

SUTTER COMMUNITY AFFORDABLE HOUSING

**1455 BUTTE HOUSE ROAD
YUBA CITY, CA 95993
(530) 671-0220**

February 22, 2023

TO:

Brynda Stranix, President
Gustavo Becerra, Secretary/Treasurer
Diane Hodges, Board Member
Richard Grant, Board Member
Martha Griese, Board Member
Kimberly Butcher, Board Member
Manny Cardoza, Board Member
Suzanne Gallaty, Board Member

Sutter County Board of Supervisors
City Council, Yuba City
City Council, Live Oak
Brant Bordsen, Legal Counsel
Appeal-Democrat

NOTICE OF REGULAR MEETING February 28, 2023

You are hereby notified that the Sutter Community Affordable Housing Board Meeting is scheduled for **Tuesday, February 28, 2023, at 12:00 PM at the Richland Neighborhood Center, 420 Miles Avenue, Yuba City, CA 95991.**



Gustavo Becerra
Secretary/Treasurer

SUTTER COMMUNITY AFFORDABLE HOUSING

**Regular Meeting of Board of Directors
Richland Neighborhood Center
420 Miles Avenue, Yuba City, CA 95991**

**Tuesday, February 28, 2023
12:00 PM**

AGENDA

- A. CALL TO ORDER: ROLL CALL
- B. PLEDGE OF ALLEGIANCE
- C. PUBLIC PARTICIPATION: Members of the public shall be provided with an opportunity to address the Board on items of interest that are within the subject matter jurisdiction of the Board. Any member of the audience who may wish to bring something before the Board that is not on the agenda may do so at this time; however, State law provides that no action may be taken on any item not appearing on the posted Agenda. Persons who wish to address the Board during public comment or with respect to an item that is on the agenda, will be limited to three (3) minutes.
- D. AWARDS AND PRESENTATIONS: NONE
- E. EXECUTIVE SESSION: NONE
May be held under California Government Code regarding pending and/or anticipated litigation, property acquisition, and/or personnel issues.
- F. CONSENT CALENDAR: All matters listed under Consent Calendar are considered to be routine and can be enacted in one motion. There will be no separate discussion of these items prior to the time that the Board votes on the motion unless members of the Board request specific items to be discussed or removed from the Consent Calendar for individual action.
 - 1. Recommend Approval of Minutes – September 27, 2022 pg. 1
 - 2. Resolution 23-51, Yolo/Heiken Collection Loss Write Off pg. 3
- G. OLD BUSINESS: Discussion/Possible Action: NONE

H. NEW BUSINESS: Discussion/Possible Action:

3. Acceptance of Audit for FYE 2022 into Record pg. 5
Marco Cruz, Chief Financial Officer
4. Ratification to Approve the Authorizing Purchase & Sale Agreement pg. 29
of Regional Housing Authority vacant land, located on the 400 block
of Garden Highway, Portion of Assessor's Parcel Number 53-470-087,
consisting of 2.18 acres, between the Regional Housing Authority and
its affiliate non-profit entity, Sutter Community Affordable Housing
Gustavo Becerra, Executive Director
5. Recommend Approval of Operating Budget for Fiscal Year Ending pg. 132
2024
Marco Cruz, Chief Financial Officer
6. Discussion Regarding Parking in the Town Center's Courtyard
Suzanne Gallaty, Director

I. ADMINISTRATIVE REPORT:

7. Maintenance Update on Maple Park Phase 1, Town Center Senior pg. 135
Manor, and Yolo/Heiken
Tom Goodwin, Operations Manager
8. Occupancy/Eligibility Update on Maple Park Phase 1, Kristen Court pg. 136
Phase 1, Town Center Senior Manor, and Yolo/Heiken
Pattra Runge, Occupancy Manager
9. Finance Update pg. 137
Marco Cruz, Chief Financial Officer
10. Planning and Community Development Update pg. 139
Gustavo Becerra, Executive Director

J. DIRECTOR'S COMMENTS:

K. NEXT MEETING: March 28, 2023

L. ADJOURNMENT:

SUTTER COMMUNITY AFFORDABLE HOUSING
Minutes
Regular Board Meeting
September 27, 2022

ITEM NO. A - CALL TO ORDER:

President Brynda Stranix called the meeting to order at 12:00 PM.

ITEM NO. A - ROLL CALL:

Board Members present were President Brynda Stranix, Members Gustavo Becerra, Martha Griese, Richard Grant, and Manny Cardoza. Vice-President Suzanne Gallaty, Board Members Kimberly Butcher and Diane Hodges were absent.

ITEM NO. B. – PLEDGE OF ALLEGIANCE:

Board Member Gustavo Becerra led the pledge of allegiance.

ITEM NO. C. – PUBLIC PARTICIPATION: NONE

ITEM NO. D. – AWARDS AND PRESENTATIONS: NONE

ITEM NO. E. – EXECUTIVE SESSION: NONE

ITEM NO. F.2-F.4. - CONSENT CALENDAR:

Board Member Richard Grant made a motion to approve the Consent Calendar as submitted. Board Member Manny Cardoza made the second. All were in favor by voice vote.

ITEM NO. G. – OLD BUSINESS: NONE

ITEM NO. H. – NEW BUSINESS: NONE

ITEM NO. I.3. – MAINTENANCE UPDATE ON MAPLE PARK PHASE 1, TOWN CENTER SENIOR MANOR, AND YOLO/HEIKEN:

Operations Manager Tom Goodwin stated there have been a few move outs at Maple Park. He mentioned there will a few move outs at Yolo/Heiken on next quarter's report. Mr. Goodwin said the work order numbers are in the normal range in comparison of past years.

ITEM NO. I.4. – OCCUPANCY/ELIGIBILITY UPDATE ON MAPLE PARK PHASE 1, KRISTEN COURT PHASE 1, TOWN CENTER SENIOR MANOR, AND YOLO/HEIKEN:

Occupancy Manager Pattra Runge said one of the move outs at Yolo/Heiken was due to a death. She mentioned the waiting lists are strong.

Board Member Gustavo Becerra shared there will be a few vacancies coming up at New Haven Court. He stated there are three locks outs scheduled for today due to tenants damaging the units. Mr. Becerra mentioned there have been lessons learned when it comes to housing residents at New Haven Court. He said staff must still follow the Housing First module, which is more for drug use, but tenants do not have the right to destroy the property.

ITEM NO. I.5. – FINANCE UPDATE:

Chief Financial Officer Marco Cruz said he is happy with the numbers and is hoping he will have the audit for the next meeting. Mr. Cruz went over the information provided in the board packet.

ITEM NO. I.6. – PLANNING AND COMMUNITY DEVELOPMENT UPDATE:

Board Member Gustavo Becerra said Kristen Court III is under construction and the targeted completion date is December 2022, but a more realistic date is January or February 2023. He shared staff submitted an application for Richland Village to the California Energy Commission's BUILD program in the amount of \$1.2 million. Mr. Becerra mentioned staff will submit a tax credit application in March 2023 if the current application is not approved.

Mr. Becerra said a new project is in the works called Garden Grove located off of Garden Highway in Yuba City, CA. He mentioned the project would be approximately 50 units of senior housing. He shared the project may be two phases with a second phase of 30 units for a total of 80 units.

ITEM NO. J – DIRECTOR'S COMMENTS:

Board Member Manny Cardoza said on Thursday there will be a Mental Health Picnic from 11-2 for a clean and sober celebration.

Board Member Gustavo Becerra expressed condolences for the passing of Martha Lundgren who worked at the Housing Authority for over ten years in the finance department. He shared she will be missed a lot.

Board Member Martha Griese said Adventure Church has started a support group for parents and spouses of addicted loved once.

ITEM NO. K – NEXT MEETING: October 25, 2022

ITEM NO. L - ADJOURNMENT: The meeting was adjourned in memory of Martha Lundgren at 12:40 PM.

**SUTTER COMMUNITY
AFFORDABLE HOUSING**

RESOLUTION 23-51

A RESOLUTION OF THE BOARD OF DIRECTORS OF SUTTER COMMUNITY AFFORDABLE HOUSING, INC. AUTHORIZING YOLO/HEIKEN COLLECTION LOSS WRITE-OFF IN THE AMOUNT OF \$284.00

WHEREAS the Sutter Community Affordable Housing operates affordable housing projects Town Center and Yolo/Heiken pursuant to the laws of California and the City of Yuba City's Regulatory Agreement; and

WHEREAS operations of affordable housing includes the collection of monthly rental amounts; and

WHEREAS the Sutter Community Affordable Housing makes every attempt to collect outstanding balances; and

WHEREAS Exhibit A provides a list of uncollectible accounts for the period ending February 28, 2023, and is made a part of this resolution;

BE IT THEREFORE RESOLVED that the Board of Directors of the Sutter Community Affordable Housing authorizes the President to write-off as collection losses the tenant receivables listed on Exhibit A totaling \$284.00.

This Resolution is to take effect immediately.

This Resolution is presented at the Special Meeting of the Board of Directors, passed, and adopted this 28th day of February 2023 by the following vote:

AYES:

NAYS:

ABSTAINED:

ABSENT:

ATTEST:

Brynda Stranix, President

**Yolo - Yuba City
Collection Loss Write Off
Period: February 2023**

Tenant I.D.	Address	Move In	Date	Move Out	Monthly Rent	Rent Owed	Late Fee's	Damages	Utilities	Legal Fee's	Total Owed	Payback Agreement
T0007747	554 Yolo Street #C - YC	03/21/18	09/13/22		\$ 825.00	\$ -	\$ -	\$ 284.00	\$ -	\$ -	\$ 284.00	No
											\$ 284.00	Total Write Off

Handwritten signature and date: 2/21/23

Deceased *

Tenants listed with Payback Agreement's failed to honor the Agreement.

Utility costs incurred by PHA from tenant move-in date until transferred to tenant's name. Those charges are then billed to the tenant.

Exhibit A

SUTTER COMMUNITY AFFORDABLE HOUSING

Financial Statements and Independent Auditors' Report

Year Ended March 31, 2022

SM&CO

SUTTER COMMUNITY AFFORDABLE HOUSING

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INDEPENDENT AUDITORS' REPORT

The Governing Body of
Sutter Community Affordable Housing

REPORT ON THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Sutter Community Affordable Housing (Corporation), which comprise the statement of financial position as of and for the year ended March 31, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Corporation as of March 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for one year after the date that the financial statements are issued.

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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS we:

(1) Exercise professional judgment and maintain professional skepticism throughout the audit; (2) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements; (3) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed; (4) Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; (5) Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corporation's financial statements. The accompanying supplementary information is presented for the purpose of additional analysis and are not a required part of the basic financial statements.

That information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. That information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole.

September 29, 2022
Redlands, CA

SUTTER COMMUNITY AFFORDABLE HOUSING

Statement of Financial Position

March 31, 2022

Assets

Cash	\$ 17,198
Net tenant accounts receivable	241
Other grants receivable	139
Prepaid expenses	<u>7,498</u>
Total current assets	<u>25,076</u>
Tenant deposits held in trust	20,417
Investments in partnerships and joint ventures	(302)
Notes receivable	770,321
Restricted deposits	
Replacement reserve	130,129
Operating reserve	<u>160,887</u>
Total restricted deposits	<u>291,016</u>
Property and equipment, at cost	
Land	45,061
Building	2,817,241
Furniture, equipment, and machinery	<u>1,838</u>
Total acquisition costs	2,864,140
Less: accumulated depreciation	<u>(1,956,473)</u>
Net fixed assets	<u>907,667</u>
Total Assets	<u>\$ 2,014,195</u>

See accompanying notes.

SUTTER COMMUNITY AFFORDABLE HOUSING

Statement of Financial Position

March 31, 2022

Liabilities and Net Assets

Accounts payable	\$ 8,891
Prepaid rent	<u>2,096</u>
Total current liabilities	<u>10,987</u>
Tenant deposits held in trust (contra)	20,417
Notes and loans payable	
Principal	2,156,956
Accrued interest payable	<u>1,396,820</u>
Total financing liability	<u>3,553,776</u>
Net notes and loans payable	<u>3,553,776</u>
Total liabilities	<u>3,585,180</u>
Net Assets without donor restriction	<u>(1,570,985)</u>
Total Liabilities and Net Assets	<u>\$ 2,014,195</u>

See accompanying notes.

SUTTER COMMUNITY AFFORDABLE HOUSING

Statements of Activities
Year Ended March 31, 2022

Income	
Net rental income	\$ 285,515
Financial revenue	53
Other	6,567
Total income	<u>292,135</u>
Expenses	
Administrative	46,575
Utilities	33,999
Operating and maintenance	104,016
Taxes and insurance	17,286
Financial	59,909
Tenant services	9,103
Total expenses	<u>270,888</u>
Income (loss) from operations	21,247
Depreciation	<u>(104,454)</u>
Net income (loss)	<u>\$ (83,207)</u>
Net Assets Without Donor Restriction	
Beginning of year	\$ (2,258,099)
Net income (loss)	(83,207)
Prior year restatements	770,321
	<u>770,321</u>
End of Year	<u>\$ (1,570,985)</u>

See accompanying notes.

SUTTER COMMUNITY AFFORDABLE HOUSING

Statement of Cash Flows
Year Ended March 31, 2022

Cash flows from operating activities	
Net income (loss)	\$ (83,207)
Adjustments to reconcile net income (loss) to net cash from (used for) operating activities:	
Depreciation	104,454
Interest accrual	59,909
Bad debt	1,277
Changes in operating assets and liabilities:	
Accounts receivable	(1,418)
Prepaid expenses and other assets	(7,498)
Tenant security deposits	3,894
Accrued liabilities	(2,369)
Prepaid rent	719
Net cash from operating activities	<u>75,761</u>
Net change in cash	75,761
Cash at beginning of period	<u>252,870</u>
Cash at End of Period	<u><u>\$ 328,631</u></u>
<i>Reconciliation to cash on statement of financial position:</i>	
Cash	\$ 17,198
Tenant deposits held in trust	20,417
Restricted deposits	<u>291,016</u>
Total Cash	<u><u>\$ 328,631</u></u>

See accompanying notes.

SUTTER COMMUNITY AFFORDABLE HOUSING

Notes to Financial Statements

NOTE - 01 ORGANIZATION AND NATURE OF ACTIVITIES

Sutter Community Affordable Housing (the Corporation) is a Not-For-Profit Corporation formed in 1997 in accordance with the not-for-profit statutes of the state of California. The Corporation was formed for the purpose of providing housing for low income families and elderly and handicapped persons who cannot afford decent, safe, and sanitary housing, by constructing, rehabilitation, owning, and operating housing units, and the sale or rental of the same to poor, underprivileged, handicapped and elderly, in conjunction with the state and federal low income housing programs, and to provide related facilities and services especially designed to meet the physical, social and psychological needs of said families and persons which will contribute to their health, security, happiness, and usefulness, and to thereby, inter alia, ameliorate the existing housing shortage, provide relief for the poor, distressed and underprivileged, lessen the burdens of the government, and combat community deterioration and juvenile delinquency.

NOTE - 02 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of the Accompanying Financial Statements

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The primary intent of the financial statements is for the U.S. Office of Management and Budget. The financial statements will also be used by HUD; therefore, the presentation and account descriptions have been established to conform to their reporting guidelines. In addition, the financial statements are in conformity with the provisions required by the Not-for-Profit Entities Presentation of Financial Statements topic of the FASB *Accounting Standards Codification* ("ASC") 958-205. This statement established standards for external financial reporting for Not-for-Profit Organizations.

The Not-for-Profit Entities Presentation of Financial Statements topic of the FASB ASC primarily affects the display of the financial statements and requires that the amounts for each of two classes of net assets--with or without donor restrictions--be displayed in an aggregate statement of financial position and the amounts of change in each of those classes of net assets be displayed in a statement of activities. All assets held by the Corporation at March 31, 2022 are classified as without donor restrictions.

Accounting Method

The Corporation uses the accrual method of accounting, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

SUTTER COMMUNITY AFFORDABLE HOUSING

Notes to Financial Statements

Revenue Recognition

The Corporation rents apartment units on a year-to-year basis and recognizes revenues when earned. Rental income is shown at its maximum gross potential. Vacancy loss is shown as a reduction in rental income. Rental units occupied by employees are included in rental income and as an expense of operations.

Cash

Cash is defined as cash in demand deposit accounts as well as cash on hand.

Restricted Deposits

All reserves of the Corporation are established by internal budgeting and are not required pursuant to any regulatory or debt agreements, therefore they are available for use without any prior approval from external entities.

Tenant Receivable and Bad Debt Policy

Tenant rent charges for the current month are due on the first of the month. Tenants who are evicted or move-out are charged with damages or cleaning fees, if applicable. Tenant receivables consist of amounts due for rental income or the charges for damages and cleaning fees. The Corporation does not accrue interest on the tenant receivable balances.

Tenant receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not material to the financial statements. Bad debt expense for the year ended March 31, 2022 was \$1,277.

Property and Equipment/Investment in Real Estate

Property and equipment are stated at cost of acquisition or construction. The costs of maintenance and repairs are charged to expense as incurred. Depreciation is computed based on the straight-line method over the estimated useful lives of the assets.

The useful lives of the assets are estimated as follows:

Buildings	30 years
Equipment	5-10 years

Purchases of more than \$1,000 are capitalized, while purchases below the threshold are charged as expenses during the period in which they were incurred.

Impairments

The Corporation reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property, including any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses in 2022.

SUTTER COMMUNITY AFFORDABLE HOUSING

Notes to Financial Statements

Advertising Costs

Advertising costs are expensed as incurred and are included in administrative expense in the statements of activities.

Fair Value

The Corporation is subject to the provisions of the Fair Value Measurement topic of the FASB ASC 820-10 which provides guidance for assets and liabilities which are required to be measured at fair value and requires expanded disclosure for fair value measurement. The standard applies whenever other standards require or permit assets or liabilities to be measured at fair value and does not require any new fair value measurements.

The Fair Value Measurement did not have a material impact on the Corporation's financial statements for the year ended March 31, 2022.

Accounting for Uncertainty in Income Taxes

The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and state income tax and has been classified as an other than private foundation. Accordingly, no provision for federal and state taxes on revenue and income has been recognized in the accompanying financial statements. Generally, the Federal and State tax returns were subject to examinations from the three years after the later of the original or extended due date or the date filed with the applicable tax authority.

Classification of Net Assets

Net assets of the Corporation are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups: Net Assets without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met; and Net Assets with Donor Restriction – Assets subject to usage limitations based on donor imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Corporation. Certain restrictions may need to be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor-restrictions unless otherwise unless specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

The Corporation does not interpret the guidance in the standard to include amounts restricted for reserves as donor restricted. The Corporation believes that these amounts do not meet the spirit of the standard for such a classification or is there any industry standard indicating that others will treat these assets as donor restricted.

All net assets of the Corporation at March 31, 2022 were considered to be net assets without donor restrictions.

Subsequent Events

Management evaluated the activity of the Corporation through September 29, 2022, the date the financial statements were available to be issued.

SUTTER COMMUNITY AFFORDABLE HOUSING

Notes to Financial Statements

NOTE - 03 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Corporation manages its liquidity by completing annual operating budgets that provide sufficient funds for general expenditures in meeting liabilities and other obligations as they become due and maintains reserves that may be drawn upon as needed during the year to manage cash flow and make necessary repairs. The Corporation's cash and cash equivalents are available within one year of the statement of financial position date to meet cash needs for general expenditures.

NOTE - 04 NOTES PAYABLE

Notes payable are summarized as follows:

	Principal	Interest Payable
Redevelopment Agency (RDA) loan with the City of Yuba City, in the original amount of \$1,400,000, bearing simple interest at 3% per annum, payable from residual receipts, and matures March 2053. Secured by Towncenter Manor apartments. Interest for the current year was \$39,708.	\$ 1,323,589	\$ 931,553
Home Investment Partnership (HOME) loan with the City of Yuba City, in the original amount of \$673,367, bearing simple interest at 3% per annum, payable from residual receipts, and matures March 2053. Secured by Town Center Senior Manor apartments. Interest for the current year was \$20,201.	673,367	465,267
Loan with the City of Yuba City, in the original amount of \$160,000, bearing no interest, payments deferred until maturity, and matures July 2056. Secured by Yolo/Heiken property. Interest for the current year was \$0.	<u>160,000</u>	<u>-</u>
Total	<u><u>\$ 2,156,956</u></u>	<u><u>\$ 1,396,820</u></u>

Principal payments on notes payable for the next five years and thereafter are estimated as follows:

2023	\$	-
2024		-
2025		-
2026		-
2027		-
Thereafter		2,156,956
		<u><u>\$ 2,156,956</u></u>

SUTTER COMMUNITY AFFORDABLE HOUSING

Notes to Financial Statements

NOTE - 05 BUSINESS RISKS AND CONCENTRATIONS

Housing Assistance Payments (HAP) Contract

The Corporation recorded \$148,401 of its revenues during the year ended March 31, 2022, from Regional Housing Authority under the terms of one or more HAP contracts which provide for rental assistance to the Corporation on behalf of low-income tenants who meet certain qualifications. The Corporation's future intentions and the future changes in HUD regulations and the appropriations of related funds are uncertain, and accordingly, it is not possible to determine the ultimate impact on the operations of the Corporation.

Geographic Location

Our operations and assets are concentrated in Yuba City, California.

Financial Instruments and Credit Risk

The Corporation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Corporation has not experienced any losses in such accounts. The Corporation believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE - 06 RELATED PARTIES AND MANAGEMENT AGREEMENT

Regional Housing Authority

The Corporation is managed by Regional Housing Authority (Authority). The management agreement allows for a management fee to be paid to the Authority that is to be approved annually by the Board. Management fees total \$23,796 for the year ended March 31, 2022.

The Corporation's insurance coverage is provided for under consolidated policies issued through conventional insurance providers and maintained by the Authority.

In addition, the land on which the Town Center apartments are located is leased for a period of 55 years from the Authority for one dollar a year.

Live Oak Pacific Associates LP

The Corporation earned a partnership management fee of \$5,600 for the year ended March 31, 2022 from Live Oak Pacific Associates, LP, a partnership in which the Corporation is named as the Managing General Partner with a 0.005% interest in.

Live Oak Pacific Associates II LP

The Corporation assumed a state tax credit proceed loan receivable due from Live Oak Pacific Associates II, LP, a partnership in which the Corporation is named as the Managing General Partner of. The note is in the amount of \$1,100,458, bears no interest, and matures September 2064. As of year end, the balance of the note was \$770,321.

In addition, the Corporation earned a partnership management fee of \$2,400 for the year ended March 31, 2022.

SUTTER COMMUNITY AFFORDABLE HOUSING

Notes to Financial Statements

NOTE - 07 INVESTMENTS IN PARTNERSHIPS

The Corporation is a co-general partner in Maple Park Phase I, LP, as well as managing general partner in Live Oak Pacific Associates, LP and Live Oak Pacific Associates II, LP. The Corporation's share of profit (loss) and capital is 0.003 percent, 0.005 percent, and 0.005 percent, respectively.

NOTE - 08 FUNCTIONAL EXPENSES

The Corporation provides low-income housing to its tenants. The cost of providing program services and supporting activities has been summarized on a functional basis in the table below. Expense directly attributable to a specific functional activity of the are reported as expenses of those functional activities. There are no functional expenses that require allocation between activities.

See breakdown below:

Expense Line	Rental Operations	Management and General	Fundraising	Total
Administrative	\$ 17,339	\$ 29,236	\$ -	\$ 46,575
Utilities	33,999	-	-	33,999
Operating and maintenance	104,016	-	-	104,016
Taxes and insurance	11,814	5,472	-	17,286
Financial	59,909	-	-	59,909
Tenant services	9,103	-	-	9,103
Depreciation	104,454	-	-	104,454
Total	<u>\$ 340,634</u>	<u>\$ 34,708</u>	<u>\$ -</u>	<u>\$ 375,342</u>

NOTE - 09 PRIOR PERIOD RESTATEMENTS

During the year, it was discovered that a state tax credit proceeds loan receivable in the amount of \$770,321 from Live Oak Pacific Associates II, LP was not reflected in the Corporation's books. The correction resulted in an increase to net assets without donor restriction of \$770,321 as reflected in the statement of activities.

SUTTER COMMUNITY AFFORDABLE HOUSING

Schedule of Operating Revenues
Year Ended March 31, 2022

Revenues:

5120	Rent revenue - gross potential	\$ 137,114
5121	Tenant assistance payments	148,401
5100T	Total rent revenue	<u>285,515</u>
5152N	Net rental revenue (rent revenue less vacancies)	<u>285,515</u>
5410	Financial revenue - project operations	53
5400T	Total financial revenue	<u>53</u>
5910	Laundry and vending	1,187
5920	Tenant charges	5,380
5900T	Total other revenue	<u>6,567</u>
5000T	Total revenue	<u><u>\$ 292,135</u></u>

SUTTER COMMUNITY AFFORDABLE HOUSING

Schedule of Operating Expenses
Year Ended March 31, 2022

Expenses:

6310	Office salary	13,215
6311	Office supplies	2,458
6320	Management fees	23,796
6350	Auditing	5,440
6370	Bad debts	1,277
6390	Miscellaneous	389
6263T	Total administrative expenses	<u>46,575</u>
6450	Electricity	9,833
6451	Water	5,562
6452	Gas	659
6453	Sewer	17,945
6400T	Total utilities expenses	<u>33,999</u>
6515	Supplies	8,516
6520	Contractor	77,921
6525	Garbage and trash	10,043
6570	Vehicle and equipment repairs	7,536
6500T	Total operating and maintenance expenses	<u>104,016</u>
6711	Payroll taxes	977
6720	Property insurance	9,325
6722	Worker's compensation	379
6723	Health insurance and other benefits	4,116
6790	Miscellaneous	2,489
6700T	Total taxes and insurances	<u>17,286</u>
6820	Interest on mortgage	59,909
6800T	Total financial expenses	<u>59,909</u>
6900-01	Salary	9,053
6900-02	Other	50
6900T	Total tenant service expenses	<u>9,103</u>
6000T	Total cost of operations	<u><u>\$ 270,888</u></u>

SUTTER COMMUNITY AFFORDABLE HOUSING

The Auditors Communication with Those Charged with Governance

Year Ended March 31, 2022

SM&CO



Smith Marion & Co. • Certified Public Accountants
Redlands Office • 1940 Orange Tree Lane, Suite 100 • Redlands, CA 92374 • (909) 307-2323

The Governing Body of
Sutter Community Affordable Housing

We have audited the financial statements of Sutter Community Affordable Housing (Corporation) as of and for the year ended March 31, 2022, and have issued our report thereon dated September 29, 2022.

This report summarizes our communications with those charged with governance as required by our professional standards to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process.

REQUIRED COMMUNICATIONS

Professional standards require the auditor to provide the Governing Body (the Board or those charged with governance) with additional information regarding the scope and results of the audit that may assist the Board in overseeing the financial reporting and disclosure processes which the management of the Corporation is responsible. We summarize these required communications as follows:

AUDITORS' RESPONSIBILITIES UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES (US GAAS)

Our responsibilities are included in our audit engagement letter.

The financial statements are the responsibility of the Corporation's management as prepared with the oversight of those charged with governance. Our audit was designed in accordance with auditing standards generally accepted in the United States, to obtain reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. We were not engaged to perform an audit of the Corporation's internal control over financial reporting.

Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we will express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

INDEPENDENCE

We are not aware of any relationships between Smith Marion & Co. and our related entities, and the Corporation, or any other matters that in our professional judgment, may reasonably be thought to bear on our independence.

We confirm that we are independent with respect to the Corporation within the meaning of the applicable published rules and pronouncements, its interpretations and rulings.

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THE ADOPTION OF, OR A CHANGE IN SIGNIFICANT ACCOUNTING POLICIES

We determined that the Board is informed about the initial selection of, and any changes in significant accounting principles or their application when the accounting principle or its application, including alternative methods of applying the accounting principle, has a material effect on the financial statements.

There was no adoption of, or changes in significant accounting policies.

AUDITORS' JUDGEMENT ABOUT THE QUALITY OF THE CORPORATION'S ACCOUNTING PRINCIPLES

We discussed our judgment about the quality, not just the acceptability, of the Corporation's accounting principles as applied in its financial reporting, including the consistency of the accounting policy and their application and the clarity and completeness of the financial statements and related disclosures.

SENSITIVE ACCOUNTING ESTIMATES

Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management's expectations.

We determined that the Board is informed about management's process for formulating particularly sensitive estimates and about the basis to our conclusions regarding the reasonableness of those estimates.

There were no sensitive accounting estimates management's judgment is called upon in:

FINANCIAL STATEMENT DISCLOSURES

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There were no sensitive disclosures affecting the Corporation's financial statements.

IDENTIFIED OR SUSPECTED FRAUD

We are not aware of any matters that require communication. Furthermore, the Corporation's management has represented to us that they were not aware of any fraud or illegal acts for the period from April 01, 2021 to March 31, 2022 (see *Management Representation Letter*).

SIGNIFICANT DIFFICULTIES ENCOUNTERED DURING THE AUDIT

There were no serious difficulties encountered in dealing with management in performing the audit.

REPRESENTATIONS REQUESTED FROM MANAGEMENT

We have requested certain written representations from management in a separate letter dated September 29, 2022 (see *Management's Representation Letter*).



UNCORRECTED MISSTATEMENTS, RELATED TO ACCOUNTS AND DISCLOSURES, CONSIDERED BY MANAGEMENT TO BE IMMATERIAL

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. The uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

MATERIAL CORRECTED MISSTATEMENTS, RELATED TO ACCOUNTS AND DISCLOSURES

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures.

As a result of our audit procedures, material misstatements were brought to the attention of management and were corrected during the current period (see *Adjusting Journal Entry Report*).

DISAGREEMENTS WITH MANAGEMENT

There were no material disagreements with the Corporation's management on financial accounting and reporting matters during the audit.

CONSULTATIONS WITH OTHER ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters (see *Management Representation Letter*).

MAJOR ISSUES DISCUSSED WITH MANAGEMENT PRIOR TO RETENTION

In the normal course of our professional association with the Corporation, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Corporation's auditors.

SIGNIFICANT RISKS IDENTIFIED

For purposes of this communication, professional standards require us to communicate to you significant risks identified during our audit.

The following significant risks were identified in our audit procedures:



Management override of controls (*required by US GAAS*) - Even though internal control over financial reporting (hereinafter referred to as internal controls or simply as controls) may appear to be well-designed and effective, controls that are otherwise effective can be overridden by management in every entity. Many financial statement frauds have been perpetrated by intentional override by senior management of what might otherwise appear to be effective internal controls. Because management is primarily responsible for the design, implementation, and maintenance of internal controls, the entity is always exposed to the danger of management override of controls.

Improper revenue recognition (*required by US GAAS*) -Revenue recognition is one of only two matters that must always, under AU-C 240 (the fraud risk standard), be considered a high-risk area, requiring expanded audit attention. Revenue recognition fraud schemes have been responsible for more investigations, restatements, and litigation against outside accountants than any other single cause. Revenue recognition is an accounting principle that asserts that revenue must be recognized as it is earned. Proper revenue recognition is imperative because it relates directly to the integrity of a company's financial reporting. The intent of the principle around revenue recognition is to standardize the revenue policies used by companies. This standardization allows external entities to easily compare the income statements of different companies in the same industry. Because revenue is one of the most important measures used by external entities to assess a company's performance, it is crucial that financial statements be consistent and credible.

SIGNIFICANT UNUSUAL TRANSACTIONS

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit.

During our audit procedures, we did not become aware of significant unusual transaction that should be brought to your attention.

OTHER SIGNIFICANT MATTERS, FINDINGS, OR ISSUES

During our audit procedures, we became aware of certain matters that should be brought to your attention. A listing of these matters is discussed in a separate report to management dated September 29, 2022 (see *Management Letter*).

OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS

We reviewed the supplemental information to the financial statements to ensure consistency with the audited financial statements.

RESTRICTION ON USE

This report is intended solely for the information and use of the individuals charged with governance, and management of the Corporation and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

SUTTER COMMUNITY AFFORDABLE HOUSING

Management Letter

Year Ended March 31, 2022

SM&CO



Smith Marion & Co. • Certified Public Accountants
Redlands Office • 1940 Orange Tree Lane, Suite 100 • Redlands, CA 92374 • (909) 307-2323

September 29, 2022

To the Management and Governing Body of
Sutter Community Affordable Housing

Ladies and Gentlemen:

In planning and performing our audit of the basic financial statements of Sutter Community Affordable Housing Corporation ("Corporation") as of and for the year ended March 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses and/or significant deficiencies and, therefore, material weaknesses and/or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

Exhibit I to this Management Letter lists any deficiencies in internal control, substantive matters, and/or other issues encountered during our audit.

This communication is intended solely for the information and use of management of the Corporation and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in blue ink that reads "Smith Marion & Co." followed by a stylized circular logo containing the letters "SMCO".

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EXHIBIT I

MANAGEMENT LETTER COMMENTS

We have identified certain matters involving the internal control and other operational matters that are not considered significant deficiencies or material weaknesses. These matters do not affect our report dated September 29, 2022 on the financial statements of the Corporation. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve internal control or result in other operating efficiencies.

Our comments are summarized as follows:

Prior Period Restatement

During our audit, it was brought to our attention that the FY21 financial statements were missing a significant note receivable that originated in 2019 from a related party. A material adjustment was required to correct this error in the current period, resulting in an increase to equity of \$770,321.

Generally Accepted Accounting Principles of the United States (GAAP), the required financial reporting framework of the Corporation, dictates that financial information reported by the Corporation follow a set of GAAP rules. These rules are consistency, relevance, reliability, and comparability of financial information.

Management should develop procedures that ensure that they are effectively identifying significant and/or unusual activity they are engaging in that would be considered outside the normal course of daily operations. These types of activities naturally carry a higher risk of misstatement, and it is important that those with a high level of accounting expertise are made aware that such activity has occurred, providing them an opportunity to review and account for that activity in accordance with GAAP in the proper period.

REGIONAL HOUSING AUTHORITY

STAFF REPORT

Date: February 28, 2023
To: Board of Directors
From: Gustavo Becerra, Secretary/Treasurer

SUBJECT: Purchase and Sale Agreement for Regional Housing Authority owned parcel to develop the Garden Grove Senior Affordable Housing Project in Yuba City

RECOMMENDATION: Ratify the approval of the execution of Purchase and Sale Agreement for a 2.18-acre portion of Lot 12, APN 53-470-087 in Yuba City, CA, for the purpose of developing the property into a 50-unit multi-story affordable housing development for seniors 62+

Background:

The Regional Housing Authority (RHA) owns the referenced vacant land parcel and is currently working with City of Yuba City staff for Planning Commission consideration of the proposed development.

The Purchase & Sale Agreement before the Board of Directors for ratification is between RHA and Sutter Community Affordable Housing (SCAH), who will be the applicant for the numerous financing sources, and a development partner, Central California Housing Corporation (CCHC), one of many partners RHA has worked with on project development. Those projects include Devonshire Apartments in Colusa, and Cashin's Field in Nevada City.

The project is planned as a 50-unit project targeting low-income seniors at or below 60% of Area Median Income as published annually for Sutter County by the State. In preparation for future funding applications, site control is necessary for the co-developers of the property, SCAH and CCHC.

The value of \$1,430,000 was based on the attached appraisal report. Conceptual schematic drawings and site plan are enclosed for your review.

Recommendation:

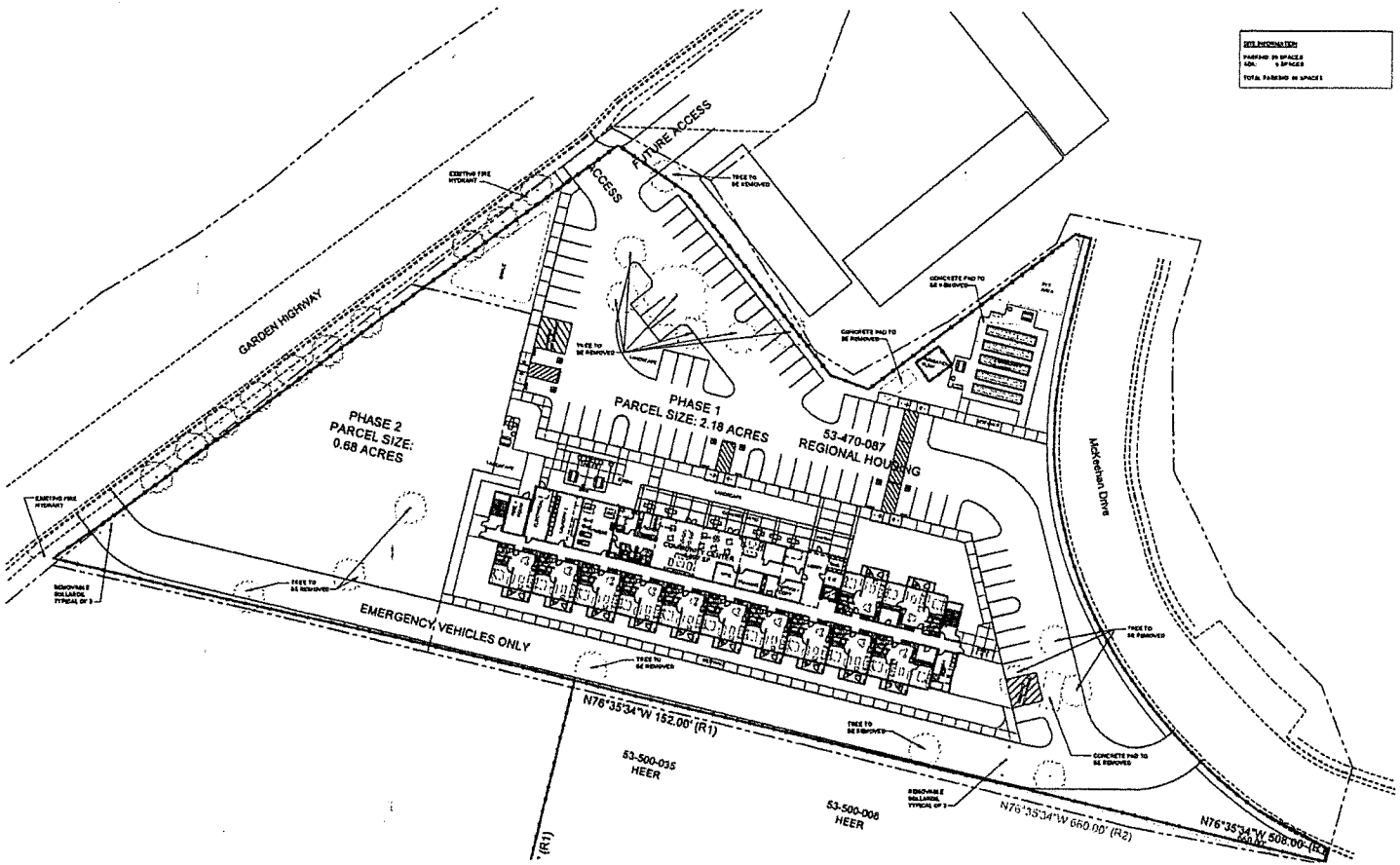
Staff recommends that the Board of Directors of Sutter Community Affordable Housing ratify the approval of the Purchase and Sale Agreement and authorize the

Secretary/Treasurer as signatory for a 2.18-acre portion of vacant land known as a portion of Lot 12, APN 53-470-087 located in Yuba City, CA.

Prepared and submitted by:

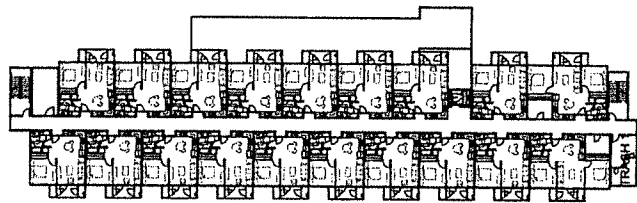


Gustavo Becerra
Secretary/Treasurer

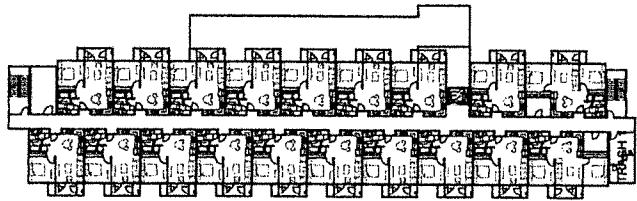


SUMMARY	
PHASE 1	2.18 ACRES
PHASE 2	0.68 ACRES
TOTAL	2.86 ACRES

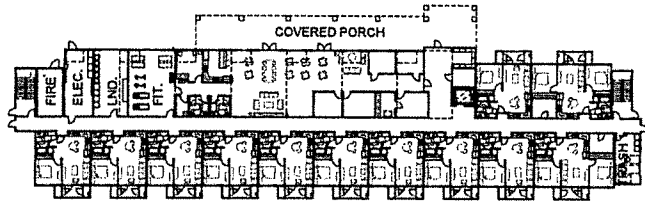
	<h2 style="margin: 0;">GARDEN GROVE SENIOR APARTMENTS</h2> <p style="margin: 0;">YHBA CITY, CALIFORNIA</p>	<p style="font-size: small;">DATE: 11/11/11 DRAWN BY: JCH</p>	<p style="font-size: small; margin: 0;">AT 1</p>
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3RD FLOOR PLAN



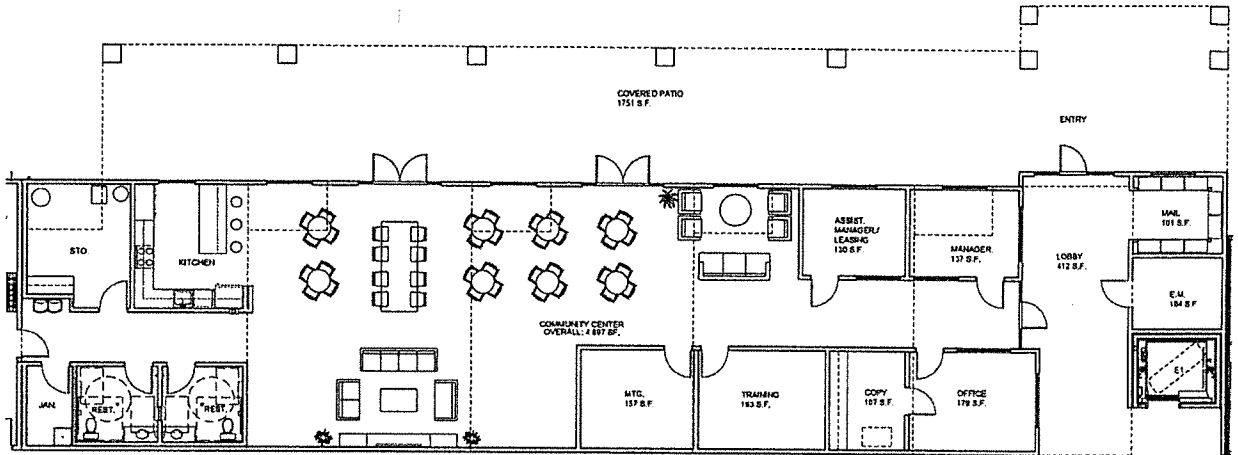
2ND FLOOR PLAN



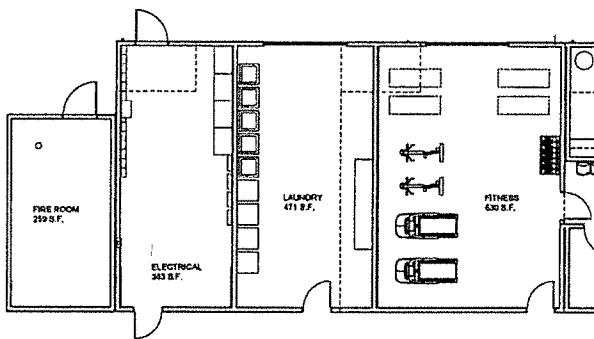
1ST FLOOR PLAN

FOR ENLARGED COMMON AREAS SEE A2.1

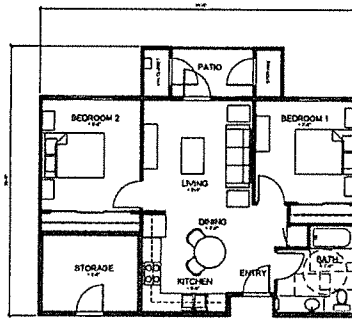
	GARDEN GROVE SENIOR APARTMENTS YUBA CITY, CALIFORNIA	PLANS	OCT 2011 2011  A1.2
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COMMON AREA

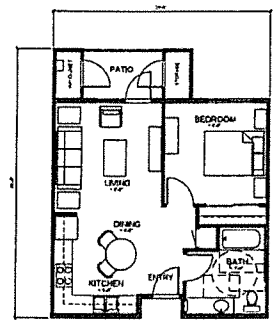


COMMON AREA - CONTINUED



UNIT B 2 BEDROOM / 1 BATH

CL. AREA	12	SQ. FT.
WALK-IN CLO.	12	SQ. FT.
STORAGE	12	SQ. FT.
PATIO	12	SQ. FT.
COMMON STORAGE IN BLDG		



UNIT A 1 BEDROOM / 1 BATH

CL. AREA	12	SQ. FT.
WALK-IN CLO.	12	SQ. FT.
STORAGE	12	SQ. FT.
PATIO	12	SQ. FT.
COMMON STORAGE IN BLDG		

GARDEN GROVE SENIOR APARTMENTS

YORBA LINDA, CALIFORNIA

UNIT PLANS



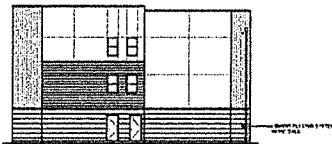
A2.1



NORTH ELEVATION



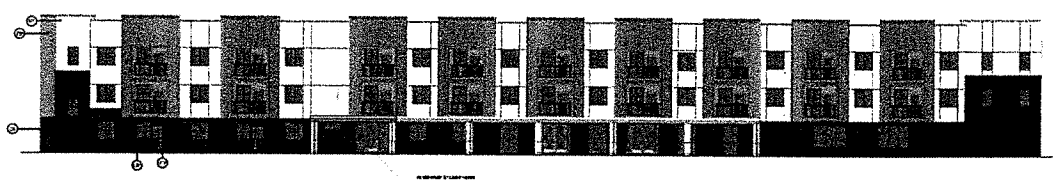
SOUTH ELEVATION



WEST ELEVATION



EAST ELEVATION



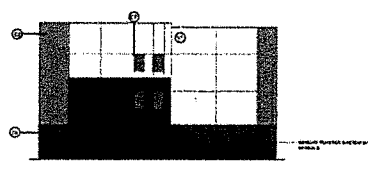
NORTH ELEVATION



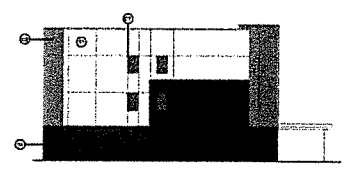
SOUTH ELEVATION

EXTERIOR COLOR SCHEDULE

1	BRICK	2	CONCRETE
3	WOOD	4	GLASS
5	PAINT	6	ROOFING



WEST ELEVATION



EAST ELEVATION

GARDEN GROVE SENIOR APARTMENTS
YUBA CITY, CALIFORNIA

PRELIMINARY ELEVATIONS

kuchman A3:2



NORTH PERSPECTIVE



SOUTHWEST CORNER

GARDEN GROVE SENIOR APARTMENTS
YUBA CITY, CALIFORNIA

COLORED RENDERING



A3.3



NORTHWEST CORNER



NORTHEAST CORNER

GARDEN GROVE SENIOR APARTMENTS
YUBA CITY, CALIFORNIA

COLORED RENDERING



A3.4

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This Purchase and Sale Agreement and Escrow Instructions (“**Agreement**”) is entered on this 16th day of February, 2023, by and between **Regional Housing Authority** a public body, corporate and politic organized under the laws of the State of California (“**Seller**”), and **Central California Housing Corporation**, a California corporation or its nominee and **Sutter Community Affordable Housing**, a California nonprofit public benefit corporation, (collectively referred to as “**Buyers**”) and constitutes both an Agreement to purchase and sell real property and escrow instructions to accommodate the transaction contemplated hereby.

Terms and Conditions

THE SALE PROPERTY. Seller agrees to sell to Buyer and Buyer agrees to buy from Seller, on the terms and conditions hereinafter set forth, approximately 2.18 acres of real property (the “**Sale Parcel**”, “**Property**”, or “**Real Property**”), as described in Exhibit “A” attached hereto and incorporated herein by this reference.

1. **Purchase Price.** Buyer agrees to pay to Seller the sum of **One Million Four Hundred Thirty Thousand and No Dollars (\$1,430,000.00)** for the Sale Parcel.

2. **Terms of Payment.**

2.1 **Initial Deposit.** An Initial Deposit of **One Thousand Dollars (\$1,000.00)** (“**Initial Deposit**”) shall be deposited into Escrow within seven (7) days of the full execution of this Agreement, (the “**Effective Date**”). The Initial Deposit shall be released upon the expiration of the Review Period, shall be applicable to the Purchase Price, and non-refundable to Buyer except in the case of Seller’s Default as referenced in Paragraph 11.2.

2.2 **Balance of Purchase Price.** The balance of the Purchase Price, less the Deposits and accrued interest released to Seller, shall be paid to Seller in cash at Escrow Closing.

3. **Escrow**

3.1 **Escrow Holder.** An escrow for the handling of the land transaction of the Sale Parcel (the “**Escrow**”) shall be opened to consummate the sale of the Sale Parcel. The Escrow shall be opened at First American Title Company Attn: Ann A. Kay, 211 E. Caldwell Avenue, Visalia, CA 93277, (“**Escrow Holder**”), upon the deposit by Seller and Buyer of an executed copy of this Agreement therein (“**Opening of Escrow**”) and the execution of this Agreement by Escrow Holder. All material to be deposited for the Escrow may be deposited at the aforementioned Title office and shall be deemed received on the date of such deposit.

3.2 **Title Report and Due Diligence Documents.** Within seven (7) calendar days of the Opening of Escrow:

3.2.1 Escrow Holder will provide a Preliminary Title Report from First American Title Company covering the Sale Parcel dated not earlier than the date of this Agreement, such report to show all matters of record and all items which would be shown as exceptions on a CLTA policy of Title Insurance. Buyer shall give written notice of any items in such report which Buyer disapproves within thirty (30) days of receipt of such report. Seller shall have twenty (20) days from receipt of Buyer's notice to indicate whether Seller agrees to cause the removal of such disapproved items or refuses to remove such disapproved items. If Seller fails to respond within said (20) day period, Seller shall be deemed to have refused to remove such disapproved items. Upon expiration of Seller's time to respond to Buyer's notice, Buyer shall have ten (10) days to give notice to Seller and Escrow Holder that Buyer elects to either: (a) accept such exceptions and proceed to take title to the Sale Parcel subject to such exception(s), without deduction from or offset to the Purchase Price and without cause of action hereunder against Seller, or (b) terminate this Agreement and Escrow, in which event neither party shall have any further obligations or liability hereunder, and the initial and/or Second Deposit, if not previously released to Seller, as applicable, less Buyer's share of any reasonable Escrow Cancellation fees and other Escrow Holder charges, shall be returned to Buyer. In the event additional or new documents or materials that materially and adversely affect the condition of title, which were not caused by Buyer or any employee, agent, representative, consultant, contractor, subcontractor or hired professional of Buyer, (the "Buyer Related Parties"), are received by Buyer from or through Seller, Escrow Holder or other party reasonably related to this transaction, Buyer shall have an additional ten (10) days to approve or disapprove such changes, utilizing the same procedure as is hereinabove described in this Paragraph 3.2.1.

3.2.2. Escrow Holder shall provide a legible copy of each document (recorded or not) underlying any exceptions shown in such report, as electronic links or on paper.

3.2.3. Examination of Documentation. Within twenty (20) days following the date of the Agreement, Seller shall deliver to Buyer, without warranty or representation, all materials in Seller's actual possession or control relating to the condition of the Property, including but not limited to (i) copies of the most recent property tax bills and assessments for the Property and for the prior 24 months; (ii) a copy of any and all leases, service contracts, easements, licenses, agreements related to the Property, and/or development approvals that are not of record; (iii) any and all drawings, surveys, topographical maps, site development and other plans, specifications and engineering reports; (iv) any and all soils reports, reports pertaining to hazardous materials or other environmental conditions or other reports relating to the physical condition of the Property, including without limitation any Phase I or Phase II reports previously prepared for the Property; (v) any and all architectural or engineering documents relating to the Property; (vi) any entitlements, permits, approvals, consents or waivers from any governmental or quasi-governmental agency or authority relating to the Property, including, without limitation, general plan approvals, zoning approvals, planned development permits, use permits, variances, tentative maps or final maps, development agreements, zoning or subdivision approvals; (vii) a disclosure report which shall include, but will not be limited to, disclosures concerning Special Flood Hazard Areas, Very High Fire Hazard Severity Zones, Wildland Fire Risk Areas, Alquist-Priolo Earthquake Fault Zones, and Seismic Hazard Mapping Act Zones; and (viii) any and all other correspondence, reports, studies, permits, approvals, or documents relating to Property (collectively, the "Documents"). Seller shall notify Buyer in writing of any material changes to

any existing Documents, to the extent such information is in the possession or control of Seller. In addition, Seller shall promptly deliver to Buyer, without warranty, such other information relating to the Property that is specifically requested by Buyer of Seller to the extent such information either is in the possession or control of Seller or may be obtained by Seller through the exercise of commercially reasonable efforts. Except as otherwise specifically provided in this Agreement, Seller makes no representation or warranty whatsoever regarding the existence, availability or accuracy of the Documents or other materials to be provided to Buyer by Seller, and Seller shall not be obligated to create or obtain from third parties any such documents or materials. Buyer acknowledges and agrees that, except as otherwise provided in this Agreement: (i) any and all of Seller's Documents are provided or made available to Buyer for informational purposes only and do not constitute representations or warranties of Seller of any kind; (ii) the Documents and other information and reports that Seller provides or makes available to Buyer in connection with this transaction may not be inclusive of all documents, information or reports in existence concerning the Property; and (iii) by providing or making available to Buyer the Documents, and subject to the representations and warranties expressly made by Seller in this Agreement, Seller has complied with and satisfied any obligations Seller may have to provide Buyer with information about the Property. Notwithstanding the foregoing, to the extent that Seller's Documents were prepared by third parties or for third parties, including any previous potential buyer of the Property (if any there was), Seller represents to Buyer that, except as otherwise provided in Seller's Documents, Seller has the right to provide such materials to Buyer and is not prohibited by contract or otherwise from disclosing such materials to Buyer, but Seller does not make any representation about Buyer's ability or inability to use or rely on any such materials. Seller shall not be liable to Buyer or any other party for any detrimental reliance on such materials.

3.3 Transfer of title. Transfer of title to the Sale Parcel shall be conveyed to Buyer at Escrow Closing by means of a Grant Deed without warranty executed by Seller and deposited into escrow prior to closing.

3.4 Escrow Closing. Escrow Closing shall occur on the earlier of (a) One Hundred Eighty (180) days after Buyer receives written notification of its CTCAC tax credit allocation, a copy of which shall be provided immediately to Seller, or (b) December 31, 2025.

3.5 Required conditions of closing. Escrow Holder is authorized to record all recordable documents and disburse the requisite funds and documents called for herein at Escrow Closing, provided each of the following conditions has then been fulfilled by Seller or Buyer (as applicable) and/or waived by the other party:

3.5.1 Buyer and Seller shall have deposited into Escrow the funds and documents referred to or described in Sections 2, 3, 7 and 8 hereof.

3.5.2 Buyer and Seller have deposited such additional documents as may be required to enable Escrow Holder to close Escrow in accordance with this Agreement. Escrow Holder is authorized to record any instrument delivered into Escrow if necessary or proper for issuance of the policy of Title Insurance referred to in this Subsection 3.5.

3.5.3 Escrow Holder can issue a CLTA Extended Owner's Policy of Title

Insurance, with limits of liability equal to the Purchase Price, showing title to the Sale Parcel vested in Buyer, subject only to:

3.5.3.1. Real property taxes not then delinquent;

3.5.3.2. All conditions and exceptions and other matters affecting title as shown in the Preliminary Title Report to be delivered to Buyer pursuant to this Agreement, except for such exceptions and other matters which Seller has agreed to remove pursuant to Paragraph 3.2.1 above.

3.5.4. The Sale Parcel has been approved by all required jurisdictions, including but not limited to the City of Yuba City, for the entitlement of an approximate 50-unit low-income multifamily housing in a manner reasonably acceptable to Buyer. Seller shall work diligently and in good faith with all appropriate jurisdictions to entitle the Sale parcel in accordance with this Section 3.5.4. including but not limited to support at community/public meetings and letters to public officials expressing Seller's support. Buyer shall solely bear all costs, expenses, and effort for entitling the Sale Parcel in accordance with this Section 3.5.4.

3.6 **Prorations.** Escrow Holder shall prorate all real property taxes which are a lien upon the Sale Parcel based on the most recent official information available from the appropriate County office. All prorations shall be made to the date of Escrow Closing. All non-delinquent general and special property taxes, and maintenance charges of the Sale Parcel are to be prorated as of Escrow Closing. Supplemental taxes arising out of transfers or conveyances of the Sale Parcel prior to the Escrow Closing shall be paid by Seller.

3.7 **Escrow Charges.** Buyer and the Seller shall each pay one-half (1/2) of the Escrow fees, documentary transfer tax, and all of Escrow Holder's customary charges to Buyers for document drafting, recording and miscellaneous related charges.

3.8. **General Escrow Provisions.** The parties agree that the provisions of this Purchase Agreement shall constitute instructions to Escrow Holder. Upon the parties' review and approval thereof, and so long as not materially inconsistent with anything contained herein, Buyer and Seller agree to incorporate into this Agreement any additional, general escrow provisions normally used by Escrow Holder and, if required by Escrow Holder, the parties agree to execute reasonable supplementary instructions to Escrow Holder,

3.9 **Seller's Proceeds.** Upon Escrow Closing, the Escrow Holder is directed to deliver the proceeds of this Sale to Seller. In addition, Escrow Holder shall send an accounting of this transaction, together with evidence of the aforementioned fund delivery, to Seller.

3.10 **Reporting to Internal Revenue Service and California Franchise Tax Board.** Escrow Holder shall file all returns, statements and reports required to be filed, and make all withholding required, under section 6045(e) of the Internal Revenue Code of 1986 and sections 18805 and 26131 of the California Revenue and Taxation Code (and any similar reports required by federal, state or local law) relating to the Sale Parcel. Returns, statements, reports and

withholdings under such sections shall not be required from Buyer, Buyer's Counsel, Seller or Seller's Counsel. Within five (5) days of receiving a written request from Seller or Buyer, Escrow Holder shall provide evidence to the requesting party of its compliance with the provisions of this provision.

4. **Review Period and License to Enter for Inspection.** For the first Three Hundred Sixty-Five (365) days after the Effective Date, (the "**Review Period**"), Buyer shall have the right to examine and investigate all aspects of the property including, without limitation: engineering analysis, grading, soil composition and condition, studies, easements, rights of way, building and other restrictions, governmental conditions, zoning, availability of services, traffic and title matters. During the Review Period, Seller agrees that Buyer and the Buyer Related Parties may enter upon the Sale Parcel in order to inspect the Sale Parcel and to conduct reasonable soil tests, engineering studies and surveys, so long as such activities do not damage the Sale Parcel or impair the drainage of the Sale Parcel and so long as all persons entering the Property have liability insurance with coverage of no less than \$1,000,000 per occurrence, proof of which has been provided to Seller and which names Seller as an additional insured; provided, however, Buyer shall keep the Sale Parcel free and clear of any mechanics' liens or materialmen's liens arising out of any such activities, and, provided further, Buyer shall defend, indemnify and hold Seller harmless from and against any/all costs, expenses, damages and claims by third parties arising out of the acts or omissions of Buyer or any Buyer Related Party in performing such activities. During the Review Period, Buyer may terminate this Agreement with written notice to Seller and Escrow Holder; such termination will not be considered a default, and all Deposits then held in Escrow and not previously released to Seller will be refunded to Buyer (less Buyer's share of applicable escrow fees and charges) without requiring the consent of Seller. If Buyer does not terminate this Agreement, Buyer will be deemed to have (a) approved or waived any matters relative to the foregoing inspections, studies, etc., along with any other contingencies set forth in this Agreement of which it became aware during the Review Period or prior to the execution of this Agreement, and (b) acknowledged ample opportunity to review and inspect the Sale Parcel, the documents related thereto, and to make such independent factual, physical and legal examinations and inquiries as Buyer deems necessary or desirable with respect to the Sale Parcel and documents and other material provided to Buyer in accordance with this Agreement.

As of the date of the expiration of the Review Period, Buyer will have examined and inspected the Property and will know and be satisfied with the physical condition, quality, quantity, and state of repair of the Real Property in all respects and shall have determined that the same is acceptable to Buyer "AS-IS." Buyer acknowledges that, except for Seller's representations, warranties and covenants set forth in this Agreement, Buyer is acquiring the Property in "AS-IS" condition solely in reliance on its own inspections and examination and its own evaluation of the Property. Buyer agrees that, other than as set forth in this Agreement or in any document provided to Buyer by Seller, no representations, statements or warranties have at any time been made by Seller or Seller's agents as to the physical condition, quality, quantity, or state of repair of the Real Property or related to the operation or prospects for the Real Property. Buyer acknowledges that Buyer is a sophisticated investor, knowledgeable and experienced in the financial and business risks attendant to an investment of real property and capable of evaluating the merits and risks of entering into this Agreement and purchasing the Property, and Buyer acknowledges and agrees that during the Review Period: (i) Buyer will review all instruments, records, and documents which

Buyer deems appropriate and advisable to review in connection with this transaction, any of the entitlements, architectural drawings, plans, specifications, surveys, building and occupancy permits, and any licenses, contracts, warranties and guarantees relating to the Real Property, and Buyer, by proceeding with this transaction following the expiration of the Review Period, will be deemed to have determined that the same and information and data contained therein and evidenced thereby are satisfactory to Buyer; (ii) Buyer will review all applicable laws, ordinances, and governmental regulations (including but not limited to those relative to building, zoning, and land use) affecting the development use, occupancy, or enjoyment of the Real Property; (iii) Buyer will, at its own cost and expense, make its own independent investigation respecting the Real Property and is relying thereon and on the advice of its consultants in entering into this Agreement and, by proceeding with this transaction following the expiration of the Review Period, will be deemed to have determined that the same are satisfactory to Buyer; and (iv) except for Seller's representations, warranties and covenants herein, Buyer expressly waives and relinquishes any rights it may have under, and specifically releases Seller from any liability with respect to, any laws or regulations requiring disclosure of natural hazards affecting the Real Property except as expressly provided herein, any rights of set-off, reduction of purchase price or other similar rights, and any claims of warranty or representations regarding income potential, specific uses(s), merchantability or fitness of the Property for a particular purpose.

5. **Possession of Sale Parcel at Escrow Closing and Conditions to Closing.** Buyer shall be entitled to possession of the Sale Parcel at the Escrow Closing.

6. **Title**

6.1. Condition of title. Fee title to the Sale Parcel is to be conveyed to Buyer free and clear of all liens, encumbrances and obligations, excepting only:

6.1.1. Items set forth in Subparagraphs 3.5.3.1, 3.5.3.2., and other matters disclosed to Buyer and/or of record.

6.2. Evidence of title. Evidence of title to the Sale Parcel shall be by an extended owner's California Land Title Association (CLTA) policy of Title Insurance insuring Buyer in the amount of the Purchase Price and fee title to the Sale Parcel is vested in Buyer.

7. **Delivery of Documents to Escrow Holder by Seller.** Seller hereby covenants and agrees to deliver to Escrow Holder on or prior to the Escrow Closing the Grant Deed, duly executed and acknowledged by Seller and conveying the Sale Parcel to Buyer, as set forth in Section 3.3 above, and such other and further documents as Escrow Holder may reasonably require to complete the transaction contemplated herein.

8. **Delivery of documents and funds to Escrow Holder by Buyer.** Buyer hereby covenants and agrees to deliver to Escrow Holder on or prior to the Escrow Closing for disbursement as provided in the Agreement:

8.1. Any documents which Buyer is obligated to sign or countersign hereunder.

8.2. Buyer's funds in accordance with Paragraph 2 and 3 hereof made payable to Escrow Holder, plus Buyer's Title Insurance costs, Escrow closing fees and charges as are reasonably determined by Escrow Holder.

8.3 Such other and further documents as Escrow Holder may reasonably require to complete the transaction contemplated herein.

9. **Representations, warranties, disclosures and disclaimers by Seller.** Seller hereby makes the following representations and warranties to Buyer, each of which, unless otherwise noted herein, is material and may be reasonably relied upon by Buyer, and is true in all respects as of the date of this Agreement.

9.1. **Actions, suits or proceedings and mechanics' liens.** Seller is the fee simple owner of the Sale Parcel, and Seller, and the signatory of Seller for and on behalf of Seller, is/are duly authorized, to enter into this Agreement and to perform the covenants and transactions set forth herein. Neither the execution of this Agreement by Seller nor the performance of its terms shall constitute a violation or breach by Seller under any Agreement by which it or the Sale Parcel is bound or shall result in the violation by Seller of any judgment, order, decree or ruling of any court, governmental or administrative body having jurisdiction over the Seller, the Sale Parcel, or Seller's business, or, to the best of Seller's actual knowledge, shall result in a violation of any currently applicable law, rule, order or regulation of any governmental authority. Seller has not received notice of, and has no actual knowledge of, any actions, suits, or proceedings which are pending or threatened before any governmental department, commission, board, bureau, agency or instrumentality that would materially and adversely affect the Sale Parcel or the right to occupy or utilize it. To the best of Seller's actual knowledge, there are no unsatisfied mechanic's or materialman's liens concerning the Sale Parcel.

9.2. **No Prior Options, Sales or Assignments.** Seller has not granted any options nor obligated itself in any manner whatsoever to sell the Sale Parcel, or any portion thereof, to any party other than Buyer.

9.3. **Environmental Compliance.** Seller has no actual knowledge of the release of any Hazardous Substances (as hereinafter defined) onto the Land in violation of any applicable Environmental Laws (as hereinafter defined) or of any underground tanks on or adjacent to the Property, except as disclosed in the environmental reports delivered to Buyer under this Agreement. As used herein, "***Hazardous Substances***" shall mean asbestos (whether or not friable), petroleum and petroleum derivatives and products, and any substance, chemical, waste or other material which is listed, defined or otherwise identified as "hazardous" or "toxic" under any Environmental Laws. As used herein, "***Environmental Laws***" shall mean, collectively, all currently applicable laws (whether common law, statute, rule, regulation, ordinance or otherwise), the requirements of governmental authorities and any permits and guidance issued pursuant thereto by any governmental authorities relating to human health or the environment, including, without limitation federal, state or local ordinance or law or any administrative agency rule or determination the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, 42, U.S.C. §§ 9601 et seq., the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 6901 et seq., the Hazardous Materials Transportation Act,

as amended, 49 U.S.C. §§ 1801 et seq., the Toxic Substance Control Act, as amended, 15 U.S.C. §§ 2601 et seq., the Clean Air Act, 42 U.S.C. §§ 7401 et seq., the Clean Water Act of 1977, 33 U.S.C. § 1251 et seq., the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §§ 136 et seq., the Occupational Safety and Health Act of 1970, 29 U.S.C. §§ 651 et seq., California Health and Safety Code, and in any regulations promulgated pursuant to the foregoing.

9.4. OFAC Compliance. Neither Seller, nor, to Seller's knowledge, any person or entity who owns an interest in Seller, is a person or entity with whom Buyer is restricted from doing business under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, H.R. 3162, Public Law 107-56 (commonly known as the "USA Patriot Act" or Executive Order Number 13224 on Terrorism Financing, effective September 24, 2001 and regulations promulgated pursuant thereto (collectively, "**Anti Terrorism Laws**"), including without limitation any persons named on the U.S. Department of the Treasury's Office of Foreign Asset Control ("**OFAC**") Specially Designated Nationals and Blocked Persons List. Seller is currently in compliance with, and shall at all times during the term of this Agreement remain in compliance with, the Anti-Terrorism Laws and any statute or executive order relating thereto.

9.5. Not a Foreign Person. Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended.

9.6. Bankruptcy. No attachment, execution proceedings, assignment for the benefit of creditors, insolvency, bankruptcy, reorganization for the benefit of creditors, or other similar proceedings are, to Seller's knowledge, pending against Seller.

9.7 Leases. Seller has no actual knowledge of any written or oral leases, tenancies, licenses or other rights of occupancy or use for all or any portion of the Sale Parcel.

9.8. Condemnation. Seller has no actual knowledge of any existing or threatened proceeding of any entity to condemn the Sale Parcel; or take any part thereof under the right of eminent domain. In the event an eminent domain proceeding is commenced before the Escrow Closing, Seller or Buyer shall have the right to terminate this Agreement, whereupon Seller shall return Buyer's Deposits, and this Agreement shall be null and void.

9.9. True and Correct Documents. To Seller's actual knowledge, all copies of documents furnished to Buyer by Seller or its counsel in connection with this transaction are true, correct and complete copies of the originals, without warranty or representation concerning the contents of said documents.

9.10. Compliance. Seller has no actual knowledge of any aspect or condition of the Sale Parcel which violates currently applicable laws, rules, regulations, codes, covenants, conditions or restrictions, or of improvements or alterations made to the Sale Parcel without a permit where one was required, or of any unfulfilled order or directive of any applicable governmental agency, or of any casualty insurance company that any work of investigation, remediation, repair, maintenance or improvement is to be performed on or with respect to the Sale Parcel.

9.11. Capital Projects. There are no ongoing capital improvement projects or capital expenditures that have commenced on or before the Effective Date that will not be completed prior to Escrow Closing.

9.12. Property Tax Appeals. Seller has not commenced and is not a party to any property tax appeal with respect to any portion of the Property that is pending as of the Effective Date.

10. Buyer's Representations, Warranties and Obligations. Buyer hereby makes the following representations and warranties to Seller, each of which, unless otherwise noted herein, is material and may be reasonably relied upon by Seller, and is true in all respects as of the date of this Agreement.

10.1. Authority. Buyer represents and warrants to Seller that, as of the date of this Agreement, it is a California corporation duly organized, validly existing and in good standing under the laws of the state of California with all the requisite corporate power and authority to execute, deliver and enter into and perform its obligations under this Agreement. Further, Buyer is duly qualified to do business and is in good standing in every jurisdiction where the character of the business being conducted by Buyer requires such qualification, and in which failure to so qualify would not have a material adverse effect on Buyer. Further, neither the signing nor the delivery of this Agreement, nor the consummation of the transactions contemplated herein, will conflict with, or result in the breach of, or constitute a default under any of the provisions of any corporate restrictions or any Agreement or instrument to which Buyer is a party or to which it is bound nor is the consent of any other person required for Buyer to enter into this Agreement or fulfill Buyer's obligations hereunder. Further, Buyer has taken, or caused to be taken, all necessary corporate action to authorize the execution, delivery, and performance of this Agreement, and this Agreement constitutes a valid and binding obligation of Buyer in accordance with its terms.

10.2. OFAC Compliance. Neither Buyer, nor, to Buyer's knowledge, any person or entity who owns an interest in Buyer, is a person or entity with whom Buyer is restricted from doing business under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, H.R. 3162, Public Law 107-56 (commonly known as the "USA Patriot Act" or Executive Order Number 13224 on Terrorism Financing, effective September 24, 2001 and regulations promulgated pursuant thereto (collectively, "**Anti Terrorism Laws**"), including without limitation any persons named on the U.S. Department of the Treasury's Office of Foreign Asset Control ("**OFAC**") Specially Designated Nationals and Blocked Persons List. Buyer is currently in compliance with, and shall at all times during the term of this Agreement remain in compliance with, the Anti-Terrorism Laws and any statute or executive order relating thereto.

10.3. Buyer's Obligations. Buyer shall timely perform all of the obligations required by the terms of this Agreement to be performed by Buyer. All representations and warranties made by Buyer to Seller in this Agreement shall be true and correct in all material respects as of Escrow Closing.

10.3.1. Proof of Authority. Prior to Escrow Closing, or as otherwise required by the Escrow Holder, Buyer shall provide such proof of Buyer's authority and authorization to enter into this Agreement, and proof of the power and authority of the individual(s) executing and/or delivering any instruments, documents or certificates on behalf of Buyer as may be reasonably required by Escrow Holder and/or Seller.

10.3.1. Notice to Seller. If Buyer should discover during its investigation of the Sale Parcel any hazardous substance or material (as determined under federal, state or local law then in effect), asbestos, or asbestos-bearing materials or other environmental condition subject to legal requirements for corrective or remedial action and which has not previously been disclosed to Buyer by Seller, Buyer shall immediately notify Seller in writing of the same. Buyer shall not be liable to Seller for any damage incurred by Seller whatsoever arising from or in connection with any disclosures of environmental contaminants or problems made or expressed to any governmental or quasi-governmental entity.

11. Default.

11.1 Seller Default. If Seller defaults in its obligations under this Agreement on or before the Closing, Buyer may elect either (i) to terminate this Agreement, whereupon the Escrow Agent shall immediately return the Deposit to Buyer, Seller shall reimburse Buyer for Buyer's actual out-of-pocket due diligence costs and expenses up to \$200,000, including Buyer's reasonable attorney's fees, (which reimbursement requirement shall survive any termination of this Agreement) and both Seller and Buyer shall thereafter be relieved of any further obligations and liability under this Agreement except to the extent such obligations expressly survive such termination as provided elsewhere in this Agreement, or (ii) to pursue a remedy of specific performance of Seller's obligation to convey the Property to Buyer. In the event of any material breach of a representation or warranty of Seller set forth in this Agreement, which is not discovered by Buyer until after the Closing, Buyer shall have the right to pursue any and all remedies available to Buyer at law or in equity.

11.2 FAILURE TO CLOSE/LIQUIDATED DAMAGES. IF, AFTER THE EXPIRATION OF THE DUE DILIGENCE PERIOD, THIS TRANSACTION FAILS TO CLOSE FOR ANY REASON OTHER THAN A SELLER DEFAULT AFTER APPLICATION OF SECTION 11.3 BELOW OR A TERMINATION OF THIS AGREEMENT UNDER SECTION 9.8, THE INITIAL DEPOSIT (AND SECOND DEPOSIT IF DEPOSITED BY BUYER AS OF THE DATE OF TERMINATION OF THIS AGREEMENT), PLUS ANY INTEREST ACCRUED THEREON, SHALL BE PAID TO AND RETAINED BY SELLER AS LIQUIDATED DAMAGES. THE AMOUNT PAID TO AND RETAINED BY SELLER AS LIQUIDATED DAMAGES SHALL BE SELLER'S SOLE AND EXCLUSIVE REMEDY IN SUCH CIRCUMSTANCES. THE PARTIES HERETO EXPRESSLY AGREE AND ACKNOWLEDGE THAT SELLER'S ACTUAL DAMAGES IN THE EVENT OF A FAILURE OF THIS TRANSACTION TO CLOSE WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO ASCERTAIN AND THAT THE AMOUNT OF THE INITIAL DEPOSIT (AND ADDITIONAL DEPOSIT IF DEPOSITED BY BUYER AS OF THE DATE OF TERMINATION OF THIS AGREEMENT) REPRESENTS THE PARTIES' REASONABLE ESTIMATE OF SUCH DAMAGES. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS

NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. SELLER HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTIONS 1680 AND 3389. SELLER HEREBY WAIVES THE BENEFIT OF ANY APPLICABLE STATUTE TO THE EXTENT INCONSISTENT WITH THE TERMS OF THIS SECTION 11.2. SELLER SHALL HAVE NO OTHER REMEDY WHETHER AT LAW OR EQUITY FOR ANY FAILURE OF THE CLOSING OF THE TRANSACTION, INCLUDING WITHOUT LIMITATION INDIRECT, SPECULATIVE, CONSEQUENTIAL OR PUNITIVE DAMAGES.

SELLER'S INITIALS: AB

BUYER'S INITIALS: AB AA

11.3 Notwithstanding anything in this Agreement to the contrary, in the event of a default by Seller or Buyer under this Agreement, prior to pursuing any remedies under this Section 11, the non-defaulting party shall provide the defaulting party with written notice of such default and the defaulting party shall have ten (10) days to fully cure such default; provided, however, that the notice and cure period set forth in this Section 11(c) shall not be applicable to either party's failure to timely close.

11.4 **Survival.** The provisions of this Section 11 shall survive the Closing or termination of this Agreement for one year.

11.5 **Resolution of Disputes/Judicial Reference.** In any court proceeding, to the fullest extent allowed by law, the parties hereby waive their right to a jury trial and agree that any action or proceeding between the parties related in any way to this Agreement shall be tried by a judge sitting as the trier of fact without a jury. If this jury waiver is found to be invalid, then the parties agree that all questions of fact or law shall be submitted to a referee in accordance with Code of Civil Procedure Section 638 et seq., for issuance by the referee of a Statement of Decision as to all such matters. The parties agree that the referee shall be a retired judge who served as a judge for no less than ten years to be mutually agreed upon between the parties. If the parties are unable to agree, any party may request an appointment of the referee by the presiding judge of the Superior Court of the County in which the Property is located.

12. **Brokers.** Buyer and Seller warrant and represent they have not employed any broker, real estate agent or finder in connection with this transaction. Each party agrees to defend, indemnify and hold harmless the other party from any claims, expenses, costs, losses or liabilities arising in connection with a breach of that party's representations, warranties, or covenants under this Section 12.

Broker representing Buyer: none
Broker representing Seller: none

The parties hereto acknowledge that Peter G. Herzog, a principal of Buyer, is a licensed real estate broker in the State of California.

13. **General Provisions.** Reserved.

14. **Assignment and Notices.** Prior to the Escrow Closing, Buyer may assign its interests and obligations under this Agreement to an affiliated third party without consent of the Seller; provided, Buyer and the assignee shall remain fully responsible, and jointly and severally liable, to Seller for the Buyer's duties, warranties and obligations set forth in this Agreement. Any other assignment shall be voidable at the option of Seller.

15. **Notices.** All notices and demands shall be in writing and made by (a) personal delivery, (b) generally recognized overnight courier service; deemed received upon delivery to the recipient, (c) facsimile; deemed received on the date of transmission (provided the sender retains a printed confirmation of delivery to the facsimile number provided below and deposits a copy of the notice in the United States Postal Service, first class mail, with postage prepaid), or (d) deposit in the United States Postal Service, certified or registered mail, return receipt requested, with postage prepaid; deemed received three (3) days following deposit. All notices shall be addressed as appears below for the respective parties, provided that if any party gives notice of a change of name, address, or facsimile number, notices to such party thereafter shall be given as specified in that notice.

Seller: Regional Housing Authority
c/o Gustavo Becerra, Executive Director
1455 Butte House Road
Yuba City, CA 95993
530.671.0220 ext. 113
Email: g.becerra@regionalha.org

Buyer: Central California Housing Corporation, or Nominee
3128 Willow, Ste. 101
Clovis, CA 93612
Attention: Austin Herzog
559.292.3385 (Phone)
559.292.3376 (fax)
Email: LDoyle@ahdcinc.com

Sutter Community Affordable Housing
c/o Gustavo Becerra, Secretary/Treasurer
1455 Butte House Road
Yuba City, CA 95993
530.671.0220 ext. 113
Email: g.becerra@regionalha.org

Escrow: First American Title Company
Attn: Ann A. Kay
211 E. Caldwell Avenue
Visalia, CA 93277
(559) 635-6803
Email: akay@firstam.com

16. **Time of the Essence.** Time is of the essence of this Agreement and any amendments hereto.

17. **Amendments.** Any amendment to this Agreement and instructions issued in accordance herewith shall be effective only when duly executed by Buyer and Seller and deposited with Escrow Holder.

18. **Mutual Covenants.** In consideration of the mutual promises of the parties hereto, and of the execution of this Agreement by the parties, each party hereby agrees in good faith to utilize its best efforts in connection with the performance of all obligations hereunder, and in connection with the taking of any and all actions necessary with respect to any investigation, review, or other procedure required in order to enable such party to grant or withhold its consent or approval as provided for herein, it being the intention of each party that such covenant of good faith and utilization of reasonable commercial efforts shall be deemed sufficient and valid consideration for the promises of each party hereunder. Wherever any consent or approval of a party is required hereunder, such party shall not withhold such consent or approval unreasonably, it being understood that the standard of reasonableness shall be determined with reference to the standard of a reasonably prudent investor having experience and sophistication in the purchase of real property of the type covered by this Agreement.

19. **Independent Consideration.** Upon deposit of this Agreement into Escrow, concurrently therewith and in addition to the Initial Deposit, Buyer shall deliver to Escrow the amount of One Hundred Dollars (\$100.00) (the "**Independent Consideration**"). The Independent Consideration shall be non-refundable to Buyer and is independent consideration for the rights and options extended to Buyer under this Agreement, including, without limitation, the right and option to terminate this Agreement as provided herein. The Independent Consideration shall be disbursed to Seller immediately following Buyer's deposit thereof into Escrow. In all instances under this Agreement in which Buyer elects to terminate or is deemed to have terminated this Agreement, and the Deposit(s), or a portion thereof, is/are returned to Buyer, Seller shall retain the Independent Consideration when the Deposit(s) is/are returned to Buyer. The Independent Consideration shall not be applicable to the Purchase Price or treated as consideration given by Buyer for any purpose other than as is herein provided. The parties intend and agree that the amount of Independent Consideration is sufficient consideration for the rights and options extended to Buyer under this Agreement, and that it satisfies the threshold for sufficient consideration for such rights and options.

20. **Entire Agreement.** This Agreement supersedes any prior Agreement, oral or written, and contains the entire Agreement between Buyer and Seller as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or

to an employee, officer, agent or representative of either party shall be of any effect unless it is in writing and executed by the party(ies) to be bound thereby.

21. **Further Assurances.** Each party agrees to execute such other and further instructions as may be reasonably necessary in order to consummate the transaction contemplated by this Agreement.

22. **Construction.** This Agreement shall be construed as a whole and in accordance with its fair meaning. Captions and organizations are for convenience and shall not be used in construing meaning. This Agreement shall be construed as jointly conceived and drafted.

23. **1031 Exchange.** Buyer agrees to cooperate with Seller if Seller chooses to pursue an IRS Code §1031 type tax deferred exchange with respect to the sale of the Sale Parcel, at no cost to or obligation of Buyer, so long as the timing of such exchange does not inhibit the tax credit closing deadlines imposed by CTCAC, and so long as Buyer is not obligated to acquire any property from, for or on behalf of Seller, other than acquire the Sale Parcel.

24. **Non-disclosure.** Buyer agrees not to disclose the terms of this Agreement, or related purchase documentation, to third parties, except to Buyer's accountants, employees, agents, lenders and legal counsel to the extent required in connection with project financing, entitlements, waivers, grants or other project development elements and/or incentives.

25. **No Waiver.** The waiver by either party of the performance of any covenant, condition or promise, including the time for performance thereof, shall not invalidate this Agreement, nor shall it be considered a waiver of any other covenant, condition or promise. The exercise of any remedy provided by law or by the provisions in this Agreement shall not exclude any other remedy, unless it is expressly excluded.

26. **Attorneys' Fees.** Should either party institute any action or proceeding in court or arbitration to enforce any provision hereof, the prevailing party shall be entitled to receive from the non-prevailing party such amount as the court or arbitrator may adjudge to be reasonable attorneys' fees and costs incurred by the prevailing party in such action or proceeding.

27. **Survival.** All covenants herein which by their terms remain executory, and all conditions herein which by their terms may not be satisfied and have not been excused as of the Escrow Closing, shall not be merged into the grant deed and shall survive the Escrow Closing for no more than one year.

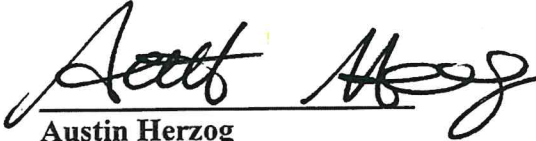
28. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to its conflict of law principles. Venue for any matter initiated with respect to this Agreement shall be Sutter County, California.

[signature blocks on the following page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

BUYER:

**Central California Housing Corporation,
a California corporation, or its nominee**

By: 
Austin Herzog
Its: President

Date: 2-16-2023

SELLER:

**Regional Housing Authority, a public body,
corporate and politic organized under the
laws of the State of California**

By: 
Gustavo Becerra
Its: Executive Director

Date: 2/16/2023

**Sutter Community Affordable Housing,
a California nonprofit public benefit
corporation**

By: 
Gustavo Becerra
Its: Secretary/Treasurer

Date: 2/16/2023

EXHIBIT "A"
SALE PARCEL

EXHIBIT "A"

LOT 12 LEGAL DESCRIPTION

All that certain real property situate in the City of Yuba City, County of Sutter, State of California described as follows:

Being a portion of Lot 3 as shown on that certain map filed for record on December 13, 1923 entitled "Plat of the Subdivision of the Briggs Orchard" in Book 5 of Surveys, at Page 8, Sutter County Official Records and being more particularly described as follows:

COMMENCING at the center of the cul-de-sac of James Lane as shown on that certain map entitled "Plat of Survey of Streets in Richland Housing Project Cal 48-2" filed for record on May 15, 1964 in Book 6 of Surveys, at Page 46, Sutter County Official Records;

Thence, along the centerline of James Lane, North 39°26'40" West, 25.00 feet to an angle point in said James Lane as shown on said Map;

Thence, leaving said centerline, North 39°26'40" West, 25.00 feet to the northwesterly right-of-way line of James Lane as shown on said Map;

Thence, along the northwesterly right-of-way line of James Lane, North 50°33'20" East, 325.22 feet to the beginning of a 20.00 foot radius curve, concave westerly;

Thence, along said northwesterly right-of-way line, Northerly, 31.43 feet along said curve, through a central angle of 90°03'00" to the southwesterly right-of-way line of Miles Avenue as shown on said Map;

Thence, along the southwesterly right-of-way line of Miles Avenue, North 39°29'40" West, 44.70 feet to the beginning of a 20.00 foot radius curve, concave southerly as shown on said Map;

Thence, along the southwesterly right-of-way line of Miles Avenue, Westerly, 31.42 feet along said curve, through a central angle of 90°01'25" to the southeasterly right-of-way line of Garden Highway as shown on said Map;

Thence, along the southeasterly right-of-way line of Garden Highway, South 50°28'55" West, 400.62 feet to an angle point in said right-of-way line;

Thence, along said right-of-way line, South 52°47'50" West, 230.17 feet to the **TRUE POINT OF BEGINNING** of the herein described property;

Thence, leaving said right-of-way line, South 43°22'39" East, 209.03 feet;

Thence North 53°11'31" East, 162.93 feet to the westerly right-of-way line of James Lane;

Thence, along said right-of-way line, South 13°15'15" West, 65.84 feet to the beginning of a 237.50 foot radius curve, concave easterly;

Thence, continuing along said right-of-way, Southeasterly, 234.75 feet along said curve through a central angle of 56°37'54";

Thence, continuing along said right-of-way, South 43°22'39" East, 101.30 feet to the southerly line of that certain parcel described in that certain deed between the United States of America and the Housing Authority of the County of Sutter filed for record on March 27, 1974 in Official Record Book 826, at page 2 in the Sutter County Official Records. Said point also being located on the northerly line of Parcel 2 as said Parcel is shown on that certain Map filed for record April 15, 1992 in Book 5 of Parcel Maps, at page 81 in the Sutter County Recorder's Office;

Thence along the northerly line of said Parcel 2 and Parcel 1 as shown on said Map, North 76°34'12" West, 724.42 feet to the northwesterly corner of said Parcel 1, said point also being located on a 958.00 foot radius non-tangent curve concave southeasterly from which point the radius point bears South 40°52'52" East, said point being located on the southeasterly right-of-way line of Garden Highway per said Map;

Thence Northeasterly, 3.57 feet along said curve and the Garden Highway right-of-way line, through a central angle of 00°12'49" to a point of non-tangency, from which the radius point bears South 40°40'03" East;

Thence, along the right-of-way of Garden Highway, North 52°47'50" East, 395.31 feet to the point of beginning.

Containing 2.86 acres (124,440 square feet) more or less. A portion of APN 53-470-087

The basis of bearings for the above described property is the line between found monuments located on the boundary line of the "Remainder" property labeled as South 17°20'34" East, 475.62 feet as shown on that certain map entitled "Parcel Map No. 871 Airport Business Park" filed for record on April 15, 1992 in Book 5 of Parcel Maps, at Page 81, Sutter County Official Records.

Mark R. Herrick

NorthStar Engineering

Mark R. Herrick PLS 8323



10-3-2011

Date

Appraisal Of

Garden Grove Apartments Site

2.18-acres

Assessor Parcel Number: 53-470-087

**Parcel East of Garden Highway and West of McKeehan Drive
Yuba City, CA 95991**

Effective Date: January 23, 2023

Report Date: February 2, 2023

Erik Holland

Affordable Housing Development Corporation

**3128 Willow Avenue, Suite 101
Clovis, CA 93612**

KINETIC VALUATION GROUP, INC.

**Southern California
PO Box 68
Corona Del Mar, California
(818) 914-1892**

**Midwest Omaha
3901 S 147th Street, Suite 144
Omaha, Nebraska
(402) 202-0771**



February 2, 2023

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www.KineticValuationGroup.com

Erik Holland
Affordable Housing Development Corporation
3128 Willow Avenue, Suite 101
Clovis, CA 93612

Re: Land Appraisal of Garden Grove Apartments Site
Parcel East of Garden Highway and West of McKeehan Drive
Yuba City, CA 95991
Assessor Parcel Number: 53-470-087

Dear Mr. Holland:

We are pleased to present our findings with respect to the value of the above-referenced property. The intended users of this report include Affordable Housing Development Corporation and their assigns. TCAC (California Tax Credit Allocation Committee), and any other funding agencies, partnerships formed, and/or lenders. may rely upon the report as an intended user related to the low income housing tax credits application. The intended use is for application purposes and investment analysis decisions.

This valuation engagement was conducted in accordance with the Code of Professional Ethics and Standards of Valuation Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice (USPAP). In accordance with these standards, we have reported our findings herein in an appraisal report as defined by USPAP.

Our value conclusions were based on general economic conditions as they existed on the date of the analysis and did not include an estimate of the potential impact of any sudden or sharp rise or decline in general economic conditions from that date to the effective date of our report. Events or transactions that may have occurred subsequent to the effective date of our opinion have not been considered. We are not responsible to update or revise this report based on such subsequent events, although we would be pleased to discuss with you the need for revisions that may be occasioned as a result of changes that occur after the valuation date.

As a result of our investigation and analysis, it is our opinion that subject to the limiting conditions and assumptions contained herein, our opinion of the market value of the fee simple interest in the Subject, free and clear of financing, as of January 23, 2023, is:

Value Conclusion	
Market Value of Land as of January 2023	\$1,430,000

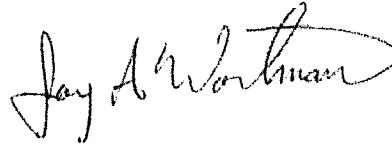
We appreciate this opportunity to be of service. Please contact us if you have any comments or questions.

Respectfully submitted,

KINETIC VALUATION GROUP, INC.



Amanda Baker, MAI
Appraiser
amanda@kvgteam.com
(402) 305-1693
Certified General
CA - 3002360
Expiration: 7/14/2024



Jay Wortmann, MAI
Appraiser
jay@kvgteam.com
(402) 202-0771
Certified General
CA - 3001293
Expiration: 9/10/2023

TABLE OF CONTENTS

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ADDENDA

FACTUAL DESCRIPTION

Property Identification

The property appraised is located east of Garden Highway and west of McKeehan Drive, identified as Assessor's Parcel Number 53-470-087, located in Yuba City, Sutter County, CA. The site area is 2.18 acres and is currently vacant. The developer plans to construct 50 multifamily units that will be income-restricted, as per LIHTC guidelines. Photos of the Subject have been included in the Addenda.

Intended Use and Intended Users of Appraisal

The intended users of this report include Affordable Housing Development Corporation and assigns. Additional intended users include California Tax Credit Allocation Committee (TCAC), California Debt Limit Allocation Committee (CDLAC), and any other funding agencies, partnerships formed, and/or lenders. The intended use is for application purposes and investment analysis decisions.

Compliance and Competency Provision

We are aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations.

Unavailability of Information

In general, all information necessary to develop an estimate of value of the Subject property was available to the appraisers.

Legal Description

Included in the Addenda.

Property Interest Appraised

The property interest appraised is the fee simple estate.

Market value is defined as:

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 and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of 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 acting in what they consider their best interest;
3. A reasonable time is allowed for exposure in the open market;



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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 normal considerations for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

Date of Inspection and Effective Date of Appraisal

The Subject was inspected and photographed on January 23, 2023. This shall be the effective date of the appraisal.

Scope of Appraisal

As part of this appraisal, we have completed the following steps to gather, confirm, and analyze the data.

- James Wettengel performed a physical inspection of the property and the Subject's neighborhood January 23, 2023.
- The identification of the property to be appraised is based on information provided by the client and the property representative.
- Regional, city, and county data were based on information obtained from newspaper articles, city of Yuba City, Sutter County, ESRI Demographics, the Bureau of Labor Statistics, and other resources available to the appraiser. This was performed by Amanda Baker, MAI.
- Data collection and analysis of market conditions currently affecting the county's real estate market on a national and regional level was conducted. This included, but was not limited to, the review and analysis of data pertaining to supply and demand for real estate properties, availability of financing and current financing terms, current interest and yield rates, buyer preferences, and economic forecasts. This was performed by Byron Lea, MAI.
- The research for land sales included Yuba City, and other surrounding areas from 2019 to the present. The market data was collected from the appraiser's office files, other appraisers, Realtors, newspapers articles, CoStar, title companies, LoopNet, and public records. This was performed by Byron Lea, MAI.
- The information gathered from these surveys and investigations was then analyzed, and comparisons were made to the property. The valuation process included the sales comparison approach. This was performed by Byron Lea, MAI.
- Jay Wortmann, MAI reviewed the report and concluded to the value, but did not inspect the site.

Ownership and History of Subject

Ownership of the site is vested in Regional Housing Authority of Sutter and Nevada Counties. We are not aware of any other prior transfers of the Subject property in the past three years, nor is the property exposed to the market.

¹ 7th Edition of The Dictionary of Real Estate Appraisal.

REGIONAL AND LOCAL AREA ANALYSIS

The Subject is located in the southeastern portion of Yuba City, California. Yuba City is located in the northern portion of California. It is the county seat of Sutter County and had a population of 60,925 at the 2010 census. The city lies along the Feather River which separates it from the adjacent Yuba County. Yuba City is located approximately 40 miles north of the state capital of Sacramento. Two of the state's major economic areas, the San Francisco Bay Area and Silicon Valley, are within a two to three-hour drive from the city. The city has developed through the years as a residential community that is the trading, and service center for the surrounding agricultural area.

Sutter County is strategically located in the Northern California's Central Valley within the Greater Sacramento area. The population was 94,737 at the 2010 census. The southern half of the county shares its borders with the counties of Sacramento, Yolo, and Placer. The neighbors of the northern half include Colusa, Butte, and Yuba counties. There are two incorporated cities in Sutter County: Yuba City and Live Oak. There are several unincorporated rural communities including Meridian, Nicolaus, East Nicolaus, Rio Oso, Robbins, Sutter and Trowbridge. The county is known for its rice, walnut, peach, tomato and prune production. The county is a short drive from the Interstate 80 and 5 corridors and is served by State Highways 20 and 99.

The Yuba-Sutter area (common name), or Yuba City, California Metropolitan Statistical Area (MSA) is smaller metropolitan area consisting of both Yuba and Sutter Counties. The area is anchored by Yuba City in Sutter County and the adjacent city of Marysville in Yuba County. The MSA had a population of 171,926 people at the 2010 census.

Transportation

Highway: California State Route 99 is a north/south highway stretching almost the entire length of the Central Valley. From its southern end at Interstate 5 near Wheeler Ridge to its northern end at State Route 36 near Red Bluff, it goes through the densely populated eastern parts of the valley. Cities served include Bakersfield, Delano, Tulare, Visalia, Kingsburg, Selma, Fresno, Madera, Merced, Turlock, Modesto, Stockton, Sacramento, Yuba City, and Chico. In Yuba City, it traverses through the central portion of the city and provides access to California State Route 20. It serves as the primary route connecting Yuba City to Sacramento.

California State Route 20 runs east/west across the northern central region of California, north of Sacramento. Its west end is at California State Route 1 in Fort Bragg, from where it heads east past Clear Lake, Colusa, Yuba City, Marysville, and Nevada City to Interstate 80 near Emigrant Gap, where eastbound traffic can continue on other routes to Lake Tahoe or Nevada. In Yuba City, it provides access to California State Route 99.

KVG

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California State Route 70 connects Sacramento with U.S. Route 395 near Beckwourth Pass via the Feather River Canyon. It begins at a partial interchange with California State Route 99 north of Sacramento and heads north along a four-lane mix of expressway and freeway. Just north of the Bear River crossing / Yuba County line, in Plumas Lake, it becomes a freeway for the second time, which continues to just beyond the Yuba River in Marysville. In Marysville, it provides access to California State Route 20.

Air: Sacramento International Airport (SMF) is public airport ten miles northwest of downtown Sacramento. SMF processes over 10 million passengers annually. Sixteen domestic and international passenger airlines service the airport, providing 43 non-stop destinations. Airlines which operate out of the airport are American Airlines, Air Canada, Delta, United Airlines, Aeromexico, Alaska Airlines, Boutique Air, Contour Airlines, Frontier, Hawaiian Airlines, Horizon, JetBlue, Southwest, Spirit, Sun Country, and Volaris. The Subject is located approximately 37 miles north of the airport.

Public Transportation

Yuba-Sutter Transit runs six local bus routes in Marysville, Yuba City, Linda, and Olivehurst, running hourly or half-hourly between 6:30 am and 6:30 pm Mondays through Saturdays. There is also weekday commuter and midday service to Sacramento along Routes 70 and 99; three rural routes to Live Oak, the Yuba County foothills, and Wheatland; and Dial-a-Ride service available to seniors and those with disabilities as both a paratransit and door-to-door service, with general public availability offered after 6:30 pm. The nearest bus stop is approximately 0.19 miles from the Subject.

Healthcare

Adventist Health and Rideout Memorial Hospital is a not for profit 209 bed short term acute care hospital in Marysville. It is the nearest full-service hospital to the Subject with services that include 24/7 emergency care, general medical/surgical care, intensive care, heart care, pain management care, urologic care, neurosurgery, cancer care, extended care services, a senior living/senior services campus and a full range of support and ancillary services. It is located approximately 1.72 miles from the Subject.

Senior Center

The Yuba City Senior Center is located 1.76 miles northwest of the Subject and offers seniors health seminars, physical fitness activities, artistic expression groups, intellectual exchange, stimulating travel and the maintenance of a comfortable social atmosphere.

DELINEATION OF MARKET AREA

Primary and Secondary Market Area

For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

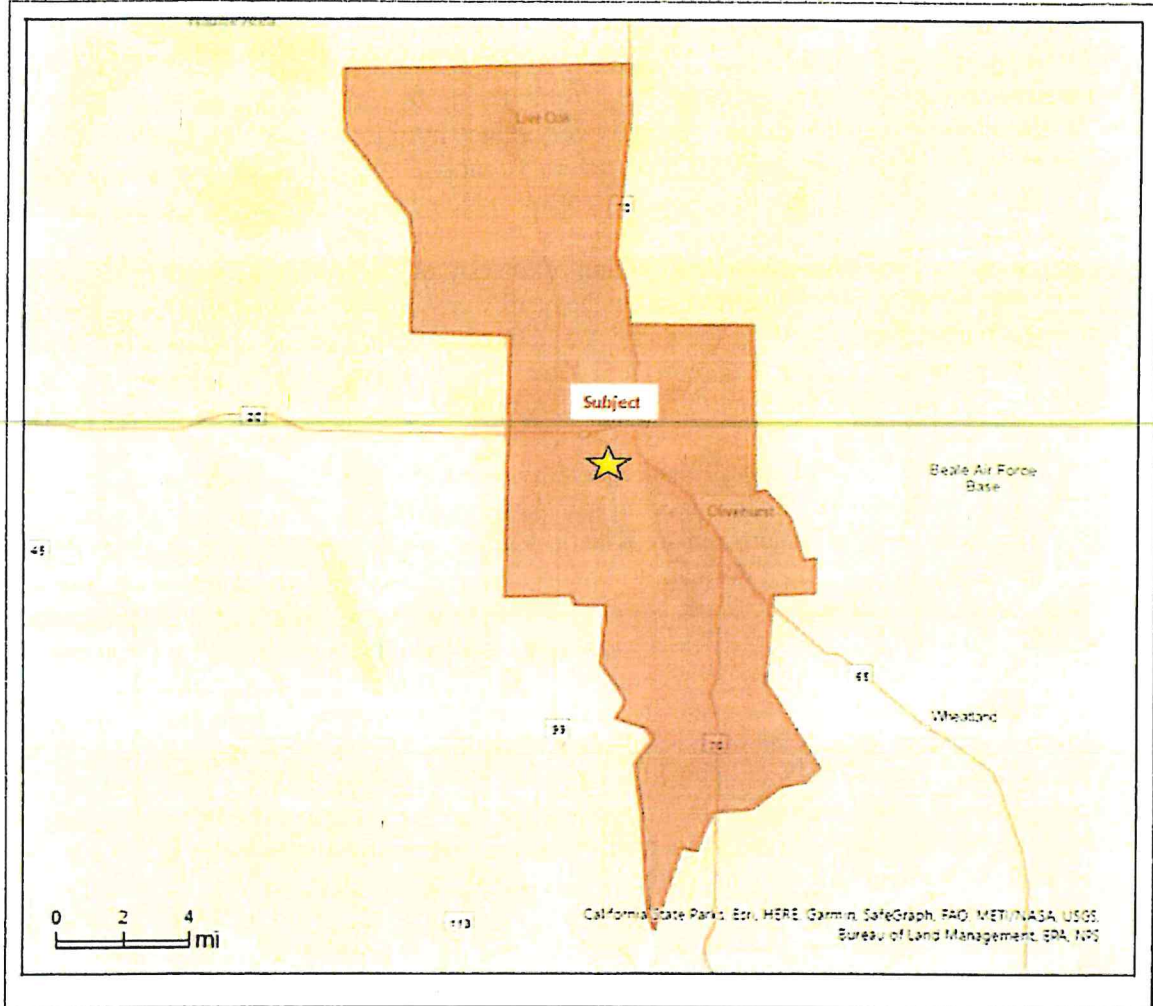
The Subject is located in the eastern portion of the city of Yuba City within Sutter County. The city is separated by the Feather River from the nearby city of Marysville within Yuba County. The primary market area (PMA) for the Subject is defined as census county divisions (CCD) of Yuba City, Marysville, Olivehurst, Linda, and Live Oak. This area encompasses the primarily metropolitan portion of the Yuba City, CA MSA which is primarily rural beyond the PMA.

The PMA boundaries and overall market health assessment are based upon analyses of physical boundaries, which include traffic and commute patterns within the area, surveys of existing market rate apartment projects undertaken by Kinetic Valuation Group, Inc., and insights gained from resident managers, zoning information, and others familiar with the multifamily market. We recognize several sub-markets exist within this PMA; however, market data demonstrates that a significant amount of the renter base considers housing opportunities within these boundaries. Given the opportunity to locate good quality multifamily housing, the renter base will move within these areas. We anticipate the majority of demand will be generated from this geographic area. However, leakage is expected from outside the PMA from other parts of the Yuba City, CA MSA.

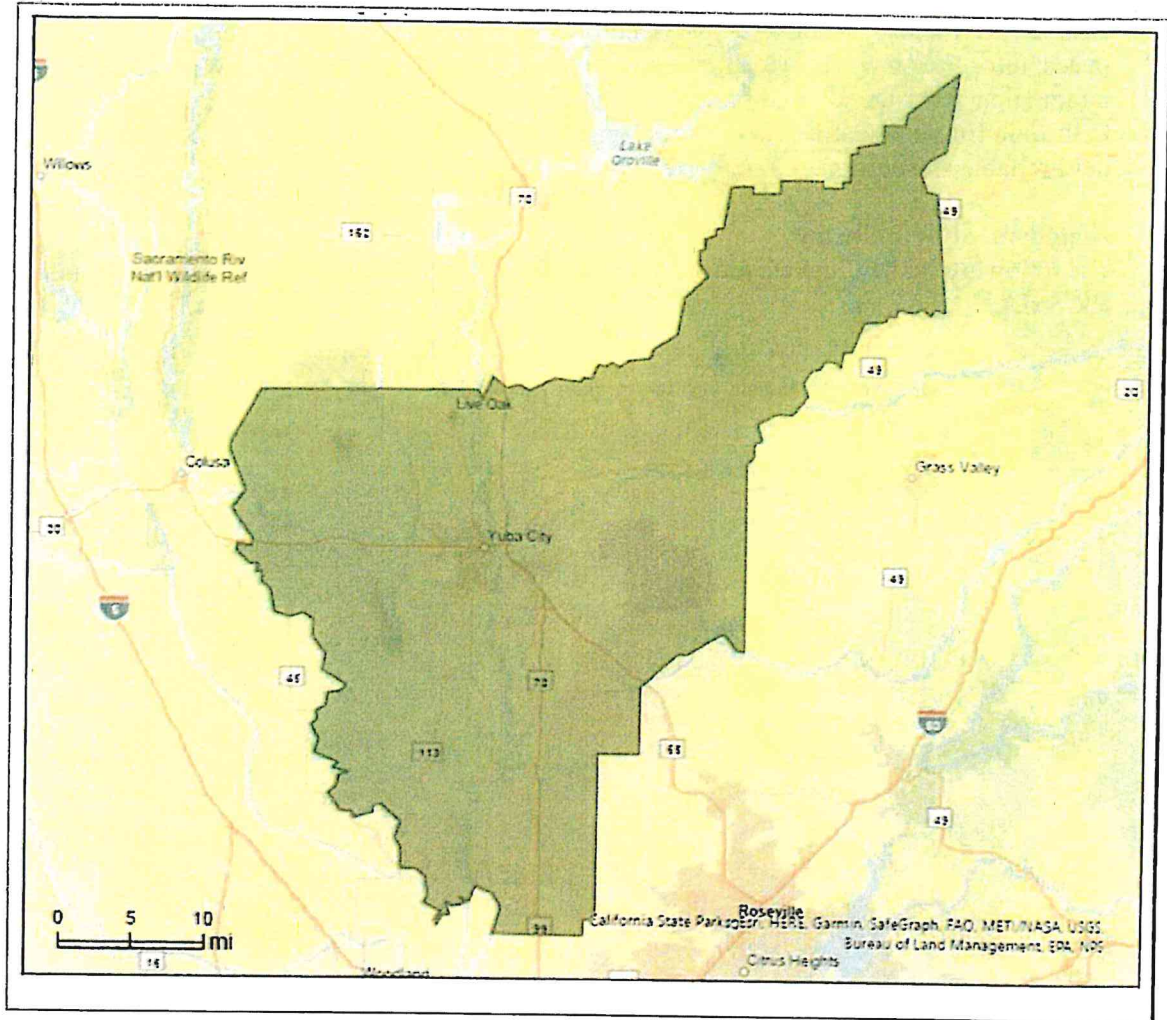
There are no natural boundaries in Yuba City and the Yuba City, CA MSA that would inhibit anyone from relocating to the Subject. The market area boundaries identified are a reasonable approximation regarding the potential renter market for the Subject.

The secondary market area (SMA) for the Subject is the Yuba City, CA MSA which consists of Sutter and Yuba Counties. A map outlining the PMA and SMA can be found on the following page.

PMA



SMA

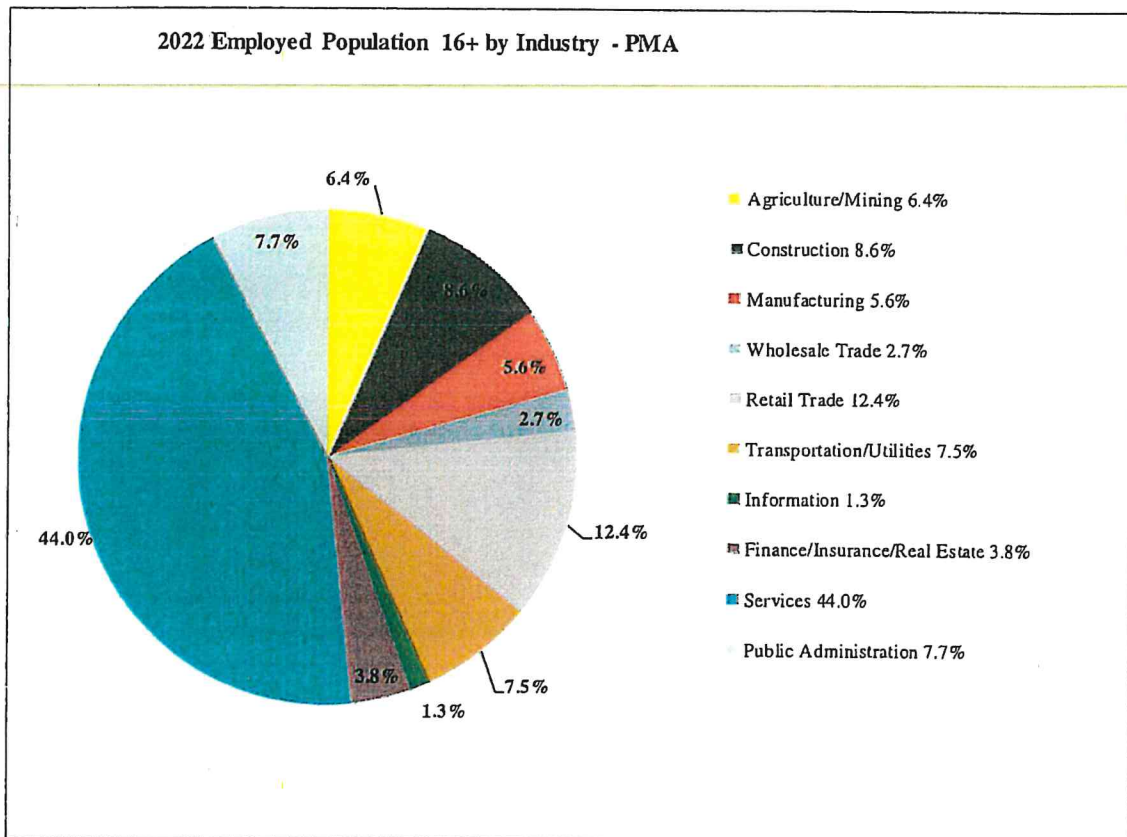


MARKET AREA ECONOMY

The following discussion includes an analysis of the local economy. This section will present and analyze information regarding employment by industry, the major employers, and unemployment trends. Information was provided, where available, for the Subject’s PMA. We obtained economic information from the Bureau of Labor Statistics, city of Yuba City, ESRI Demographics, and California Employment Development Department. These data sources are considered to be the most reliable and current.

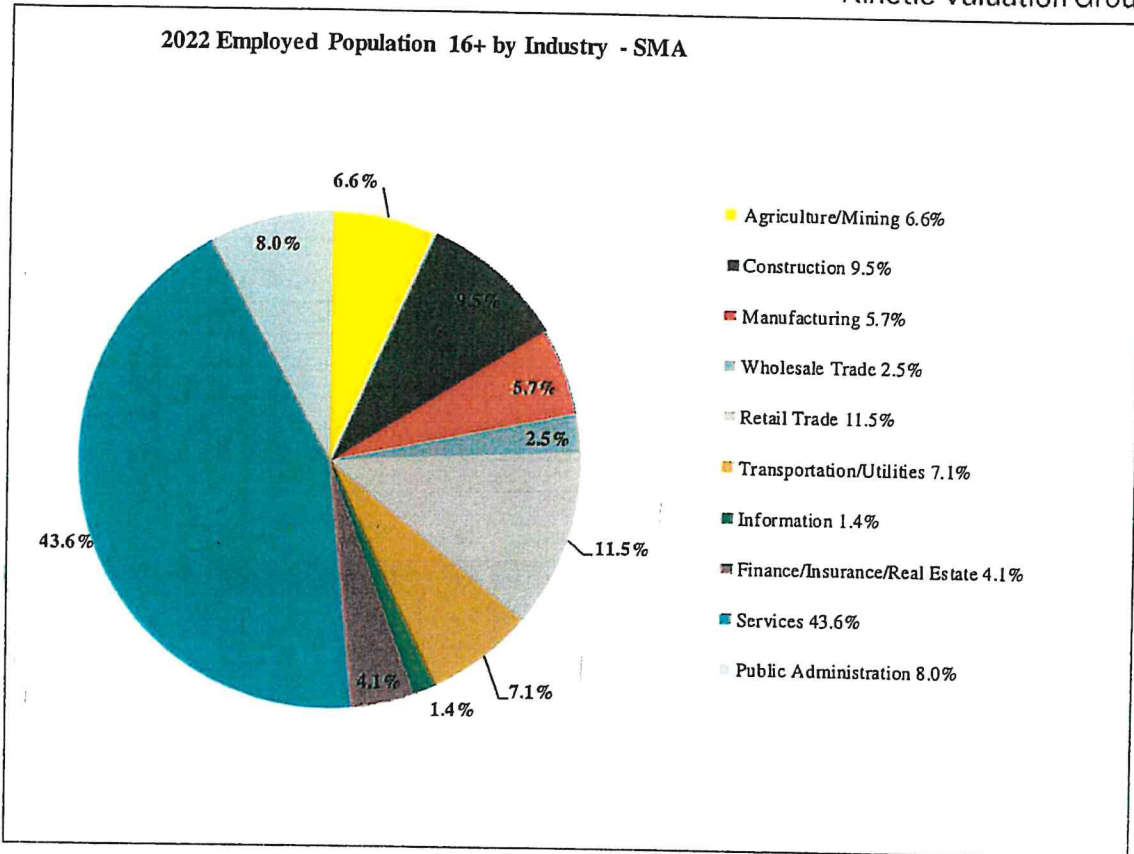
Employment by Industry

The following charts illustrate the distribution of employment sectors by industry within the PMA and SMA.



Source: ESRI Demographics

The largest employment sector in the PMA is the service sector with 44.0 percent, followed by the retail trade sector with 12.4 percent, and the construction sector with 8.6 percent.



Source: ESRI Demographics

The largest employment sector in the SMA is the services sector with 43.6 percent, followed by the retail trade sector with 11.5 percent, and the construction sector with 9.5 percent.

Major Employers

The following charts identify the major employers in Yuba City and Sutter County.

City of Yuba City, CA Major Employers - 2021		
Employer	Industry	# Employees
Yuba City Unified School District	Healthcare	1,410
County of Sutter	Education	1,060
Sunsweet Growers	Government	620
Wal-Mart	Agriculture	402
City of Yuba	Retail	305
Home Depot	Healthcare	300
Geweke Ford	Government	200
Valley Truck and Tractor	Retail	200
The Fountains	Retail	200
Valley Fine Foods	Grocery/Pharmacy	186

Source: City of Yuba City

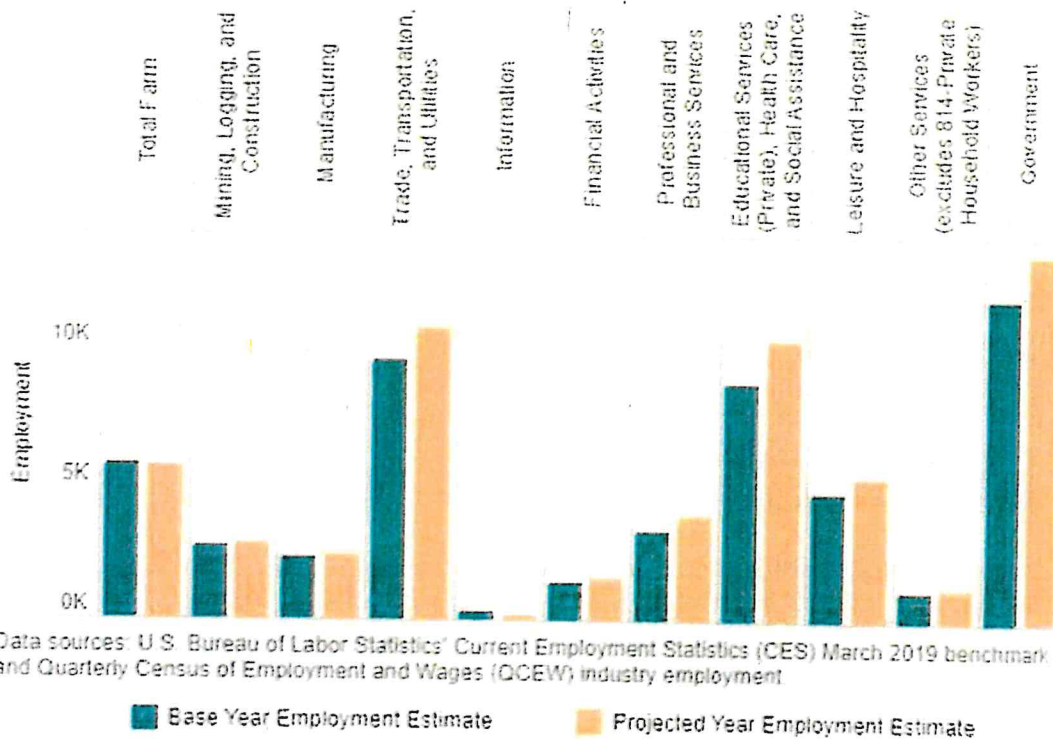
Sutter County, CA Major Employers - 2022		
Employer	Location	Industry
A & E Arborists Tree Care	Sutter	Tree Service
Applebee's Grill + Bar	Yuba City	Full-Service Restaurant
City of Yuba City	Yuba City	Government Offices-City/Village & Twp
Fountains Managed By Rideout	Yuba City	Convalescent Homes
Great Beginnings	Yuba City	Clinics
Holt of California	Pleasant Grove	Contractors-Equip/Supls-Dirs/Svc (whls)
Home Depot	Yuba City	Home Centers
Homeward Bound Golden	Elverta	Animal Shelters
Legend Transportation	Yuba City	Transportation
Lowe's Home Improvement	Yuba City	Home Centers
River Valley High School	Yuba City	Schools
Sam's Club	Yuba City	Wholesale Clubs
Sierra Gold Nurseries Inc	Yuba City	Nurseries-Plants Trees & Etc-Wholesale
Siller Brothers Aviation Div	Yuba City	Helicopter-Charter & Rental Service
Sunsweet Growers Inc	Yuba City	Fruits-Dried (whls)
Sutter County Jail	Yuba City	Government Offices-County
Sutter County Sheriff	Yuba City	Sheriff
Sutter-Yuba Behavioral Health	Yuba City	Hospitals
Sysco Sacramento-Whls Rstmt	Pleasant Grove	Food Products (whls)
Trees Inc	Yuba City	Tree Service
Valley Truck-Tractor Co-Yuba	Yuba City	Lawn Mowers
Walmart Supercenter	Yuba City	Department Stores
Winco Foods	Yuba City	Grocers-Retail
Yuba City High School	Yuba City	Schools
Yuba Community College Dist	Yuba City	School Districts

Source: CA EDD

Employment Expansion/Contractions and Trends

The information below was obtained from the Employment Development Department (EDD) about the Yuba City MSA, which consists of Sutter and Yuba Counties.

2018-2028 Industry Sector Employment Projections



2018-2028 Fastest Growing Occupations

Standard Occupational Classification	Occupational Title	Base Year Employment Estimate	Projected Year Employment Estimate	Percentage Change	Median Hourly Wage	Median Annual Wage
37-2012	Maids and Housekeeping Cleaners	319	779	148.4%	\$9.00	\$31
53-2032	Heavy and Tractor-Trailer Truck Drivers	780	1,270	62.8%	\$16.32	\$34,354
39-9021	Personal Care Aides	1,950	2,600	37.4%	\$9.00	\$31
49-9071	Maintenance and Repair Workers, General	350	450	28.6%	\$21.50	\$44,700
31-9092	Medical Assistants	340	420	23.5%	\$9.00	\$31
35-2014	Cooks, Restaurant	430	520	23.3%	\$20.00	\$41,760
53-2033	Light Truck or Delivery Services Drivers	350	430	22.9%	\$9.00	\$31
37-2011	Landscaping and Groundskeeping Workers	390	470	20.5%	\$19.43	\$40,410
53-7052	Laborers and Freight, Stock, and Material Movers, Hand	900	1,170	19.4%	\$9.00	\$31
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	570	680	19.3%	\$9.00	\$31

The three fastest projected growing occupations are maids and housekeeping cleaners at 148.4 percent, heavy and tractor-trailer truck drivers at 62.8 percent, and personal care aides at 37.4 percent.

Industry Title	Base Year Employment Estimate 2018 ⁽²⁾	Projected Year Employment Estimate 2028	Numeric Change 2018-2028	Percentage Change 2018-2028
Total Employment	53,800	59,400	5,600	10.4%
Self Employment ⁽⁴⁾	3,900	4,100	200	5.1%
Private Household Workers ⁽⁵⁾	40	40	0	0.0%
Total Farm	5,500	5,400	-100	-1.8%
Total Nonfarm	44,400	49,900	5,500	12.4%
Mining, Logging, and Construction	2,600	2,700	100	3.8%
Manufacturing	2,200	2,300	100	4.5%
Trade, Transportation, and Utilities	9,200	10,300	1,100	12.0%
Wholesale Trade	1,600	1,700	100	6.3%
Retail Trade	6,000	6,300	300	5.0%
Transportation, Warehousing, and Utilities	1,500	2,300	800	53.3%
Information	300	200	-100	-33.3%
Financial Activities	1,400	1,500	100	7.1%
Professional and Business Services	3,200	3,700	500	15.6%
Educational Services (Private), Health Care, and Social Assistance	8,400	9,900	1,500	17.9%
Leisure and Hospitality	4,600	5,100	500	10.9%
Other Services (excludes 814-Private Household Workers)	1,100	1,200	100	9.1%
Government	11,500	13,000	1,500	13.0%
Federal Government	1,600	1,600	0	0.0%
State and Local Government	9,900	11,300	1,400	14.1%
State Government	1,000	1,100	100	10.0%
Local Government	8,900	10,200	1,300	14.6%
Local Government Excluding Education	2,800	4,200	1,400	50.0%

The top three industries with the highest level of employment in Yuba County include trade, transportation, and utilities; educational services (private), health care and social assistance; and retail trade. Trade, transportation, and utilities; educational services (private), health care and social assistance; and retail trade are projected to see a 12.0, 17.9, and 5.0 percent increase, respectively, in employment between 2018 and 2028.

Workforce and Unemployment Trends

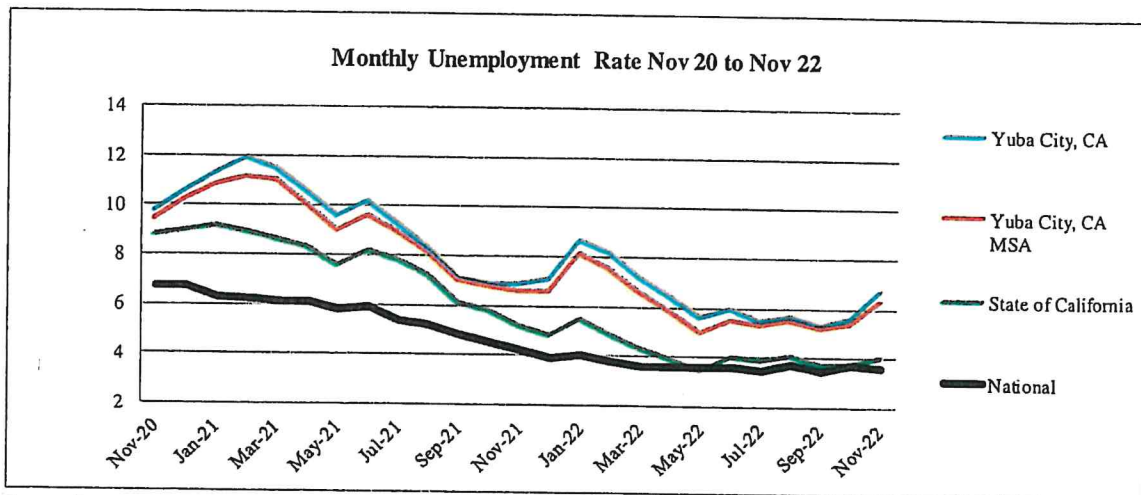
The table below illustrates the workforce and unemployment trends for the city of Yuba City and Yuba City MSA.

Unemployment Trends - 2011-2022 YTD								
Year	Yuba City, CA				Yuba City, CA MSA			
	Total Labor Force	Total Employment	Unemployment Rate (%)	(%) Change	Total Labor Force	Total Employment	Unemployment Rate (%)	(%) Change
2011	31,917	25,652	19.6	-	74,860	61,388	18.0	-
2012	31,652	25,904	18.2	-1.4	74,314	62,047	16.5	-1.5
2013	31,032	26,137	15.8	-2.4	72,835	62,475	14.2	-2.3
2014	30,685	26,495	13.7	-2.1	72,083	63,270	12.2	-2.0
2015	31,335	27,732	11.5	-2.2	72,460	65,060	10.2	-2.0
2016	31,180	28,114	9.8	-1.7	73,136	66,334	9.3	-0.9
2017	31,165	28,409	8.8	-1.0	73,683	67,598	8.3	-1.0
2018	31,077	28,673	7.7	-1.1	74,081	68,741	7.2	-1.1
2019	31,564	29,149	7.7	0.0	75,337	70,087	7.0	-0.2
2020	31,484	27,764	11.8	4.1	76,106	67,609	11.2	4.2
2021	31,270	28,390	9.2	-2.6	75,966	69,293	8.8	-2.4
2022 YTD	30,909	28,827	6.7	-2.5	75,475	70,738	6.3	-2.5

Source: Bureau of Labor Statistics

The unemployment rate in Yuba City has fluctuated between 6.7 and 19.6 percent from 2011 through 2022 year-to-date. Unemployment was at a high of 19.6 percent in 2011. Since then, unemployment declined every year to a low of 7.7 percent in 2019. Due to the COVID-19 Pandemic, 2020 unemployment rose to 11.8 percent, which has decreased to a decade low of 6.7 as of 2022 year-to-date, indicating a full economic recovery. The MSA follows a similar trend.

Below is a comparison of the city, county, and state unemployment rates to the national trend over the past 24 months.



Source: Bureau of Labor Statistics



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The beginning of the previous 24-month period coincides with the middle of the COVID-19 Pandemic. Unemployment rates during this time were elevated as the effects of government-mandated shutdowns and social distancing due to the COVID-19 Pandemic were felt. The city, MSA, state, and nation have generally shown a decreasing trend since December 2020 as a result of businesses reopening as guidelines to manage the pandemic were put into place. The city and county have remained generally above the state and national unemployment rates since November 2020.

Employment Trends

The following table illustrates the employment trends in Yuba City and MSA from 2011 to 2022 year-to-date.

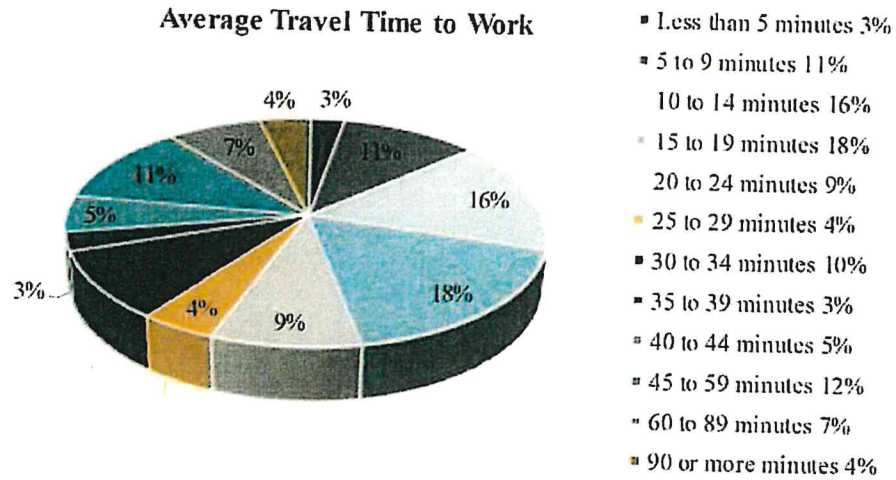
Employment Trends - 2011 - 2022 YTD				
Year	Yuba City, CA		Yuba City, CA MSA	
	Total Employment	Percentage Growth	Total Employment	Percentage Growth
2011	25,652	-	61,388	-
2012	25,904	1.0%	62,047	1.1%
2013	26,137	0.9%	62,475	0.7%
2014	26,495	1.4%	63,270	1.3%
2015	27,732	4.7%	65,060	2.8%
2016	28,114	1.4%	66,334	2.0%
2017	28,409	1.0%	67,598	1.9%
2018	28,673	0.9%	68,741	1.7%
2019	29,149	1.7%	70,087	2.0%
2020	27,764	-4.8%	67,609	-3.5%
2021	28,390	2.3%	69,293	2.5%
2022 YTD	28,827	1.5%	70,738	2.1%

Source: Bureau of Labor Statistics

Employment for the city increased year-over-year from 2011 with the exception of 2020. In 2020, the city suffered a decrease of 4.8 percent due to the COVID-19 Pandemic. As of 2022 year-to-date, employment has increased 1.5 percent. The MSA has followed a similar trend

Commuting Patterns

The chart below shows the travel time to work for the PMA according to ESRI data.



Source: ESRI Demographics

Approximately 56 percent of persons in the PMA have a commute time of less than 25 minutes indicating a majority of the persons in the PMA commute to work in nearby areas.

Wages by Occupation

The chart below shows the wages by occupation for Yuba City MSA.

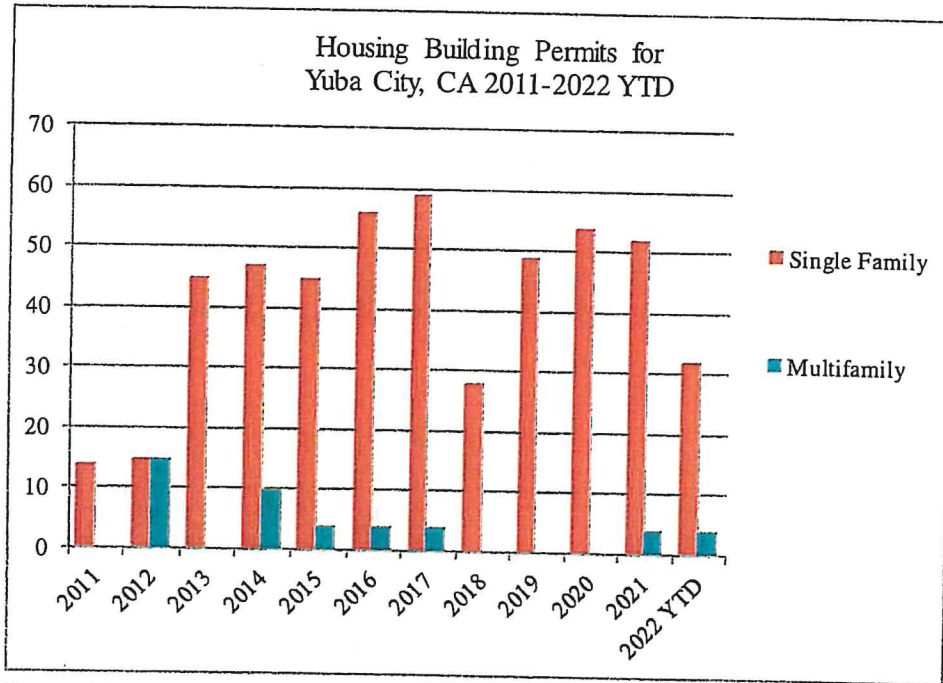
Wage by Occupation - Yuba City, CA MSA - 2021			
Occupational Title	Number of Employees	Average Hourly Wage	Average Annual Wage
All Occupations	46,790	\$27.02	\$56,200
Management Occupations	2,410	\$51.69	\$107,520
Business and Financial Operations Occupations	1,700	\$36.56	\$76,040
Computer and Mathematical Occupations	520	\$44.88	\$93,350
Architecture and Engineering Occupations	810	\$46.39	\$96,480
Life, Physical, and Social Science Occupations	560	\$34.45	\$71,650
Community and Social Service Occupations	1,100	\$30.24	\$62,900
Legal Occupations	180	\$50.57	\$105,180
Educational Instruction and Library Occupations	3,950	\$34.29	\$71,320
Arts, Design, Entertainment, Sports, and Media Occupations	260	\$27.08	\$56,330
Healthcare Practitioners and Technical Occupations	2,760	\$51.34	\$106,780
Healthcare Support Occupations	3,620	\$16.86	\$35,080
Protective Service Occupations	1,230	\$25.74	\$53,540
Food Preparation and Serving Related Occupations	4,040	\$16.14	\$33,570
Building and Grounds Cleaning and Maintenance Occupations	1,390	\$18.26	\$37,980
Personal Care and Service Occupations	930	\$17.80	\$37,030
Sales and Related Occupations	4,630	\$19.98	\$41,570
Office and Administrative Support Occupations	5,070	\$21.81	\$45,370
Farming, Fishing, and Forestry Occupations	1,290	\$16.52	\$34,370
Construction and Extraction Occupations	2,070	\$28.42	\$59,120
Installation, Maintenance, and Repair Occupations	2,020	\$28.08	\$58,410
Production Occupations	1,650	\$21.02	\$43,720
Transportation and Material Moving Occupations	4,580	\$20.91	\$43,490

Source: Bureau of Labor Statistics

The above chart shows average hourly and annual wages by employment classification. The classification with the lowest average hourly wage was food preparation and serving related occupations at \$16.14 per hour. The highest average hourly wage of \$51.69 was healthcare practitioners and technical occupations.

Building Permits

The following table demonstrates building permit information from 2011 through 2022 year-to-date in Yuba City.



Source: Office of Policy Development and Research HUD

Construction activity in the city over the past decade has mainly consisted of single-family development, with limited multifamily permits issued, especially in the past eight years.

Conclusion

The Subject's neighborhood, city of Yuba City, and the county of Sutter include many employment options for area residents. Numerous businesses offering a range of positions and skill levels exist within close proximity to the Subject. The wage rates within the area demonstrate a significant pool of potential tenants exist for affordable housing developments.

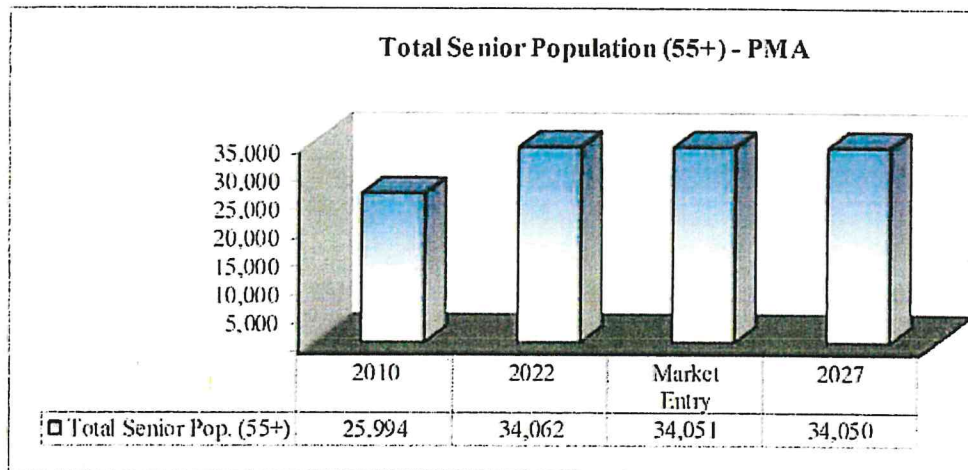
POPULATION, HOUSEHOLD & INCOME TRENDS

In this section, we present population, household and income trends in the PMA and SMA. All information is provided to us by ESRI Demographics, which is a national proprietary data provider. Some tables reflect rounding from the data provided, however, it is nominal.

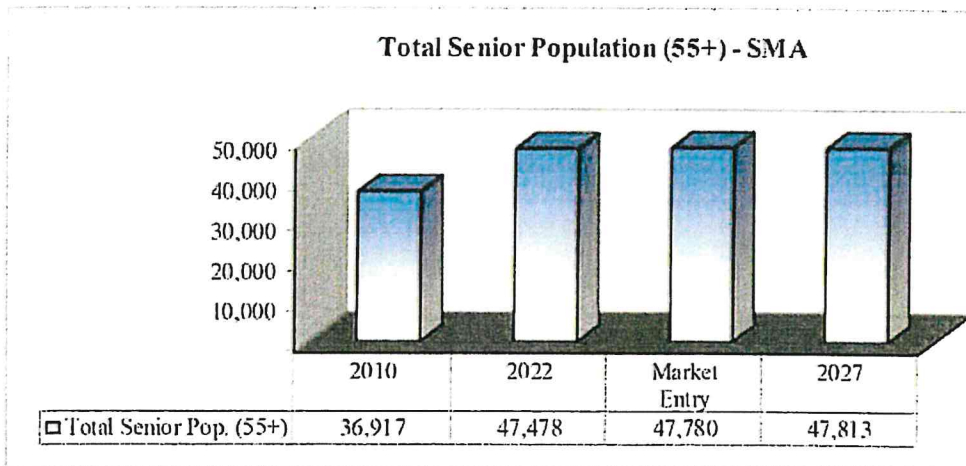
According to the project's sponsor, the estimated date of market entry for the Subject will be July 2025. All estimates have been projected to that date. The data is presented for both the primary market area and the county in which the proposed development is located.

Total Senior Population

The Subject is an age-restricted development. The charts below illustrate total senior (55+) population in the PMA and SMA from 2022 through 2027, as well as the projected population at the date of market entry.



Source: ESRI Demographics



Source: ESRI Demographics

The senior population within the PMA continuously grew from 2010 to 2022 and is expected to decrease slightly through 2027. This is a typical trend in rural communities. Although the PMA numbers are decreasing, the need for affordable housing in the area is evidenced by the stabilized occupancy, waiting lists, and leasing pace at the other affordable properties in the market. The SMA is expected to increase slightly and is considered an area of growth, which is a positive indicator for the need of additional affordable housing units.

Population by Age Group

The tables below illustrate population by age group in the PMA and SMA from 2010 through 2027. This includes the projected population at the date of market entry.

Population by Age Group				
PMA				
Age Cohort	2010	2022	Market Entry	2027
0 - 4	11,033	11,433	11,769	11,806
5 - 9	10,660	11,236	11,376	11,391
10 - 14	9,954	10,512	11,017	11,073
15 - 19	10,044	9,785	9,646	9,631
20 - 24	9,383	9,384	9,178	9,155
25 - 34	19,186	23,019	22,643	22,601
35 - 44	16,298	19,384	20,890	21,057
45 - 54	16,265	15,406	15,463	15,469
55 - 64	12,378	14,817	13,793	13,679
65 - 74	7,370	11,212	11,366	11,383
75 - 84	4,517	5,772	6,580	6,670
85+	1,729	2,261	2,312	2,318
Total	128,819	144,221	146,032	146,234
Population by Age Group				
SMA				
Age Cohort	2010	2022	Market Entry	2027
0 - 4	13,370	13,563	13,901	13,938
5 - 9	13,164	13,456	13,577	13,590
10 - 14	12,693	12,865	13,366	13,422
15 - 19	12,843	12,059	11,853	11,830
20 - 24	11,681	11,687	11,282	11,237
25 - 34	23,079	27,884	27,061	26,970
35 - 44	20,855	23,653	25,700	25,927
45 - 54	22,290	19,995	19,759	19,733
55 - 64	17,672	20,627	19,073	18,900
65 - 74	10,671	15,848	16,357	16,413
75 - 84	6,290	8,053	9,278	9,414
85+	2,284	2,950	3,072	3,086
Total	166,892	182,640	184,278	184,460

Source: ESRI Demographics

In the PMA, population appears to be the greatest in the 25 to 54 year age group during 2022.

Number of Elderly and Non-elderly

The table below is an illustration of the elderly and non-elderly population.

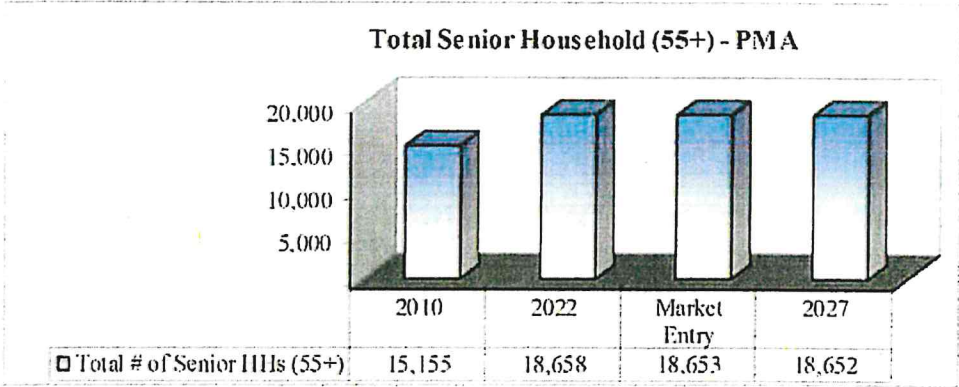
Number of Elderly and Non-Elderly						
Year	PMA			SMA		
	Total Population	Non-Elderly	Elderly (55+)	Total Population	Non-Elderly	Elderly (55+)
2010	128,819	102,825	25,994	166,892	129,975	36,917
2022	144,221	110,159	34,062	182,640	135,162	47,478
Market Entry	146,033	111,982	34,051	184,278	136,499	47,780
2027	146,234	112,184	34,050	184,460	136,647	47,813

Source: ESRI Demographics

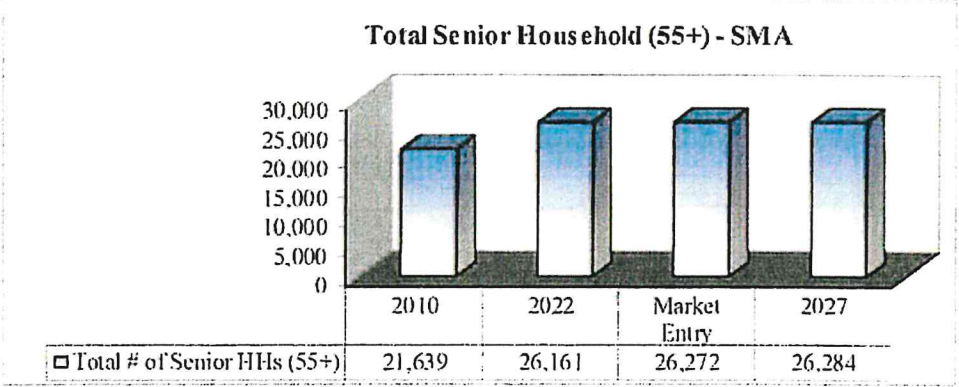
As illustrated in the table above, within the PMA, population is greatest in the non-elderly population, those aged 54 or under. At the time of market entry, the senior population will comprise approximately 23.3 percent of the total population versus 23.6 percent in 2022.

Total Number of Senior Households (55+)

The charts below illustrate the total number of senior households (55+) in the PMA and SMA.



Source: ESRI Demographics



Source: ESRI Demographics

Similar to the trend in population in the PMA, a slight decline in the number of households is expected to decrease between 2010 and 2027. Although the PMA numbers are decreasing, the need for affordable housing in the area is evidenced by the stabilized occupancy, waiting lists, and leasing pace at the other affordable properties in the market.

Senior (55+) Household by Tenure

The table below illustrates total senior households by tenure for the total population in the PMA and SMA.

Tenure Patterns - Elderly Population (Age 55+)								
Year	PMA				SMA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
2010	10,745	70.9%	4,410	29.1%	16,207	74.9%	5,432	25.1%
2022	13,229	70.9%	5,429	29.1%	19,594	74.9%	6,567	25.1%
Market Entry	13,225	70.9%	5,428	29.1%	19,677	74.9%	6,595	25.1%
2027	13,224	70.9%	5,428	29.1%	19,686	74.9%	6,598	25.1%

Source: ESRI Demographics

As indicated, the total number of senior renter-occupied housing units within the PMA during 2022 is 29.1 percent. This number is projected to remain constant through 2027. Comparatively, the total number of senior renter-occupied households within the SMA during 2022 is lower, at 25.1 percent.

Average Senior Household Size

The table below illustrates average senior household size.

Average Senior Household (55+) Size				
Year	PMA		SMA	
	Number	Annual Change	Number	Annual Change
2010	1.72	-	1.71	-
2022	1.83	0.54%	1.81	0.53%
Market Entry	1.83	0.00%	1.82	0.05%
2027	1.83	0.00%	1.82	0.05%

Source: ESRI Demographics

As illustrated in the above table, average senior household size is projected to remain steady at 1.83 persons per household at the time of market entry through 2027.

Renter Senior Households by Number of Persons in the Household

The following tables show household size by renter tenure.

Senior (55+) Renter Households by Number of Persons - PMA								
	2010		2022		Market Entry		2027	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	948	21.5%	1,167	21.5%	1,167	21.5%	1,167	21.5%
With 2+ Persons	3,466	78.6%	4,267	78.6%	4,266	78.5%	4,266	78.6%
Total Renter Households	4,410	100%	5,429	100%	5,433	100%	5,428	100%

Senior (55+) Renter Households by Number of Persons -SMA								
	2010		2022		Market Entry		2027	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	1,146	21.1%	1,386	21.1%	1,392	21.1%	1,392	21.1%
With 2 Persons	4,286	78.9%	5,181	78.9%	5,203	78.9%	5,206	78.9%
Total Renter Households	5,432	100%	6,567	100%	6,595	100%	6,598	100%

Source: ESRI Demographics

As illustrated in the table above, the largest category of senior renter households has two persons.

Conclusion

Senior households in the PMA are 29.1 percent renter households. The number of senior households is expected to increase in the PMA from 2022 through 2027. Demand for senior rental units in the PMA is expected to come from renter turnover and the limited supply of affordable properties in the area. The number of households is expected to slightly decrease in the PMA from 2022 through 2027. Although these numbers are decreasing, the need for affordable housing in the area is evidenced by the stabilized occupancy, waiting lists, and leasing pace at the other affordable properties in the market. Further, as rental prices continue to increase, there will be a greater need for affordable senior housing units. These factors support current and future demand for the proposed Subject.

INCOME TRENDS

Assumptions of Income Projections

The demographics data is obtained from ESRI, a national data provider. Data estimates and projections are based on the 2010 census. Household income by household size and renter tenure are provided per TCAC market study guidelines. Estimation of household income by household size and renter tenure is allocated based upon occupied renter percentage in the PMA and SMA.

Applying these assumptions in the demand estimate may underestimate the number of income qualified renter households within the PMA since households with lower income levels are more likely to be renters. Therefore, the estimated percentage of renters within the lower income brackets may be higher than illustrated.

Senior (55+) Household Income Distribution

The following tables illustrate household income distribution in 2022, 2027 and estimated at the projected date of market entry for PMA and SMA.

Household Income Distribution - PMA (Age 55+)						
Income Cohort	2022		Market Entry		2027	
	Number	Percentage	Number	Percentage	Number	Percentage
<\$15,000	2,268	12.2%	1,850	9.9%	1,804	9.7%
\$15,000 - \$24,999	1,785	9.6%	1,440	7.7%	1,402	7.5%
\$25,000 - \$34,999	1,791	9.6%	1,483	8.0%	1,449	7.8%
\$35,000 - \$49,999	2,636	14.1%	2,264	12.1%	2,223	11.9%
\$50,000 - \$74,999	3,526	18.9%	3,563	19.1%	3,567	19.1%
\$75,000 - \$99,999	1,941	10.4%	2,030	10.9%	2,040	10.9%
\$100,000 - \$149,999	2,231	12.0%	2,763	14.8%	2,822	15.1%
\$150,000 - \$199,999	1,465	7.9%	1,942	10.4%	1,995	10.7%
\$200,000+	1,017	5.5%	1,318	7.1%	1,351	7.2%
Total	18,660	100%	18,654	100%	18,653	100%
Household Income Distribution - SMA (Age 55+)						
Income Cohort	2022		Market Entry		2027	
	Number	Percentage	Number	Percentage	Number	Percentage
<\$15,000	3,034	11.6%	2,420	9.2%	2,352	8.9%
\$15,000 - \$24,999	2,429	9.3%	1,878	7.1%	1,817	6.9%
\$25,000 - \$34,999	2,358	9.0%	1,922	7.3%	1,874	7.1%
\$35,000 - \$49,999	3,422	13.1%	2,912	11.1%	2,855	10.9%
\$50,000 - \$74,999	4,800	18.3%	4,809	18.3%	4,810	18.3%
\$75,000 - \$99,999	2,829	10.8%	3,149	12.0%	3,184	12.1%
\$100,000 - \$149,999	3,290	12.6%	3,927	14.9%	3,998	15.2%
\$150,000 - \$199,999	2,169	8.3%	2,881	11.0%	2,960	11.3%
\$200,000+	1,830	7.0%	2,374	9.0%	2,434	9.3%
Total	26,161	100%	26,272	100%	26,284	100%

Source: ESRI Demographics

Senior Renter Household Income Distribution

The following tables illustrate the senior household income distribution and the household income distribution, adjusted for tenure. Renter households comprise 29.1 percent of total senior households in the PMA and 25.1 percent in the SMA.

Renter Household Income Distribution - PMA (Age 55+)						
Income Cohort	2022		Market Entry		2027	
	Number	Percentage	Number	Percentage	Number	Percentage
<\$15,000	660	12.2%	538	9.9%	525	9.7%
\$15,000 - \$24,999	519	9.6%	419	7.7%	408	7.5%
\$25,000 - \$34,999	521	9.6%	432	8.0%	422	7.8%
\$35,000 - \$49,999	767	14.1%	659	12.1%	647	11.9%
\$50,000 - \$74,999	1,026	18.9%	1,037	19.1%	1,038	19.1%
\$75,000 - \$99,999	565	10.4%	591	10.9%	594	10.9%
\$100,000 - \$149,999	649	12.0%	804	14.8%	821	15.1%
\$150,000 - \$199,999	426	7.9%	565	10.4%	581	10.7%
\$200,000+	296	5.5%	383	7.1%	393	7.2%
Total	5,429	100%	5,428	100.0%	5,428	100%

Renter Household Income Distribution - SMA (Age 55+)						
Income Cohort	2022		Market Entry		2027	
	Number	Percentage	Number	Percentage	Number	Percentage
<\$15,000	798	12.2%	654	9.9%	638	9.7%
\$15,000 - \$24,999	628	9.6%	509	7.7%	496	7.5%
\$25,000 - \$34,999	630	9.6%	524	8.0%	513	7.8%
\$35,000 - \$49,999	928	14.1%	800	12.1%	786	11.9%
\$50,000 - \$74,999	1,241	18.9%	1,260	19.1%	1,262	19.1%
\$75,000 - \$99,999	683	10.4%	718	10.9%	722	10.9%
\$100,000 - \$149,999	785	12.0%	977	14.8%	998	15.1%
\$150,000 - \$199,999	516	7.9%	687	10.4%	706	10.7%
\$200,000+	358	5.5%	466	7.1%	478	7.2%
Total	6,567	100%	6,595	100.0%	6,598	100%

Source: ESRI Demographics

Renter Household Income Distribution by Household Size

The following tables illustrate renter household income distribution by household size.

Senior Renter Household 55+ Income Distribution by Household Size - PMA			Senior Renter Household 55+ Income Distribution by Household Size - SMA		
2022			2022		
Income Cohort	1 Person	2 Person	Income Cohort	1 Person	2 Person
<\$15,000	142	519	<\$15,000	168	630
\$15,000 - \$24,999	112	408	\$15,000 - \$24,999	133	496
\$25,000 - \$34,999	112	410	\$25,000 - \$34,999	133	497
\$35,000 - \$49,999	165	603	\$35,000 - \$49,999	196	732
\$50,000 - \$74,999	221	806	\$50,000 - \$74,999	262	979
\$75,000 - \$99,999	121	444	\$75,000 - \$99,999	144	539
\$100,000 - \$149,999	140	510	\$100,000 - \$149,999	166	620
\$150,000 - \$199,999	92	335	\$150,000 - \$199,999	109	407
\$200,000+	64	233	\$200,000+	76	282
Total	1,167	4,267	Total	1,386	5,181
Market Entry			Market Entry		
Income Cohort	1 Person	2 Person	Income Cohort	1 Person	2 Person
<\$15,000	116	423	<\$15,000	140	514
\$15,000 - \$24,999	90	329	\$15,000 - \$24,999	109	400
\$25,000 - \$34,999	93	339	\$25,000 - \$34,999	113	412
\$35,000 - \$49,999	142	517	\$35,000 - \$49,999	172	629
\$50,000 - \$74,999	223	814	\$50,000 - \$74,999	271	989
\$75,000 - \$99,999	127	464	\$75,000 - \$99,999	154	564
\$100,000 - \$149,999	173	631	\$100,000 - \$149,999	210	767
\$150,000 - \$199,999	121	444	\$150,000 - \$199,999	147	539
\$200,000+	82	301	\$200,000+	100	366
Total	1,166	4,262	Total	1,416	5,178
2027			2027		
Income Cohort	1 Person	2 Person	Income Cohort	1 Person	2 Person
<\$15,000	113	413	<\$15,000	137	502
\$15,000 - \$24,999	88	321	\$15,000 - \$24,999	107	390
\$25,000 - \$34,999	91	331	\$25,000 - \$34,999	110	403
\$35,000 - \$49,999	139	508	\$35,000 - \$49,999	169	618
\$50,000 - \$74,999	223	816	\$50,000 - \$74,999	271	992
\$75,000 - \$99,999	128	467	\$75,000 - \$99,999	155	567
\$100,000 - \$149,999	177	645	\$100,000 - \$149,999	215	785
\$150,000 - \$199,999	125	456	\$150,000 - \$199,999	152	555
\$200,000+	85	309	\$200,000+	103	376
Total	1,167	4,266	Total	1,419	5,186

Source: ESRI Demographics

Conclusion

The preceding tables stratify aggregate household income, renter household income, and renter household income by household size for the PMA and SMA for 2022, projected market entry, and 2027 forecast. The Demand Estimate section following utilizes this data in quantification of appropriate income qualified renter households adjusted by household size.

NEIGHBORHOOD ANALYSIS

Introduction

The Subject is located in the southeastern portion of Yuba City, Sutter County, CA, in a mixed-use area.

Access and Traffic Flow

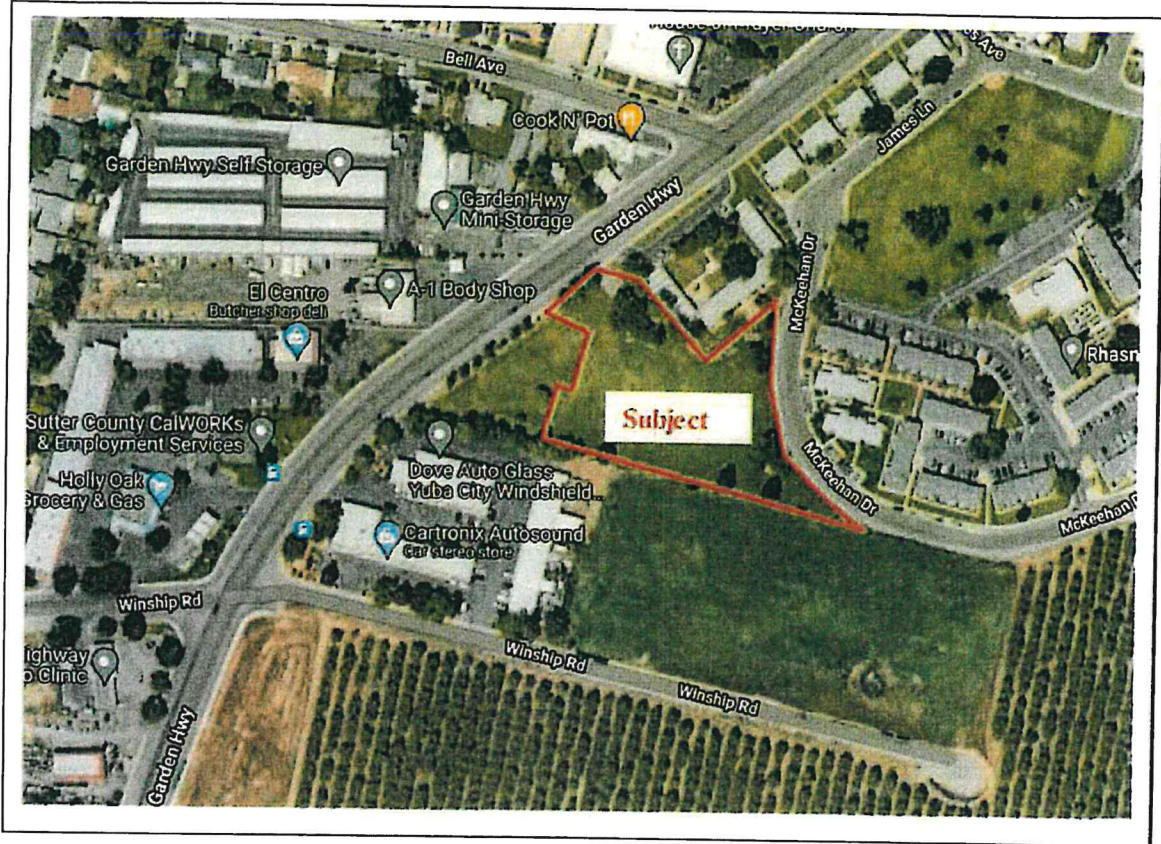
The Subject will have access via the west side of McKeehan Drive and the east side of Garden Highway. McKeehan Drive is a neighborhood connector street generally traversing north/south. It provides access to Garden Highway to the west via three east/west neighborhood connector streets; Miles Avenue, Samuel Drive, and McKeehan Drive. Garden Highway traverses north/south throughout southeastern Yuba City. It intersects with California State Route 99 to the west via Lincoln Road and Bogue Road, and California State Route 20 to the north, via several neighborhood connector streets. California State Route 99 is a north/south highway that traverses through the central portion of Yuba City. It serves as the primary route connecting Yuba City to Sacramento. California State Route 20 runs east/west through the central portion of Yuba City, providing access to other parts of Sutter County to the west, and Yuba County to the east.

Visibility/Views

The site has good visibility from the west side of McKeehan Drive. To the north is multifamily housing in average condition. To the east of the site are existing multifamily housing units in average condition. Further east is a childcare facility in average condition, a medical clinic in average condition, and a grocery market in average condition. To the south is vacant land and commercial buildings in average condition and further south is an agricultural field. West of the Subject is vacant land for Phase II and commercial buildings in average condition. Also further northwest and west are single-family homes in poor to average condition.

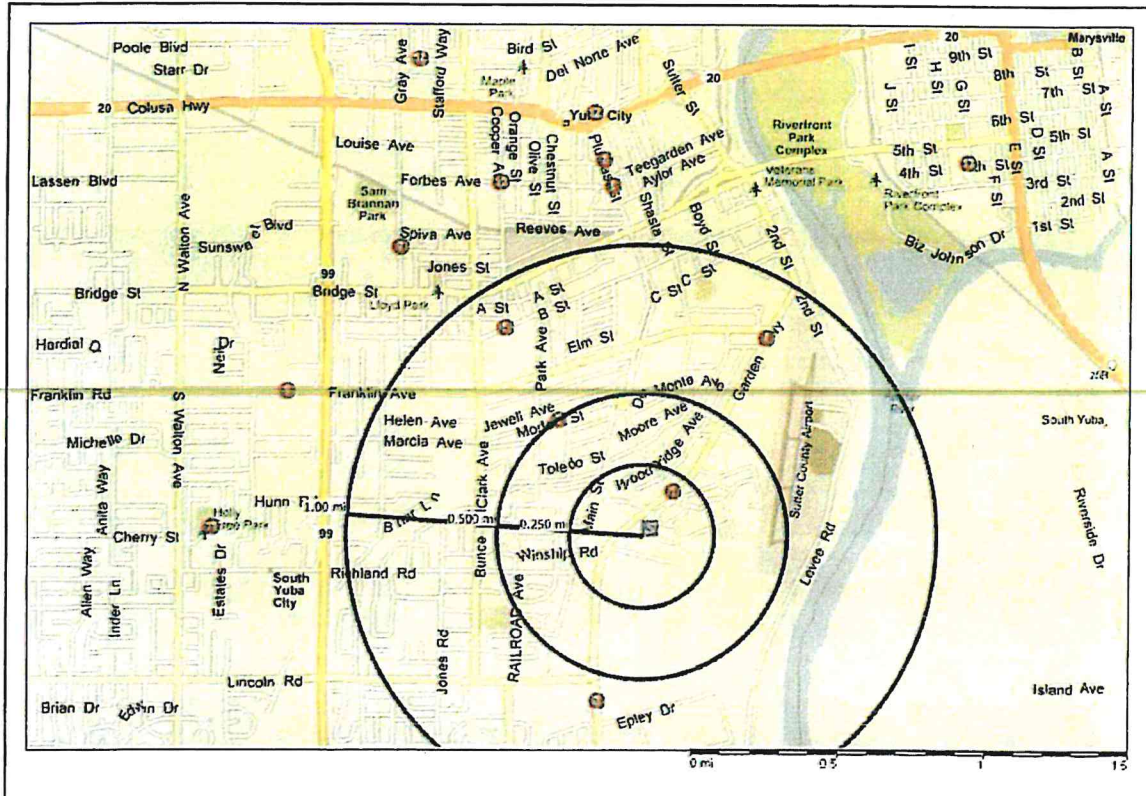
Location Map

The map below illustrates the Subject and surrounding neighborhood.



Locational Amenities & Map - Overview

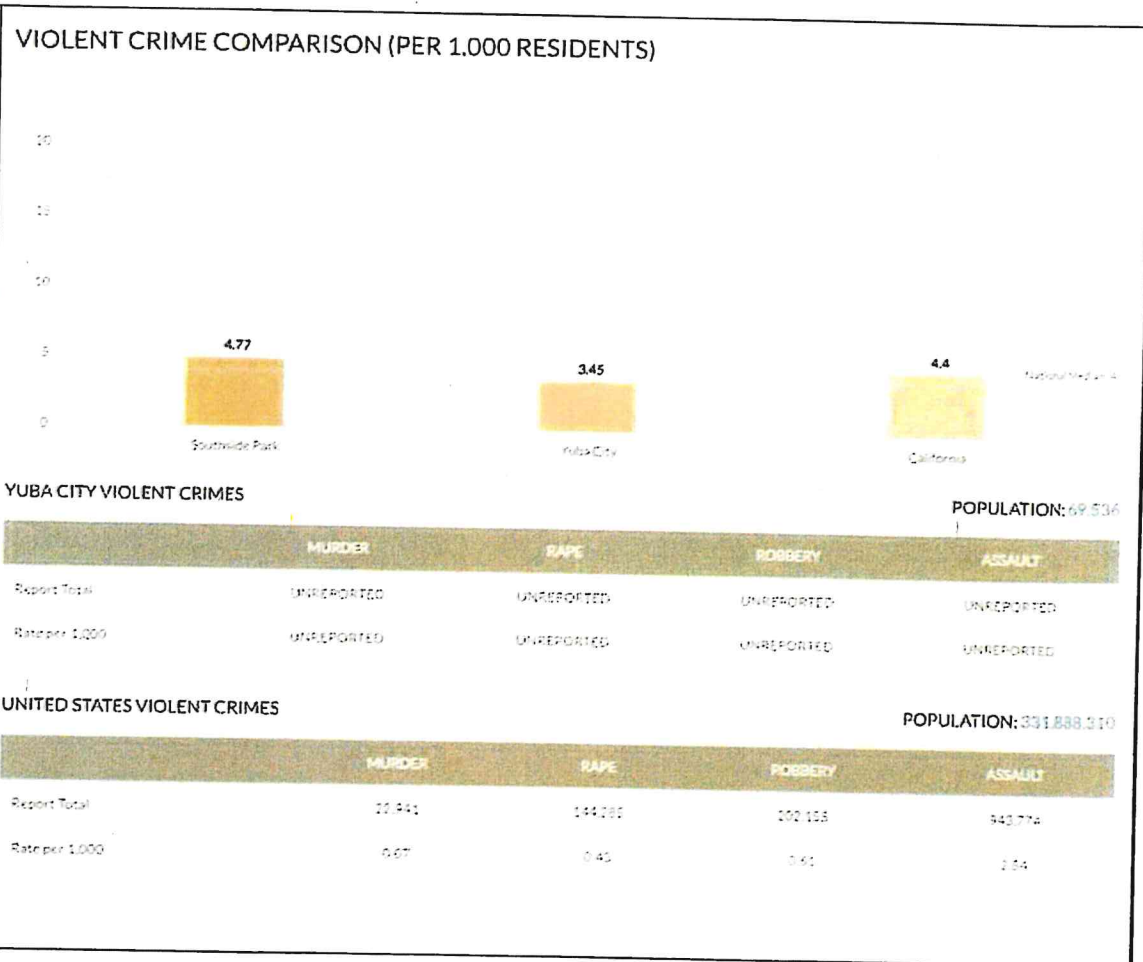
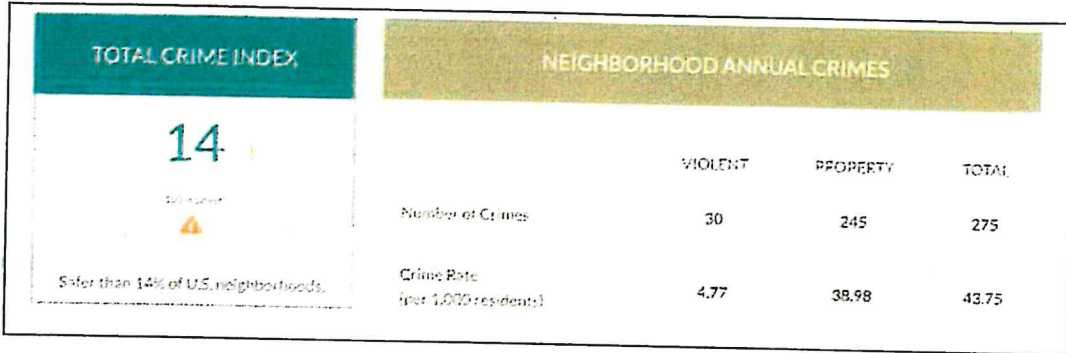
The map and table below illustrate the location amenities in relation to the Subject's site.



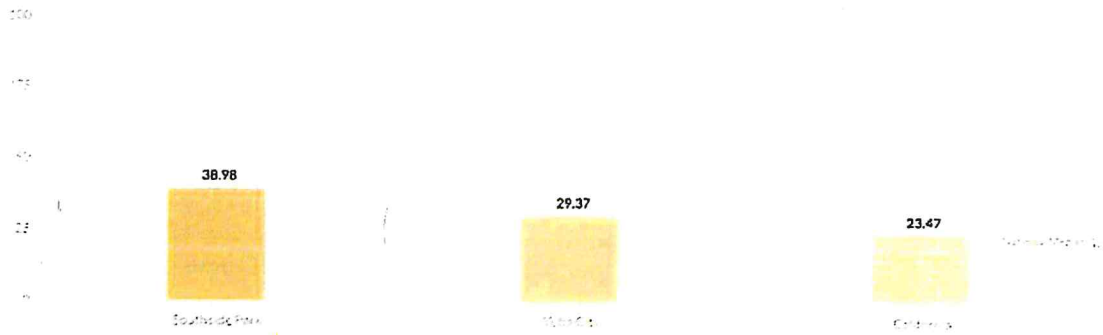
Distance From Local Services			
Map #	Name	Service	Distance
1	Bus Stop	Bus Stop	0.19 miles
2	Park Avenue Elementary School	School	0.50 miles
3	Adventure Church of Yuba City	Church	0.60 miles
4	Fairground Market & Gas	Gas Station	0.81 miles
5	Yuba City High School	School	0.87 miles
6	Suncrest Bank	Bank	1.23 miles
7	Gray Avenue Middle School	School	1.31 miles
8	United States Postal Service	Post Office	1.32 miles
9	WinCo Foods	Grocery Store	1.32 miles
10	Sutter County Library	Library	1.33 miles
11	Holly Tree Park	Recreation	1.47 miles
12	Riverside Pharmacy	Pharmacy	1.49 miles
13	Adventist Health and Rideout Memorial Hospital	Hospital	1.72 miles
14	Yuba City Senior Center	Senior Center	1.76 miles

Crime Statistics

The following crime data is provided by Neighborhood Scout.



PROPERTY CRIME COMPARISON (PER 1,000 RESIDENTS)



YUBA CITY PROPERTY CRIMES

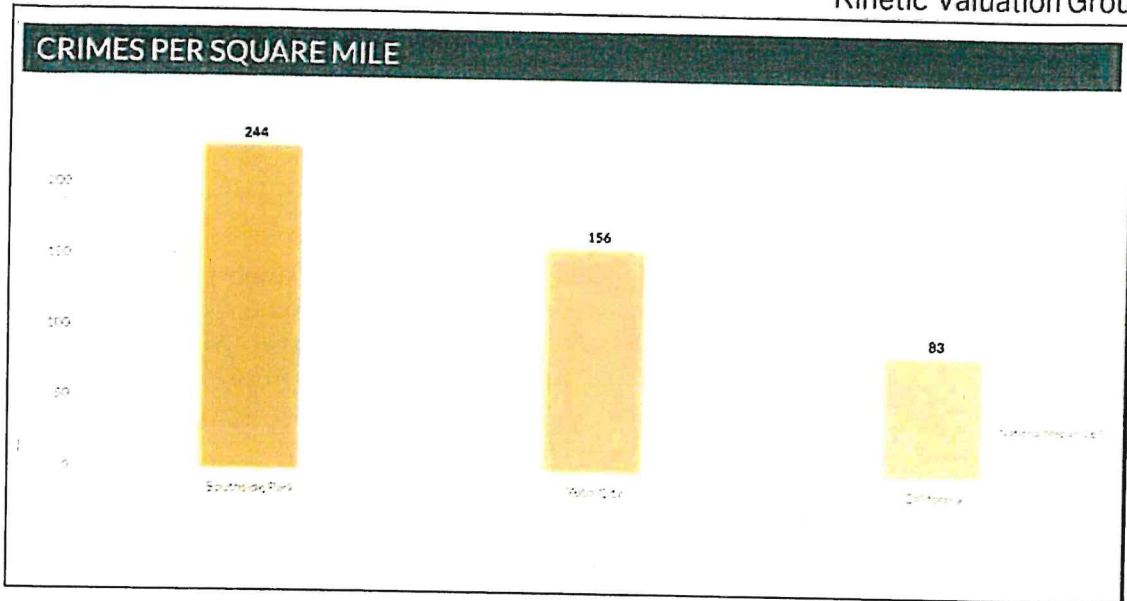
POPULATION: 49,554

	BURGLARY	THEFT	NON-VEHICLE THEFT
Report Total	UNREPORTED	UNREPORTED	UNREPORTED
Rate per 1,000	UNREPORTED	UNREPORTED	UNREPORTED

UNITED STATES PROPERTY CRIMES

POPULATION: 331,898,340

	BURGLARY	THEFT	NON-VEHICLE THEFT
Report Total	698,056	4,627,979	894,074
Rate per 1,000	0.72	13.94	2.65



After inspection and observation of the Subject's neighborhood, we do not anticipate the overall crime statistics will affect the marketability for the Subject.

Summary

The Subject will provide affordable housing that represents good quality apartments that are in strong demand in the area. The site is located within a mixed-use neighborhood in the southeastern portion of the city of Yuba City. All major shopping, transportation, and recreational amenities are located within a short distance of the Subject. Access to groceries, pharmacy and shopping is convenient, and within reasonable distance.

PROJECT DESCRIPTION

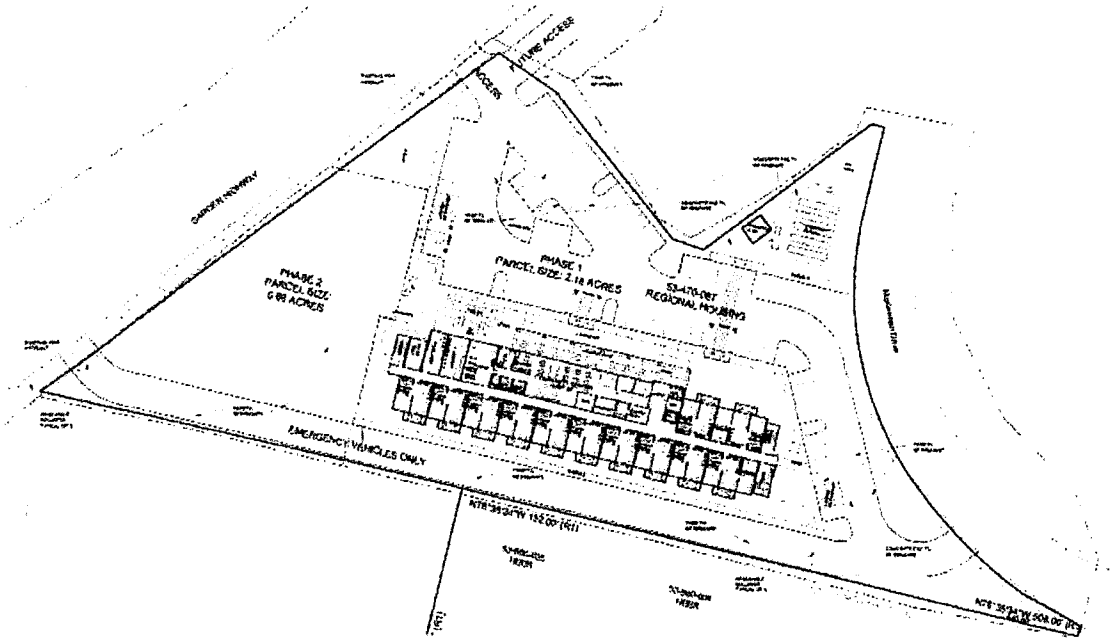
Our description of the Subject is based upon information provided by the developer and the property inspection. We assume the information supplied is accurate.

Site Description

Site Location: The Subject is located east of Garden Highway and west of McKeehan Drive, Yuba City, Sutter County, CA. It has been assigned Assessor Parcel Number (APN) 53-470-087. The site is located in Census Tract 503.02.

Existing Improvements: The Subject is currently vacant.

Size/Shape: The site contains 2.18 acres or 94,961 square feet and is irregular in shape. There is an adjacent 0.68-acre parcel located west of the Subject that is not part of this valuation. The proposed site plan follows.



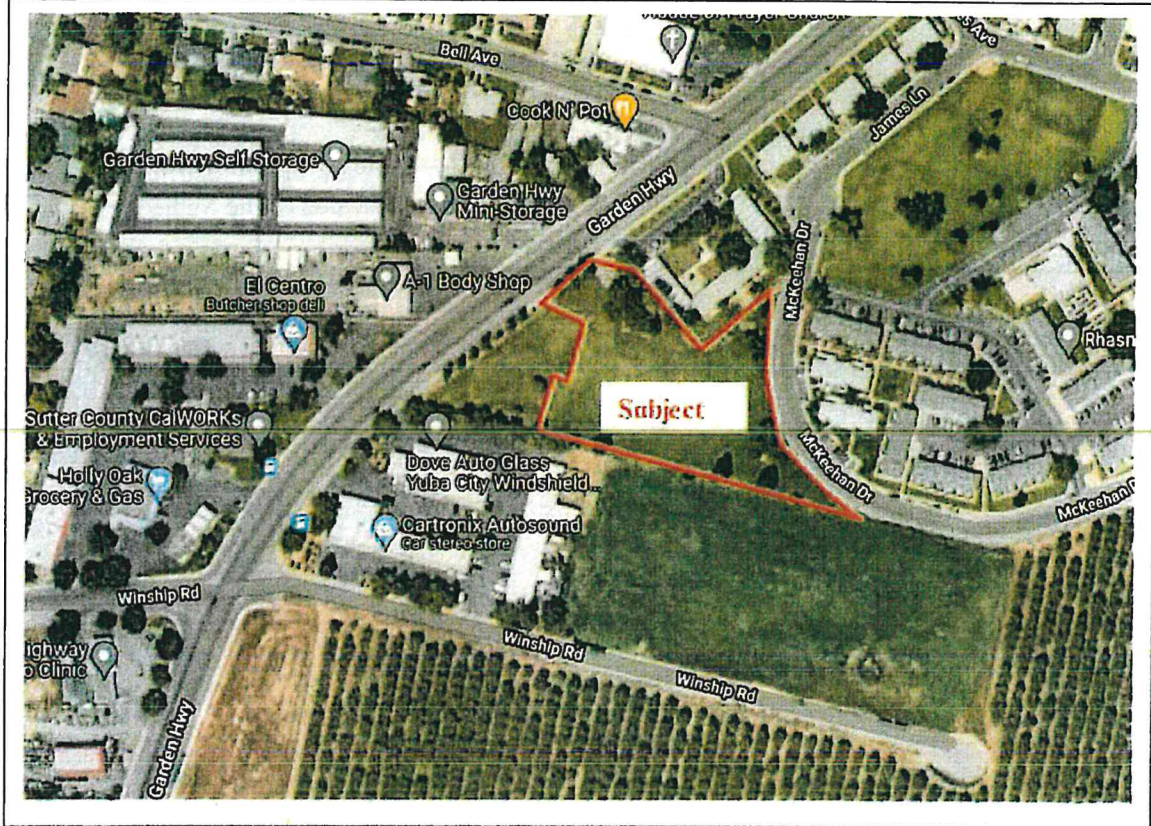
KVG

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- Topography:** The site topography is level at curb grade.
- Vegetation:** The site has typical vegetation with some grass, shrubs, trees, and landscaped areas.
- Proximity to Adverse Conditions:** At this time, we are unaware of any detrimental influences that would impact on the value of the Subject.
- Drainage:** Appears adequate, however no specific tests were performed.
- Soil and Subsoil Conditions:** We were not provided with soil surveys.
- Environmental:** We did not observe any obvious environmental hazards during the site inspection. However, we are not experts within this field.
- Zoning:** The Subject is zoned R-3 Multiple Family Residence. The purpose of the R-3 Multiple Family Residence zone is to provide for the highest density residential uses in appropriate locations, with a level of standards conducive to establishment of a suitable living environment to those living in multiple-family residences. The density is determined by the land use designation outlined in the Yuba City General Plan. High Density Residential permits one unit per 1,000 square feet of lot area. Per client data the number of proposed units at 50 units complies with available funding sources and gives them the most competitive chance to receive a tax credit allocation. However, per zoning permitted density 95 units would be permitted.
- Flood Plain:** According to flood map number According to flood map number 0603940605E effective December 2, 2008, the Subject is located in Zone X..
- Photographs:** Subject photos are included in the Addenda.

Location Map:

The map below illustrates the location of the Subject.



HIGHEST AND BEST USE ANALYSIS

HIGHEST AND BEST USE AS VACANT

Physically Possible

The Subject site consists of approximately 2.18 acres or 94,961 square feet. The site is irregular in shape with good accessibility and visibility. The site is considered adequate for a variety of physically possible uses.

Legally Permissible

The Subject is currently zoned R-3 Multiple Family Residence. The purpose of the R-3 zone is to provide for the highest density residential uses in appropriate locations, with a level of standards conducive to establishment of a suitable living environment to those living in multiple-family residences. The density is determined by the land use designation outlined in the Yuba City General Plan. High Density Residential permits one unit per 1,000 square feet of lot area, which correlates with 95 unit. The Subject as proposed will represent a legal conforming use, however, represents a significant under-utilization of the site with 50 proposed units. A typical developer would build consistent with allowable density, or 95 units.

Financially Feasible

The cost of the land limits those uses that are financially feasible for the site. Any use of the Subject site that provides a financial return to the land in excess of the cost of the land is those uses that are financially feasible.

Maximally Productive

With the tax credit subsidy, the value of the project supports feasibility. Based upon our analysis, new construction of multifamily housing is financially feasible with subsidy. Therefore, the maximally productive use of this site as if vacant would be to construct a multifamily residential complex using tax credit equity, favorable financing, or other gap subsidies.

Conclusion Highest and Best Use "As Vacant"

The highest and best use for the property "as vacant" would be to construct a multifamily residential complex with financial subsidies consistent with allowable permitted zoning density.

APPRAISAL METHODOLOGY

The sales comparison approach of land sale comparables intended for multifamily development to assess the value of the Subject site, as though vacant is the appropriate methodology for valuation of the Subject property. The cost and income approach are not applicable, and were not used in this appraisal report.

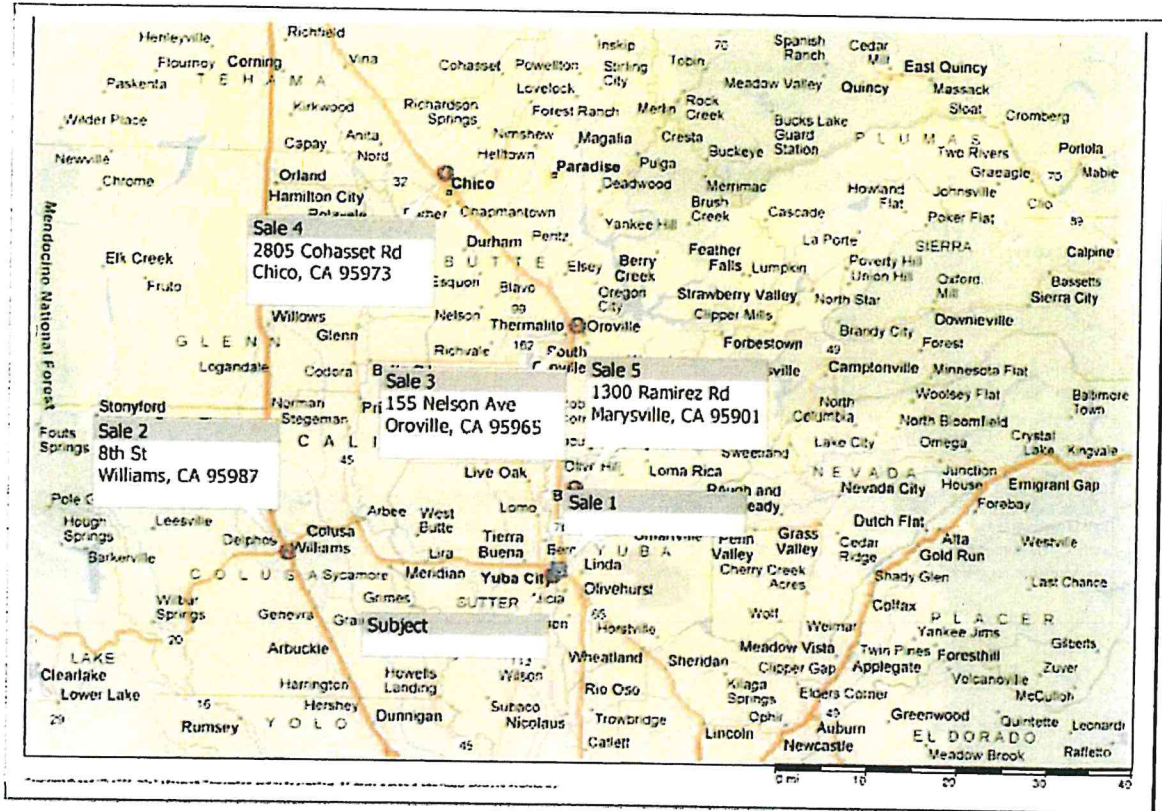
LAND VALUATION

The sales comparison approach to value is a process of comparing market data; that is, the price paid for similar properties, prices asked by owners, and offers made by prospective purchasers willing to buy or lease. Market data is good evidence of value because it represents the actions of users and investors. The sales comparison approach is based on the principle of substitution, which states that a prudent investor would not pay more to buy or rent a property than it will cost to buy or rent a comparable substitute. The sales comparison approach recognizes that the typical buyer will compare asking prices and work through the most advantageous deal available. In the sales comparison approach, the appraisers are observers of the buyer's actions. The buyer is comparing those properties that constitute the market for a given type and class.

To arrive at an opinion of land value for the Subject site, we researched and analyzed sales of comparable sites in the competitive area. In performing the market valuation, an extensive search for recent transfers of land zoned for multifamily development within the Yuba City area was made. The search for market-oriented land sales was concentrated within the Yuba City, CA MSA and surrounding region. Due to lack of sales within Sutter and Yuba Counties, the search area was expanded to include surrounding counties. One sale is located in Yuba City, while the rest of the sales are located within the cities of Williams, Chico, Oroville, and Marysville. Following is a land sales map, summary of sales, analysis of sales, and individual land data sheets.

Multifamily Land Sales							
Data No.	Property Identification	Date of Sale	Sale Price	Property Size/Acres	Property Size/SF	Price per SF	Price per Unit
1	448 Garden Highway Yuba City, CA 95991 53-448-008; P/O 53-470-053	Apr-20	\$560,000	0.67	29,343	\$19.08	\$14,000
2	SWC of 8th Street and C Street Williams, CA 95987 005-056-014	Jan-22	\$310,000	1.08	47,045	\$6.59	\$10,000
3	155 Nelson Avenue Oroville, CA 95965 031-150-079	Apr-22	\$400,000	3.00	130,680	\$3.06	\$10,000
4	2805 Cohasset Road Chico, CA 95973 007-560-011; 12; 13 and 007-120-053	Oct-22	\$2,700,000	6.82	297,079	\$9.09	\$19,853
5	1300 Ramirez Street Marysville, CA 95901 009-156-001-000	Nov-21	\$1,450,000	2.57	111,949	\$12.95	\$20,139

Land Sales Map



Land Sale 1			
Property Identification			
Address/Location	448 Carden Highway Yuba City, CA 95991		
APN	53-448-008; P/O 53-470-053		
Property Characteristics		Sale Data	
Zoning	R-3/C-3	Sale Price	\$560,000
Property Use	Multifamily	Cash Equivalent	\$560,000
Size (Acres)	0.67	Number of Units Planned	40
Size (SF)	29,343	Price per SF	\$19.08
Shape	Irregular	Sale Date	Apr-20
Topography	Level	Price per Unit	\$14,000
Streets	Paved	Cash Equivalent	Yes
Off-site Improvements	To Site	Seller	Regional Housing Authority of Sutter and Nevada Counties
Other Improvements	Comm. Bldg.	Buyer	Yuba City PSH Pacific Associates
Utilities	To Site	Sale Conditions	Market
Location	Average	Property Rights	Fee Simple
Access	Average	Marketing Time (Mo.)	Off-Market
Visibility	Average	Comp ID	4927
Comments			
Sale information was confirmed with the buyer. This was an off-market transaction; the site was appraised and a purchase price was negotiated between the two parties. The site is being purchased for the development of New Haven Court, a 40-unit permanent supportive housing project. The site was improved with a small commercial building at the time of sale; demolition costs did not impact the sale price.			

Land Sale 2			
Property Identification			
Address/Location	SWC of 8th Street and C Street Williams, CA 95987		
APN	005-056-014		
Property Characteristics		Sale Data	
Zoning	R-U HD	Sale Price	\$310,000
Property Use	Residential	Cash Equivalent	\$310,000
Size (Acres)	1.08	Number of Units Planned	31
Size (SF)	47,045	Price per SF	\$6.59
Shape	Rectangular	Sale Date	Jan-22
Topography	Level	Price per Unit	\$10,000
Streets	Paved	Cash Equivalent	Yes
Off-site Improvements	To Site	Seller	AHLC, LLC
Other Improvements	None	Buyer	Williams Senior Associates II
Utilities	To Site	Sale Conditions	Market
Location	Average	Property Rights	Fee Simple
Access	Average	Marketing Time (Mo.)	N/A
Visibility	Average	Comp ID	11860
Comments			
Sale information was confirmed with the developer. There are plans to build a 31-unit senior apartment development.			

Land Sale 3			
Property Identification			
Address/Location	155 Nelson Avenue Oroville, CA 95965		
APN	031-150-079		
Property Characteristics		Sale Data	
Zoning	R-2	Sale Price	\$400,000
Property Use	Multifamily	Cash Equivalent	\$400,000
Size (Acres)	3.00	Number of Units Planned	40
Size (SF)	130,680	Price per SF	\$3.06
Shape	Rectangular	Sale Date	Apr-22
Topography	Level	Price per Unit	\$10,000
Streets	Paved	Cash Equivalent	Yes
Off-site Improvements	To Site	Seller	Multiple
Other Improvements	None	Buyer	AMG & Associates
Utilities	To Site	Sale Conditions	Market
Location	Average	Property Rights	Fee Simple
Access	Average	Marketing Time (Mo.)	N/A
Visibility	Average	Comp ID	14677
Comments			
Sale information was verified with the buyer. The buyer intends to build 40 supportive housing LIHTC units.			

Land Sale 4			
Property Identification			
Address/Location	2805 Cohasset Road Chico, CA 95973		
APN	007-560-011; 12; 13 and 007-120-053		
Property Characteristics		Sale Data	
Zoning	R-3 & OR	Sale Price	\$2,700,000
Property Use	Multifamily & Office Residential	Cash Equivalent	\$2,700,000
Size (Acres)	6.82	Number of Units Planned	136
Size (SF)	297,079	Price per SF	\$9.09
Shape	Irregular	Sale Date	Oct-22
Topography	Level	Price per Unit	\$19,853
Streets	Paved	Cash Equivalent	Yes
Off-site Improvements	To Site	Seller	Multiple
Other Improvements	SFHs	Buyer	Chuck Tatreau Construction Inc.
Utilities	To Site	Sale Conditions	Market
Location	Average	Property Rights	Fee Simple
Access	Average	Marketing Time (Mo.)	N/A
Visibility	Average	Comp ID	13396
Comments			
Sale information was verified with the developer. The buyer intends to construct 136 LIHTC units for both family and seniors. The site is improved with three single-family homes, of which the buyer intends to demolish two of and utilize the third as a manager's unit for the proposed development. Estimated demolition costs are \$150,000 and were not factored into the purchase price.			

Land Sale 5			
Property Identification			
Address/Location	1300 Ramirez Street Marysville, CA 95901		
APN	009-156-001-000		
Property Characteristics		Sale Data	
Zoning	R-4	Sale Price	\$1,450,000
Property Use	Residential	Cash Equivalent	\$1,450,000
Size (Acres)	2.57	Number of Units Planned	72
Size (SF)	111,949	Price per SF	\$12.95
Shape	Rectangular	Sale Date	Nov-21
Topography	Level	Price per Unit	\$20,139
Streets	Paved	Cash Equivalent	Yes
Off-site Improvements	To Site	Seller	Highmark Land Co LLC
Other Improvements	None	Buyer	Marysville Pacific Associates
Utilities	To Site	Sale Conditions	Market
Location	Average	Property Rights	Fee Simple
Access	Good	Marketing Time (Mo.)	871 days
Visibility	Good	Comp ID	11620
Comments			
Sale information was confirmed with brokers involved with the transaction, Aaron Frederick (916-830-2584) and Chuck Rucker (916-799-8343). There are plans to develop the site with 72 affordable apartment units.			

The table below summarizes the adjustments.

Subject east of Garden Highway and west of McKeehan Drive Yuba City, CA 95991		Land Sale Analysis											
		Sale 1 448 Garden Highway Yuba City, CA 95991		Sale 2 SWC of 8th Street and C Street Williams, CA 95987		Sale 3 155 Nelson Avenue Oroville, CA 95965		Sale 4 2805 Cohasset Road Chico, CA 95973		Sale 5 1300 Ramirez Street Marysville, CA 95901			
Sale Price		\$560,000		\$310,000		\$400,000		\$2,700,000		\$1,450,000			
Price per Unit		\$14,000		\$10,000		\$10,000		\$19,853		\$20,139			
Property Rights		Comparison		Adj.		Comparison		Adj.		Comparison		Adj.	
Adjusted Price Per Unit		Fee Simple		Fee Simple		Fee Simple		Fee Simple		Fee Simple		Fee Simple	
Terms		Yes		Yes		Yes		Yes		Yes		Yes	
Adjusted Price Per Unit		\$14,000		\$10,000		\$10,000		\$10,000		\$19,853		\$20,139	
Sale Conditions		Market		Market		Market		Market		Market		Market	
Adjusted Price Per Unit		\$14,000		\$10,000		\$10,000		\$10,000		\$19,853		\$20,139	
Sale Date		Apr-20		Jan-22		Apr-22		Oct-22		0%		Nov-21	
Adjusted Price Per Unit		15%		5%		5%		0%		0%		10%	
Expenditures After Purchase		No		No		No		No		No		No	
Adjusted Price Per Unit		\$16,100		\$10,500		\$10,500		\$10,500		\$19,853		\$22,153	
Physical Characteristics		Comparison		Adj.		Comparison		Adj.		Comparison		Adj.	
Zoning		R-3		R-3/C-3		R-U HD		R-2		R-3 & OR		R-4	
Size (Acres)		2.18		0.67		1.08		3.00		6.82		2.57	
Size (SF)		94,961		29,343		47,045		130,680		297,079		111,949	
Topography		Level		Level		Level		Level		Level		Level	
Street		Paved		Paved		Paved		Paved		Paved		Paved	
Off-site Improvements		To Site		To Site		To Site		To Site		To Site		To Site	
On-site Improvements		None		Comm. Bldg.		None		None		SPHs		None	
Utilities		To Site		To Site		To Site		To Site		To Site		To Site	
Location		Average		Average		Superior		Inferior		Superior		Inferior	
Total Physical Adjustment		-15%		-25%		-25%		20%		-10%		15%	
Adjusted Price Per Unit		\$13,685		\$7,875		\$7,875		\$13,125		\$18,860		\$25,476	
				Minimum Sale		\$7,875							
				Maximum Sale		\$25,476							
				Average Sale		\$15,804							

Explanation of Adjustments

Sale Date/Market Conditions

Real estate values change over time. The rate of this change fluctuates due to investors' perceptions and responses to prevailing market conditions. This adjustment category reflects market differences occurring between the effective date of the appraisal and the sale date of comparables, when values have appreciated or depreciated.

The land sales occurred between April 2020 and October 2022. Nationally and regionally, land values peaked during the prior cycle near 2008, and stalled during the economic recession. During the time period between 2008 and 2012, there were softened market conditions, and declining market values. Appreciation in land values started being reported in late 2012 and continued to rise through year to date. Interviews with local broker's revealed prices increased on average between five and 10 percent per year during this time frame.

Based on this methodology, Sales 2 and 3 were adjusted upward five percent, Sale 1 was adjusted upward 15 percent, and Sale 5 was adjusted upward 10 percent. No adjustment is warranted for Sale 4.

Zoning/Density

All of the sales are zoned and approved for multifamily purposes; therefore, no adjustments are necessary. The land valuation is based on a price per allowable unit basis, and the density of



Kinetic Valuation Group

allowable units is accounted for when multiplying the price paid per unit times the number of units allowable for the site. No further adjustments are necessary for development density. The valuation assumes permitted density per zoning at 95 units.

Size

Typically, an inverse relationship exists between site size and price per unit indication; therefore, larger sites are adjusted upward. The Subject is a 2.18-acre site. Sale 1 is smaller and was adjusted downward 15 percent. Sale 2 is also smaller but not quite as small as Sale 1 and was adjusted downward 10 percent. Sale 3 is larger and adjusted upward five percent. Sale 4 is larger and was adjusted upward 10 percent. No adjustment is warranted to Sale 5.

On-Site Improvements

The opinion of market value represents the site as if vacant. Sales 2 and 3 were vacant at the time of sale and warranted no adjustment. Sale 1 was improved with commercial buildings, and demolition costs reportedly did not impact purchase price. No effects on sale price due to demolition costs were reported; therefore, no adjustments were necessary for Sale 1. Sale 4 was improved with three vacant single-family homes; a downward adjustment of five percent was applied based upon estimated \$150,000 demolition costs.

Location

No adjustment was necessary for Sale 1 as it's located in Yuba City and close proximity to the Subject site. The other sales are located in the cities of Williams, Chico, Oroville, and Marysville. These areas are comparable locations to the Subject's location; however, differences do exist. In order to determine a location adjustment, the median contract rent of the Subject's zip code was compared with the median gross rent of the zip code each sale. The table following illustrates this analysis and the adjustments applied to each sale.

Census Median Contract Rent			
Zip Code	Median Gross Rent	% Difference	Matrix Adjustment
Subject & Sale 1 95991	\$1,069	-	-
Sale 2-95963	\$1,257	-15%	-15%
Sale 3-95946	\$882	21%	20%
Sale 4-95926	\$1,192	-10%	-10%
Sale 5-95901	\$944	13%	15%

Summary of Land Value

After adjustments, the sales range in price from \$7,875 to \$25,476 per unit, with an average of 15,904 per unit. Greatest weight is placed upon Sale 1 due to proximity and Sale 4 as most current. A conclusion of \$15,000 per unit is considered reasonable and market oriented. The value computes as illustrated in the table below.

Indication of Value		
of Units	\$/Unit	Indication Rounded
95	\$15,000	\$1,430,000

Marketing/Exposure Time

Marketing Time is defined as the period from the date of initial listing to the settlement date. The projected marketing time for the Subject property will vary greatly, depending upon the aggressiveness of the marketing agent, the method of marketing, the market that is targeted, interest rates and the availability of credit at the time the property is marketed, the supply and demand of similar properties for sale or having been recently purchased, and the perceived risks at the time it is marketed.

Discussions with area Realtors indicate that a marketing period of twelve months is reasonable for properties such as the Subject. This is supported by data obtained on several of the comparable sales and consistent with information obtained from the *PWC Real Estate Investor Survey*. This estimate assumes a strong advertising and marketing program during the marketing period.

The exposure/marketing time of the subject property is very difficult to judge in that the buy/sell decision involving investment properties is interrelated with the assumption that the property is priced reasonably and is adequately exposed to the proper market. Marketing Time differs from Exposure Time in that the estimate of Marketing Time is a projection into the future with the associated estimates as to future trends and factors that are likely to impact the market segment in which the subject is participating. In an attempt to forecast Marketing Time, consideration is given to the fact that the sales and opinions that have been elicited in the estimation of Exposure Time have been formulated during current economic conditions that are expected to be very similar in the foreseeable future.

Investment property brokers, investors, and sellers familiar with the market, report that the exposure time can range from 30 days to as long as twelve months. This assumes that financing is available and that there are no significant negative items affecting the property. Based upon information gathered during the course of this assignment it is our opinion that the appropriate estimate of the exposure time is equal to the marketing time for the subject and is estimated at six to twelve months.

ADDENDUM A

Assumptions and Limiting Conditions, Certification

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the appraiser has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report which others furnished was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the appraiser did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.

10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or appraisal and are invalid if so used.
11. A valuation estimate for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
12. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.
13. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
14. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
15. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
16. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
17. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
18. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

19. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums, except as reported to the appraiser and contained in this report.
20. The party for whom this report is prepared has reported to the appraiser there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
21. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.
22. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The appraiser does not warrant the condition or adequacy of such systems.
23. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.

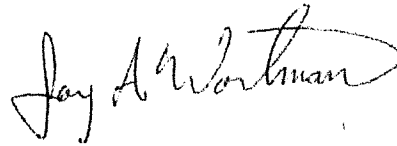
Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions.

CERTIFICATION

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, conclusions, and recommendations;
- 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 any property that is the subject of this report or to the parties involved with this assignment;
- We are performing a market study in conjunction with this assignment. No other appraisal or consulting assignments have been completed on the Subject in the past three years;
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- Our 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;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Valuation Practice of the Appraisal Institute and USPAP;
- James Wettengel performed a physical inspection of the property and the Subject's neighborhood January 23, 2023. Byron Lea, MAI provided professional assistance with analysis and preparation of portions of the report. Amanda Baker, MAI did not inspect the Subject site. Jay Wortmann, MAI reviewed the report; however, he did not inspect the Subject;
- We do not authorize the out of context quoting from or partial reprinting of this market analysis report. Further, neither all nor any part of this report shall be disseminated to the general public by the use of media for public communication without the prior written consent of Kinetic Valuation Group, Inc.;
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;

- As of the date of this report, Amanda Baker, MAI and Jay Wortmann, MAI have completed the requirements of the continuing education program of the Appraisal Institute.



Amanda Baker, MAI
Appraiser
amanda@kvgteam.com
(402) 305-1693
Certified General
CA - 3002360
Expiration: 7/14/2024

Jay Wortmann, MAI
Appraiser
jay@kvgteam.com
(402) 202-0771
Certified General
CA - 3001293
Expiration: 9/10/2023

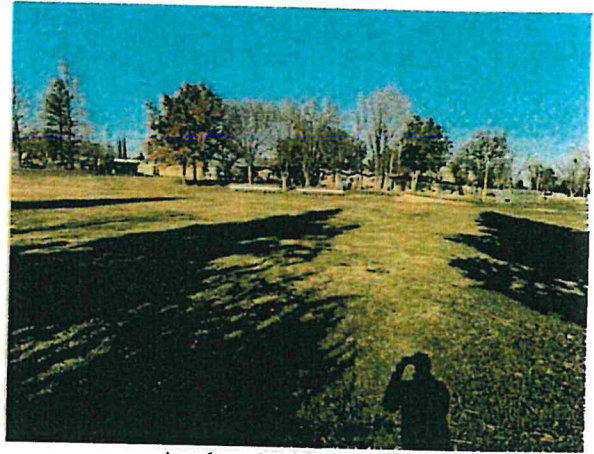
ADDENDUM B

Subject Photographs and Information

SUBJECT PHOTOGRAPHS



View of the Subject



Another view of the Subject



Another view of the Subject



Another view of the Subject



Another view of the Subject

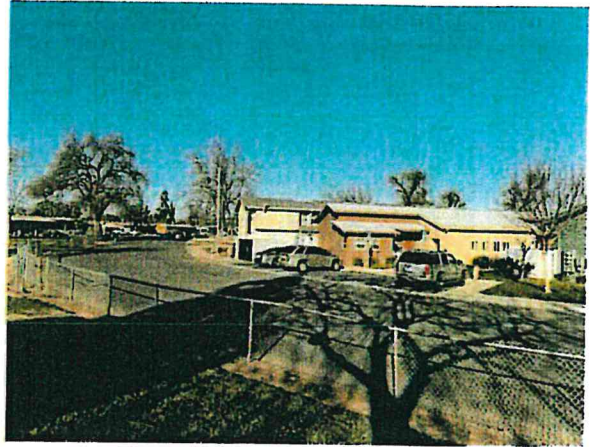


Another view of the Subject

SUBJECT PHOTOGRAPHS



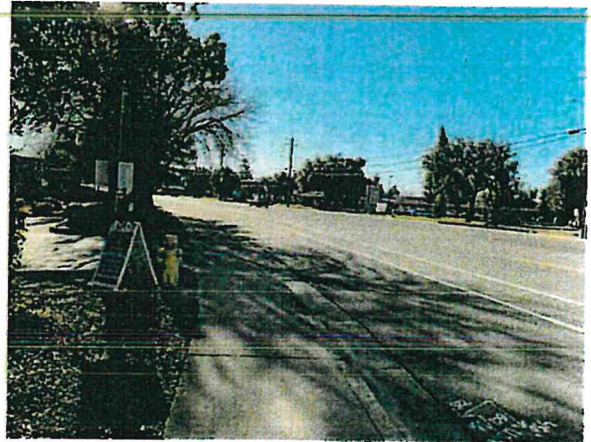
Future access on McKeehan Drive facing south



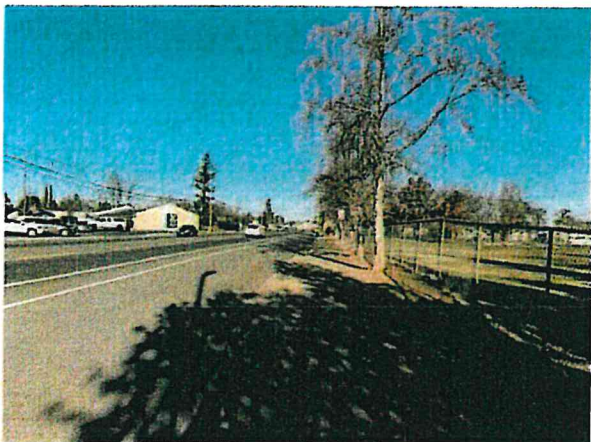
McKeehan Drive facing north



Future access from the north on Garden Highway



Facing south on Garden Highway

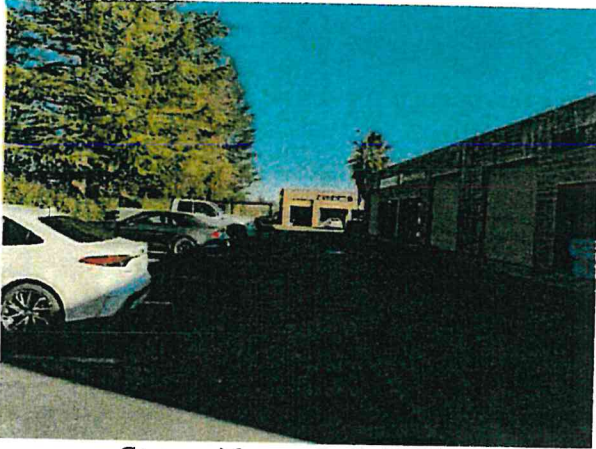


Facing north on Garden Highway

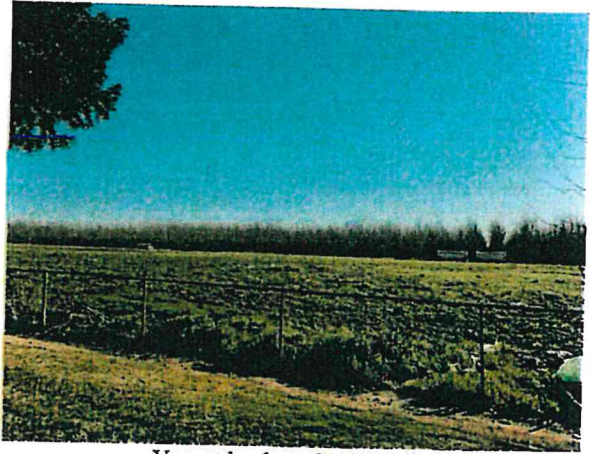


Apartments north of Subject

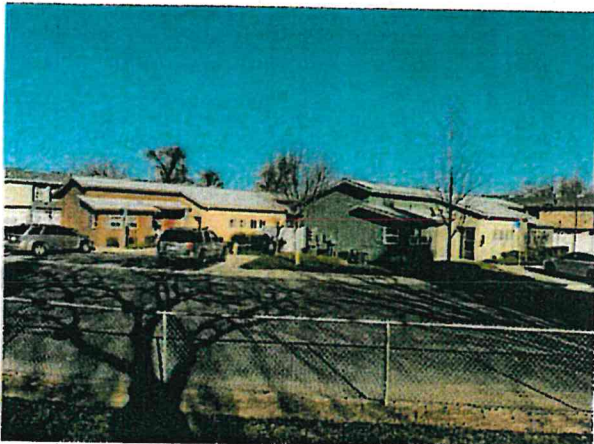
SUBJECT PHOTOGRAPHS



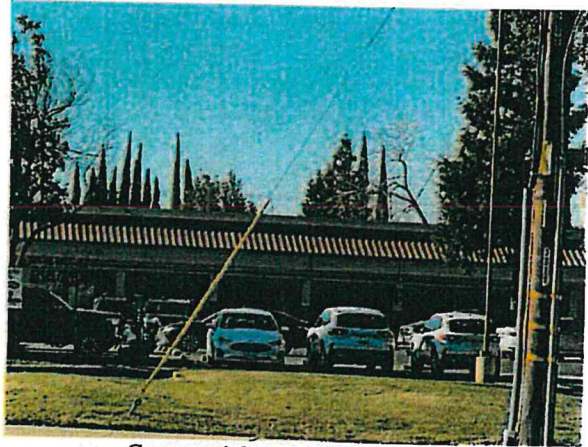
Commercial space south of Subject



Vacant land south of Subject



Apartments to the east of Subject



Commercial space west of Subject



Nearby gas station to the southwest



Nearby bus stop to the southwest

SUBJECT PHOTOGRAPHS



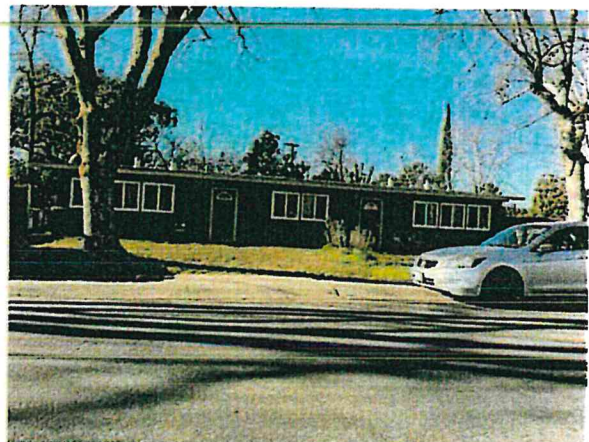
Nearby multifamily apartments to the east



Nearby Pharmacy to the north



Nearby single-family home to the west



Nearby duplex to the west



Nearby multifamily to the north



Nearby commercial space to the west

ADDENDUM C

Legal Description

3. The Land referred to in this Guarantee is described as follows:

Real property in the City of Yuba City, County of Sutter, State of California, described as follows:

LOT 12, AS SHOWN UPON THAT CERTAIN RECORD OF SURVEY FILED AUGUST 28, 2012, IN BOOK 18, PAGE 163 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEING A PORTION OF LOT 3 AS SHOWN ON THAT CERTAIN MAP FILED FOR RECORD ON DECEMBER 13, 1923 ENTITLED "PLAT OF THE SUBDIVISION OF THE BRIGGS ORCHARD" IN BOOK 5 OF SURVEYS, AT PAGE 8, SUTTER COUNTY OFFICIAL RECORDS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF THE CUL-DE-SAC OF JAMES LANE AS SHOWN ON THAT CERTAIN MAP ENTITLED "PLAT OF SURVEY OF STREETS IN RICHLAND HOUSING PROJECT CAL 48-2" FILED FOR RECORD ON MAY 15, 1964 IN BOOK 6 OF SURVEYS, AT PAGE 46, SUTTER COUNTY OFFICIAL RECORDS;

THENCE, ALONG THE CENTERLINE OF JAMES LANE, NORTH 39°26'40" WEST, 25.00 FEET TO AN ANGLE POINT IN SAID JAMES LANE AS SHOWN ON SAID MAP;

THENCE, LEAVING SAID CENTERLINE, NORTH 39°26'40" WEST, 25.00 FEET TO THE NORTHWESTERLY RIGHT-OF-WAY LINE OF JAMES LANE AS SHOWN ON SAID MAP;

THENCE, ALONG THE NORTHWESTERLY RIGHT-OF-WAY LINE OF JAMES LANE, NORTH 50°33'20" EAST, 325.22 FEET TO THE BEGINNING OF A 20.00 FOOT RADIUS CURVE, CONCAVE WESTERLY;

THENCE, ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE, NORTHERLY, 31.43 FEET ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 90°03'00" TO THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF MILES AVENUE AS SHOWN ON SAID MAP;

THENCE, ALONG THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF MILES AVENUE, NORTH 39°29'40" WEST, 44.70 FEET TO THE BEGINNING OF A 20.00 FOOT RADIUS CURVE, CONCAVE SOUTHERLY AS SHOWN ON SAID MAP;

THENCE, ALONG THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF MILES AVENUE, WESTERLY, 31.42 FEET ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 90°01'25" TO THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF GARDEN HIGHWAY AS SHOWN ON SAID MAP;

THENCE, ALONG THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF GARDEN HIGHWAY, SOUTH 50°28'55" WEST, 400.62 FEET TO AN ANGLE POINT IN SAID RIGHT-OF-WAY LINE;

THENCE, ALONG SAID RIGHT-OF-WAY LINE, SOUTH 52°47'50" WEST, 230.17 FEET TO THE TRUE POINT OF BEGINNING OF THE HEREIN DESCRIBED PROPERTY;

THENCE, LEAVING SAID RIGHT-OF-WAY LINE, SOUTH 43°22'39" EAST, 209.03 FEET;

THENCE NORTH 53°11'31" EAST, 162.93 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF JAMES LANE;

THENCE, ALONG SAID RIGHT-OF-WAY LINE, SOUTH 13°15'15" WEST, 65.84 FEET TO THE BEGINNING OF A 237.50 FOOT RADIUS CURVE, CONCAVE EASTERLY;

THENCE, CONTINUING ALONG SAID RIGHT-OF-WAY, SOUTHEASTERLY, 234.75 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 56°37'54";

THENCE, CONTINUING ALONG SAID RIGHT-OF-WAY, SOUTH 43°22'39" EAST, 101.30 FEET TO THE SOUTHERLY LINE OF THAT CERTAIN PARCEL DESCRIBED IN THAT CERTAIN DEED BETWEEN THE UNITED STATES OF AMERICA AND THE HOUSING AUTHORITY OF THE COUNTY OF SUTTER FILED FOR RECORD ON MARCH 27, 1974 IN OFFICIAL RECORD BOOK 826, AT PAGE 2 IN THE SUTTER COUNTY OFFICIAL RECORDS. SAID POINT ALSO BEING LOCATED ON THE NORTHERLY LINE OF PARCEL 2 AS SAID PARCEL IS SHOWN ON THAT CERTAIN MAP FILED FOR RECORD APRIL 15, 1992 IN BOOK 5 OF PARCEL MAPS, AT PAGE 81 IN THE SUTTER COUNTY RECORDER'S OFFICE;

THENCE ALONG THE NORTHERLY LINE OF SAID PARCEL 2 AND PARCEL 1 AS SHOWN ON SAID MAP, NORTH 76°34'12" WEST, 724.42 FEET TO THE NORTHWESTERLY CORNER OF SAID PARCEL 1, SAID POINT ALSO BEING LOCATED ON A 958.00 FOOT RADIUS NON-TANGENT CURVE CONCAVE SOUTHEASTERLY FROM WHICH POINT THE RADIUS POINT BEARS SOUTH 40°52'52" EAST, SAID POINT BEING LOCATED ON THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF GARDEN HIGHWAY PER SAID MAP;

THENCE NORTHEASTERLY, 3.57 FEET ALONG SAID CURVE AND THE GARDEN HIGHWAY RIGHT-OF-WAY LINE, THROUGH A CENTRAL ANGLE OF 00°12'49" TO A POINT OF NON-TANGENCY, FROM WHICH THE RADIUS POINT BEARS SOUTH 40°40'03" EAST;

THENCE, ALONG THE RIGHT-OF-WAY OF GARDEN HIGHWAY, NORTH 52°47'50" EAST, 395.31 FEET TO THE POINT OF BEGINNING.

APN: 53-470-087

ADDENDUM D

Qualifications of Consultants

Qualifications of Partners & Key Personnel

STATEMENT OF PROFESSIONAL QUALIFICATIONS JAY A. WORTMANN, MAI

ASSOCIATION MEMBERSHIPS

Member of the Appraisal Institute with the MAI Designation, No. 519881

STATE CERTIFICATIONS

State of California Certified General Real Estate Appraiser (3001293)
State of Hawaii Certified General Real Estate Appraiser (CGA 1146)
State of Iowa Certified General Real Estate Appraiser (CG03319)
State of Minnesota Certified General Real Estate Appraiser (40392083)
State of Missouri Certified General Real Estate Appraiser (2013040219)
State of Nebraska Certified General Real Estate Appraiser (CG2014002)
State of New Mexico Certified General Real Estate Appraiser (03455-G)
State of Oklahoma Certified General Real Estate Appraiser (13111CGA)
State of Texas Certified General Real Estate Appraiser (TX 1380393 G)

EDUCATION

University of Nebraska, **Bachelor of Science** in Business Administration with an emphasis in Finance and Management, 2004

All educational requirements successfully completed for the Appraisal Institute MAI designation.

Consortium Institute of Management and Business Analysis (CIMBA) Undergraduate Program, Spring Semester 2004, Paderno del Grappa, Italy

EXPERIENCE

06/2018 to Present Kinetic Valuation Group, President
10/2015 to 06/2018 Lea & Company, President
01/2007 to 10/2015 Lea & Company, Director Midwest Offices
11/2006 to 5/2008 Assumption-Guadalupe Catholic School - South Omaha CORE Development Director
06/2004 to 10/2006 Novogradac & Company LLP, Real Estate Analyst

PROFESSIONAL TRAINING

Appraisal Courses Completed:

- Basic Appraisal Procedures 10/2008
- Basic Appraisal Principles 12/2008
- Income Approach Part I 07/2010
- Income Approach Part II 08/2010
- General Appraiser Sales Comparison Approach 04/2011
- Market Analysis & Highest & Best Use 05/2011
- Real Estate Finance Statistics and Valuation Modeling 08/2011
- Advanced Income Capitalization 09/2011
- General Appraiser Site Valuation & Cost Approach 10/2011
- General Appraiser Report Writing and Case Studies 12/2011
- National USPAP 15-Hour Course 01/2012
- Nebraska National Appraiser Examination 04/2012
- Advanced Concepts & Case Studies 11/2013
- MAI Comprehensive Exam Module II, III, & IV 04/2014

- MAI Comprehensive Exam Module I 11/2014
- MAI General Demonstration Report-Capstone Program – 11/2014

REAL ESTATE ASSIGNMENTS

A representative sample of various types of projects involved with includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Prepare appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Prepare appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies for projects under the HUD Multifamily Accelerated Processing program.
- Prepare appraisals of proposed new construction properties under the HUD Multifamily Accelerated Processing program.
- Prepare Rent Comparability Studies for expiring Section 8 HAP contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.

Work assignments completed in various states include:

Arizona	Missouri
Arkansas	Montana
California	Nebraska
Colorado	New Mexico
Hawaii	North Dakota
Idaho	Pennsylvania
Indiana	Oklahoma
Iowa	Texas
Kansas	Utah
Michigan	Washington
Minnesota	Wisconsin
Mississippi	Wyoming

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
AMANDA M. BAKER, MAI**

I. Professional Affiliation

Member of the Appraisal Institute with the MAI Designation, No. 511086

II. State Certifications

State of Arizona Certified General Real Estate Appraiser (32065)
State of California Certified General Real Estate Appraiser (3002360)
State of Colorado Certified General Real Estate Appraiser (CG.200000747)
State of Kansas Certified General Real Property Appraiser (G-2960)
State of Missouri Certified General Real Estate Appraiser (2014021680)
State of Nebraska Certified General Real Property Appraiser (CG2016006R)
State of Nevada Certified General Real Estate Appraiser (A.0207150-CG)
State of Washington Certified General Real Estate Appraiser (1102380)

III. Education

University of Nebraska-Omaha, **Bachelor of Science** in Business Administration
-Specialization in Real Estate and Land Use Economics
-Specialization in Marketing
-Secondary Specialization in Economics

IV. Professional Experience

-Vice President-Kinetic Valuation Group, June 2018-Present
-Manager-Lea & Company, November 2011-June 2018
-Senior Real Estate Analyst, Novogradac & Company LLP, April 2005–October 2011

V. Professional Training

-MAI General Demonstration Report-Capstone Program July 2016
-2016-2017 National USPAP Update March 2016
-MAI Comprehensive Exam August 2015
-Advanced Market Analysis and Highest & Best Use May 2015
-Advanced Income Capitalization October 2014
-Quantitative Analysis June 2014
-Advanced Concepts & Case Studies May 2014

VI. Real Estate Assignments

A representative sample of Due Diligence and Valuation Engagements includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Prepare appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.

- Prepare appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies for projects under the HUD Multifamily Accelerated Processing program.
- Prepare appraisals of proposed new construction properties under the HUD Multifamily Accelerated Processing program.
- Prepare Rent Comparability Studies for expiring Section 8 HAP contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- ~~Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.~~

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
BYRON N. LEA, MAI**

ASSOCIATION MEMBERSHIPS

Member of the Appraisal Institute with the MAI Designation, No. 10374

STATE CERTIFICATIONS

State of California Certified General Real Estate Appraiser (AG008505)

State of Colorado Certified General Appraiser (CG40039600)

EDUCATION

California State University Sacramento, Bachelor of Science in Business Administration, 1985

All educational requirements successfully completed for the Appraisal Institute MAI designation and 100-hour/five year continuing education cycles.

EXPERIENCE

06/2018 to Present Consultant to Kinetic Valuation Group
10/2015 to 06/2018 Founder and Consultant to Lea & Company
8/2006/ to 10/2015 Re-establishment of Lea & Company, President of Firm. Commercial Valuation and Consulting Services within the Affordable Housing Industry.
8/2000 to 8/2006 Novogradac & Company LLP, Partner, established the Kansas City and Los Angeles Valuation Group offices.
7/94 to 8/2000 Relocated to Kansas City, Senior Appraiser, Nunnink & Associates, Inc., which transformed into Integra Realty Resources.
Performed narrative appraisals and review of appraisals.
8/88 - 7/94 Commercial Fee Appraiser, Lea & Associates, Sacramento, California
Principal of firm. Performed narrative appraisals on fee basis.
8/86 - 5/88 Commercial Appraiser, Urban Pacific Services, Newport Beach, California
Performed narrative appraisals.
1/86 - 8/86 Commercial Appraiser, Bank of America, Orange County, California
Staff commercial appraiser.
4/85 - 9/85 Financial Analyst, Financial Investment Advisors Associates (FIA), Inc., Sacramento, California. Financial analysis of multi-million dollar institutional grade real estate.

REPRESENTATIVE SAMPLE OF ASSIGNMENTS

- On a national basis, conduct market studies and appraisals for proposed Low-Income Housing Tax Credit properties.
- On a national basis, conduct market studies and appraisals for preservation of affordable housing properties involving USDA and HUD programs, oftentimes with renovation using Low-Income Housing Tax Credits and/or Historic Tax Credits. Programs include USDA 515 and 538, and HUD 221D4, 236, and MAP.
- Rent Comparability Studies of apartment properties for HUD programs nationally.
- Team member in the valuation of a U.S. Air Force Base closure located in Northern California.
- Rockhurst College, a Jesuit University located in Kansas City, Missouri.
- Student housing portfolios located in West Lafayette, Indiana, home of Purdue University.
- Fair Rental Market Analysis for General Services Agency consisting of a Federal Courthouse located in Kansas City, Kansas, Bannister Federal Complex, and Federal properties located in Leavenworth and Topeka, Kansas and Independence, Missouri.
- Industrial portfolio valuation of properties located throughout the United States.
- Residential subdivisions located in California and Midwest.
- Regional Malls located in California.

- Convenience Store properties located throughout the Midwest.
- Proposed Mixed Use Entertainment Center with Megaplex theaters and restaurant.
- Megaplex and Multiplex movie theaters.
- Proposed truck terminal facilities located in Kansas and Missouri.
- Bulk liquids transfer terminal located in Kansas.
- Assisted living and nursing home properties located in Kansas, Missouri, Alabama, and Mississippi.
- Institutional grade investment properties located throughout the United States.
- Portfolio valuation for Small Business Administration of properties located in California.
- Work assignments completed in various states include:

Alabama	Montana
Arizona	Nebraska
Arkansas	Nevada
California	New Mexico
Colorado	North Dakota
Hawaii	Ohio
Idaho	Oklahoma
Iowa	Oregon
Illinois	Pennsylvania
Indiana	South Dakota
Kansas	Tennessee
Louisiana	Texas
Michigan	Utah
Minnesota	Washington
Mississippi	Wisconsin
Missouri	Wyoming

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
CHARLES K. HAASE**

STATE CERTIFICATIONS

State of California Certified General Real Estate Appraiser (3004234)
State of Ohio Certified General Real Estate Appraiser (2017003033)
State of Utah Certified General Real Estate Appraiser (10536692-CG00)
State of Oklahoma Certified General Real Estate Appraiser (13344CGA)

EDUCATION

University of Nebraska Omaha, **Bachelor of Arts** in International Studies
- Specialization in Global Strategic Studies.

EXPERIENCE

06/2018 to Present - Kinetic Valuation Group, Certified General Real Estate Appraiser
10/2011 to 06/2018 - Lea & Company, Certified General Real Estate Appraiser
06/2009 to 10/2011 - Nebraska Title Company – Escrow Closer/Title Agent/Searcher

PROFESSIONAL TRAINING

Certified General Real Property Appraisal Courses Completed:

- | | |
|---|---------|
| • Basic Appraisal Procedures | 05/2012 |
| • Basic Appraisal Principles | 10/2012 |
| • Statistics, Modeling, and Finance | 05/2013 |
| • General Site Valuation and Cost Approach | 07/2013 |
| • General Sales Comparison Approach | 08/2013 |
| • General Appraiser Income Approach Part I | 04/2014 |
| • General Appraiser Market Analysis
and Highest & Best Use | 08/2014 |
| • General Appraiser Report Writing and Case Studies | 10/2014 |
| • National USPAP 15-Hour Course | 11/2014 |
| • Business Practice and Ethics | 8/2015 |
| • General Appraiser Income Approach Part II | 9/2015 |
| • Advanced Income Capitalization | 10/2015 |

REAL ESTATE ASSIGNMENTS

A representative sample of Due Diligence and Valuation Engagements includes:

- On a national basis, assisted with market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Includes property screenings, market and demographic analysis, comparable rent surveys, and supply and demand analysis.
- On a national basis, prepare market studies and appraisals consulting services for preservation of affordable housing properties involving USDA and HUD programs, oftentimes with renovation using Low-Income Housing Tax Credits and/or Historic Tax Credits. Programs include Rental Assistance Demonstration (RAD) Program, USDA 515 and 538, and HUD 221D4, 236, and MAP.

- Prepare market studies for proposed new construction, conversion, and existing Low-Income Housing Tax Credit developments for family and age-restricted populations.
- Prepare appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties and Section 8 Mark-to-Market properties. Assistance includes rent comparability studies, determination of market rents and market analysis.
- Conduct Rent Comparability Studies for expiring Section 8 HAP contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.

Work assignments completed in various states include:

Arizona	Nebraska
Arkansas	New Mexico
California	New York
Colorado	North Dakota
Florida	Ohio
Hawaii	Oklahoma
Iowa	Oregon
Kansas	Pennsylvania
Michigan	Texas
Missouri	Utah
Minnesota	West Virginia
Montana	Washington
Nevada	Wisconsin
	Wyoming

STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRENT R. GRIFFITHS

STATE CERTIFICATIONS

State of Arkansas Certified General Real Estate Appraiser (CG-4379)
State of California Certified General Real Estate Appraiser (3004361)
State of Minnesota Certified General Real Estate Appraiser (40524536)
State of Montana Certified General Real Estate Appraiser (REA-RAG-LIC-9586)

EDUCATION

University of Nebraska-Lincoln, Bachelor of Science in Business Administration with an emphasis in Finance and Management

EXPERIENCE

06/2018 to Present: Kinetic Valuation Group, Certified General Real Estate Appraiser
03/2013 to 06/2018: Lea & Company, Senior Analyst
08/2011 to 03/2013: Pinnacle Bank, Real Estate Loan Assistant
04/2010 to 08/2011: Pinnacle Bank, Customer Service Representative

PROFESSIONAL TRAINING

Certified General Real Property Appraisal Courses Completed:

• Basic Appraisal Procedures	05/2013
• National USPAP 15-Hour Course	06/2013
• Basic Appraisal Principles	09/2013
• Real Estate Finance, Statistics, and Valuation Modeling	09/2013
• General Appraiser Report Writing and Case Studies	12/2013
• General Appraiser Sales Comparison Approach	04/2014
• General Appraiser Income Approach/Part 1	07/2014
• General Appraiser Market Analysis and Highest & Best Use	08/2014
• General Appraiser Income Approach/Part 2	12/2014
• General Appraiser Site Valuation and Cost Approach	10/2015
• Advanced Income Capitalization	09/2016
• Advanced Concepts & Case Studies	9/2018

REAL ESTATE ASSIGNMENTS

A representative sample of types of projects involved with includes:

- On a national basis, prepare market studies and appraisals consulting services for proposed Low-Income Housing Tax Credit properties.
- On a national basis, prepare market studies and appraisals consulting services for preservation of affordable housing properties involving USDA and HUD programs, oftentimes with renovation using Low-Income Housing Tax Credits and/or Historic Tax Credits. Programs include Rental Assistance Demonstration (RAD) Program, USDA 515 and 538, and HUD 221D4, 236, and MAP.
- Prepare market studies for proposed new construction, conversion, and existing Low-Income Housing Tax Credit developments for special needs and age-restricted populations.
- Prepare appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties, Section 8 Mark-to-Market properties, Rental Assistance Demonstration (RAD) Program, and HUD Map Section 221D4 and 223f properties.
- Conduct rent comparable studies for properties encumbered by Section 8 contracts.

Work assignments completed in the following states:

- Alabama
- Arizona
- Arkansas
- California
- Colorado
- Florida
- Hawaii
- Illinois
- Indiana
- Iowa
- Kansas
- Louisiana
- Minnesota
- Missouri
- Montana
- Nebraska
- Nevada
- New Jersey
- New Mexico
- North Carolina
- North Dakota
- Oklahoma
- Oregon
- Rhode Island
- South Dakota
- Tennessee
- Texas
- Utah
- Washington
- Wyoming

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Sarah L Hauxwell

EDUCATION

University of Nebraska- Omaha, **Bachelor of Science** in Business Administration with a minor in Real Estate & Land Use, 2016

EXPERIENCE

06/2018 to Present: Kinetic Valuation Group, Real Estate Analyst

11/2016 to 06/2018: Lea & Company, Real Estate Analyst

PROFESSIONAL TRAINING

Certified General Real Property Appraisal Courses Completed:

- Basic Appraisal Procedures 10/2017
- Basic Appraisal Principles 8/2017
- National USPAP 15-Hour Course 12/10/2017

REAL ESTATE ASSIGNMENTS

A representative sample of types of projects involved with includes:

- On a national basis, assisted with market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Includes property screenings, market and demographic analysis, comparable rent surveys, and supply and demand analysis.
- On a national basis, assisted with market studies and appraisals for preservation of affordable housing properties involving USDA and HUD programs, oftentimes with renovation using Low-Income Housing Tax Credits and/or Historic Tax Credits. Programs include USDA 515 and 538.
- Prepare market studies for proposed new construction, conversion, and existing Low-Income Housing Tax Credit developments for family, senior, and assisted-living senior populations.
- Assist with appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties and Section 8 Mark-to-Market properties. Assistance includes rent comparability studies, determination of market rents and market analysis.
- Conduct rent comparable studies for properties encumbered by Section 8 contracts. Research included analysis of comparable properties and market analysis.

Work assignments completed in the following states:

Arizona	Nebraska
Arkansas	New York
California	Ohio
Colorado	Oklahoma
Hawaii	Utah
Iowa	West Virginia
Kansas	Washington
Missouri	
Minnesota	

Certificate of Professional Designation

This certificate verifies that

Jay A Wortmann
Kinetic Valuation Group

*Has completed NCHMA's Professional Designation Requirements
and is hence an approved member in good standing of:*



National Council of Housing Market Analysts
1400 16th St. NW
Suite 420
Washington, DC 20036
202-939-1750

Membership Term
1/1/2023 to 12/31/2023



A handwritten signature in black ink, appearing to read "Kaitlyn Snyder".

Kaitlyn Snyder
Managing Director, NCHMA

**SUTTER COMMUNITY AFFORDABLE HOUSING
STAFF REPORT (BUDGET)**

Date: February 28, 2023
To: Board of Directors
From: Marco Cruz, Chief Financial Officer

SUBJECT: Fiscal Year Ending 2024 Operating Budgets
RECOMMENDATION: Approve Operating Budgets

Background:

In accordance with sound fiscal management and programmatic requirements the staff of Regional Housing Authority (RHA) creates Sutter Community Affordable Housing's (SCAH) annual budget for the Board of Directors to review and approve. Revenues and expenses for the upcoming fiscal year are analyzed and estimated. While the most up to date projections are presented here actual performance may vary.

What are our programs, number of units and designations?

Town Center Senior Manor

This is a 28-unit senior complex located in Yuba City, CA. Town Center is directly owned by SCAH and managed by the staff of RHA. Operating revenues provided by tenant rent and Housing Choice Voucher assistance. Town Center accepts Housing Choice Voucher that are *tenant-based*. These vouchers move with the tenant.

Yolo-Heiken

This is a 5-unit family complex located in Yuba City, CA. Yolo-Heiken is directly owned by SCAH and managed by the staff of RHA. Operating revenues provided by tenant rent and Housing Choice Voucher assistance. Yolo-Heiken has Housing Choice Voucher *project-based* units. These vouchers stay with the project.

Low Income Housing Tax Credit (LIHTC) Developments

SCAH has partnered with various developers to build or rehabilitate low-income projects in Sutter County. These developments are funded with federal and State tax credits and local funding. Except for Maple Park Phase 1, these developments are managed by an outside firm. Their budgets are not included with SCAH's. Operating revenue includes tenant rents and Section 8 rental assistance subsidies.

Maple Park Phase-1	56 units (SCAH is a co-manager)
Kristen Court Phase-1	56 units
Kristen Court Phase-2	24 units
Kristen Court Phase-3	32 units (under construction)
New Haven Court	40 units

2024 Budget Highlights

Revenues

SCAH's revenues are derived from tenant rent payments and rental subsidies from Section 8 vouchers. There is a small amount of laundry machine income and reimbursements for tenant damages. For FYE 2024 we anticipate a 5% increase to rents for both Yolo-Heiken and Town Center's non-HOME units. Town Center's HOME rents will increase about 1%. For FYE 2024 we introduced an expected vacancy rate for Town Center and Yolo-Heiken, 4% and 7% respectively. We expect expenses to outpace revenues resulting with Net Income lower than prior year.

Salaries and Benefits

SCAH directly reimburses RHA's staffing salaries and benefits to manage the property. The budget includes 9% wage increases and a 16% increase to health insurance. California's minimum wage has increased to \$15.50/hr increasing our onsite manager costs. Maintenance staffing is reimbursed through per visit trip charges and a 9% increase is expected.

Insurance

Insurance continues to rise at a rapid pace due to recent wildfires and a lack of reinsurers. SCAH's insurance rose 15% over prior years which continues its double-digit trend.

Other Expenses

SCAH has been affected by the national inflationary pressures and costs are rising faster than usual year over year. We expect that to continue through the first half of FYE 2024 before stabilizing. Other than the above, we normally budget expenses to increase by 3-5%. This year, administrative expenses are expected to rise by 7-10% and maintenance costs by 5-10%.

RECOMMENDATION:

It is recommended that the Board of Directors of the Sutter Community Affordable Housing approve the FYE 2024 operating budget.

Prepared by:



Marco A. Cruz, Chief Financial Officer

Submitted by:



Gustavo Becerra, Executive Director

Town Center Senior Manor

Period = Apr 2023-Mar 2024

	Trailing Twelve Months	PTD Budget	Variance
3000-00-000 INCOME			
3199-00-000 NET TENANT INCOME	241,875	266,564	24,689
3699-00-000 OTHER INCOME	46	48	2
3999-00-000 TOTAL INCOME	241,921	266,612	24,691
4000-00-000 EXPENSES			
4199-00-000 ADMINISTRATIVE EXPENSES	44,023	56,783	-12,760
4299-00-000 TENANT SERVICES EXPENSES	7,826	8,826	-1,000
4399-00-000 UTILITY EXPENSES	39,438	42,115	-2,677
4499-00-000 MAINTENANCE EXPENSES	81,963	105,316	-23,353
4599-00-000 GENERAL EXPENSES	11,311	11,852	-541
4899-00-000 FINANCING EXPENSES	59,909	59,909	0
5999-00-000 NON-OPERATING ITEMS	96,863	97,956	-1,093
8000-00-000 TOTAL EXPENSES	341,332	382,757	-41,425
9000-00-000 NET INCOME	-99,411	-116,145	-16,734
CASH FLOW ADJUSTMENTS		188,865	
ANNUAL CASH INCREASE (DECR)		72,720	

Yolo Heiken

Period = Apr 2023-Mar 2024

	Trailing Twelve Months	Budget	Variance
3000-00-000 INCOME			
3199-00-000 NET TENANT INCOME	55,912.00	58,068.00	2,156.00
3699-00-000 OTHER INCOME	18.00	12.00	-6.00
3999-00-000 TOTAL INCOME	55,930.00	58,080.00	2,150.00
4000-00-000 EXPENSES			
4199-00-000 ADMINISTRATIVE EXPENSES	7,236.00	12,254.43	-5,018.43
4399-00-000 UTILITY EXPENSES	6,262.00	6,702.00	-440.00
4499-00-000 MAINTENANCE EXPENSES	7,872.00	13,004.04	-5,132.04
4599-00-000 GENERAL EXPENSES	1,986.00	2,034.63	-48.63
5999-00-000 NON-OPERATING ITEMS	7,590.00	7,752.00	-162.00
8000-00-000 TOTAL EXPENSES	30,946.00	41,747.10	-10,801.10
9000-00-000 NET INCOME	24,984.00	16,332.90	-8,651.10
CASH FLOW ADJUSTMENTS		7,752	
ANNUAL CASH INCREASE (DECR)		24,085	

Sutter Community Affordable Housing

DATE: February 28, 2023
TO: Board of Directors
FROM: Tom Goodwin, Operations Manager

SUBJECT: Maintenance and Operations Update

- Total work orders completed for October, November, December 2022 were 110
- Total number of work orders by projects:

Priority & Category	Maple Park	Town Center	Yolo	TOTAL
Emergency	19	11	2	32
Make Ready's	4	2		6
Routine	46	36	4	86
Scheduled				0
Pest		3		0
Cancelled				0
HQS				0
Total Property	69	49	6	124
Pending	11	3		14
Completed	58	46	6	110

Prepared By:

Tom Goodwin

Tom Goodwin, Operations Manager

Submitted By:



Gustavo Becerra, Executive Director

SUTTER COMMUNITY AFFORDABLE HOUSING
STAFF REPORT

Date: February 28, 2023
 To: Board of Directors
 From: Pattra Runge, Occupancy Manager

SUBJECT: Quarterly Occupancy (Q3 2022-2023) report for quarter ending December 31, 2022

RECOMMENDATION: None - Update Only

FISCAL IMPACT: None - Informational Only

Sutter Community Affordable Housing

Development	Units Available	Units Leased October	Units Leased November	Units Leased December
Town Center (Yuba City)	27	25	26	27
Yolo-Heiken (Yuba City)	5	4	4	4
Maple Park I (Live Oak)	55	54	54	54
Kristen Court I (Live Oak)	55	49	52	51
Kristen Court II (Live Oak)	24	23	23	22
New Haven Court (Yuba City)	39	34	36	38

Currently, the following property waitlists are open: Town Center Senior Manor and Kristen Court (both phases). Vacancies continue to be filled within an approximate 30-day turn-around period.

Prepared by:

 Pattra Runge
 Occupancy Manager
 Regional Housing Authority

Submitted by:

 Gustavo Becerra
 Executive Director
 Regional Housing Authority

**SUTTER COMMUNITY AFFORDABLE HOUSING
STAFF REPORT**

Date: February 28, 2023
To: Board of Directors
From: Marco Cruz, Chief Financial Officer

SUBJECT: Financial Review (April 2022-December 2022)

Town Center Senior Manor

INCOME STATEMENT APRIL-DECEMBER

	Town Center Actual	Town Center Budget	Town Center Variance
REVENUE	\$186,101	\$183,573	\$2,528
OPERATING EXPENSES	\$147,593	\$139,976	(\$7,617)
OPERATING REVENUE	\$38,508	\$43,597	(\$5,089)
NON-OPERATING EXPENSES	\$0	\$0	\$0
NET INCOME	\$38,508	\$43,597	(\$5,089)

TOWN CENTER BALANCE SHEET

	Mar 2022 Balance	Dec 2022 Balance	Net Change
CASH	\$255,131	\$291,638	\$36,507
ACCOUNTS AND NOTES RECEIVABLE	\$380	\$1,262	\$882
OTHER CURRENT ASSETS	\$6,561	\$10,493	\$3,932
FIXED ASSETS (NET)	\$768,913	\$768,913	\$0
TOTAL ASSETS	\$1,030,985	\$1,072,306	\$41,321
CURRENT LIABILITIES	\$1,425,090	\$1,427,904	\$2,814
NONCURRENT LIABILITIES	\$1,996,956	\$1,996,956	\$0
RETAINED EARNINGS	(\$2,391,061)	(\$2,352,554)	\$38,507
TOTAL LIABILITIES AND EQUITY	\$1,030,985	\$1,072,306	\$41,321

Town Center's revenues are slightly above budget due to low vacancy. Higher than expected maintenance costs for alarm maintenance and plumbing caused the operating revenues to be lower than expectations. Total cash increased by \$36,507 year to date.

Yolo-Heiken

INCOME STATEMENT APRIL-DECEMBER

	Yolo-Heiken Actual	Yolo-Heiken Budget	Yolo-Heiken Variance
REVENUE	\$39,850	\$42,697	(\$2,847)
OPERATING EXPENSES	\$19,655	\$22,864	\$3,209
OPERATING REVENUE	\$20,195	\$19,833	\$362
NON-OPERATING EXPENSES	\$0	\$0	\$0
NET INCOME	\$20,195	\$19,833	\$362

YOLO-HEIKEN BALANCE SHEET

	Mar 2022 Balance	Dec 2022 Balance	Net Change
CASH	\$76,369	\$96,025	\$19,656
ACCOUNTS AND NOTES RECEIVABLE	\$0	\$402	\$402
OTHER CURRENT ASSETS	\$937	\$1,499	\$562
FIXED ASSETS (NET)	\$138,452	\$138,452	\$0
TOTAL ASSETS	\$215,758	\$236,378	\$20,620
CURRENT LIABILITIES	\$3,135	\$3,560	\$425
NONCURRENT LIABILITIES	\$160,000	\$160,000	\$0
RETAINED EARNINGS	\$52,623	\$72,819	\$20,196
TOTAL LIABILITIES AND EQUITY	\$215,758	\$236,379	\$20,621

Yolo-Heiken's revenues are slightly below expectations. Administrative and maintenance expenses are in line with budget. A bad debt reimbursement decreased the Operating Expenses for a positive variance. Its cash position has increased by \$19,656 since the start of the fiscal year.

RESERVE ACCOUNTS:

	Mar 2022	Dec 2022	Inc/(Decr)
TC Operations Reserve	\$130,129	\$158,439	\$28,310
TC Replacement Reserve	\$98,464	\$98,479	\$15
Yolo-Heiken Operating Reserve	\$62,423	\$81,409	\$18,986

Prepared by:



Marco A. Cruz, Chief Financial Officer

Submitted by:



Gustavo Becerra, Executive Director

**SUTTER COMMUNITY AFFORDABLE HOUSING
STAFF REPORT**

Date: February 28, 2023
To: Board of Directors
From: Gustavo Becerra, Executive Director

SUBJECT: Planning & Community Development (PCD) Update
RECOMMENDATION: None.
FISCAL IMPACT: Not applicable.

Department Updates:

Kristen Court Phase III (Live Oak) – Co-developer: Pacific West Communities; Number of units: 32; Target population: low-income families. Construction financing closed on October 19, 2021, with an estimated construction completion date of April 2023.

PG&E scheduling delays have had a big impact on this project along with long material lead times and labor shortages.

Richland Village (Yuba City) – Co-developer: Sage Housing Group; Number of units: 176; Target population: low-income families. The Housing Authority has committed 20 project-based Housing Choice Vouchers to the development as well as a land loan for \$2,110,000. The City of Yuba City also approved a \$1,000,000 capital funds grant to the project. RHA and Sage submitted an application for Affordable Housing and Sustainable Communities (AHSC) funding to State HCD on June 8, 2021, and it is with great pleasure to report that the project was awarded \$30 million in AHSC financing. Awards were announced on January 26, 2022.

RHA and Sage Housing also submitted an application for low-income housing tax credits, and tax-exempt bonds in order to complete the financing package necessary to develop the project. The application was submitted on February 7, 2023, with awards to be announced on May 10, 2023. If this application is not awarded, the next round of tax-credit and tax-exempt bond financing opens in June 2023 and staff would re-submit an application.

Additionally, staff have submitted a financing application for \$1.2 million to the California Energy Commission's BUILD program. The application was successful, and the award letter was issued in February 2023.

The City of Yuba City has extended the planning approval entitlements and their \$1 million financial commitment to January 2025. They were set to expire in January 2023 without the extension.

Local Financing Commitments:

- Sutter County Fee Deferral = \$453,552
- Regional Housing Authority Land Loan = \$2,110,000
- Regional Housing Authority = 20 Project Based Vouchers (20-year contract)
- City of Yuba City Capital Funds = \$1,000,000
- Yuba City Unified School District Fee Deferral = \$237,270

Garden Grove (Yuba City) – Co-developer: Affordable Housing Development Corporation (AHDC); Number of units: 50; Target population: low-income seniors (62+). Staff is currently working with the design team and City staff on planning approval entitlements. Planning Commission consideration is being targeted for March 2023. To be developed on a vacant land site that RHA currently owns on Garden Highway.

Prepared and submitted by:



Gustavo Becerra
Executive Director