser does not make any investigation into, or analysis of, matters relative to the title of the property as it is outside of the scope of this appraisal assignment.

Shasta-Tehama Appraisal Services
COMMENT ADDENDUM

File No. 15-0282
Case No.

XZXXZ

Property Address	Locust and Meade Streets					
City	Shasta Lake	County	Shasta	State	CA	Zip Code 96019
Lender/Client	Veterans Housing Development Corporation c/o Burt McChesney@gmail.com,					

DEFINITIONS RELATIVE TO THE SCOPE OF WORK (continued):

7. The appraiser does not make any investigation into, or analysis of, matters relative to any permits, including compliance matters, required for any use or improvement of the property, as this is also outside of the scope of this appraisal assignment. The appraiser bases the flood hazard information on the Community Panels provided by property information service. The information is believed to be reliable, but is not guaranteed. This appraisal considers that all required permits for any use or work done on the property were obtained from the appropriate governmental entity and that there are no code compliance issues relative to the property.

8. Supplemental Standards: Requirements issued by governmental agencies, government sponsored enterprises or other entities that establish public policy which add to the purpose, intent and content of the requirements in USPAP and that have a material effect on the development and reporting of assignment results. Supplemental standards are published in regulations, rules, policies and other similar documents, and have the same applicability to all properties or assignments in a particular category or class regardless of the contracting entity. Contractual agreements that are unique to the contracting entity and which apply specifically to a particular property or assignment are NOT supplemental standards.

9. Intended Use: Intended use is only the purpose stated in the appraisal. The report is not intended for any other purpose or use and is invalid if so used. The scope of work DOES NOT include the use by a potential buyer for making a buying decision and DOES NOT include the use by a property owner in setting an asking or listing price for the property. In addition, nothing set forth in the appraisal should be relied upon for the purpose of determining the amount or type of insurance coverage to be placed on the subject property.

10. Time Frame: All opinions of value given in this report are based on an analysis related to the effective date of appraisal. These opinions may not be valid in other time periods or as conditions change. The appraiser takes no responsibility for events, conditions, or circumstances affecting the property's market value that take place subsequent to either the date of value contained in this report or the date of the observation of the property, whichever comes first.

Chapter 17.41 - VILLAGE COMMERCIAL (VC) DISTRICT**Sections:****17.41.010 - Purpose.**

The purpose of the village commercial zone district is to provide for a variety of public, commercial, and residential uses, emphasizing rehabilitation and in-fill to create a pedestrian-oriented "village." Commercial uses and signage are restricted to those consistent with the pedestrian-oriented nature of the zone district. This zone district is consistent with the village commercial (VC) land use designation.

(Ord. 01-135 § 1 (part))

17.41.020 - Permitted uses.

The following uses are permitted in the VC district subject to issuance of a building permit, business license or other required permits:

- A. Retail sales, such as florist, bookstore, variety store, drug store, hardware store, gift shop, art gallery, grocery/food market;
- B. Professional or medical offices;
- C. Convenience store;
- D. Department/clothing store;
- E. Financial institution;
- F. Police, fire or sheriff station;
- G. Museum/heritage center;
- H. Sit-down restaurant/coffee shop;
- I. Public transportation facilities;
- J. Off-street parking facilities in conjunction with permitted uses.

(Ord. 01-135 § 1 (part))

17.41.030 - Uses requiring administrative permit.

The following uses are permitted in the VC district upon approval and validation of an administrative permit subject to the provisions of Section 17.92.050 of this title:

- A. Temporary outdoor sales (e.g., Christmas tree/pumpkin sale);
- B. Temporary outdoor event (e.g., farmer's market, concert);
- C. Single-family or multi-family residence.

(Ord. 01-135 § 1 (part))

17.41.040 - Uses requiring use permit.

The following uses are permitted in the VC district upon approval and validation of a conditional use permit, in addition to any other permits or licenses required for the use:

- A. Bed and breakfast;
- B. Bar, tavern, cocktail lounge;
- C. Church/temple;

- D. Communication/utility services;
- E. Conference/convention center;
- F. Day care center;
- G. Funeral home/mortuary;
- H. Health club;
- I. Liquor store;
- J. Motion picture theater;
- K. Nurseries;
- L. Outdoor sales in conjunction with an approved use;
- M. Small collection recycling facility (no processing involved);
- N. Public or private school/training facility;
- O. Veterinary clinic.

(Ord. 01-135 § 1 (part))

17.41.050 - Other permitted uses.

Other uses found to be similar in character and impact to those listed in Sections 17.41.020, 17.41.030, or 17.41.040 of this chapter, as determined in accordance with Section 17.94.030 of this title.

(Ord. 01-135 § 1 (part))

17.41.060 - Site development standards.

- A. Minimum Building Site. The minimum building site is ten thousand (10,000) square feet, except as otherwise provided in Section 17.84.010 of this title.
- B. Minimum Lot Width. The minimum lot width is as follows:
 - 1. Interior Lot: sixty five (65) feet;
 - 2. Corner Lot: seventy five (75) feet.
- C. Yards. The following yard set-back requirements apply, except as otherwise provided in Section 17.84.020:
 - 1. Front:
 - a. Non-Residential Uses: None;
 - b. Multi-family residential uses: See Section 17.36.060 of this title;
 - c. Single-family residential uses: See Section 17.30.060 of this title.
 - 2. Rear:
 - a. Non-Residential Uses:
 - i. Abutting Non-Residential: None
 - ii. Abutting Residential: Ten (10) feet
 - b. Multi-family residential uses: See Section 17.36.060 of this title;
 - c. Single-family residential uses: See Section 17.30.060 of this title.
 - 3. Side:
 - a. Non-Residential Uses:
 - i. Abutting Non-Residential: None
 - ii. Abutting Residential: Five feet on one side and ten (10) feet on the opposite side. (Note: the minimum sideyards required for any lot created prior to June 7, 1978 are five feet on each side).

- b. Multi-family residential uses: See Section 17.36.060 of this title;
- c. Single-family residential uses: See Section 17.30.060 of this title.
- D. Maximum Structural Height:
 - a. Non-Residential Uses
 - i. Abutting Non-Residential: forty (40) feet
 - ii. Abutting Residential: thirty (30) feet
 - b. Residential Uses:
 - i. Main building: thirty (30) feet
 - ii. Accessory building: One story not to exceed fifteen (15) feet.
- E. Landscaping: The landscaping requirements are as specified in Section 17.84.040 of this title.
- F. Outdoor Lighting. Outdoor lighting requirements are as specified in Section 17.84.050 of this title.
- G. Parking. Parking requirements are as specified in chapter 17.86 of this title.
- H. Signs. The intent of the village commercial zone district is to create a pedestrian-oriented area within the commercial district. The allowable uses, including the residential uses, are smaller in scale and more similar to boutiques than large volume retail. In order to encourage this type of development, pole signs and similar large free standing signs have been prohibited in favor of smaller-scale monument signs.
 - 1. Building signs shall not exceed a combined size of one-and-one-half square feet in area for each lineal foot of building frontage facing a public street. Only the longest frontage shall be considered in calculating the allowable sign size.
 - 2. Monument sign. A single monument sign shall be permitted per parcel or grouping of uses. The sign shall not exceed one square foot per lineal feet of building up to a maximum of fifty (50) square feet, and subject to the following design parameters:
 - a. The sign shall not be mounted on a pole or similar structure.
 - b. The sign shall not exceed forty-two inches in height.
 - c. The sign shall not impede sight-distance considerations for driveway access and/or roadways.
 - d. The sign shall be located in a landscaped area not less than twice the size of the sign.
 - e. The design of the sign enclosure, and colors shall be consistent with the building design of the project.
 - 3. The general appurtenant sign standards shall apply as specified in Section 17.84.060 of this title.
- I. Zone Walls. Zone wall requirements are as specified in Section 17.84.070 of this title.
- J. Outdoor Trash Storage. All outside trash storage and collection facilities shall be enclosed by a solid masonry wall or view-obstructing fence at least one foot higher than the trash container(s).
- K. Development Plan. An applicant for either a building permit or use permit shall submit a plan, which indicates how the standards listed in this section will be met. This submittal shall be made on a form prescribed by the development services director or designee. If only a building permit is required for the use, then the development services director's approval shall be obtained prior to issuance of a permit. If a use permit is required, then the director's approval shall occur as set forth by the terms and conditions of the use permit.

(Ord. 01-135 § 1 (part))



**CITY OF SHASTA LAKE
ADMINISTRATIVE PERMIT AD 15-01
SHASTA LAKE VETERAN'S VILLAGE**

**4275 Meade Street
Assessor's Parcel Numbers 005-060-025, -053, -058, and -059**

WHEREAS, on May 21, 2015, the Shasta Lake Housing Authority, property owner, approved an Exclusive Right to Negotiate Agreement with Veterans Housing Development Corporation (VHDC) for the Development of Shasta Lake Veterans Village, a 31-unit affordable supportive housing complex for veterans, which includes one on-site manager's unit; and

WHEREAS, on July 28, 2015, the VHDC submitted an application for an Administrative Permit for the construction and operation of the project, pursuant to Shasta Lake Zoning Code Section 17.92.050; and

WHEREAS, the Project falls within the definition of an "affordable housing project" and qualifies for a density bonus pursuant to Section 65915 of the California Government Code; and

WHEREAS, the Administrative Permit was referred to the City of Shasta Lake (City) Technical Advisory Committee and affected public agencies for review and comment; and

WHEREAS, legal notice of the Development Services Director's intent to issue an Administrative Permit was published in the Redding Record Searchlight, posted at the Shasta Lake City Council Chambers, the John Beaudet Senior Community Center and three post offices in the City, and mailed to property owners within a minimum of 400 feet of the project site; and

WHEREAS, no comments opposing the proposed project were submitted to the City in response to the legal notice or referral to outside agencies; and

WHEREAS, a Notice of Exemption was posted in the Office of the Shasta County Clerk pursuant to Section 15062(c)(2) of the California Code of Regulations (California Environmental Quality Act Guidelines); and

WHEREAS, pursuant to Section 15062(e) of the California Code of Regulations (California Environmental Quality Act Guidelines), a copy of the Notice of Exemption was filed with the California Office of Planning and Research (OPR). The State Clearinghouse number assigned to this project is SCH 2015-108320.

NOW, THEREFORE, the Development Services Director of the City of Shasta Lake:

A. Makes the following findings:

1. The above recitals are true and correct and have served as the basis, in part, for the findings and actions set forth below.
2. The proposed use is consistent with the goals, policies, objectives, and land use map of the City's General Plan.

The General Plan designation for the subject property is Village Commercial (VC), which is a mixed-use zone that allows for residential development (single-family and multi-family). The General Plan does not provide maximum densities for the VC District; rather a Floor Area Ratio of 0.25 is established for the VC

Administrative Permit 15-01
Shasta Lake Veteran's Village

District. The subject property is 37,520 square feet (0.862 acres); the proposed structure is 10,700 square feet, resulting in a Floor Area Ratio of 0.29.

The project is eligible for a waiver of development standards plus incentives and concessions pursuant to California Government Code Section 65915 *et seq.* Development standards could include a site or construction condition, including but not limited to, a height limitation, setbacks, floor area ratios, on-site open space requirement, or a parking ratio. Because 100 percent of the units will be available to low and very-low income individuals, the project is eligible for a density bonus of 35% plus three incentives/concessions.

Residential projects within the VC district are reviewed for consistency with the Housing Element of the General Plan. The proposed project is consistent with the Housing Element policies and programs to encourage development of infill parcels for residential use in mixed-use zones, and to support affordable housing in mixed-use zones at a density of 30 units per acre. With the density bonus provisions, the project is consistent with the General Plan.

3. The proposed use, as conditioned, is consistent with the City's Zoning Code.

Zoning of the subject property is Village Commercial (VC), which is a mixed-use zone that allows for residential development (single-family and multi-family) pursuant to issuance of an Administrative Permit by the Development Services Director. Conditions of approval are included in this Administrative Permit to ensure consistency with the Zoning Code.

In addition, the project is consistent with SLMC Chapter 17.81 (Affordable Housing.) The project is considered "supportive housing" pursuant to Section 17.81.020(H) of this Chapter: *Housing with no limit on length of stay that is occupied by the target population, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.*

SLMC Section 17.81.130 states supportive housing is allowed in zoning districts where other residential uses are allowed under the same development standards and requirements of the Zone District. Supportive housing with seven or more residents is recognized as multi-family residential. Conditions are included to require evidence that residents are participating in a program which provides supportive services on an ongoing-basis. A final Management Plan must be provided prior to issuance of a building permit describing how the development meets the applicable development standards.

4. The establishment, operation and maintenance of the subject use, buildings or facilities will not, under the circumstances of the particular case, be detrimental to the health, safety, morals, comfort and general welfare of persons residing or working in the neighborhood or be detrimental or injurious to property or improvements in the neighborhood or to the general welfare of the City.

An Environmental Assessment was completed for the proposed project to analyze potential impacts relative to physical impacts to the environment and

Administrative Permit 15-01
Shasta Lake Veteran's Village

potential health and safety impacts due to traffic, noise, flooding, air quality, hazardous materials, and public services.

The Phase 1 Environmental Site Assessment completed by Lawrence & Associates dated August 13, 2008, concludes the proposed project would not result in an impact to biological resources, and there is no presence or likely presence of any hazardous substances or petroleum products on the property that indicates an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, groundwater or surface water of the property. The property is not located within a 100-year flood hazard zone, and drainage improvements will be completed to ensure there is no impact from increased run-off to downstream property owners.

Due to the nature of the project as an affordable housing complex for veterans, impacts from noise and traffic are anticipated to be less than significant. The project is subject to the City's design standards and is designed to be compatible with the surrounding neighborhood.

5. The use is exempt from the requirement for the preparation of environmental documents pursuant to California Code of Regulations (California Environmental Quality Act Guidelines) Section 15194 (Affordable Housing Exemption).

The project is construction of a 30-unit affordable housing complex for veterans (including one manager's unit) and meets all of the criteria specified in Section 15194 of the CEQA Guidelines as documented in the attached **Exhibit B**.

6. The Project is eligible for a Density Bonus of 35% and three incentives or concessions pursuant to Government Code Section 65915 *et seq.*

State Density Bonus law provides for a density increase over the otherwise maximum allowable residential density, with the allowable density bonus calculated based on the percentage of affordable housing units in the development (GC 65915(f)(1)). In order for a project to be eligible, it must contain five or more residential units; contain a minimum of ten percent of the total units for lower income households or five percent of the total units for very low income households; and maintain affordability of all low- and very low-income units.

GC Section 65915(c) states an applicant shall agree to, and the city, county, or city and county shall ensure, continued affordability of all very low and low-income rental units that qualified the applicant for the award of the density bonus for 55 years, or a longer period of time if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program. Rents for the lower income density bonus units shall be set at an affordable rent as defined in Section 50053 of the Health and Safety Code.

GC Section 65916 states where there is a direct financial contribution to a housing development pursuant to Section 65915 through participation in cost of infrastructure, write-down of land costs, or subsidizing the cost of construction, the city, county, or city and county shall assure continued availability for low- and moderate-income units for 30 years. When appropriate, the agreement provided

**Administrative Permit 15-01
Shasta Lake Veteran's Village**

for in Section 65915 shall specify the mechanisms and procedures necessary to carry out this section.

The maximum allowable density bonus is 35% and is available to projects that include 20% of the total number of units for low-income households or 11% of the total number of units for very-low income units. The Project will designate all units for low and very low-income individuals; therefore, the project is eligible for a 35% density bonus. A Regulatory Agreement will be recorded concurrently with the deed transferring the subject property to VHDC to secure all of VHDC's obligations.

Government Code Section 65915(d)(2) provides for additional incentives or concessions for affordable housing projects. The Project is eligible for three incentives/concessions because it includes at least 30 percent of the total units for lower-income households. An incentive or concession may include a reduction in site development standards or a modification of zoning code requirements or architectural design requirements, including but not limited to a reduction in setbacks, increase in height limitation, reduction in landscape improvements, or reduction in number of required parking spaces.

B. A Density Bonus and Incentives/concessions pursuant to Government Code Section 65915 et seq. is hereby approved as follows:

1. A 35% density bonus over the otherwise maximum allowable residential density. The Project is authorized to construct 31 units as proposed.
2. Three concessions as follows: 1) an increase in the allowable building height; 2) a reduction in required parking spaces; and 3) a reduction in landscaping requirements. The Development Services Director may approve a modification to the type of incentive or concession in the event the site or building plans are modified prior to issuance of a building permit.
3. One Reduction of Development Standards (Floor Area Ratio): As established by the General Plan, the maximum FAR in the VC Zone is 0.25. The project is approved for a FAR of up to 0.30.

C. Administrative Permit Number 15-01, is hereby approved for the following:

1. This permit is granted for the following listed uses and structures that are to be located as shown on the approved site plan (Exhibit A) and Preliminary Drainage Study completed by Willdan Engineering dated December 16, 2008. The Development Services Director may approve minor modifications to the site plan.
 - a. A three-story 30-unit (including manager's unit) affordable housing complex for veterans.

D. Administrative Permit Number 15-01 is subject to the following conditions of approval:

1. The requirements of all concerned governmental agencies having jurisdiction by law, including but not limited to the issuance of appropriate permits, shall be met.

**Administrative Permit 15-01
Shasta Lake Veteran's Village**

2. Prior to issuance of a building permit, a property line adjustment/merger shall be approved by the City and recorded in the Office of the Shasta County Recorder to consolidate the individual lots into a single parcel.

Construction

2. The Developer shall obtain an encroachment permit from the City for construction of new improvements or connection to established facilities located with the existing public right-of-way. All requirements of the encroachment permit shall be followed and completed as prescribed.
3. A minimum of two working days before the initial commencement of any permitted grading, digging, or mass land clearing work, Underground Service Alert (USA) and the Public Works Department shall be notified. This will allow sufficient lead-time to ensure that the locations are identified of all existing public underground utilities that could be affected, and arrangements can be confirmed for all necessary inspections.
4. The project is a "Regulated Project" pursuant to the City's Phase II Municipal Separate Storm Water Sewer System (MS4) Permit. Prior to issuance of a grading permit or building permit, the applicant shall submit a Post-Construction Worksheet and application package pursuant to the City's Post-Construction Standards Plan. Information includes, but is not limited to, identification of Drainage Management Areas (DMAs); Best Management Practices/source controls pursuant to the California Storm Water Quality Association's (CASQA) Storm Water BMP Handbook (www.CASQA.org); Low Impact Development (LID) design standards; and hydromodification management measures as necessary.
5. The developer shall submit an Operation & Maintenance (O&M) Plan and a Statement of Responsibility to identify how all control measures will be inspected and maintained so that they operate effectively and as designed.
6. The Applicant shall implement the following measures related to construction activities associated with the proposed project:
 - a. Materials needed for clean-up of spills shall be on-site at all times. This could include absorbent materials, dilution materials, catchment containers and other materials.
 - b. Absorbent materials shall be used on small spills rather than hosing down or burying the spill. The absorbent material shall be promptly removed and disposed of properly.
 - c. The fueling of construction equipment shall be done at a fixed fueling station to reduce the area exposed to fuel spills from overtopping fuel tanks.
 - d. On-site vehicles and equipment shall be regularly inspected for leaks and repaired immediately.
 - e. If vehicle and equipment maintenance must occur on-site, it shall be done in designated areas, located away from drainage courses, to prevent the run-on of storm water and the runoff of spills.

**Administrative Permit 15-01
Shasta Lake Veteran's Village**

- f. All fuels, lubricants, oil containers and other hazardous materials shall be stored in suitable containers and kept inside a catchment basin. All used engine oils shall be recycled or disposed of properly.
- g. No equipment washdown, refueling, or regreasing can be done in or proximate to drainages, street gutters, or other water conveyance features.
- 7. If, in the course of development, any signs of residual petroleum or other contamination from past land use activity are uncovered, discovered, or otherwise detected or observed, construction activities in the affected area shall cease and the Shasta County Environmental Health Department (EHD) shall be immediately contacted to advise the contractor and the City of the appropriate measures required in order to mitigate impacts to a level of insignificance as required by law. Construction work in the affected area shall not resume until the Development Services Director or his/her designee has determined, in consultation with EHD, that all required corrective measures have been completed.
- 8. During construction or completion of any improvements that are anticipated to produce an excessive amount of noise (e.g., removal of concrete, paving activities), the Developer or Contractor shall comply with the following time periods established for construction activities. Construction activities shall not occur outside of the following established limits unless approved by the City under special circumstances:

Monday through Friday:	7:00 A.M. – 7:00 P.M.
Saturday:	8:00 A.M. – 5:00 P.M.
Sunday:	No construction activities allowed.

Special circumstances include the need to complete construction along public roadways or within public utilities to ensure continued services or safe conditions. Such exceptions shall be approved prior to commencement of the work.

Archaeological Resources

- 9. If, during the course of development, any archeological, historical, or paleontological resources are uncovered, discovered, or otherwise detected or observed, construction activities in the affected area shall cease and a qualified archeologist shall be contacted to review the site and advise the City of the site's significance. If the Development Services Director deems the findings significant, appropriate mitigation shall be required prior to any resumption of work on the project.
- 10. Should any human remains be found during the construction project, construction in the area shall stop immediately and shall be reported to the County Coroner. Construction shall not proceed until the County Coroner has determined such construction will not further impact human remains.

Air Quality

- 11. The Developer shall implement Standard and Best Available Mitigation Measures from the City's Air Quality Element as follows:

**Administrative Permit 15-01
Shasta Lake Veteran's Village**

- a. Suspend all grading operations when winds, as instantaneous gusts exceed 20 miles per hour or as directed by the Shasta County Air Quality Management District (AQMD).
- b. Water active construction sites at least twice daily, or as needed to control fugitive dust as directed by the Public Services Department.
- c. Apply non-toxic soil stabilizers according to the manufacturer's specification to all graded areas, which will be inactive for 10 days or more.
- d. Provide temporary traffic control (flag person), as appropriate, during all phases of construction to improve traffic flow.
- e. When construction activity occurs during wet weather, install wheel washers where vehicles enter and exit unpaved roads onto paved roads, or wash off trucks and any equipment leaving the site each trip. Locations of wheel washers shall be identified and approved by the City Public Works Division prior to the issuance of any clearing or grading permits.
- f. Sweep streets at the end of the day if visible soil materials are carried onto adjacent paved roads.
- g. Cover trucks hauling dirt, sand, soil or other loose materials or maintain at least 2 feet of freeboard (minimum vertical distance between the top of the load and the top of the trailer), in accordance with the requirements of California Vehicle Code 23114.
- h. Re-establish ground cover on the construction site through seeding and watering prior to final occupancy.
- i. Provide energy-efficient process systems, such as water heaters, furnaces, and boiler units.
- j. Install an electrical outlet at the front and back of all buildings (for electric yard equipment).

Development Standards

12. Prior to issuance of a Building Permit, a property line adjustment shall be completed to merge the subject properties into one parcel.
13. The project shall meet the following Development Standards (Shasta Lake Municipal Code [SLMC] Section 17.41.060 and Chapter 17.84) unless such standard is identified in the final Development Plan as an incentive/concession pursuant to State Density Bonus Law (Government Code Section 65915 et seq.):
 - a. **Lighting:** All buildings, parking areas, driveways, and walkways shall meet the requirements specified in SLMC Section 17.84.050: *"All lighting, exterior and interior, shall be designed and located so as to confine direct lighting to the premises. A light source shall not shine upon or illuminate*

**Administrative Permit 15-01
Shasta Lake Veteran's Village**

directly on any surface other than the area required to be lighted. No lighting shall be of the type or in a location such that constitutes a hazard to vehicular traffic, either on private property or on abutting streets "

In addition, all new or replacement exterior lighting shall meet the requirements of the California Energy Commission and shall be verified through the building permit process.

- b. **Waste / Trash Enclosures:** Trash enclosures of a maximum height of one foot above the trash container and of sufficient size shall be provided to accommodate all trash and waste stored on the premises. All free-standing trash enclosures shall be constructed of solid masonry material or concrete tilt-up with decorative exterior surface finish compatible with the main structure. Split-face concrete block, stucco, or similar finish is recommended.

Trash and recycling receptacles shall be located on the property in a manner that does not hinder access to any required off-street parking spaces. Plans for screening shall be included in the Development Plan. Receptacles shall be approved and in place prior to occupancy of the building.

- c. **Landscaping:** Landscaping shall meet the requirements of SLMC Section 17.84.040 (General Development Standards – Landscaping); Section 12.36070 (Tree Conservation – Tree Planting Standards); and SLMC Chapter 15.10 (Water Efficient Landscaping) if applicable.
- d. **Signage:** All signage shall meet the requirements of SLMC Section 17.41.060(H).
- e. **Parking:** Off-street parking shall be established in accordance with the requirements of SLMC Chapter 17.86 (Off-Street Parking and Loading Regulations). As requested by the Developer, the parking ratio shall be as specified by State Density Bonus Law (Government Code Section 65915(p)): one on-site space for studio and one-bedroom units and two spaces for two-bedroom units, inclusive of accessible and guest parking. Parking and paths-of-travel shall meet the requirements of the California Building Code for accessibility.
- f. **Development Plan:** Prior to issuance of a building permit, the Developer shall submit a Final Development Plan pursuant to SLMC Section 17.41.060(K) for review and approval by the Development Services Director or his/her designee. The Development Plan shall indicate how the required development standards will be met and shall clearly indicate any development standards for which a Density Bonus incentive or concession applies.

Improvement Plans

- 14. Improvement plans for all required grading, drainage, utilities, curb, gutter and sidewalk, and other public improvements, shall be prepared and sealed by a registered civil engineer, and shall be submitted to and approved by the City Engineer prior to commencement of construction.

Administrative Permit 15-01
Shasta Lake Veteran's Village

15. A plan checking and inspection fee deposit will be required at the time the improvement plans are first submitted. The fees shall be those in effect at the time of submittal.

Shasta Lake Fire Protection District

16. The use shall be established and conducted in full compliance with the requirements of the Shasta Lake Fire Protection District (SLFPD), pursuant to a site inspection conducted by the Shasta Lake Battalion Chief prior to commencement of the use.

Off-Site Drainage Improvements

17. Prior to issuance of a Certificate of Occupancy, off-site drainage improvements shall be completed as identified in the Preliminary Drainage Study completed by Willdan Engineering dated December 16, 2008, and as approved by the City Engineer.

Public Utilities

18. Sanitary sewer, water, electric, natural gas, and cable television distribution lines, including main lines and service laterals, shall be installed by the Developer at the Developer's cost in accordance with the capacity, construction and testing standards of the Public Works Department or other operating entity, and applicable fire flow safety standards. All required utilities shall be inspected and approved by the City or other operating entity prior to backfilling trench(s).
19. The Developer shall provide street lighting as required by the City Electric Department, including conduits, boxes, posts, poles, mast arms, fixtures, and bases.
20. The Developer shall provide any and all required easements for main utility lines (water, sewer, electric) and allow unrestricted ingress and egress by the City for the purposes of installation, removal, maintenance, operation, inspection or any other required use of its facilities.
21. Required public utility easements shall not be fenced or otherwise barricaded in a manner that hinders access to the City for utility installation, removal, maintenance, operation, inspection or any other required use.
22. Eave lines of any proposed structure shall be outside of, or at a maximum, coincidental with, the limits of any public utility easement extending through the property.
23. No building or structures shall be allowed within any public utility easement.
24. No trees or shrubs exceeding a mature height of 15 feet shall be allowed within the limits of any electric easement.
25. The Developer shall not reduce the vertical clearance between the conductors of the City's overhead transmission, distribution, or service lines and the ground of

Administrative Permit 15-01
Shasta Lake Veteran's Village

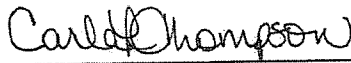
improved surfaces thereunder as set forth under General Order 95 of the Public Utilities Commission of the State of California as determined by the City's Electric Utility Director or his/her designee.

26. The Developer shall provide adequate protection of the City's overhead and underground, transmission, distribution and service facilities (poles, towers, boxes, equipment, and the like) from vehicular damage by means of installing protective barriers, as determined by the Public Works and Electric Departments.
27. Prior to issuance of a Certificate of Occupancy, the Developer shall provide as-built plans, a certificate of completion, and, if necessary, operations and maintenance manuals, to the Public Works Department, and any other public agencies or utilities responsible for the constructed improvements. The as-built Plans shall be submitted in a digital form prescribed by the City Engineer in addition to three (3) paper copies of all such plans.

Affordable Housing

28. A Regulatory Agreement shall be recorded securing all of VHDC's obligations to maintain this development as affordable housing concurrently with the deed transferring the Property to VHDC. The Regulatory Agreement and deed shall be recorded prior to issuance of a building permit.
29. This Project is eligible for three incentives/concessions pursuant to Government Code Section 65915. At the time of approval of the Administrative Permit, the incentives include an increase in allowable building height; reduced number of parking spaces, and reduced landscaping requirements. Detailed descriptions of the incentives/concessions shall be provided by the Developer as part of the required Development Plan.
30. Pursuant to Shasta Lake Zoning Code Section 17.92.050(I), the Administrative Permit expires and is automatically null and void without further action by the City if the activity or use for which the Administrative Permit was granted has not been actively and substantially commenced within two years of the date of its approval, unless extended by the Development Services Director.
31. If at any time, the Development Services Director finds that one or more grounds exist for revocation, revocation proceedings will be initiated pursuant to Zoning Code Section 17.92.050(H).

Approved this 15th day of October 2015



CARLA L. THOMPSON, AICP
Development Services Director

XZXZXX

Property Address Locust and Meade Streets

City Shasta Lake

County

Shasta

State CA

Zip Code

96019

Lender/Client Veterans Housing Development Corporation Address c/o Burt McChesney@gmail.com,



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Maureen C. Fuller

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 007181

Effective Date: July 19, 2014
Date Expires: July 18, 2016

** I certify under penalty of perjury
that this is a true and correct copy
of my original license **

Jim Martin
Jim Martin, Bureau Chief, BREA

3013961

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "CHAMBERLAIN"