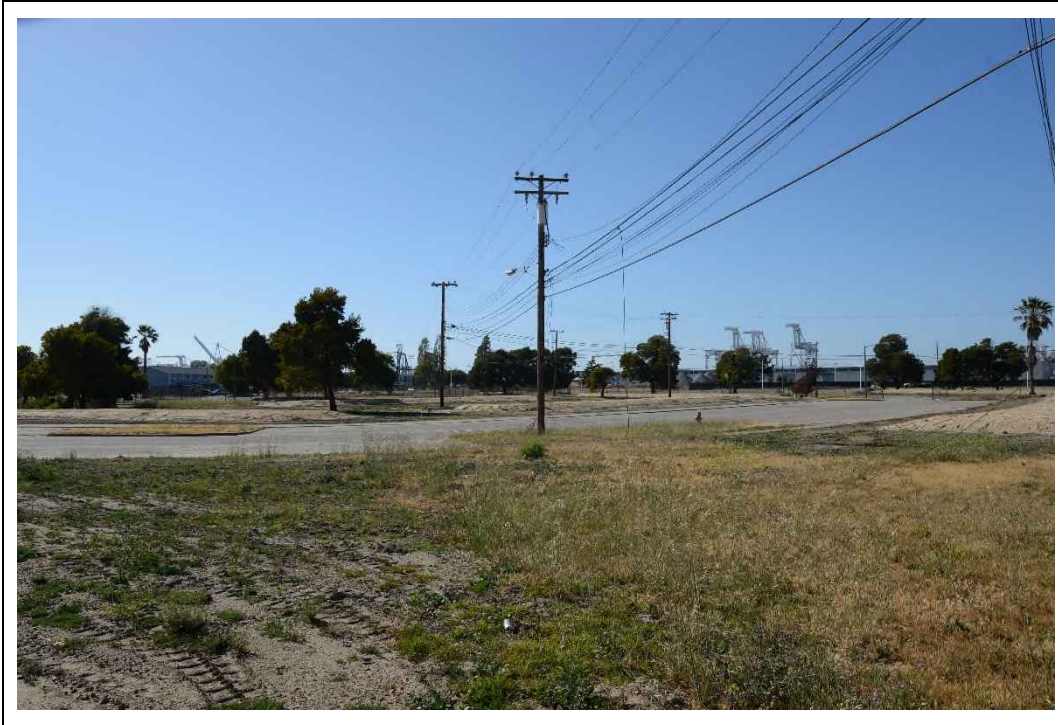


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**APPRAISAL OF**

**North Housing Parcel  
Vacant Multi-Family Land Parcel  
Singleton Avenue (501 Mosley Avenue)  
Alameda, California**



**PREPARED FOR**

**Tony Went, Senior Project Manager  
Housing Authority of the City of Alameda and its Affiliates  
Alameda, California**

**Effective Date of Value: November 15, 2021  
Date of Report: January 6, 2022**

**PREPARED BY**

**Joseph I. Napoliello, MAI  
South San Francisco, California**

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# Joseph I. Napoliello, MAI

*Commercial – Industrial – Residential – Real Estate Appraisal and Consultation*

840 Olive Avenue #3, So. San Francisco, CA 94080 415-309-6728 Joe@JNval.com

January 6, 2022

Tony Went, Senior Project Manager  
Housing Authority of the City of Alameda and its Affiliates  
701 Atlantic Avenue  
Alameda, California 94501

Re: Appraisal of  
North Housing Parcel  
Vacant Multi-Family Land Parcel  
Singleton Avenue (501 Mosley Avenue)  
Alameda, California  
Our Job # 2021461

Dear Mr. Weng:

In accordance with your recent request and authorization, we have inspected and appraised the vacant multi-family land parcel known as the North Housing Parcel at Singleton Avenue (501 Mosley Avenue) in the City of Alameda, County of Alameda, California. The appraisal was made to provide you with an independent opinion of market value in the undivided fee simple interest in the property as of November 15, 2021, the date of our most recent physical visit to the property.

The accompanying report has been prepared for your use, as our client, for syndication purposes and may not be used by or distributed to any other parties without our written consent.

The report, which has been prepared to the standards addressed in the Uniform Standards of Professional Appraisal Practice (USPAP), describes in narrative fashion the area, neighborhood, site, improvements, highest and best use, and our method of appraisal. It contains the pertinent data considered in reaching our valuation



conclusions. Please note, in particular, the Statement of Limiting Conditions and Assumptions found in the report.

The property was inspected and appraised by Joseph I. Napoliello, MAI, without significant professional assistance from any other persons. We performed an appraisal process using data and analyses considered necessary to produce a credible value conclusion(s) and prepared an appraisal report as described in USPAP.

Based on our visual inspection of the site and improvements, investigation, and analyses undertaken, we have formed the opinion that as of November 15, 2021, and subject to the definition of value, assumptions and limiting conditions, and certification contained in the report, the property had an undivided fee simple market value, as is, of

**THIRTY NINE MILLION DOLLARS**  
**(\$39,000,000)**

**Extraordinary Valuation Assumption:** The global outbreak of a “novel coronavirus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) in March 2020. The reader is cautioned, and reminded, that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event after the effective date of the appraisal. The subject is part of a Military Clean-Up Site. The valuation also assumes the land is free of any hazardous materials and is suitable for development of residential housing. A hypothetical condition assumes something about the property that is contrary to known fact but is supposed for valuation purposes. The use of this condition may have an affect on the assignment results and the appraiser reserves the right to review the valuation conclusions should additional information become available.

This letter of transmittal is not intended to be a report of our data and conclusions. The report, which follows, must be read in its entirety to allow the user to fully comprehend the market data we relied on, our value conclusions, assumptions, and limiting conditions. The above value opinions do not include any personal property, fixtures, or intangibles.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Joseph I. Napoliello', is written over a horizontal line.

Joseph I. Napoliello, MAI  
Certified General Real Estate Appraiser  
CA #AG003794

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### Addenda

Definitions  
Preliminary Title Report  
Highest and Best Use Cost Input Data  
Qualifications of Appraiser

## SUMMARY OF APPRAISAL

### **BASIC PROPERTY DATA**

<b>PROPERTY ADDRESS:</b>	North Housing Parcel Vacant multi-family land parcel Singleton Avenue (501 Mosley Avenue) Alameda, California 94501 County of Alameda
<b>APN:</b>	074-0905-012-09
<b>OWNER:</b>	Housing Authority of the City of Alameda, a public body, corporate and politic
<b>ZONING:</b>	R-4-PD, Neighborhood Residential Planned Development with MultiFamily Overlay, under the jurisdiction of the City of Alameda
<b>PRESENT USE:</b>	Vacant multi-family land parcel
<b>HIGHEST AND BEST USE:</b>	Future residential development
<b>LAND AREA:</b>	±530,996 square feet or ±12.19 acres gross ±444,312 square feet or ±10.20 acres net
<b>PROPERTY DESCRIPTION:</b>	The site is a vacant multi-family land parcel. It was previously improved, but the buildings were demolished.
<b>PROPERTY RIGHTS TO BE VALUED:</b>	Fee simple
<b>EFFECTIVE DATE OF VALUE:</b>	November 15, 2021
<b>DATE OF REPORT:</b>	January 6, 2022
<b>CLIENT:</b>	Tony Went, Senior Project Manager Housing Authority of the City of Alameda and its Affiliates 701 Atlantic Avenue Alameda, California 94501
<b>INTENDED USE OF REPORT:</b>	This appraisal is intended to provide our client an independent opinion of market value for syndication purposes.

<b>OTHER INTENDED USERS OF THE REPORT:</b>	None		
<b>FORM OF REPORT:</b>	USPAP Standard 2-2 Appraisal Report		
<b>CONDITIONS OF ASSIGNMENT:</b>	<p>The global outbreak of a “novel coronavirus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) in March 2020. The reader is cautioned, and reminded, that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event after the effective date of the appraisal. The subject is part of a Military Clean-Up Site. The valuation also assumes the land is free of any hazardous materials and is suitable for development of residential housing. A hypothetical condition assumes something about the property that is contrary to known fact but is supposed for valuation purposes. The use of this condition may have an affect on the assignment results and the appraiser reserves the right to review the valuation conclusions should additional information become available.</p> <p>See stated limiting conditions and assumptions and appraiser’s certification following the section on the scope of work.</p>		
<b>VALUATION CONCLUSION:</b>	\$39,000,000, as is, as of the date of valuation and subject to the stated limiting conditions, assumptions and certification		
		Per Sq. Ft.	Per Unit
	Probable Value (Rounded):	\$45,135,000	\$45,750,000
	Infrastructure	-\$6,053,359	-\$6,053,359
	Value As Is	\$39,081,641	\$39,696,641
	Easements	-\$300,000	-\$300,000
	Total Value	\$38,781,641	\$39,396,641
	Rounded	\$38,780,000	\$39,400,000
		Per Sq. Ft.	Per FAR Ft.
	Probable Value (Rounded):	\$38,780,000	\$39,400,000
	Low End of Range	\$38,780,000	
	High End of Range	\$39,400,000	
	Average	\$39,090,000	
	Reconciled - As Is - Rounded	\$39,000,000	

**Views of Subject**



Interior View



Street Scene



## **STATEMENT OF LIMITING CONDITIONS AND ASSUMPTIONS**

This appraisal is made subject to the following **extraordinary** limiting conditions or assumptions:

The global outbreak of a “novel coronavirus” known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO) in March 2020. The reader is cautioned, and reminded, that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of any unforeseen event after the effective date of the appraisal.

The subject is part of a Military Clean-Up Site. The valuation also assumes the land is free of any hazardous materials and is suitable for development of residential housing. A hypothetical condition assumes something about the property that is contrary to known fact but is supposed for valuation purposes. The use of this condition may have an affect on the assignment results and the appraiser reserves the right to review the valuation conclusions should additional information become available.

Use of or reliance on this appraisal or appraisal report, regardless of whether such use or reliance is known or authorized by the appraiser, constitutes acknowledgment and acceptance of these general assumptions and limiting conditions, any extraordinary assumptions or hypothetical conditions, and any other terms and conditions stated in this report.

This appraisal report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy. We have not attempted to independently verify any rental, income, or expense data provided to us.
5. It is assumed that the reader or user of this report has been provided with copies of available building plans and all leases and amendments, if any, that encumber the property.
6. If no legal description was furnished, the appraiser used the county tax plat to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate the appraiser reserves the right to review any value conclusions.
7. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
8. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such

conditions or for obtaining the engineering studies that may be required to discover them.

9. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
10. It is assumed that all water, sewer facilities and utilities (whether existing or proposed) are or will be in good working order, are safe for use, and are or will be sufficient to serve the current or proposed uses of the subject property or any structures or other improvements. Determining and reporting on such matters were not part of the scope of work for this assignment.
11. It is assumed that the property is in compliance with all applicable federal, state and local laws, ordinances, regulations, building standards, use restrictions and zoning unless the lack of compliance is stated in the appraisal report. Determining and reporting on such compliance were not part of the scope of work for this assignment.
12. Any proposed improvements are assumed to have been completed unless otherwise stipulated, so any construction is assumed to conform with the building plans referenced in the report.
13. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value opinion contained in this report is based.
14. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
15. It is assumed that the property has been adequately exposed for a reasonable time in advance of the effective date of this report. In a market value appraisal there is the assumption of hypothetical sale as of the date of value. It is further assumed that the exposure or marketing effort was commensurate with the type of real property interest, the use of the property, its market value, and the likely buyer.
16. Unless otherwise stated in this report, the past or current existence of hazardous materials or environmental contamination on, below or near the subject property was not observed or known by the appraiser. The appraiser, however, is not qualified to detect such substances or to make determinations about their presence. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials or environmental contamination may affect the value of the property. Unless otherwise stated, the value estimated is predicated on the assumption that there is no such material on, below or affecting the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering assistance required to discover them. The intended user is urged to retain an expert in this field, if desired.

This appraisal report has been made with the following general limiting conditions:

1. Any allocation of the total opinion of value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate

values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

2. Any opinions of value provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the opinion of value, unless such proration or division of interests has been set forth in the report.
3. For proposed construction, only preliminary plans and specifications were available for use in the preparation of this appraisal; the analysis, therefore, is subject to a review of the final plans and specifications when available.
4. Possession of this report, or a copy thereof, does not carry with it the right of publication.
5. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or be in attendance in court with reference to the property in question unless arrangements have been previously made.
6. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
7. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
8. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with the various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirement of the ADA would reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative impact upon the value of the property. Since the appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
9. This report has been prepared specifically for the stated use and benefit of the client, as named in the introduction, and may not be used by any other party without prior written consent and approval of the appraiser.

**CERTIFICATION**

I certify that to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent on developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. My value conclusion(s), as well as other opinions expressed herein, are not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.
- I certify that 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 the report, I have completed the requirements of the continuing education program of the Appraisal Institute.
- I, the undersigned, have made a personal inspection of the property that is the subject of this report.
- No other persons provided significant professional assistance to the person(s) signing this report.



Joseph I. Napoliello, MAI  
Certified General Real Estate Appraiser  
CA Certificate #AG003794

## **SCOPE OF WORK**

It is our understanding that our client is seeking an independent opinion of market value for use in syndication. In preparing this appraisal, the appraiser:

1. Inspected the subject site and the improvements,
2. collected and analyzed regional, city and neighborhood data,
3. collected and analyzed pertinent data on the physical and legal characteristics of the site and improvements including environmental issues, zoning data, legal description and other related matters,
4. collected, verified, and analyzed comparable land sales data,
5. analyzed the highest and best use of the property,
6. developed an independent opinion of market value using the sales comparison approach to value and reconciled the indications to a final opinion of value.

Market data was developed from a number of data services and contacts with real estate brokers and other appraisers.

The property was inspected by Joseph Napoliello, MAI. No other persons provided significant professional assistance in the valuation of the property or the writing of the report to the appraiser.

The comparables selected for analysis of the value of the property have been confirmed with at least one of the principals to the transactions or their employees or brokers or agents involved or through two separate, independent sources. The appraiser also relied on public data from the assessor's and recorder's offices and the planning department to supplement direct contacts. These findings are presented in a narrative report format and the type of data and analyses necessary to produce a credible appraisal of the property have been applied.

The appraisal process and development of the report were intended to meet the standards outlined in the Uniform Standards of Professional Appraisal Practice (USPAP) and the Code of Ethics of the Appraisal Institute and also TCAC standards.

The appraiser has over 35 years of appraisal experience and is familiar with the subject property type and market.

PLEASE NOTE: This is a revised appraisal report. It replaces the report originally produced on December 1, 2021. The minor revisions include a new report date, updating the addressee, including ferry service points from Alameda Island, and minor wording changes regarding the use of net versus gross land area in the calculation of allowable density and in the highest and best use analysis. The original report relied on net land area in the valuation process. This revision relies on the gross land area, but there no significant changes to the valuation.

## **DESCRIPTION OF PROPERTY UNDER APPRAISAL**

### **Market Area:**

#### **Alameda County**

**Location:** The subject property is in Alameda County, in an area of the San Francisco Bay Area known as the *East Bay*. The county is bounded on the north by Contra Costa County, on the south by Santa Clara County, on the east by San Joaquin County and on the west by the San Francisco Bay. The Bay Bridge connects Alameda County with San Francisco.

According to *The Appraisal of Real Estate, 12th Edition*, the value of real property is influenced by four basic forces which influence human activity: social forces, economic forces, governmental forces and environmental forces. These forces, as they relate to the assignment, are discussed in the paragraphs that follow.

### **Social Forces**

**Population:** Total population, as reported by the *Department of Finance* for January 2021, was 1,656,591, making Alameda County the seventh most populous county in the state. Most of the county's population is concentrated along a narrow plain between the San Francisco Bay and the East Bay Hills. Of the 14 cities in the county, Oakland, Fremont, Hayward and Berkeley had populations exceeding 100,000. Over the 50-year span from 2010 to 2060, Alameda County's population is forecast to grow by 0.9% or 21<sup>st</sup> out of 58 counties in the state. Since 2010, the county's population grew by 9.7% which is considerably more than the state (5.9%) and the Bay Area (7.7%). Oakland will continue to have the largest population in the county, while maintaining one of the lowest rates of growth.

<b>Bay Area Population</b>		<b>Land Area</b>	<b>Density</b>
<b>Density</b>	<b>2021</b>	<b>Sq. Mi.</b>	<b>/ Sq. Mi.</b>
Alameda	1,656,591	737.6	2,245.9
Contra Costa	1,153,854	719.9	1,602.8
Marin	257,774	519.8	495.9
Napa	137,637	753.7	182.6
San Francisco	875,010	46.7	18,736.8
San Mateo	765,245	449.1	1,704.0
Santa Clara	1,934,171	1,290.7	1,498.5
Solano	438,527	829.2	528.9
Sonoma	484,207	1,575.9	307.3
<b>Totals</b>	<b>7,703,016</b>	<b>6,922.6</b>	<b>1,112.7</b>

Source: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State; County Profiles

According to the *Census Bureau*, the median age in the county is 37.4 years compared with 37.9 nationwide. Roughly 80 percent of the county is over 18 years of age in the county versus 78 percent nationwide.

**Quality of Life:** Alameda County has numerous medical and health care facilities. Residents have access to a variety of cultural events, including the Oakland ballet and symphony, dance troupes and theater groups. The county is served by a University of California and other higher-education institutions, and numerous vocational training programs. The Oakland A's baseball games are well attended by fans from throughout

the Bay Area, but both the football Raiders and the basketball Warriors left over the past few years.

### **Economic Forces**

**Income Level:** Median household income was \$99,406 according to the 2019 *American Community Survey*. It was \$75,235, statewide.

**Employment:** The eastern portion of the county (Pleasanton, Dublin, Livermore) is the least developed, but it is increasingly becoming a center of office, communications, and high-technology employment. The northern portion of the county (Oakland, Emeryville, Berkeley) has shifted from reliance on heavy industry to retail, office, government, transportation and biotechnology).

The preliminary unemployment rate for October 2021, as reported by the California *Employment Development Department*, was 5.0% county-wide compared with 4.3% for the Bay Area, as a whole.

**Economic Base:** Small businesses provide the economic base for the county. There are approximately 150,000 businesses in the county with healthcare, manufacturing, retail, professional and technical and hospitality firms the largest employers.

**Location of Centers of Employment:** Historically, the employment centers for the county have been Oakland, Hayward, Fremont and Berkeley and this trend is expected to continue. High technology industries are concentrating in the southern part of the county. The eastern section of the county is also becoming a center for office employment, communications and high technology industries. The industrial structure in the northern portion of the county has shifted from manufacturing to office employment, government centers, transportation and biotechnology.

**Real Estate Markets:** The September 2021 median home price for Alameda County was \$960,000, an increase of 9.1% over September 2020, but year-over-year comparison is difficult because of the pandemic. The median price also represents a 4% decrease over the prior month, but July and August tend to be the highest demand months.

**Financing Markets:** The general availability of credit has been good for most forms of real estate. Rates have been low and relatively stable and there has been no evidence of seller or creative financing in the market.

### **Governmental Forces**

**Budget/Quality of Services:** Alameda County was significantly impacted by the 2007-2009 recession, but the general outlook for the county has improved over the past several years, however.

**Taxes:** Under California's current tax law, Proposition 13, a sale of any property results in a new assessed value. The new value generally approximates the selling price with a

resultant property tax of 1.0 percent plus any special assessments. The current sales tax in Alameda County is 9.25 percent.

### **Environmental Forces**

**Land Area/Natural Resources:** The county has 92.4 square miles of water and 733 square miles of land, for a total of 825.4 square miles. Alameda County has an impressive parks and recreation system, including regional parks, a wildlife refuge, the Aquatic Park in Berkeley, beaches and an estuary, plus a 105-acre sports and recreation park in Pleasanton. Open spaces are abundant throughout the county.

**Climate:** The county offers a variety of climates. The cities adjacent to the San Francisco Bay are cooler and have more foggy days than the inland valley cities. Air quality has been an on-going issue for Alameda County.

**Time/Distance Relationships:** Extensive highway systems and transportation facilities are available throughout the county. The Nimitz Freeway (I-880) is the main north-south freeway. Interstate 580, which connects with I-80, provides access to San Francisco employment centers via the Oakland Bay Bridge. Alameda County is also served by Interstate 680 and State Highway 92, which connects with San Mateo County via the San Mateo Bridge. Mass transit is provided by AC Transit and Bay Area Rapid Transit (BART). The BART light rail system travels throughout Alameda and Contra Costa Counties, connecting with San Francisco. All three transcontinental railroads serve the county, as does Gray Lines. Airport service is available through Oakland International, just north of San Leandro off I-880, and across the bay at San Francisco International Airport. Transportation constraints in central and southern Alameda County are significant infrastructure problems for the county.

### **City of Alameda**

**Social Forces:** Alameda is a city in northwestern Alameda County, California. It is located on a small island of the same name adjacent to Oakland, California in the San Francisco Bay. It is roughly four miles across the bay from San Francisco and about 35 miles north of San Jose. An

additional part of the city is Bay Farm Island, which is adjacent to the Oakland

<b>Population Growth</b>					
Year	2021	% Chg.	2020	% Chg.	2010
Alameda City	80,884	-0.3%	81,135	9.9%	73,812
Alameda Co.	1,656,591	-0.8%	1,663,114	7.3%	1,510,271
California	39,466,855	-0.5%	39,648,938	6.4%	37,253,956
Source: DOF E-5 City/County Population and Housing Estimates					

International Airport. Alameda has a total population of approximately 80,884. The population grew rapidly over the past decade, but like the Bay Area in general, population growth has stabilized recently.

According to the *Census Bureau*, the median age in the city is 39.8 years versus 37.4 for the county and 37.9 nationwide. Roughly 80 percent of the city and county are over 18 years of age in the county versus 78 percent nationwide.



There is one hospital that is part of the *Alameda Health System* in the city and there are numerous medical facilities nearby in the city of Oakland. The College of Alameda, a community college, is in the city, but the nearest four-year schools are UC Berkeley and Cal State East Bay in Hayward. The city has a unified school district serving K-12<sup>th</sup> grades.

The city is also known for its beaches and there are 21 neighborhood parks, as well. There is a public 45-hole golf complex, and the city also has a light opera and other cultural activities throughout the year. Also of note is the USS Hornet Museum which features an historic aircraft carrier and various exhibitions.

**Economic Forces:** Per the Census Bureau, median household income in the city was \$104,756 as of 2019 versus \$99,406, countywide. The median home price in September of 2021 was \$1,250,000 according to the real estate firm *Redfin*. Prices are substantially higher than 2020, but the data is skewed by the pandemic and tends to vary considerably month-by-month.

None of the 25 largest employers in the county are in the city of Alameda. The city recognizes its major industry “clusters” as: life sciences, clean and high tech, maritime and blue tech, retail and restaurants, tourism and hospitality, artists and small manufacturing. With the closure of the naval base, the majority of businesses are smaller employers. Some of the larger non-governmental employers in the city include: *Bay Ship & Yacht Company, Cost Plus Corporate Headquarters, Kaiser Foundation Health Plan, Semifreddi’s Handcrafted Bread and Pastries, Telecare Corporation*.

**Governmental Forces:** Alameda is a charter city and adopted a council-manager government. There are five elected council members including a mayor and vice mayor. The city auditor and treasurer are also elected.

**Environmental Forces:** The city consists of the original section, with the former naval air station at the west end of Alameda Island. Southshore is along the southern side of the island, and Bay Farm Island, which is part of the mainland proper. The area of the former naval station is now known as Alameda Point. Southshore is separated from the main part of Alameda Island by a lagoon. Alameda Point and Southshore are built on bay fill.

There are many Victorian homes with a mix of apartments in the older portion of the city, but there are also newer homes and typical suburban shopping centers, as well. Many newer homes and retail centers have been developed in Point Alameda and this trend will likely continue.

The climate tends to be warmer than the west side of the bay and the small-town feel of the city makes it attractive for residents. It is, however, by virtue of its proximity to the bay, more prone to the possibility of sea level rise. Additionally, areas built on bay fill are

more prone to violent shaking during an earthquake. The city is set between the San Andreas and Hayward Faults with the Hayward Fault just a few miles to the east.

Access to the island portion of the city is slightly limited. There are two BART stations nearby, but both are in Oakland. Public transit is available to San Francisco via AC Transit and ferry service from Jack London Square in Oakland and Alameda Seaplane Lagoon Ferry Terminal, Alameda Main Street and Harbor Bay Ferry Terminal. Oakland International Airport is nearby as is an Amtrak Station in Emeryville. Public streets carry low to moderate levels of traffic, but the nearest freeway is Interstate 880 in Oakland.

### **Immediate Neighborhood**

The subject is set on the northwest side of the island near Alameda Point and just north of the West End neighborhood. It is part of the former naval air station.

It is a mixed-use neighborhood with smaller-scale residential uses to the west and newer retail and residential development to the east.

The subject is set along two east-west running streets. Mosley Avenue is the northerly boundary and Singleton Avenue cuts across the lower portion of the parcel. Bette Street sets the easterly boundary and Mabuhay runs along the west.

Nearby uses include a mix of newer lower-density residential, newer retail and service commercial uses, newer multi-family developments and older base housing converted to residential use.

The neighborhood is transitional in that new development is proposed and on-going. The density of the neighborhood will increase over time and significantly change the character of the city.

### **Market Area Summary**

The subject has a transitional setting in the former naval air station. The neighborhood will increase in density over time, but it will also have many new shops and residences creating an entirely new neighborhood in the city. Residents enjoy above average income and there is on-going development or redevelopment in many parts of the city suggesting a favorable economic outlook. The property benefits from relatively direct access to Oakland and other portions of the East Bay and San Francisco and the only significant negative consequence of the setting is the proximity to the bay with some risk from possible sea level rise in the future. Regardless, the outlook for the city remains positive and the amount of recent and planned development suggests the city will benefit from above average asset protection into the foreseeable future.

## City of Alameda -- Market Information

### Business Parks

Marina Village – 1.2 million sq. ft. of multi-tenant office, R&D and high tech facilities in top-rated business park; wide range of space options available with beautiful views of the estuary and East Bay hills.

Harbor Bay Business Park – 1.8 million sq. ft. with more than 40 acres of fully entitled land available for immediate development on the waterfront and only minutes from the Oakland International Airport.

Alameda Point (former Naval Air Station) – for lease and major development opportunities available on 852 acres of prime real estate with stunning views of the Bay and the San Francisco skyline.

Alameda Landing – Planned development

### Retail Centers

#### REGIONAL SHOPPING CENTERS

South Shore Shopping Center – 594,000 sq. ft., open air shopping center: Safeway, Trader Joes, Bed Bath and Beyond, Old Navy, Kohls, and other retailers and eateries.

Alameda Landing – 285,000 sq. ft. shopping center: Target, Safeway, Michael's, In-N-Out Burger, and a variety of restaurants.

#### COMMUNITY SHOPPING CENTERS

Bridgeside Shopping Center – 105,000 sq. ft., Nob Hill and additional neighborhood shopping.

Marina Village Shopping Center – 127,000 sq. ft., Lucky's, CVS.

Harbor Bay Landing – 114,800 sq. ft., Safeway, general retail and restaurants.

#### HISTORICAL MAIN STREET BUSINESS DISTRICTS

Park Street Business District – 356,000 sq. ft., restored art deco movie palace and vibrant evening scene with a variety of eating establishments.

West Alameda Business District – 205,000 sq. ft., locally owned restaurants and cafes.

Neighborhood "Station" Districts – 17 charming retail clusters nestled in Alameda's residential neighborhoods, mostly around historic street-car stations.

*Source: City of Alameda - <https://www.alamedaca.gov/BUSINESS/Programs-and-Information/Market-Information>*

Figure 1 - Area Map

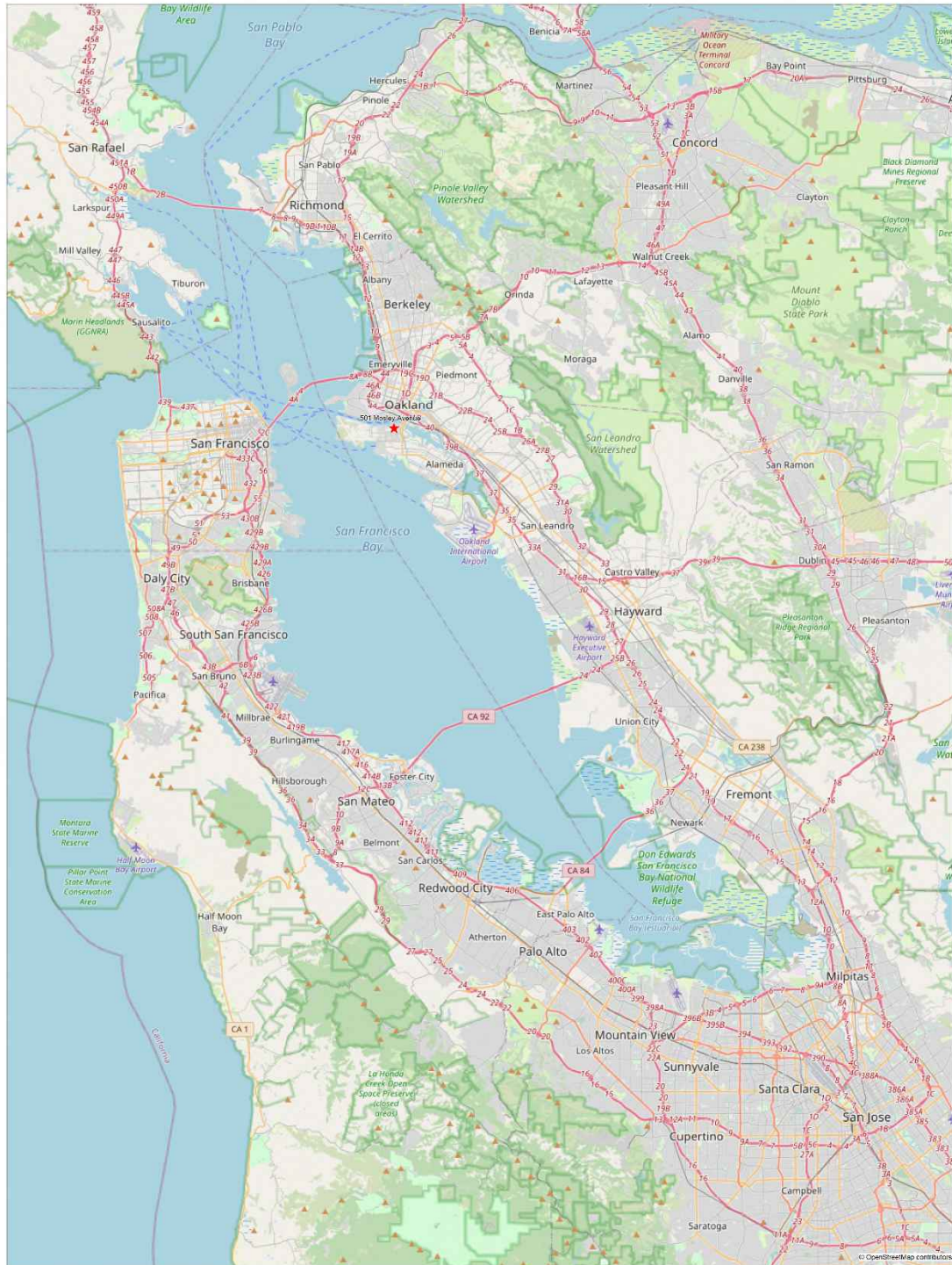




Figure 2 - Neighborhood Map

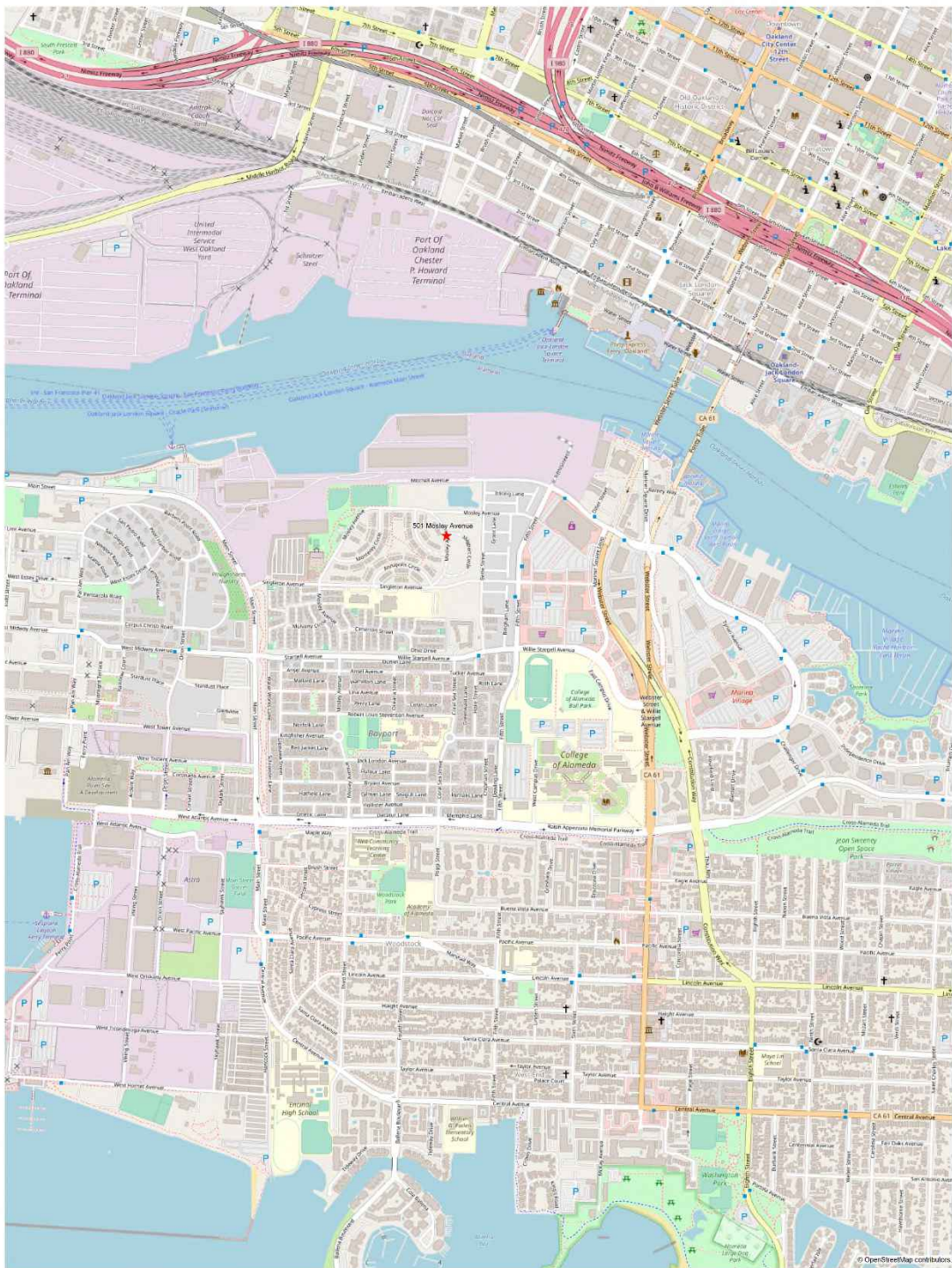


Figure 3 - Population Quick Facts

<b>Census Bureau QuickFacts</b>			
Fact	Alameda	Alameda Co.	California
Population estimates, July 1, 2019, (V2019)	77,624	1,671,329	39,512,223
Housing units, July 1, 2019, (V2019)	N/A	622,922	14,366,336
Owner-occupied housing unit rate, 2015-2019	48.00%	53.50%	54.80%
Median value of owner-occupied housing units, 2015-2019	\$859,900	\$769,300	\$505,000
Median selected monthly owner costs -with a mortgage, 2015-2019	\$3,191	\$2,931	\$2,357
Median selected monthly owner costs -without a mortgage, 2015-2019	\$721	\$690	\$594
Median gross rent, 2015-2019	\$1,836	\$1,797	\$1,503
Building permits, 2020	N/A	4,120	106,075
Households, 2015-2019	30,418	577,177	13,044,266
Persons per household, 2015-2019	2.54	2.82	2.95
High school graduate or higher, percent of persons age 25 years+, 2015-2019	91.00%	88.40%	83.30%
Bachelor's degree or higher, percent of persons age 25 years+, 2015-2019	54.70%	47.40%	33.90%
In civilian labor force, total, percent of population age 16 years+, 2015-2019	66.90%	67.00%	63.30%
Total accommodation and food services sales, 2012 (\$1,000)	145,408	3,192,420	90,830,372
Total health care and social assistance receipts/revenue, 2012 (\$1,000)	270,774	12,949,087	248,953,592
Total manufacturers shipments, 2012 (\$1,000)	1,130,161	N/A	512,303,164
Total retail sales, 2012 (\$1,000)	492,223	20,901,014	481,800,461
Total retail sales per capita, 2012	\$6,507	\$13,444	\$12,665
Mean travel time to work (minutes), workers age 16 years+, 2015-2019	34.6	34.3	29.8
Median household income (in 2019 dollars), 2015-2019	\$104,756	\$99,406	\$75,235
Per capita income in past 12 months (in 2019 dollars), 2015-2019	\$52,448	\$47,314	\$36,955
Persons in poverty, percent	7.30%	8.90%	11.80%
Total employer establishments, 2019	N/A	40,767	966,224
Total employment, 2019	N/A	712,218	15,516,824
Total annual payroll, 2019 (\$1,000)	N/A	54,003,453	1,077,175,621
Total employment, percent change, 2018-2019	N/A	1.90%	1.9%
Total nonemployer establishments, 2018	N/A	150,445	3,453,769
All firms, 2012	8,319	150,564	3,548,449
Population per square mile, 2010	6956.2	2043.6	239.1
Land area in square miles, 2010	10.61	739.02	155,779.2

Source: U.S. Census Bureau QuickFacts - Prepared by Joe Napoliello, MAI - JNval.com

<https://www.census.gov/quickfacts/CA>

**Site Characteristics:**

The site is located along Singleton and Mosley Avenues between Bette Street and Lakehurst Circle. It does not have a street address on Singleton Avenue, but it is identified as 501 Mosley Avenue in the tentative map. It consists of a single assessor's parcel identified as follows:

**Address:**

Singleton Avenue (501 Mosley Avenue), Alameda, California 94501

County of Alameda

**Assessor's Parcel Number:**

074-0905-012-09

**Census Tract:**

4287

**Map Location:**

-122.2842, 37.78843

**Ownership History:**

The property is currently owned by: Housing Authority of the City of Alameda, a public body, corporate and politic

Public records do not indicate any open market sales of the property during the past three years nor has a recent listing of the property been found.

**School Districts:**

Alameda Unified School District

**Site Size:**

±530,996 square feet or ±12.19 acres gross

±444,312 square feet or ±10.20 acres net of rights of way

Typical for the market area. The property is part of the former Alameda Naval Air Station. The parcel is proposed for subdivision into four smaller parcels and up to 10 building lots.

**Site Dimensions:**

Irregular

Typical for the market area.

**Topography:**

Mostly level

Typical for the market area

**Soils Conditions:**

Appear adequate

A check of the GeoTracker system revealed no specific findings on the parcel, but it is part of a larger Military Clean-Up Site and information on the status of the parcel has not been provided. We are not aware of any other subsoil conditions that would affect development.

<b><u>Flood/Earthquake Zones:</u></b>	Flood Zone X, Area of Minimal Flood Hazard with 0.2 Pct. Annual Chance Flood Hazard, Map 06001C0066H, Effective December 21, 2018
---------------------------------------	---

The subject is not located in a special flood zone. It is not located in an Alquist-Priolo Special Hazards Zone. This is an active earthquake region, however, and the property is located between the San Andreas and Hayward Faults. The site is in a Modified Mercalli Intensity (MMI) Zone MMI 9 - Violent shaking probability during an earthquake. It has very high susceptibility to liquefaction according to ABAG.

<b><u>Other Environmental Issues:</u></b>	
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No other environmental issues were reported nor is the appraiser aware of any other detrimental conditions on or nearby the site.

<b><u>Street Improvements:</u></b>	
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Singleton Avenue and Mosley Avenue are fully improved with concrete curbs, gutters and sidewalks. They are two-lane asphalt paved collector streets. Traffic is low to moderate.

<b><u>Utilities:</u></b>	Assumed all available
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All utilities are assumed available to the site and sufficient in capacity for the current use or any likely higher and better use.

<b><u>Plottage/Assemblage:</u></b>	None
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<b><u>Legal Description:</u></b>	See preliminary title report in the addenda.
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<b><u>Easements/Conditions of Title:</u></b>	
--	--

No unusual easements or conditions of title were identified in the preliminary title report. See addenda.

Some utility easements were noted in the report. These will be addressed in more detail in the valuation section.

<b><u>Zoning:</u></b>	R-4-PD, Neighborhood Residential Planned Development with MultiFamily Overlay, under the jurisdiction of the City of Alameda
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The R-4 zoning is intended to permit medium-density residential development. The allowable density is 30 units per acre. Higher density is allowable if the additional units are deed restricted for 55 years to very low or low-income households. The base density is used for valuation purposes. The subject and the comparable sales are eligible for bonus density for the inclusion of affordable housing, so it is irrelevant whether the base density is used across the board for comparison or the theoretical maximum density is applied uniformly.

The site is currently vacant.

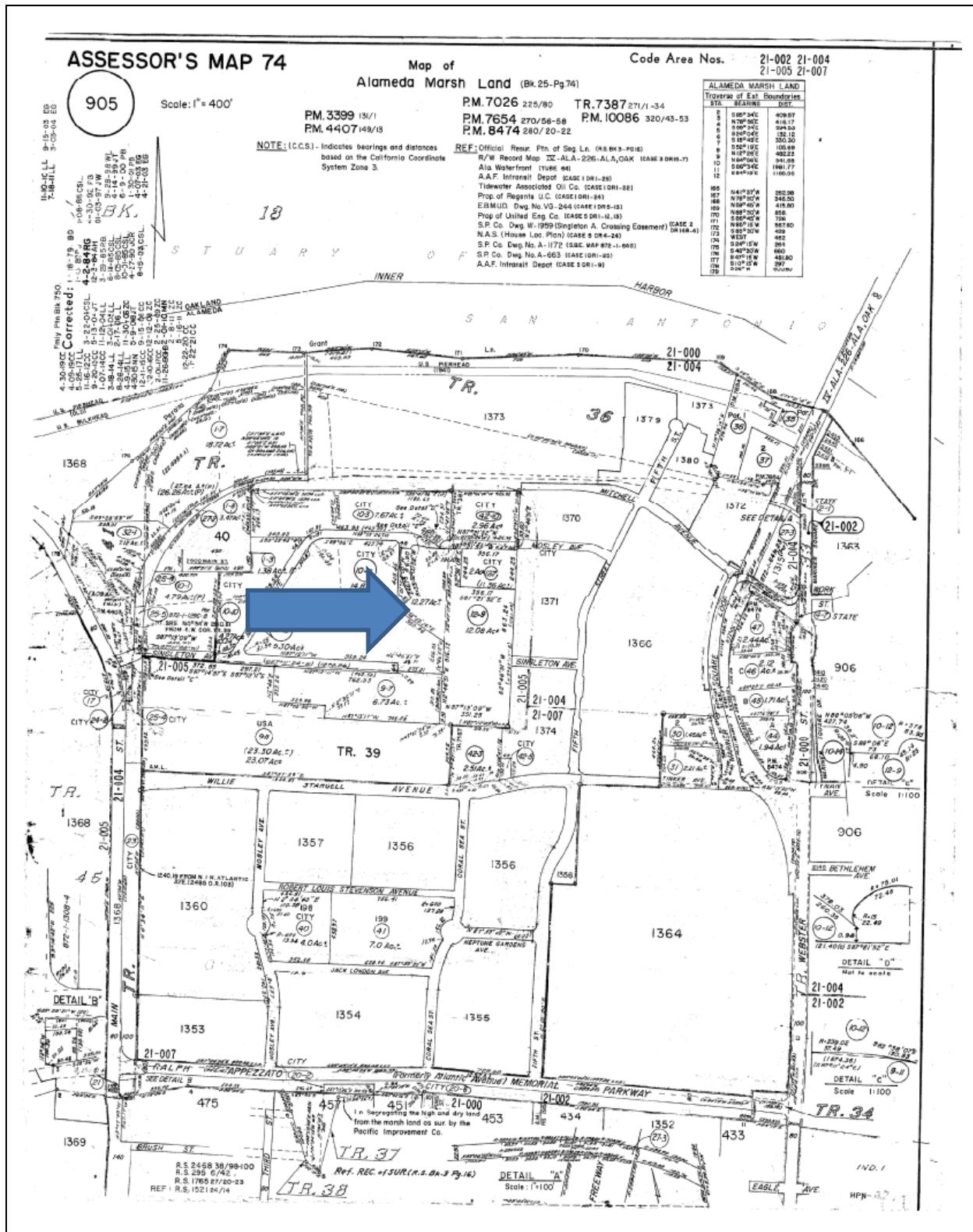
No changes to zoning are anticipated.



The general plan land use designation is Medium Density Residential.

<b><u>Historic Resources:</u></b>	None
<b><u>Overall Site Utility:</u></b>	Good overall utility based on larger size, mostly regular shape after subdivision and level topography.
<b><u>Property Taxes:</u></b>	The property is exempt from property taxes.

Figure 4 - Plat Map



### Figure 5 - Tentative Map

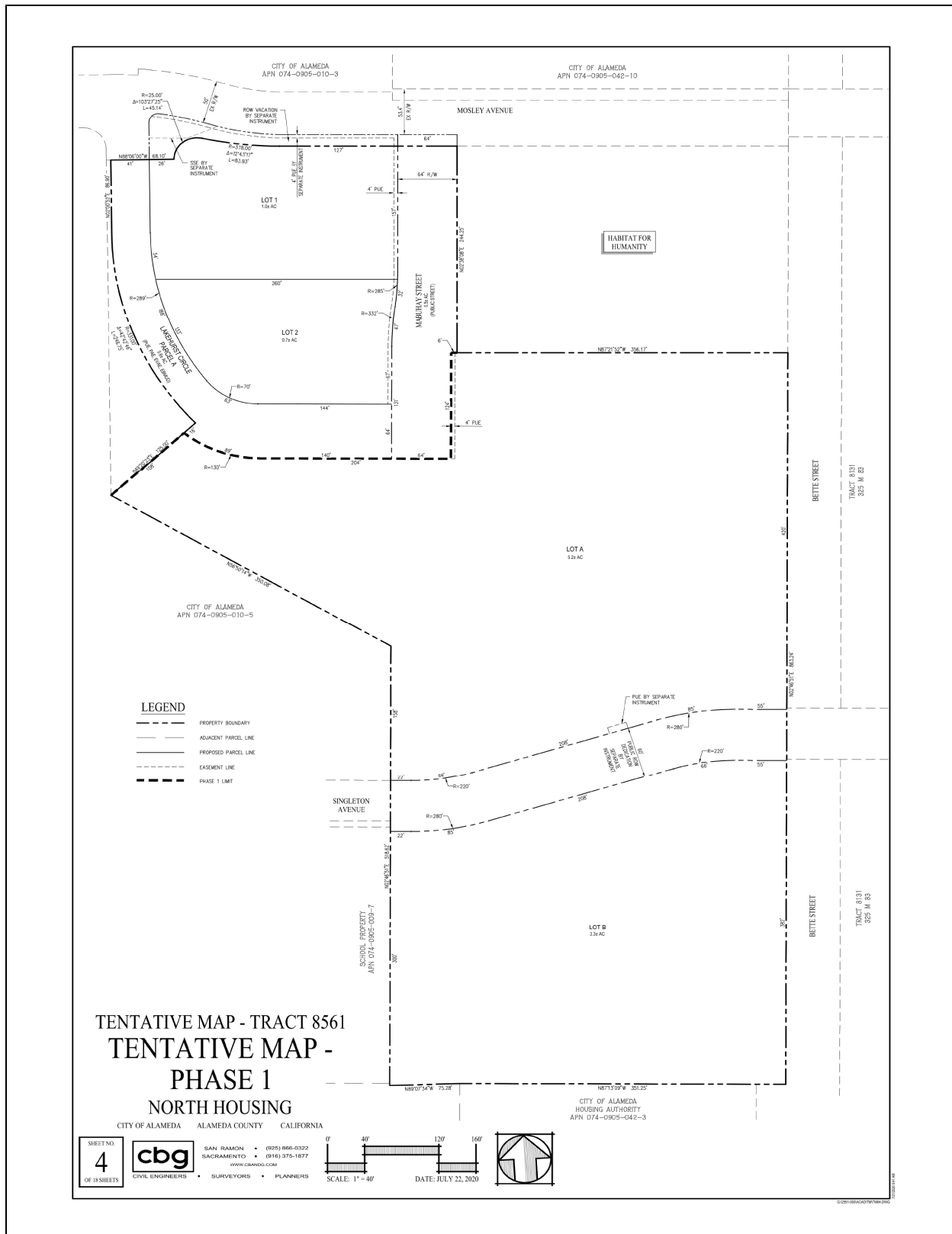


Figure 6 - Views of Subject



View of Parcel



View of Parcel



View of Subject



Street Scene – Mosley Avenue



Street Scene – Lakehurst Circle

Views of Subject



Singleton Avenue



Bette Street

Views of Subject



Interior View



Interior View



Views of Subject



Interior View



Interior View



## **MARKET TRENDS, HIGHEST AND BEST USE AND METHODOLOGY**

### **Market Trends:**

The latest report on economic trends from the 12<sup>th</sup> District of the Federal Reserve follows.

FedViews – October 7, 2021

“Robert G. Valletta, associate director and senior vice president at the Federal Reserve Bank of San Francisco, stated his views on the current economy and the outlook as of October 7, 2021.

- The U.S. economy is continuing to recover from the severe impact of the coronavirus pandemic. Though the recent surge of the Delta variant appears to have put a dent in the domestic growth path, the outbreak has started to subside. Overall growth prospects remain favorable, albeit with unusually high uncertainty.
- The Delta variant raised COVID-19 case counts and deaths well above the early-summer lows, to levels not seen since February. Nationwide, these virus indicators have been on the wane for several weeks, although they remain elevated in some states, primarily those with low vaccination rates.
- The U.S. economy grew at a robust pace during the first half of 2021, over 6% at an annual rate, continuing the strong bounceback from the severe downturn in early 2020. The growth during the first half of the year was propelled by increased consumer spending focused on nondurable goods and leisure and hospitality services, as local economies reopened, and travel picked back up.
- As the Delta variant continued to spread, consumer spending growth slowed in July and August, mainly for the high-contact services that were the locus of growth earlier in the year. As a result, the August employment report showed that jobs were flat to down in the retail and leisure and hospitality sectors.
- GDP data for the third quarter will be released on October 28, and it is widely expected to show a substantial slowdown in the pace of growth from the first half of the year. We expect that growth will pick back up substantially over the next few quarters as more people receive COVID vaccinations and the virus is further contained, leading to above-trend performance overall for 2021 and 2022.
- Inflation has been running at unusually high rates most of this year. In August, the headline and core PCE inflation indices registered 4.3% and 3.6%, respectively. Our analysis shows that most of the inflation surge this year has been caused by price increases for items in “COVID-sensitive” sectors that are highly responsive to the economic disruptions caused by the pandemic.
- Although underlying market imbalances and supply chain disruptions leading to higher prices have persisted longer than anticipated, we expect that they will subside in coming quarters. Measured on a month-to-month basis, both the PCE and CPI inflation indices have fallen a bit from their highs in the spring, providing tentative signs that inflation pressures are starting to ease. We expect inflation this year to come in well above the FOMC’s 2% average goal before receding back to that level in 2022.
- The unemployment rate generally has continued to decline in recent months. Its most recent reading of 5.2% in August is consistent with a labor market that is slowly healing from the severe impact of the pandemic downturn last year. We expect the unemployment rate to fall gradually over the next few years to slightly below its long-term natural level sometime in 2023. Despite its decline, the

unemployment rate is still well above its pre-pandemic low, and unemployment remains elevated for all racial and ethnic groups.

- The unemployment rate alone suggests that significant slack remains in the labor market. However, this conflicts with widespread perceptions and reports of severe hiring challenges for employers in many sectors and areas. A more precise measure of labor market tightness, the ratio of the count of job openings to the number of unemployed individuals, suggests that the labor market is as tight as its pre-pandemic peak.
- Various explanations have been offered to reconcile elevated unemployment with tight labor markets. One argument is that the availability of extended and enhanced unemployment insurance (UI) benefits provided by the federal government caused many potential workers to choose to remain jobless. This view was put to the test when some states eliminated the UI enhancements before the federal programs expired in early September. Employment growth rates over the summer were similar between states that eliminated or maintained the UI provisions, suggesting that UI availability did not substantially impede the job creation and matching process. This is consistent with our earlier research and other sources suggesting that the UI expansions exerted minimal influence on job search and acceptance decisions.
- A more compelling explanation is that high job openings and slow matching reflect ongoing post-pandemic adjustments by employers and potential workers. On the worker side, reports suggest that many are hesitant to return to jobs due to health concerns, instability in available jobs and hours, and childcare challenges. This view is supported by continued low labor force participation rates for prime-age workers and the overall workforce.
- Some of the current worker shortages are likely to ease as more potential employees return to the labor force. It should be noted that overall labor force participation is trending downward due to the aging of the U.S. population and the consequent increasing share of retired people. However, based on the patterns observed in the long pre-pandemic expansion, overall participation is now so far below trend that it is likely to require at least a few more years before it is back at its trend level.”

### **Comments on Market Trends**

GDP dropped over 31% in the second quarter of 2020 due to the lockdowns throughout the U.S. The third quarter 2020 saw a tremendous rebound with Real GDP growth of 33.4%, annualized. Quarter 4 saw a 4.1% increase and the Q1 2021 figure was a 6.4% annualized rate. The figure for Q2 2021 was 6.5%. Q3 2021 showed a downtrend with a growth rate of just 2%. Return to more normalized growth is expected in 2022. The sectors that saw the most disruption were transportation, recreation, restaurants and hotels according to the Federal Reserve.

The economy is showing signs of a return to normalcy in the travel and hospitality sectors. Daily air travel has reached the 2+ million passenger level. Hotel occupancy reached over 50%, as well. These are not pre-pandemic levels, but they are significant improvements to rates seen in mid-to-late 2020.

In the real estate markets, brokers report some buyers are still active, but sellers are cautious. Larger institutional investors and owner-users seem to be more active than smaller investors based on anecdotal information from brokers. Likely in part due to a more difficult commercial lending environment.

Property owners with no need to sell quickly who are not highly leveraged can wait out a short disruption. There may be some sellers who will need to liquidate real estate holdings, but this would likely not meet the definition of market value where the seller is not capable of holding on for better conditions or willing to wait. Such transactions will be viewed as forced sales and will likely be outliers compared with the longer-term market trend. Of note, however, the retail and office markets are being viewed more skeptically because on-again/off-again restrictions have been most disruptive to those sectors. In some markets there is a significant gap between buyers and sellers. Buyers are looking for "Covid Discounts" while sellers are holding to pre-pandemic pricing. There are long-term impacts to be sorted out, but it is difficult in this unusual period of history to reliably measure the influence on value as there are fewer closed sales and rentals.

Inflation, on average, had been below the Fed's target of 2% on the national level. The Fed expects a "transitory" increase in core inflation in 2021 but a return to more normal levels afterward. There is disagreement, however, with many private economists seeing more long-term effects. The PCE (personal consumption expenditures) inflation index used by the Fed is prepared by the Bureau of Economic Analysis (BEA) instead of the BLS and it tends to run lower than the more volatile CPI measure. The CPI is a better-known index, and it is also frequently used in real estate transactions, especially leases, as a measure of inflation.

Overall, inflation dropped during the pandemic in the San Francisco Bay Area market. It is trending upward sharply now in the west and nationally. The local rate of inflation as measured by the CPI All Urban Consumers for the San Francisco Bay Area was 3.82% in October 2021 compared with 6.22% on a nationwide basis. As of October 2021, the 24-month average CPI for the San Francisco Bay Area was 2.45% versus 2.61% nationally, but 2.7% locally over the past 12 months versus 3.6% nationally.

Single-family mortgage rates fell in 2020 but stabilized late in the year. Longer rates had been less volatile, but the rates have shown significant variability as shorter-term government yield rates rose, fell, and then rose again recently. Calendar year 2021 started with the FHLMC 30-year fixed rate at 2.65%. The rate hit a low of 2.65% and a high of 3.18% over the past 52 weeks with an average of 2.90%. It was 2.98% as of November 10, 2021. February 2020 marks the beginning of the Covid-19 Pandemic influence on market trends. Even with low mortgage rates home sales have been limited by a small inventory of property for sale and stringent credit requirements for borrowers.

The Fed lowered the discount rate to a range of 0% and 0.25% in early March 2020, but the 12th District's rate is 0.25%. The discount rate remains low by historical standards and the correlation between interest rates and overall rates of capitalization is often fuzzy. There is, however, expectation that capitalization rates may rise over time. How much and how fast rates will change is uncertain.

Housing prices have increased in core areas but the pace of the upward trend in prices has moderated in some areas. Buyers looking to escape urban areas and a lack of inventory for sale have pushed prices much higher recently. While year-over-year figures were higher, month-over-month figures fell by an average of -1.6%, a second straight monthly decline.

The Federal Reserve has been buying up to \$40 Billion in mortgage-backed securities per month for some time. They recently indicated this will likely taper off starting in the near term. The influence this will have on the real estate markets is not truly known at this time, but it could lead to higher rates in the residential and commercial markets.

<b>San Francisco Bay Area</b>			
Median Home Prices by County			
Source: Corelogic			
County	Sep. 2021	Sep. 2020	% Chg.
Alameda	\$960,000	\$880,000	9.1%
Contra Costa	\$770,000	\$700,000	10.0%
Marin	\$1,275,000	\$1,350,000	-5.6%
Napa	\$800,000	\$784,500	2.0%
San Francisco	\$1,405,000	\$1,380,000	1.8%
San Mateo	\$1,545,000	\$1,439,500	7.3%
Santa Clara	\$1,300,000	\$1,160,000	12.1%
Solano	\$569,500	\$492,500	15.6%
Sonoma	\$685,000	\$642,000	6.7%
Average of Medians:	\$1,034,389	\$980,944	5.4%

Residential land markets were active through 2019, but slowing has been evident recently. Land prices have reached very lofty levels and there are concerns that the high rental prices that drove land purchases may not be sustainable in the long run.

In the Bay Area, apartment rental rates were under upward pressure in areas with strong employment growth such as San Francisco, San Mateo County and Santa Clara County but prices moderated in 2019 and fell during the pandemic. According to *Kidder Mathews*, Bay Area vacancy stood at 5.6% as of the third quarter of 2021 – a significant improvement over the 7.9% rate in Q3 2020. Average asking rent is \$2,395 per month, a 1.8% increase over the prior quarter. Other data suggest prices have declined sharply at the upper end of the rental market in San Francisco and other urbanized markets.

Over time, the West Bay counties have seen the greatest growth in employment with more modest improvements in the other Bay Area counties. Recent announcements about tech company headquarters being relocated out of the Bay Area pose significant concerns for the future, however. The companies relocating headquarters out of the area include *Oracle Corporation*, *Tesla*, *Hewlett Packard Enterprise*, *Palantir* and *Credit Karma*. Commonly cited reasons for the departures include the high cost of living and high taxes.

Total current (October 2021) Bay Area employment of 3,870,400 is 5,800 below the recent peak figure of 3,876,200 and the all-time high of 4,174,300 set in December 2018. The labor force is 115,500 below the recent peak figure of 4,161,600 and the all-time high of 4,284,700 set in November 2018. Job growth over the past three months was 56,400 versus 225,000 for the same period last year. March 2020 represents the first month of significant job loss due to the Covid-19 pandemic.

Some speculative commercial real estate developments will likely continue. The life sciences sector appears to remain in favor. Large investors are still acquiring sites for larger-scale multi-family development. The industrial, life science and R&D markets appear to be the most stable. The multi-family market has seen some deals fall through and modest price declines. The office market and retail sectors have seen the greatest impact with many stores and offices closed and expected to remain closed into Late-2021 or early 2022. Prices in the office and retail sectors have fallen and may stay under pressure for some time in some markets.

Gold prices had seen strength recently, but prices have moderated. Oil had been relatively stable trading in a \$45 to \$65 range, but coincident with the Coronavirus outbreak, Saudi Arabia and Russia engaged in a battle for control of the market and the price of oil plunged to \$20 to \$30 per barrel. The price recently recovered to the \$65 to \$85± range. The energy market is expected to remain volatile with some expectation that energy prices may continue higher for some time.

The economy was strong prior to the impact of the novel coronavirus. The real estate markets faced headwinds in 2020 due to uncertainty over recovery and will continue to face uncertainty in 2021. It is too early in the period marked by the pandemic to accurately judge the long-term effects on property prices. Various legislative efforts have been taken to protect tenants from eviction for any reason. Other efforts are being considered to further protections which may be detrimental to property owners in the short run. Overall property prices have been high which further suggests more market risk in the near term.

### **Market Study and Analysis:**

A market study is, *“An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area.”* 6<sup>th</sup> Edition, Dictionary of Real Estate

### **Project Description:**

The site was described previously. The current plan for the parcel has four large lots with the potential for subdivision into ten smaller building lots. A parcel this size would most likely be developed in phases, but it is not so large that it could not be done in relatively rapid succession.

The project will require significant improvements to infrastructure – roads and utilities – but this is typical for larger parcels. The difference between gross and net land area represents rights of way that would be of nominal value. The appraisal process focuses on the net land area.

The most likely development would include medium-density housing with a base of 30 units per acre. A bonus density of up to 60% is possible, but it would require a deed restriction of 55 years with 50% of the units limited to low and very-low-income households. This would substantially reduce the rental value of the improved property.

To estimate market value of the land the base density is used as this is also the means of comparison for the comparable sales.

The most likely development would be better quality apartments or possibly for-sale housing, or a mix of both. Theoretical apartment development will be used for analytical purposes.

### **Market Area and Economy:**

The western end of Alameda Island is the primary market area. The ongoing redevelopment of the former Naval Air Station is transforming the community with new retail, office and residential development. The balance of the city represents the secondary market area. Nearby Oakland is highly urbanized and, while competitive, its nearby downtown area has different demand drivers. Alameda represents more of a bedroom community with lower-scale development and a more recreational-oriented setting along the bay.

Employment is more limited as there are few large employers in the city. Most residents would likely work in nearby Oakland or other employment centers like Berkeley, Hayward or even San Francisco. The city has a labor force of 39,100 with October 2021 unemployment at 4.4% which is lower than the countywide figure of 5%.

The 2021 population of 80,884 represents a slight decrease from the prior year, but an increase of 8.6% over the past 10 years with an average increase of 641 persons per year. The disruption of local markets from the pandemic is viewed as a one-off event and population growth is expected to increase in the future. Ongoing development of new housing, shopping, services and office space will likely push this average higher in the next 10 years.

The population is slightly older, on average, with about 80% above the age of 18 compared with 77.5% statewide. The residents are slightly better educated with around 55% holding a bachelor's degree versus 47% countywide and 34% statewide.

The housing market is split nearly 50/50 with owner-occupied dwellings at 48% and rental units at 52%. Households are slightly smaller than average at 2.48 persons in the city versus 2.78 persons countywide and 2.91 persons statewide.

Household income at \$104,756 is well above the state average of \$75,235 and the countywide figure of \$99,406.

### **Market Feasibility:**

The subject benefits from an above average setting. It is at the western end of the island close to the Webster Street corridor with easy access to downtown Oakland. There is new residential development nearby and the popular Alameda Landing shopping center with a *Safeway* grocery store, a *Target* store and numerous other shops and restaurants is also close by.

There is competitive new development ongoing in the neighborhood, but this trend will likely continue into the next decade as the reuse of the old naval air station continues. The continuing development will likely enhance the appeal of the immediate market as an essentially new community is created.

### **Market Strengths/Weaknesses:**

Amenities: Shopping, restaurants, services and recreation nearby.

Nearby Nuisances: Proximity to Oakland International Airport creates slightly more noise

Physical Limitations: No significant issues

Nearby Competition: Significant new market-rate development nearby and along the old waterfront district between the two downtown cores

### **Summary of Rental Comparables:**

A sample of apartment rental listings follows. The first two are newer properties while the older properties show a significant fall off in rents due to age, size and location.

#### **Aero - 2000 Ardent Way**

	Rent	Size	/SF
Studio	\$2,835	513	\$5.53
1/1	\$3,365	702	\$4.79
1/1	\$3,860	764	\$5.05
2/2	\$4,805	1,000	\$4.81
2/2	\$5,080	1,013	\$5.01

#### **Panomar - 1100 Pacific Marina**

	Rent	Size	/SF
1/1	\$3,326	675	\$4.93
2/1	\$3,723	866	\$4.30
2/2	\$4,099	1,050	\$3.90
3/2	\$5,620	1,170	\$4.80

#### **Waterfront - 2051 Shoreline Dr.**

	Rent	Size	/SF
2/1	\$2,895	1,090	\$2.66

#### **Admirals Cove - 101 Singleton Ave.**

	Rent	Size	/SF
2/2.5	\$4,805	1,365	\$3.52
3/2.5	\$4,755	1,365	\$3.48
4/2.5	\$4,790	1,565	\$3.06

#### **Driftwood - 624 Willow St.**

	Rent	Size	/SF
2/1	\$2,795	900	\$3.11
2/2	\$3,095	1,050	\$2.95

Newer properties with better market-rate amenities suggest rents in the range of \$4 to \$5 per square foot. These are the best comparables for feasibility analysis.

### **Existing or Planned Housing Nearby:**

According to the city planning department, there is 3,587,015 square feet of commercial space (retail, office, industrial) planned citywide. A total of 7,464 residential units are planned citywide and 3,565 units already have permits in place. These figures include market-rate and affordable units. The totals do not include specialized uses such as hotels, assisted-living projects or animal shelters.

This represents a significant increase in population. At a rate of roughly 2.5 persons per household the total planned units equate to roughly 18,700 new residents which is well more than double the population increase over the past 10 years. Even as these units are phased over time, the city will see significant changes and new businesses will need to be attracted to help fill the planned residential expansion.

### **Key Conclusions:**

Project Attributes: The property benefits from a favorable location near new commercial development.

Market Versus Proposed Development: New competitive development is planned for the same primary market area which may impact feasibility or phasing of new development.

Market Trends: The market has grown significantly over the past 10 years, but even faster growth will be necessary to absorb planned development. This is contrary to recent population trends seen during the pandemic. It may take several years to fully recover from the pandemic as businesses adjust to different models of office use.

### **Market Analysis**

Market analysis is a multi-step process used to support the highest and best use estimate and to help in the selection of appropriate comparable market data. As the subject is a large vacant property, a more detailed analysis is employed.

Product Definition: The subject is a larger vacant parcel of land in a transitional setting. The most likely permanent use is medium-density residential. Examples of such uses are found nearby as developers have begun the reuse of the naval air station's lands. Apartment use or possibly for-sale development, or both are likely.

Market Delineation: The market for larger land parcels is regional with major developers active throughout the San Francisco Bay Area. Land comparables, however, are best determined by proximity.

Demand Factors: The immediate market has been stable over the past two years because of the pandemic. Generally, however, the city has seen steady growth over the past decade and developers are actively acquiring land for new construction.

Supply Factors: There is a significant supply of land on the western end of the island and in other transitional neighborhoods.

Residual Demand: Land sales activity has picked up in 2021 as concern over the pandemic waned and, absent any major external events, should continue to be positive into the near future. The possibility of higher interest rates in 2022 may slow the market, however.



Subject Capture: The subject is a vacant parcel with adequate street access, and it would likely have above average demand based on its proximity to shopping and services and recreation.

### **Highest and Best Use As If Vacant:**

The R-4 zoning is intended to permit medium-density housing. Physically, the site is irregular in shape, but when broken down into smaller parcels they are mostly regular. There would be no significant physical issues with development beyond the need to improve infrastructure. New development appears financially feasible based on high asking rents for newer properties in the market. The market disruption caused by the pandemic still lingers, however. According to *CoStar*, market rents in the East Bay peaked in the second quarter of 2020 at \$2,379 per unit on average. They fell by nearly 3% and have just now recovered to about the same level where they stood pre-pandemic even though construction costs have risen. The market has stabilized, but there is some anticipation that rents will not increase substantially on a real cost basis. Inflation may push prices higher, but it would also push construction costs higher leaving the net influence nominal.

A static analysis of highest and best use is used to test this issue. Feasibility rent is the income (per square foot) that would produce the necessary net income to make a new project economically viable according to typical (market) cost, expense and required return parameters. It is not indicative of an actual project so is it not a cost estimate or a means of valuation. The static analysis also assumes the project is built and occupied so it does not include the costs of land acquisition and planning, nor does it include an allowance for the time cost of money.

The static analysis calculation follows this page. (See the addenda for cost inputs) Net land area is used as this is the common measure for allowable base density applied by planning.

Typical average market rent for similar properties (1) of \$4.25 per square foot is applied to derive a projected NOI for the property As New. The feasibility rent is based on typical costs of construction, market-based operating costs and a typical OAR for a new property. Required NOI is converted to a gross feasibility rent. The indicated feasibility rent (2) of \$3.52 per square foot is 17.3% lower than average market rent for similar space. New development would be likely.

Theoretical	
Project	
12.19	Acres
30	/DU/ac.
365.7	Total DU
1,100	Avg. RA
402,270	Tot. RA
502,838	GBA

---

**Static HBU Analysis - Theoretical Development**


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<b>General Market Rent</b>	402,270	sq. ft.
<b>and (1)</b>	<b>\$4.25</b>	/sq. ft.
<b>Market NOI</b>	\$1,709,648	/mo.
Annualized	12	
Annual Rent	\$20,515,776	
Less Vacancy & Expenses	\$8,206,310	40.0%
Projected NOI	\$12,309,466	

**Feasibility Rent**

Cost New	\$175,406,176
Land Estimate	\$39,000,000
Total	\$214,406,176
Required Market OAR - New	4.75%
Required NOI - New	\$10,184,293
Gross Up (1-Tot. Exp. Ratio)	60.0%
Required Gross Rent - New	\$16,973,822
Building Area	402,270
Required Rent/Ann. - New	\$42.20
<b>Required Rent/Mo.-New (2)</b>	<b>\$3.52</b>

---

The highest and best use of the site would be maximal residential development as permitted by zoning.

As noted earlier, a significant bonus density would be allowed for inclusion of affordable housing. The comparable sales also enjoy the same bonus, so from a comparison standpoint, maximal market rate or maximal bonus density would result in the same highest and best use conclusion.

**Methodology:**

See Definitions in the addenda for a description of the various approaches to value.

The application of the sales comparison approach is the most logical in valuing an unimproved property such as this. The cost and income approaches are not typically applied to vacant land, and are not necessary to produce a reliable opinion of value.

## **LAND VALUATION**

The subject has a gross land area of 12.19 acres, but it would be necessary to improve streets and infrastructure to develop housing on the land. The net land area is 10.2 acres. The city allowed density for this property to be calculated on gross land area, which will be used in the valuation process. It will, however, include an adjustment for size as the available comparable sales are net land areas and do not require inclusion of public rights of way.

Additionally, there will be a considerable cost to improve infrastructure and adjust for easements in place. The valuation will first assume the property is developable and then adjust for costs of infrastructure and easement diminution to arrive at a value as is.

To estimate the value of the land using the sales comparison approach, we obtained and analyzed information on recent sale transactions and listings in the market area of the subject property and other areas considered comparable. Certain elements of comparison are used to analyze the market data and adjust for various points of difference. The primary elements of comparison for land sales include property rights conveyed, financing, conditions of sale, market conditions (time), location, physical characteristics and income characteristics.

We must also use a unit(s) of comparison that is commonly applied in the marketplace. In this case, the most typical units of comparison are the price per square foot of land area and the price per dwelling unit. The price per FAR foot is less commonly applied and it is also more speculative given there is no project in place.

### **Land Market Data**

The comparable sales are summarized on the table that follows this page. A discussion of the comparables and the warranted adjustments are found on the pages that follow.

Date of Sale	July-19	To	June-21	SP:
Land Area	41,215	To	261,605	530,996
Price Per Sq. Ft.	\$60.66	To	\$140.48	\$73.45
Price Per DU	\$64,200	To	\$249,608	\$106,557

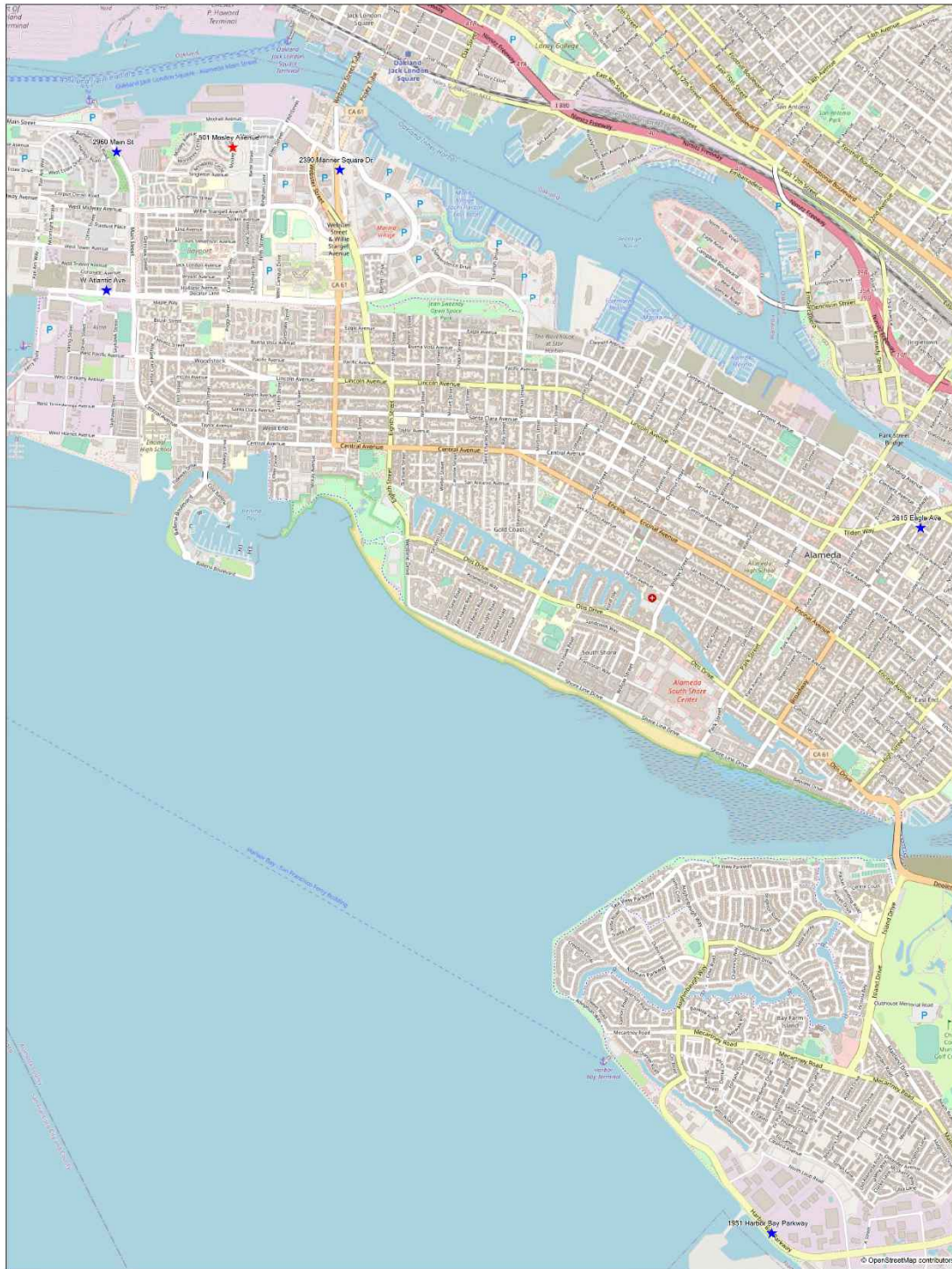
Recent sales and listings from the local market area were considered. This market has a significant amount of vacant or underutilized land, but the market slowed during the pandemic and just picked up recently. Four sale transactions and a pending sale are used for comparison. This is an adequate amount of data even though the sales vary widely in size and location. They present a satisfactory cross section of sales for comparison.

**SUMMARY OF LAND SALES**  
**Singleton Avenue (501 Mosley Avenue), Alameda**

No.	Location/APN	Date of Sale	Zoning / Highest and Best Use	Land Area / DU / Acre	Sale Price			
					Total	per Sq. Ft. Land	per Unit	per FAR Ft.
1	2960 Main Street Alameda 074-1373-010, 011 & 012	June-21	M-X Residential	261,605 sq.ft. 6.006 acres 62.4 DU/ac.	\$24,075,000	\$92	\$64,200	N/A
2	2390 Mariner Square Drive Alameda 074-1363-004, 005 & 007	March-21	M-2 Commercial	54,014 sq.ft. 1.240 acres N/A DU/ac.	\$5,000,000	\$93	N/A	\$45
3	1951 Harbor Bay Parkway Alameda 074-1359-009-01	December-19	C-M-PD Commercial	130,680 sq.ft. 3.000 acres N/A DU/ac.	\$8,083,000	\$62	N/A	\$37
4	Street Alameda 074-1376-004-00	July-19	AP-TC Residential	106,609 sq.ft. 2.447 acres 24.5 DU/ac.	\$14,976,500	\$140	\$249,608	N/A
5	2615 Eagle Avenue Alameda 070-0161-055-02	Pending	R-4 Residential	41,215 sq.ft. 0.946 acres 21.8 DU/ac.	\$2,500,000 Est.	\$61	\$121,336	\$61
SUBJECT:								
	Singleton Avenue (501 Mosley Avenue) Alameda 074-0905-012-09	N/A	R-4-PD Residential	530,996 sq.ft. 12.190 acres 30.0 DU/ac.	Sales Weighted Average			
					\$92 /SF Land	\$119,917 /DU	\$147 /FAR Ft.	

**Joseph I. Napoliello, MAI**

Figure 8 - Land Sales Location Map



**LOCATION:** 2960 Main Street  
Alameda  
**APN:** 074-1373-010, 011 & 012

**COUNTY:** Alameda

**NEIGHBORHOOD:** Mixed-use

**LAND AREA: SQ. FT.** 261,605

**LAND AREA: ACRES:** 6.006

**TOPOGRAPHY:** Mostly level

**PARCEL SHAPE:** Irregular

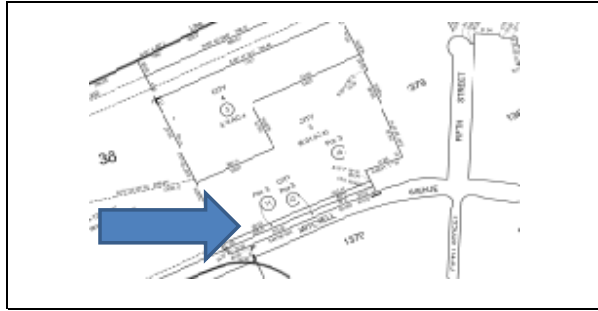
**ZONING:** M-X

**PRESENT USE:** Vacant

**HIGHEST & BEST USE:** Residential

**ENVIRONMENTAL ISSUES:** None reported

**COMMENTS:** This is the sale of a smaller parcel acquired for development of 375 residential units with a waterfront setting. It is part of the Alameda Landing project.



**IMPROVEMENTS:** Fully improved

**DATE OF SALE:** 6/14/2021

**DOCUMENT:** 215638

**BUYER:** Pulte Home Co. LLC

**SELLER:** Catellus Alameda Development, LLC

**SALE PRICE - AS IS:** \$24,075,000

**FINANCING:** N/A, All cash to seller

**CASH EQUIVALENT:** \$24,075,000

**PRICE/SQ. FT./LAND:** \$92.03 / Sq. Ft.

**PRICE/ACRE:** \$4,008,492 / Acre

**PRICE/FAR FT.:** N/A

**NON REALTY ITEMS:** None

**CONDITIONS OF SALE:** Market

**SALES IN PRIOR 3 YRS.:** None during prior 3 years

**LOAN AMOUNT:** N/A

**LOAN TO VALUE:** N/A

**PRICE/DU:** \$64,200



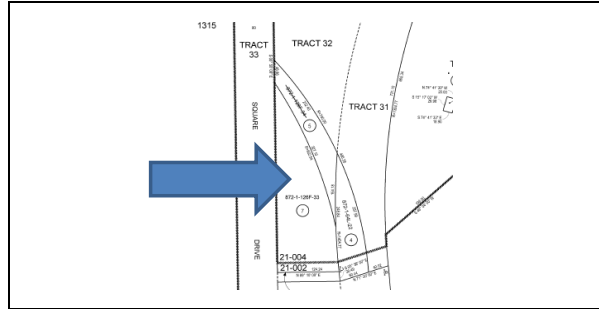


**LOCATION:** 2390 Mariner Square Drive  
**CITY:** Alameda  
**APN:** 074-1363-004, 005 & 007

**COUNTY:** Alameda

**NEIGHBORHOOD:** Mixed-use

**LAND AREA: SQ. FT.** 54,014  
**LAND AREA: ACRES:** 1.240  
**TOPOGRAPHY:** Mostly level  
**PARCEL SHAPE:** Irregular  
**ZONING:** M-2  
**PRESENT USE:** Commercial (U/C)  
**HIGHEST & BEST USE:** Commercial  
**ENVIRONMENTAL ISSUES:** None reported  
**COMMENTS:**



This is the sale of a smaller parcel acquired for development of a multi-story, self-storage project with outdoor storage for boats and RVs. The property is currently under construction. It is set in a neighborhood with a mix of older industrial, marine-related, office and residential uses.

**IMPROVEMENTS:** Fully improved

**DATE OF SALE:** 3/26/2021  
**DOCUMENT:** 122908  
**BUYER:** Banner Alameda Storage LLC  
**SELLER:** MFK International LLC

**SALE PRICE - AS IS:** \$5,000,000  
**FINANCING:** N/A, All cash to seller  
**CASH EQUIVALENT:** \$5,000,000  
**PRICE/SQ. FT./LAND:** \$92.57 / Sq. Ft.  
**PRICE/ACRE:** \$4,032,258 / Acre  
**PRICE/FAR FT.:** \$45  
**NON REALTY ITEMS:** None  
**CONDITIONS OF SALE:** Market  
**SALES IN PRIOR 3 YRS.:** None during prior 3 years

**LOAN AMOUNT:** N/A

**LOAN TO VALUE:** N/A

**PRICE/DU:** N/A



**LOCATION:** 1951 Harbor Bay Parkway  
**CITY:** Alameda  
**APN:** 074-1359-009-01

**COUNTY:** Alameda

**NEIGHBORHOOD:** Mixed-use

**LAND AREA: SQ. FT.** 130,680

**LAND AREA: ACRES:** 3.000

**TOPOGRAPHY:** Mostly level

**PARCEL SHAPE:** Rectangular

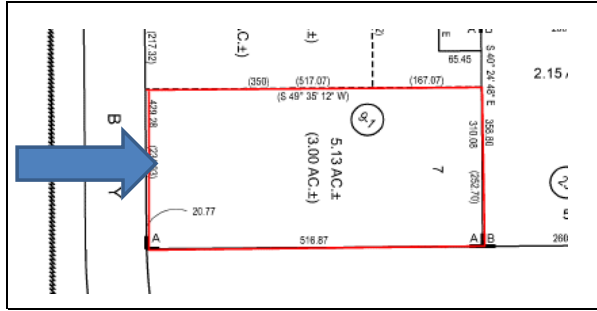
**ZONING:** C-M-PD

**PRESENT USE:** Office (U/C)

**HIGHEST & BEST USE:** Commercial

**ENVIRONMENTAL ISSUES:** None reported

**COMMENTS:** This is the sale of a larger vacant parcel to a local developer who is constructing a build-to-suit office building for an adjacent tenant. The neighborhood has a mix of commercial uses including office and hotel and is proximate the Oakland International Airport. There were no unusual terms or conditions, but the buyer did have to construct a driveway providing access to a Peets Coffee facility (seller) at the rear of the site as part of the deal.



**IMPROVEMENTS:** Fully improved

**DATE OF SALE:** 12/20/2019

**DOCUMENT:** 261330

**BUYER:** Alameda Bts Edp LLC

**SELLER:** Peets Coffee Inc.

**SALE PRICE - AS IS:** \$8,083,000

**FINANCING:** N/A, All cash to seller

**CASH EQUIVALENT:** \$8,083,000

**PRICE/SQ. FT./LAND:** \$61.85 / Sq. Ft.

**PRICE/ACRE:** \$2,694,333 / Acre

**PRICE/FAR FT.:** \$37

**NON REALTY ITEMS:** None

**CONDITIONS OF SALE:** Market

**SALES IN PRIOR 3 YRS.:** None during prior 3 years

**LOAN AMOUNT:** N/A

**LOAN TO VALUE:** N/A

**PRICE/DU:** N/A





**LOCATION:**

NWC Atlantic Avenue and Skylark Street

**CITY:**

Alameda

**COUNTY:**

Alameda

**APN:**

074-1376-004-00

**NEIGHBORHOOD:**

Mixed-use

**LAND AREA: SQ. FT.**

106,609

**LAND AREA: ACRES:**

2.447

**TOPOGRAPHY:**

Mostly level

**PARCEL SHAPE:**

Rectangular

**ZONING:**

AP-TC

**PRESENT USE:**

Residential (U/C)

**HIGHEST & BEST USE:**

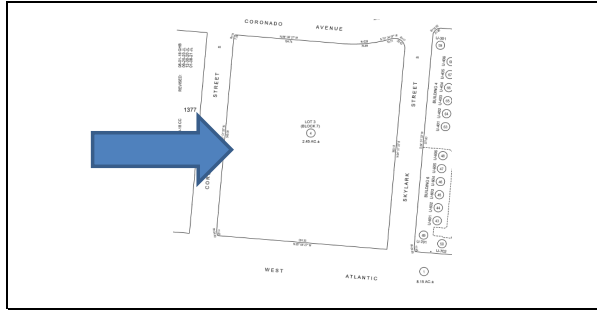
Residential

**ENVIRONMENTAL ISSUES:**

None reported

**COMMENTS:**

This is the sale of a smaller improved block in the Alameda Point neighborhood. The property was fully entitled for development of 60 residential townhouse units at the time of sale. One building is complete and the second is now under construction. The neighborhood has a significant amount of vacant land and is slowly being developed with mix of higher residential uses.

**IMPROVEMENTS:**

Fully improved

**DATE OF SALE:**

7/16/2019

**DOCUMENT:**

135321

**BUYER:**

TH-HW Alameda Point LLC

**SELLER:**

Alameda Point Partners LLC

**SALE PRICE - AS IS:**

\$14,976,500

**FINANCING:**

N/A, All cash to seller

**CASH EQUIVALENT:**

\$14,976,500

**PRICE/SQ. FT./LAND:**

\$140.48 / Sq. Ft.

**PRICE/ACRE:**

\$6,120,351 / Acre

**PRICE/FAR FT.:**

N/A

**NON REALTY ITEMS:**

Entitlements

**CONDITIONS OF SALE:**

Market

**SALES IN PRIOR 3 YRS.:**

None during prior 3 years

**LOAN AMOUNT:** N/A**LOAN TO VALUE:** N/A**PRICE/DU:** \$249,608

**LOCATION:** 2615 Eagle Avenue  
**CITY:** Alameda  
**APN:** 070-0161-055-02

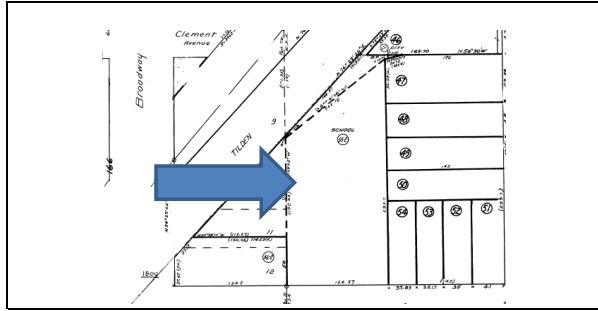
**COUNTY:** Alameda

**NEIGHBORHOOD:** Mixed-use

**LAND AREA: SQ. FT.** 41,215  
**LAND AREA: ACRES:** 0.946  
**TOPOGRAPHY:** Mostly level  
**PARCEL SHAPE:** Irregular  
**ZONING:** R-4  
**PRESENT USE:** Old commercial  
**HIGHEST & BEST USE:** Residential  
**ENVIRONMENTAL ISSUES:** None reported

**COMMENTS:**

This is the pending sale of a smaller parcel in a lower-density residential neighborhood east of the older Park Street neighborhood core. The property was used by the school district for maintenance purposes. The facility has been replaced making the sale of the parcel possible. It was placed on the open market and the Alameda Housing Authority intends to acquire the site for development of affordable housing.



**IMPROVEMENTS:** Fully improved

**DATE OF SALE:** Pending  
**DOCUMENT:** N/A  
**BUYER:** Alameda Housing Authority  
**SELLER:** Alameda Unified School District

**SALE PRICE - AS IS:** \$2,500,000  
**FINANCING:** N/A, All cash to seller  
**CASH EQUIVALENT:** \$2,500,000  
**PRICE/SQ. FT./LAND:** \$60.66 / Sq. Ft.  
**PRICE/ACRE:** \$2,642,706 / Acre  
**PRICE/FAR FT.:** \$61  
**NON REALTY ITEMS:** None  
**CONDITIONS OF SALE:** Market  
**SALES IN PRIOR 3 YRS.:** None during prior 3 years

**LOAN AMOUNT:** N/A

**LOAN TO VALUE:** N/A

**PRICE/DU:** \$121,336



**LAND SALES COMPARISON GRID / SQ. FT.**

Location	Subject: Singleton Avenue (501 Mosley Avenue) Alameda	Sale No. - 1 2960 Main Street Alameda	Sale No. - 2 2390 Mariner Square Drive Alameda	Sale No. - 3 1951 Harbor Bay Parkway Alameda	Sale No. - 4 NWC Atlantic Avenue and Skylark Street Alameda	Sale No. - 5 2615 Eagle Avenue Alameda
<b>Sale Price</b>	<b>N/A</b>	<b>\$24,075,000</b>	<b>\$5,000,000</b>	<b>\$8,083,000</b>	<b>\$14,976,500</b>	<b>\$2,500,000</b>
Property Rts. Conveyed	Fee simple	Fee simple	Fee simple	Fee simple	Fee simple	Fee simple
Financing Terms	Assumed Market	All cash to seller	All cash to seller	All cash to seller	All cash to seller	All cash to seller
Conditions of Sale	Assumed Market	Market	Market	Market	Market	Market
Date of Sale	Nov-21	Jun-21	Mar-21	Dec-19	Jul-19	Pending
Location	Mixed-use	Mixed-use	Mixed-use	Mixed-use	Mixed-use	Mixed-use
Zoning/HBU	R-4-PD / Residential	M-X / Residential	M-2 / Commercial	C-M-PD / Commercial	AP-TC / Residential	R-4 / Residential
Density DU / Ac.	30.0 /Ac.	62.4 /Ac.	N/A /Ac.	N/A /Ac.	24.5 /Ac.	21.8 /Ac.
Site Utility	Good	Fair	Fair	Avg.-Gd.	Good	Fair
Interim Income	Average	Average	Average	Average	Average	Average
Plans/Entitlements	Assumed None	None	None	None	Entitlements	None
Demolition/Environmental	Assumed Nominal	Nominal	Nominal	Nominal	Nominal	\$250,000
<b>Land Area (Sq. Ft.)</b>	<b>530,996</b>	<b>261,605</b>	<b>54,014</b>	<b>130,680</b>	<b>106,609</b>	<b>41,215</b>
<b>Unadjusted Price/Sq. Ft.</b>	<b>N/A</b>	<b>\$92.03</b>	<b>\$92.57</b>	<b>\$61.85</b>	<b>\$140.48</b>	<b>\$60.66</b>
Financing/Fee/Conditions				5%	-25%	
Market Conditions (Time)	-3%	-1.1%	-1.6%	-4.8%	-5.8%	
Adjusted Price/Sq. Ft.		\$91.06	\$91.09	\$62.00	\$97.15	\$60.66
Location		5%	-5%	15%	10%	25%
Zoning/HBU		-10%	10%	25%	5%	10%
Site Utility/Environmental		20%	20%	5%		20%
Off Site Roadways		-17.5%	-17.5%	-17.5%	-17.5%	-17.5%
Demolition						10%
Size Adj.	\$0.027	-8%	-14%	-17%	-8%	-22%
Net Physical Adjustment		-11%	-7%	11%	-11%	26%
<b>Adjusted Price/Sq. Ft.</b>		<b>\$81</b>	<b>\$85</b>	<b>\$69</b>	<b>\$87</b>	<b>\$76</b>
Net Adjustment		-11.4%	-8.0%	10.8%	-38.1%	25.5%
Gross Adjustment		61.6%	68.1%	89.3%	71.3%	104.5%

**LAND SALES COMPARISON GRID / UNIT**

Location		Subject: Singleton Avenue (501 Mosley Avenue) Alameda	Sale No. - 1 2960 Main Street Alameda	Sale No. - 4 NWC Atlantic Avenue and Skylark Street Alameda	Sale No. - 5 2615 Eagle Avenue Alameda
<b>Sale Price</b>	<b>N/A</b>		<b>\$24,075,000</b>	<b>\$14,976,500</b>	<b>\$2,500,000</b>
Property Rts. Conveyed	Fee simple	Fee simple	Fee simple	Fee simple	Fee simple
Financing Terms	Assumed Market	All cash to seller	All cash to seller	All cash to seller	All cash to seller
Conditions of Sale	Assumed Market	Market	Market	Market	Market
Date of Sale	Nov-21	Jun-21	Jul-19	Jul-19	Pending
Location	Mixed-use	Mixed-use	Mixed-use	Mixed-use	Mixed-use
Zoning/HBU	R-4-PD / Residential	M-X / Residential	AP-TC / Residential	AP-TC / Residential	R-4 / Residential
Density Units / Ac.	30.0 /Ac.	62.4 /Ac.	24.5 /Ac.	24.5 /Ac.	21.8 /Ac.
Site Utility	Good	Fair	Good	Good	Fair
Interim Income	Average	Average	Average	Average	Average
Plans/Entitlements	Assumed None	None	Entitlements	Entitlements	None
Demolition/Environmental	Assumed Nominal	Nominal	Nominal	Nominal	\$250,000
<b>Land Area (Sq. Ft.)</b>	<b>530,996</b>	<b>261,605</b>	<b>106,609</b>	<b>41,215</b>	
<b>Unadjusted Price/Unit</b>	<b>N/A</b>	<b>\$64,200</b>	<b>\$249,608</b>	<b>\$121,336</b>	
Financing/Fee/Conditions			-25%		
Market Conditions (Time)	-2.50%	-1.05%	-5.84%		
Adjusted Price/DU		\$63,523	\$172,618		\$121,336
Location/Timing		5%	10%		25%
Zoning/HBU		-10%	5%		10%
Site Utility/Environmental		20%			20%
Off Site Roadways		-17.5%	-17.5%		-17.5%
Demolition					10%
Unit Adj.	\$3,205.464	164%	-10%		-22%
Net Physical Adjustment		161%	-13%		26%
<b>Adjusted Price/Unit</b>		<b>\$165,913</b>	<b>\$150,736</b>		<b>\$152,622</b>
Net Adjustment		158.4%	-39.6%		25.8%
Gross Adjustment		217.2%	73.5%		104.2%

**Comparable Land Sale 1** is the June 2021 sale of a parcel of land at 2960 Main Street, Alameda, approximately one-half mile west of the subject. The immediate neighborhood is mixed-use in character. The site is mostly level and irregular in shape with fair site utility and set along a mixed-use street. It contains a total land area of approximately 261,605 square feet or approximately 6.006 acres. The site had off-site improvements at the time of sale; and, the buyer purchased the site for future residential development. Demolition costs were estimated by the appraiser to be nominal. The purchase price was \$24,075,000 or \$92 per square foot of land area and \$64,200 per dwelling unit. No environmental issues were reported. The parcel has a zoning classification of M-X (industrial). The sale was all cash to seller. Terms were reported as market.

**Comparable Land Sale 2** is the March 2021 sale of a parcel of land at 2390 Mariner Square Drive, Alameda, approximately four-tenths of a mile east of the subject. The immediate neighborhood is mixed-use in character. The site is mostly level and irregular in shape with fair site utility and set along a mixed-use street. It contains a total land area of approximately 54,014 square feet or approximately 1.24 acres. The site was fully improved at the time of sale; however, the buyer purchased the site for development of a self-storage facility. Demolition costs were estimated by the appraiser to be nominal. The purchase price was \$5,000,000 or \$93 per square foot of land area. No environmental issues were reported. The parcel has a zoning classification of M-2 (industrial). The sale was all cash to seller. Terms were reported as market.

**Comparable Land Sale 3** is the December 2019 sale of a parcel of land at 1951 Harbor Bay Parkway, Alameda, approximately five miles southeast of the subject. The immediate neighborhood is mixed-use in character. The site is mostly level and rectangular in shape with average-to-good site utility and set along a mixed-use street. It contains a total land area of approximately 130,680 square feet or approximately 3 acres. The site was fully improved at the time of sale; however, the buyer purchased the site for development of a commercial building. Demolition costs were estimated by the appraiser to be nominal. The purchase price was \$8,083,000 or \$62 per square foot of land area. No environmental issues were reported. The parcel has a zoning classification of C-M-PD (commercial). The sale was all cash to seller. Terms were reported as market but the sale price did require adjustment for an easement that was granted to an adjacent property owner.

**Comparable Land Sale 4** is the July 2019 sale of a parcel of land at the northwest corner of Atlantic Avenue and Skylark Street, Alameda, approximately seven-tenths of a mile southwest of the subject. The immediate neighborhood is mixed-use in character. The site is mostly level and rectangular in shape with good site utility and set along a mixed-use street. It contains a total land area of approximately 106,609 square feet or approximately 2.447 acres. The site was fully improved at the time of sale; however, the buyer purchased the site for residential development. Demolition costs were estimated by the appraiser to be nominal. The purchase price was \$14,976,500 or \$140 per square foot of land area and \$249,608 per dwelling unit. No environmental issues were reported. The parcel has a zoning classification of AP-TC (residential). The sale was all cash to seller. Terms were reported as market but the sale price included entitlements for development.

**Comparable Land Sale 5** is the pending sale of a parcel of land at 2615 Eagle Avenue, Alameda, approximately three miles east of the subject. The immediate neighborhood is mixed-use in character. The site is mostly level and irregular in shape with fair site utility and set along a mixed-use street. It contains a total land area of approximately 41,215 square feet or approximately 0.946 acres. The site was fully improved at the time of sale; however, the buyer is purchasing the site for future residential development. Demolition costs were estimated by the appraiser to be approximately \$250,000. The reported price is \$2,500,000 or \$61 per square foot of land area and \$121,336 per dwelling unit. No environmental issues were reported. The parcel has a zoning classification of R-4 (residential). The sale will be all cash to seller. Terms are reported as market, the property was listed on the open market, but the sale is between two governmental agencies.

### **Analysis and Value Conclusion**

The variation in location, size and density results in a broad spread in price indicators. The adjustment process is subjective as there is too much variation in the data to reliably extract adjustment factors.

The comparable data exhibits the following price ranges before and after adjustment.

Unadjusted Price		Adjusted Price
\$61	Low	\$69
\$140	High	\$87
Mean Unadjusted Price		\$90
Weighted Mean Unadjusted Price		\$92
Mean Adjusted Price		\$80

Sale No. - 1 - 2960 Main Street, Alameda - This is the sale of a smaller parcel acquired for development of 375 residential units with a waterfront setting. It is part of the Alameda Landing project.

Sale No. - 2 - 2390 Mariner Square Drive, Alameda - This is the sale of a smaller parcel acquired for development of a multi-story, self-storage project with outdoor storage for boats and RVs. The property is currently under construction. It is set in a neighborhood with a mix of older industrial, marine-related, office and residential uses.

Sale No. - 3 - 1951 Harbor Bay Parkway, Alameda - This is the sale of a larger vacant parcel to a local developer who is constructing a build-to-suit office building for an adjacent tenant. The neighborhood has a mix of commercial uses including office and hotel and is proximate the Oakland International Airport. There were no unusual terms or conditions, but the buyer did have to construct a driveway providing access to a Peets Coffee facility (seller) at the rear of the site as part of the deal.

Sale No. - 4 - NWC Atlantic Avenue and Skylark Street, Alameda - This is the sale of a smaller improved block in the Alameda Point neighborhood. The property was fully

entitled for development of 60 residential townhouse units at the time of sale. One building is complete and the second is now under construction. The neighborhood has a significant amount of vacant land and is slowly being developed with mix of higher residential uses.

Sale No. - 5 - 2615 Eagle Avenue, Alameda - This is the pending sale of a smaller parcel in a lower-density residential neighborhood east of the older Park Street neighborhood core. The property was used by the school district for maintenance purposes. The facility has been replaced making the sale of the parcel possible. It was placed on the open market and the Alameda Housing Authority intends to acquire the site for development of affordable housing.

Sale 3 is adjusted for an easement that was required for an adjacent owner. Sale 4 included entitlements for development and required downward adjustment.

The multi-family market was active, but the pandemic appears to have moderated prices. The core urbanized markets have seen the most activity. The sales are adjusted downward nominally to reflect current market conditions.

Adjustments for location are subjective. Sale 1 is nearby, but slightly more distant from shopping and services. Sale 2 has a superior core neighborhood setting. Sales 3, 4 and 5 are all inferior based on distance from the various neighborhood cores or the character of surrounding uses.

Each sale is adjusted for density or likely use. One sale has higher allowable density while the others are inferior in varying degrees.

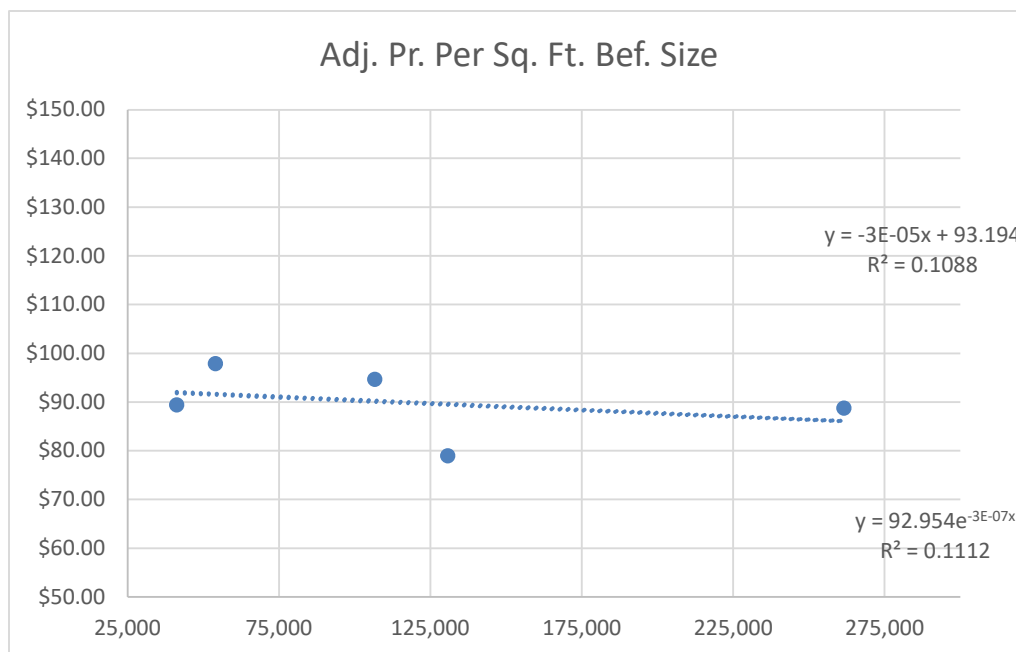
The subject has above average site utility based on size, overall shape and multiple street fronts. The sales are mostly inferior with Sale 4 the most similar.

The subject has its density calculated on gross land area. The comparable sales are net land areas. The differential is between 16.3% and 19.5% depending on whether net or gross land area is the denominator, so a single adjustment of 17.5% is applied to the sales which do not require dedication of public rights of way. One sale requires adjustment for demolition costs.

After adjustment for all factors other than size, a regression analysis of the adjusted prices was applied. The data did fall into a typical inverse relationship.

Adj. Pr. Per Sq. Ft. Bef. Size		
Sale	Area	Adj./Sq. Ft.
1	261,605	\$88.78
2	54,014	\$97.92
3	130,680	\$79.04
4	106,609	\$94.72
5	41,215	\$89.47
Correlation	-0.329798867	
Slope	-2.69805E-05	
Slope/1000	-0.026980493	

The sales are shown graphically in the following chart.



The data has a relatively low correlation coefficient, and the extracted size adjustment is relatively small with a correlation coefficient of -0.32980 and an adjustment factor of \$0.027 per 1000. The available market data before adjustment ranges from roughly \$61 to \$140 per square foot. After adjustment, the range narrows to roughly \$69 to \$87 per square foot.

The three best indicators are Sales 1, 2 and 4 based on timeliness, use and proximity. They set a range of roughly \$80 to \$90 per square foot. The other sales are supportive, but set a lower range of roughly \$70 to \$75.

Comparison suggests a probable value range of \$82.50 to \$87.50 per square foot of land area with most support in the \$85 per square foot range based on the three best indicators with the comparison analysis suggesting a probable value of \$85 per square foot.



A weighted benchmark price per square foot follows.

Sale	Adjusted Price	Weight	Total Weight	
1	\$81.50	25%	\$20.37	Timely, proximate
2	\$85.17	25%	\$21.29	Proximate, but commercial
3	\$68.51	10%	\$6.85	Distant, commercial
4	\$86.95	25%	\$21.74	Proximate, was entitled
5	\$76.13	15%	\$11.42	Similar density, distant
		100%	\$81.67	

The benchmark figure is supportive of the value suggested by comparison. Regression analysis also support a similar value, as follows.

Linear Forecast: \$78.87

Curvilinear Forecast: \$79.47

The process supports a value from the lower end to middle of the narrowed range, but the subject's favorable neighborhood factors offset slightly by larger size suggest most weight on the middle of the range.

#### **LAND VALUATION SUMMARY - Per Sq. Ft.**

##### ***Singleton Avenue (501 Mosley Avenue)***

530,996	Sq. Ft. @	\$82.50	per Sq. Ft. =	\$43,807,203
530,996	Sq. Ft. @	\$85.00	per Sq. Ft. =	\$45,134,694
530,996	Sq. Ft. @	\$87.50	per Sq. Ft. =	\$46,462,185

The most probable value per square foot value is from the middle of the indicated range or \$45,135,000 rounded.

The price per dwelling unit is adjusted using the same process.

The available market data before adjustment ranges from roughly \$64,000 to \$250,000 per unit. After adjustment, the range narrows to roughly \$150,000 to \$165,000 per unit.

The data is limited as two of the sales were for commercial use and the unadjusted range is very broad. The adjusted range is narrow, but the unadjusted price of Sale 5 at \$121,000 suggests a figure between \$120,000 and \$130,000 is more probable. The probable range for the price per dwelling unit follows.

**LAND VALUATION SUMMARY - Per Unit*****Singleton Avenue (501 Mosley Avenue)***

366	Units @	\$120,000	per Unit =	\$43,920,000
366	Units @	\$125,000	per Unit =	\$45,750,000
366	Units @	\$130,000	per Unit =	\$47,580,000

The most probable value per dwelling unit is from the middle of the indicated range or \$45,750,000 rounded.

**Market Value Conclusions**

The units of comparison produce the following indications of value.

**Unit of Comparison Indicators**

/SF Low	\$43,807,203
/SF Probable	\$45,134,694
/SF High	\$46,462,185
/DU Low	\$43,920,000
/DU Probable	\$45,750,000
/DU High	\$47,580,000

The broad range of value is:

Broad Range: \$43,807,000 to \$47,580,000

Individual indications by unit of comparison:

<b><u>Unit of Comparison Indicators</u></b>	<b><u>/Unit</u></b>
Per Sq. Ft.:	\$45,134,694      \$85
Per DU:	\$45,750,000      \$125,000

The price per square foot and the price per unit are important indicators for this type of vacant land. They fall into a reasonable range, but the market is less certain after the pandemic and the final value conclusion is from the lower end of the range.

**Indicated Value – Larger Parcel****\$45,500,000**

The property, as is, totals 12.19 acres. The net land area, exclusive of rights of way is 10.2 acres. To develop the property, it will be necessary to put in place certain infrastructure including roadways and utilities. The estimated cost for the first phase of development of 5.2 acres is \$2,583,000. This equates to

## Block A - Infrastructure

Cost Estimate	\$2,583,000
Size/SF	226,512
Cost/SF	<u>\$11.40</u>

Presuming the cost will be similar throughout the entire project, the total cost of infrastructure will be

Infrastructure	530,996
Constr. Cost	<u>\$11.40</u>
Total	<u>\$6,053,359</u>

This amount is a deduction from the value as subdivided to arrive at a value as is.

There is also a 20-foot sewer easement in place that cannot be disturbed. This will impact the design and layout of the various buildings in the future. An exact area encumbered by the easement was not available, but it is estimated at approximately 30,000 square feet based on available maps.

Easements with a small amount of influence on the use or utility of the property typically fall into the range of 5% to 25% of underlying fee value. An example of such an encumbrance would be a facade or preservation easement or more commonly a utility easement in a setback area where no building is allowed. The owner/grantor retains all rights of use, but they lose the right to subsurface use or any permanent use of the easement surface or air space above. A typical diminution in value range of between 5% and 10% is common. As this easement cuts across the property in areas of more likely development a 10% diminution in value is applied as follows.

## Easement Area

20' x 1500' =	30,000
Market Value	<u>\$100</u>
Total Value	\$3,000,000
Diminution @	<u>10%</u>
Total	<u>\$300,000</u>

The value of the property, as is, adjusted for infrastructure and material easements follows.

	Per Sq. Ft.	Per Unit
Probable Value (Rounded):	\$45,135,000	\$45,750,000
Infrastructure	<u>-\$6,053,359</u>	<u>-\$6,053,359</u>
Value As Is	\$39,081,641	\$39,696,641
Easements	<u>-\$300,000</u>	<u>-\$300,000</u>
Total Value	\$38,781,641	\$39,396,641

Rounded	\$38,780,000	\$39,400,000
	Per Sq. Ft.	Per FAR Ft.
Probable Value (Rounded):	\$38,780,000	\$39,400,000
Low End of Range	\$38,780,000	
High End of Range	\$39,400,000	
Average	\$39,090,000	
Reconciled - As Is - Rounded	\$39,000,000	

The various elements of comparison have been adjusted for and, considering the adjusted and unadjusted ranges, our estimate of the as is market value of the fee simple interest in the land, as of the date of valuation and subject to the stated limiting conditions, assumptions, and certification was

**Site Value – As Is** **\$39,000,000**

**Exposure Time Estimate**

Most of the sales were direct transactions without broad market exposure. Sale 5 was on the market for over 250 days, but transactions during the pandemic are not good indicators for normal market conditions. Based on the size of the property a likely exposure time is

Exposure Time Estimate: 6 to 9 Months

## **Definitions**

The following definitions, as applicable, are used in this appraisal. They are taken from the The Dictionary of Real Estate Appraisal, Sixth Edition, unless otherwise noted.

### **Market Value**

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

1. *buyer and seller are typically motivated;*
2. *both parties are well informed or well advised, and acting in what they consider their best interests;*
3. *a reasonable time is allowed for exposure in the open market;*
4. *payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and*
5. *the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

(Source: *The Appraisal of Real Estate*, 12<sup>th</sup> Edition)

### **"As-Is" Market Value Estimate**

*The estimate of market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines and 6<sup>th</sup> Edition of The Dictionary of Real Estate Appraisal).*

### **Fee Simple Estate**

*Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (6<sup>th</sup> Edition of The Dictionary of Real Estate Appraisal)*

### **Leased Fee Interest**

*The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. (6<sup>th</sup> Edition of The Dictionary of Real Estate Appraisal)*

### **Leasehold Interest**

*The interest held by the lessee to use and occupy real estate for a stated term under the conditions specified in the lease. (6<sup>th</sup> Edition of The Dictionary of Real Estate Appraisal)*



### **Easement**

The right to use another's land for a stated purpose. (6<sup>th</sup> Edition of The Dictionary of Real Estate Appraisal)

### **Market Rent**

*The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements. (6<sup>th</sup> Edition of The Dictionary of Real Estate Appraisal)*

### **Condominium Ownership (Fee)**

*A form of fee ownership of separate units or portions of multiunit buildings that provides for formal filing and recording of a divided interest in real property. (6<sup>th</sup> Edition of The Dictionary of Real Estate Appraisal)*

### **Planned Unit Development (PUD)**

*A type of building development designated as a grouping of complementary land uses, such as housing, schools, recreation, retail, office, and industrial parks, contained within a single master development; usually includes common area and common area maintenance obligations in the form of owners association dues. (6<sup>th</sup> Edition of The Dictionary of Real Estate Appraisal)*

### **Cost Approach**

*A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.*

### **Sales Comparison Approach**

*A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, then applying appropriate units of comparison and making adjustments to the sale prices of the comparables based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when an adequate supply of comparable sales are available.*

### **Income Approach**

*A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and*

reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

### **R-squared – Coefficient of Determination**

$R^2$  is the proportion of the variance in the dependent variable that is predictable from the independent variable and is used in the prediction of future outcomes or the testing of hypotheses. (Multiple sources combined.)

### **R – Correlation Coefficient or the Coefficient of Correlation**

The correlation coefficient, denoted by  $r$ , tells how closely data in a scatterplot falls along a straight line. The closer that the absolute value of  $r$  is to 1 or -1, the closer that the data is described by a linear equation. (Multiple sources combined.)

## **Addendum: Preliminary Title Report**

## EXHIBIT A

The land referred to is situated in the County of Alameda, City of Alameda, State of California, and is described as follows:

Real property, situate in the incorporated territory of the City of Alameda, County of Alameda, State of California, described as follows:

Being a portion of Parcel 1, as said Parcel 1 is described in that certain Deed recorded February 14, 1955, in [Book 7567 of Official Records, at Page 117](#), in the Office of the County Recorder of Alameda County, a portion of that certain parcel of land described in that certain Deed recorded August 10, 1966, in [Reel 1821, Image 494](#) of Official Records, in said Office of the County Recorder of Alameda County, and a portion of that certain parcel of land described in that certain document entitled "Judgment" recorded December 21, 1951, in [Book 6618 of Official Records, at Page 339](#), in said Office of the County Recorder of Alameda County, also being a portion of Parcel 2, as said Parcel 2 is shown and so designated on that certain Record of Survey No. 1816, filed June 6, 2003, in [Book 28 of Records of Survey, at Page 14](#), in the Office of the County Recorder of Alameda County, more particularly described as follows:

Commencing at a point on the Eastern line of said Parcel 2 (28 RS 14), said point being the Northern terminus of that certain course designated as "North 2° 46' 51" East 1167.37 feet" on sheet 8 of 12 of said Record of Survey (28 RS 14), said point also being a point on the Western line of that certain parcel designated as "Fisc South" in that certain Deed recorded August 2, 2001, in Document No. [2001-280973](#) of Official Records, and re-recorded on June 2, 2003, in Document No. [2003-316321](#) of Official Records, in said Office of the County Recorder of Alameda County, said point is also the Southeast corner of that certain parcel of lands described in the Quitclaim Deed recorded November 12, 2009 as Document Number [2009-356111](#) of Official Records in said Office of the County Recorder of Alameda County;

Thence from said [point of commencement](#), along the Eastern line of said Parcel 2 (28 RS 14), [South 2° 46' 51" West 297.85 feet](#) to the [point of beginning](#) for this description;

Thence from said point of beginning, continuing along said Eastern line of Parcel 2 (28 RS 14), [South 2° 46' 51" West 863.24 feet](#) to a point on the Southern line of said Parcel 1 (7567 OR 117); said point also being the Southeast corner of Parcel 1A, as said Parcel 1A is shown and so designated on that certain Record of Survey No. 2113, recorded May 1, 2007, in [Book 31 of Records of Surveys, at Page 98](#), in said Office of the County Recorder of Alameda County;

Thence, along said Southern line of Parcel 1 (7567 OR 117), [North 87° 13' 09" West 351.25 feet](#) to the Northeastern corner of Parcel 28 of those certain lands transferred to the Department of Homeland Security, U.S. Coast Guard Maintenance and Logistics Command Pacific through the Department of Navy (DOD) by that certain document entitled "Transfer and Acceptance of Military Real Property" (DD Form 1354), dated March 11, 2008, said Parcel 28 also being shown and so designated on said Record of Survey No. 2113 (31 RS 98);

Thence, from said Northeastern corner of Parcel 28 (31 RS 98), along the Northern line of said Parcel 28 (31 RS 98), [North 89° 07' 34" West 75.28 feet](#);

Thence, leaving said Northern line of Parcel 28, North 2° 46' 51" East 2.51 feet to the Southwestern corner of Parcel 1 (7567 OR 117);

Thence, from said Southwestern corner of Parcel 1 (7567 OR 117), along the Western line of said Parcel 1 (7567 OR 117), North 02° 46' 51" East 516.12 feet;

Thence leaving said Western line, North 56° 50' 14" West 350.08 feet;

Thence North 49° 20' 23" East, 125.00 feet to the beginning of a non-tangent curve, concave to the East, having a radius of 331.00 feet, from said point a radial line bears North 49° 18' 06" East;

Thence Northerly along said curve, through a central angle of 42° 42' 46", an arc length of 246.75 feet;

Thence North 2° 00' 52" East, 86.90 feet;

Thence South 88° 06' 00" East, 68.10 feet to the beginning of a non-tangent curve, concave to the Southeast, having a radius of 25.00 feet, from said point a radial line bears South 88° 06' 00" East;

Thence Northeasterly along said curve, through a central angle of 103° 27' 25", an arc length of 45.14 feet to the beginning of a reverse curve, concave to the North, having a radius of 378.00 feet, from said point a radial line bears North 15° 21' 25" East;

Thence Easterly along said reverse curve, through a central angle of 12° 43' 17", an arc length of 83.93 feet;

Thence South 87° 21' 52" East, 191.10 feet;

Thence South 2° 38' 08" West, 244.25 feet;

Thence South 87° 21' 52" East, 356.17 feet to the point of beginning.

Courses are based on the California Coordinate System of 1983, Zone 3. distances shown are ground distances. To obtain grid distances divide ground distances by the combined scale factor of 1.00007055, as shown on that certain Record of Survey No. 1816, filed June 6, 2003, in [Book 28 of Records of Survey at Page 14](#), Alameda County Records.

APN: 074-0905-012-09



**OLD REPUBLIC**  
TITLE COMPANY

555 12th Street, Suite 2000  
Oakland, CA 94607  
(510) 272-1121 Fax: (510) 208-5045

## PRELIMINARY REPORT

UPDATED #2

HOUSING AUTHORITY OF THE CITY OF  
ALAMEDA  
701 Atlantic Avenue  
Alameda, CA 94501

Our Order Number 1117021644-JM

Attention: Stacey Wilson

When Replying Please Contact:

Julie Massey  
JMassey@ortc.com  
(510) 272-1121

Property Address:

Apn 074-0905-12-9, Singleton Avenue, Alameda, CA 94501

In response to the above referenced application for a policy of title insurance, OLD REPUBLIC TITLE COMPANY, as issuing Agent of Old Republic National Title Insurance Company, hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Exhibit I attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the Homeowner's Policy of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit I. Copies of the Policy forms should be read. They are available from the office which issued this report.

**Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit I of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.**

**It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.**

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of August 3, 2021, at 7:30 AM

**OLD REPUBLIC TITLE COMPANY**  
For Exceptions Shown or Referred to, See Attached



OLD REPUBLIC TITLE COMPANY  
**ORDER NO. 1117021644-JM**  
UPDATED #2

The form of policy of title insurance contemplated by this report is:

CLTA Standard Coverage Policy -1990; AND ALTA Loan Policy - 2006. A specific request should be made if another form or additional coverage is desired.

The estate or interest in the land hereinafter described or referred or covered by this Report is:

Fee

Title to said estate or interest at the date hereof is vested in:

Housing Authority of the City of Alameda, a public body, corporate and politic

The land referred to in this Report is situated in the County of Alameda, City of Alameda, State of California, and is described as follows:

Real property, situate in the incorporated territory of the City of Alameda, County of Alameda, State of California, described as follows:

Being a portion of Parcel 1, as said Parcel 1 is described in that certain Deed recorded February 14, 1955, in [Book 7567 of Official Records, at Page 117](#), in the Office of the County Recorder of Alameda County, a portion of that certain parcel of land described in that certain Deed recorded August 10, 1966, in [Reel 1821, Image 494](#) of Official Records, in said Office of the County Recorder of Alameda County, and a portion of that certain parcel of land described in that certain document entitled "Judgment" recorded December 21, 1951, in [Book 6618 of Official Records, at Page 339](#), in said Office of the County Recorder of Alameda County, also being a portion of Parcel 2, as said Parcel 2 is shown and so designated on that certain Record of Survey No. 1816, filed June 6, 2003, in [Book 28 of Records of Survey, at Page 14](#), in the Office of the County Recorder of Alameda County, more particularly described as follows:

Commencing at a point on the Eastern line of said Parcel 2 (28 RS 14), said point being the Northern terminus of that certain course designated as "North 2° 46' 51" East 1167.37 feet" on sheet 8 of 12 of said Record of Survey (28 RS 14), said point also being a point on the Western line of that certain parcel designated as "Fisc South" in that certain Deed recorded August 2, 2001, in Document No. [2001-280973](#) of Official Records, and re-recorded on June 2, 2003, in Document No. [2003-316321](#) of Official Records, in said Office of the County Recorder of Alameda County, said point is also the Southeast corner of that certain parcel of lands described in the Quitclaim Deed recorded November 12, 2009 as Document Number [2009-356111](#) of Official Records in said Office of the County Recorder of Alameda County;

Thence from said point of commencement, along the Eastern line of said Parcel 2 (28 RS 14), South 2° 46' 51" West 297.85 feet to the point of beginning for this description;

Thence from said point of beginning, continuing along said Eastern line of Parcel 2 (28 RS 14), South 2° 46' 51" West 863.24 feet to a point on the Southern line of said Parcel 1 (7567 OR 117); said point also being the Southeast corner of Parcel 1A, as said Parcel 1A is shown and so designated on that certain Record of Survey No. 2113, recorded May 1, 2007, in [Book 31 of Records of Surveys, at Page 98](#), in said Office of the County Recorder of Alameda County;

Thence, along said Southern line of Parcel 1 (7567 OR 117), North 87° 13' 09" West 351.25 feet to the Northeastern corner of Parcel 28 of those certain lands transferred to the Department of Homeland Security,

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U.S. Coast Guard Maintenance and Logistics Command Pacific through the Department of Navy (DOD) by that certain document entitled "Transfer and Acceptance of Military Real Property" (DD Form 1354), dated March 11, 2008, said Parcel 28 also being shown and so designated on said Record of Survey No. 2113 (31 RS 98);

Thence, from said Northeastern corner of Parcel 28 (31 RS 98), along the Northern line of said Parcel 28 (31 RS 98), North 89° 07' 34" West 75.28 feet;

Thence, leaving said Northern line of Parcel 28, North 2° 46' 51" East 2.51 feet to the Southwestern corner of Parcel 1 (7567 OR 117);

Thence, from said Southwestern corner of Parcel 1 (7567 OR 117), along the Western line of said Parcel 1 (7567 OR 117), North 02° 46' 51" East 516.12 feet;

Thence leaving said Western line, North 56° 50' 14" West 350.08 feet;

Thence North 49° 20' 23" East, 125.00 feet to the beginning of a non-tangent curve, concave to the East, having a radius of 331.00 feet, from said point a radial line bears North 49° 18' 06" East;

Thence Northerly along said curve, through a central angle of 42° 42' 46", an arc length of 246.75 feet;

Thence North 2° 00' 52" East, 86.90 feet;

Thence South 88° 06' 00" East, 68.10 feet to the beginning of a non-tangent curve, concave to the Southeast, having a radius of 25.00 feet, from said point a radial line bears South 88° 06' 00" East;

Thence Northeasterly along said curve, through a central angle of 103° 27' 25", an arc length of 45.14 feet to the beginning of a reverse curve, concave to the North, having a radius of 378.00 feet, from said point a radial line bears North 15° 21' 25" East;

Thence Easterly along said reverse curve, through a central angle of 12° 43' 17", an arc length of 83.93 feet;

Thence South 87° 21' 52" East, 191.10 feet;

Thence South 2° 38' 08" West, 244.25 feet;

Thence South 87° 21' 52" East, 356.17 feet to the point of beginning.

Courses are based on the California Coordinate System of 1983, Zone 3. distances shown are ground distances. To obtain grid distances divide ground distances by the combined scale factor of 1.00007055, as shown on that certain Record of Survey No. 1816, filed June 6, 2003, in [Book 28 of Records of Survey at Page 14](#), Alameda County Records.

APN: 074-0905-012-09

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At the date hereof exceptions to coverage in addition to the Exceptions and Exclusions in said policy form would be as follows:

1. Taxes and assessments, general and special, for the fiscal year 2020 - 2021, a lien, but not yet due or payable.

2. Taxes and assessments, general and special, for the fiscal year 2020 - 2021, as follows:

Assessor's Parcel No	:	074-0905-012-09	
Bill No.	:	176459-00	
Code No.	:	21-005	
1st Installment	:	\$0.00 NO TAX DUE	Marked Paid
2nd Installment	:	\$0.00 NO TAX DUE	Marked Paid

3. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Section 75, et seq., of the Revenue and Taxation Code of the State of California.

4. The herein described property lying within the proposed boundaries of a Community Facilities District, as follows:

District No	:	2014-01
For	:	Clean Energy
Disclosed By	:	Assessment Map
Recorded	:	August 24, 2015 in Book 18 of Assessment Map, Page 65

Further information may be obtained by contacting:  
County of Alameda

5. Any special tax which is now a lien and that may be levied within the East Bay Regional Park District Community Facilities District No. A/C-3, a notice of which was recorded as follows:

Instrument Entitled	:	Notice of Special Tax Lien
By	:	Alameda County
Recorded	:	January 31, 2019 in Official Records under Recorder's Serial Number 2019-015593

NOTE: Among other things, there are provisions in said Notice for a special tax to be levied annually, the amounts of which are to be added to and collected with the property taxes.

6. Rights or claims of easements not recorded in the public records.

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7. Rights of the public, County and/or City, in and to that portion of said land lying within the lines of any road, street, alley or highway.
8. Any rights of the City of Alameda, a municipal corporation for electric power poles and lines over undefined portions of premises by virtue of an unrecorded license agreement as disclosed by the Final Judgment entered May 16, 1946, in the Superior Court of the State of California, in and for the County of Alameda, Case No. 22712-G, a certified copy of which recorded June 18, 1946, Instrument No. U51451, [Book 4899, Page 455](#), Official Records.
9. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following
- |             |   |  |
|-------------|---|--|
| Instrument  | : | Deed   |
| Reserved By | : | L. A. Martino, a married man dealing with his separate property, B. H. Moscini, a married man dealing with his separate property, and N. A. Crisafi, a married man dealing with his separate property its successors and assigns |
| For         | : | Sanitary and storm sewer pipeline and ingress and egress   |
| Recorded    | : | <a href="#">April 25, 1966 in Reel 1755 of Official Records, Image 17 under Recorder's Serial Number AY52477</a>   |
| Affects     | : | A portion  |

The above matter is also dated April 5, 1966, recorded [August 10, 1966 in Reel 1821 of Official Records, Image 494 under Recorder's Serial Number AY95418](#).

The present ownership of said easement and other matters affecting the interests thereto, if any, are not shown herein.

10. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following
- |             |   |  |
|-------------|---|--|
| Instrument  | : | Director's Deed  |
| Reserved By | : | State of California  |
| For         | : | Sewer  |
| Recorded    | : | <a href="#">December 1, 1967 in Reel 2084 of Official Records, Image 712 under Recorder's Serial Number AZ124027</a> |
| Affects     | : | A portion  |

11. Amended Redevelopment Plan, as follows:

Entitled : Revised Notice of Adoption of the Community Improvement Plan for  
the Alameda Point Improvement Project  
By : City Council of the City of Alameda  
Recorded : [October 19, 2007 in Official Records under Recorder's Serial Number  
2007-370533](#)

And any amendments thereto.

12. Matters as contained or referred to in an instrument,

Entitled : Federal Public Land Deed of Conveyance  
Executed By : United States of America, acting by and through the Department of  
the Navy  
Dated : June 29, 2018  
Recorded : [July 2, 2018 in Official Records under Recorder's Serial Number 2018-  
129718](#)

Note: Reference is made to said instrument for full particulars.

13. Agreement for : Reciprocal Easement  
Executed By : CP VI Admirals Cove, LLC  
and Between : The United States of America (acting by and through the Department  
of the Navy)

On the terms, covenants and conditions contained therein,

Dated : June 29, 2018  
Recorded : [July 2, 2018 in Official Records under Recorder's Serial Number 2018-  
129719](#)

Note: Reference is made to said instrument for full particulars.

14. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument : Grant of Easement and Partial Assignment  
Granted To : East Bay Municipal Utility District, a publi corporation organized and existing under laws of the State of California  
For : Utilities and facilities  
Recorded : [February 15, 2019 in Official Records under Recorder's Serial Number 2019-030193](#)  
Affects : As described therein

Upon the terms and conditions contained therein.

15. Matters as contained or referred to in an instrument,

Entitled : Covenant to Restrict Use of Property  
Executed By : United States of America acting by and through the Department of the Navy  
Recorded : [May 30, 2019 in Official Records under Recorder's Serial Number 2019-100989](#)

Note: Reference is made to said instrument for full particulars.

16. Matters as contained or referred to in an instrument,

Entitled : Quitclaim Deed and Environmental Restriction Pursuant to California Civil Code Section 1471 For The Alameda Housing Authority Parcel (North Housing) at the former NAS Alameda  
Executed By : United States of America acting by anf through the Department of the Navy  
Dated : May 30, 2019  
Recorded : [May 30, 2019 in Official Records under Recorder's Serial Number 2019-100991](#)

Note: Reference is made to said instrument for full particulars.

17. Matters as contained or referred to in an instrument,

Entitled : Covenant to Restrict Use of Property  
Executed By : City of Alameda  
Recorded : [May 30, 2019 in Official Records under Recorder's Serial Number 2019-100992](#)

Note: Reference is made to said instrument for full particulars.

18. Matters as contained or referred to in an instrument,

Entitled : Quitclaim Deed and Environmental Restriction Pursuant to California Civil Code Section 1471 for a portion of The Alameda Housing Authority Parcel (North Housing) at the former NAS Alameda  
Executed By : City of Alameda, California, a municipal corporation  
Recorded : [May 30, 2019 in Official Records under Recorder's Serial Number 2019-100994](#)

Note: Reference is made to said instrument for full particulars.

19. Matters as contained or referred to in an instrument,

Entitled : Quitclaim Deed and Environmental Restriction Pursuant to California Civil Code Section 1471 for The Alameda Housing Authority Parcel (North Housing) at the former NAS Alameda  
Executed By : City of Alameda, California, a municipal corporation, Successor in interest to the Alameda Reuse and Redevelopment Authority  
Dated : April 30, 2019  
Recorded : [May 30, 2019 in Official Records under Recorder's Serial Number 2019-100995](#)

Note: Reference is made to said instrument for full particulars.

20. The requirement that satisfactory evidence be furnished to this Company of compliance with applicable statutes, ordinances and charters governing the ownership and disposition of the herein described land.

21. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.



- 22. The requirement that this Company be provided with an opportunity to inspect the land (the Company reserves the right to make additional exceptions and/or requirements upon completion of its inspection).
- 23. The requirement that this Company be provided with a suitable Owner's Declaration (form ORT 174). The Company reserves the right to make additional exceptions and/or requirements upon review of the Owner's Declaration.
- 24. Any unrecorded and subsisting leases.
- 25. The requirement that the Company be provided with a copy of the "rent roll" and "tenant estoppel certificates" for its review.

The Company may have different and/or additional requirements after its review.

----- **Informational Notes** -----

- A. The applicable rate(s) for the policy(s) being offered by this report or commitment appears to be section(s) 1.1 and 2.1.

- B. The above numbered report (including any supplements or amendments thereto) is hereby modified and/or supplemented to reflect the following additional items relating to the issuance of an American Land Title Association loan form policy:

NONE

NOTE: Our investigation has been completed and there is located on said land a multi-family residence known as Apm 074-0905-12-9, Singleton Avenue, Alameda, CA 94501.

The ALTA loan policy, when issued, will contain the CLTA 100 Endorsement and 116 series Endorsement.

Unless shown elsewhere in the body of this report, there appear of record no transfers or agreements to transfer the land described herein within the last three years prior to the date hereof, except as follows:

Quitclaim Deed and Environmental Restriction Pursuant to California Civil Code Section 1471 for The Alameda Housing Authority Parcel (North Housing) at the former NAS Alameda executed by United States of America, acting by and through the Department of the Navy to City of Alameda, a municipal corporation, successor in interest to the Alameda Reuse and Redevelopment Authority recorded [May 30, 2019 in Official Records under Recorder's Serial Number 2019-100991](#).

Quitclaim Deed and Environmental Restriction Pursuant to California Civil Code Section 1471 for The Alameda Housing Authority Parcel (North Housing) at the former NAS Alameda executed by City of Alameda, a municipal corporation, successor in interest to the Alameda Reuse and Redevelopment Authority to Housing Authority of the City of Alameda, a public body, corporate and politic recorded [May 30, 2019 in Official Records under Recorder's Serial Number 2019-100995](#).

- C. NOTE: The last recorded transfer or agreement to transfer the land described herein is as follows:

Instrument

Entitled	:	Judgment
By/From	:	Regents of the University of California, et al.
To	:	United States of America
Recorded	:	<a href="#">December 21, 1951 in Book 6618 of Official Records, Page 339 under Recorder's Serial Number AF-108412</a>

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D. NOTE: The last recorded transfer or agreement to transfer the land described herein is as follows:

Instrument

Entitled : Deed

By/From : L. A. Martino, a married man dealing with his separate property, B.  
H. Moscini, a married man dealing with his separate property, and N.  
A. Crisafi, a married man dealing with his separate property

To : United States of America

Dated : April 5, 1966

Recorded : [August 10, 1966 in Reel 1821 of Official Records, Image 494 under  
Recorder's Serial Number AY 95418](#)

O.N.  
am

## **Addendum: Highest and Best Use Cost Inputs**

## Cost Approach Inputs

Owner/Tenant:

Address:

City:

County

APN:

Zoning:

Prob. of Zoning Chg.

General Plan:

Status of GP:

Lot Area: 530,996 sq. ft. (usable)

Land by Extraction/Sq. Ft.: \$73 /sq. ft.

Total Land: \$39,000,000

Use: Apartments

Age: 0 years +-

Useful Life: 55 years +-

Eff. Age 50 years +-

Bldg. Area: 402,270 sq. ft.

Sub. Area: 100,568 Common

Sub. Area: 0

Sub. Area: 0

1stFloor 134,090 Approximate

Net Land Area 396,906 Approximate

Parking:

## Base Cost Estimate

Use:	Apartments	Common
Class:	C	C
Quality:	Gd.	Gd.
Base Cost:	\$111.00	\$83.25
Current Multiplier	1.22	\$1.22
Local Multiplier	1.40	\$1.40
Sub-Total	\$189.59	\$142.19
HVAC Adj.:	\$0.00	\$0.00
Multi-Story Adj.:	\$0.00	\$0.00
Sprinklers:	\$2.93	\$2.93
Sub-Total	\$192.52	\$145.12
Perim. Adj.:	1.050	1.050
Elevator	1.000	1.000
Adj. Cost:	\$202.14	\$152.38
Bldg. Area:	402,270	100,568
Cost/Use:	\$202.14	\$152.38
Total Base Cost:	\$81,314,858	\$15,324,476
Total:	\$96,639,334	

## Cost Approach Summary

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### Cost New Estimate

#### Hard Costs

			<b>Totals</b>	<b>/Sq. Ft.</b>
Base Cost New			\$96,639,334	\$240.24
Site Improvements	15.0%		\$14,495,900	\$36.04
Yard Improvements	\$10.13		\$4,020,043	\$9.99
FF&E	306	\$2,750	\$841,500	\$2.09
Total Hard Costs			\$115,996,777	\$288.36

#### Soft Costs

Financing Fees and Services	3%	\$3,479,903		
Property Taxes	1.2%	\$2,327,961		
Marketing	5%	\$10,720,300		
Total Soft Costs			\$16,528,164	\$41.09
Total Hard and Soft Costs			\$132,524,941	\$329.44

<b>Developer's Overhead/Profit (% of Total)</b>	25%	\$42,881,235	\$106.60
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<b>Replacement Cost New</b>		\$175,406,176	\$436.04
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#### Less Deterioration and Obsolescence/Adjustments

Physical Deterioration		\$0	
Obsolescence		\$0	
Leased Fee Adjustment		\$0	
<b>Total Depreciation/Adjustments</b>		\$0	\$0.00

<b>Depreciated Replacement Cost</b>		\$175,406,176	\$436.04
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<b>Plus Land Value</b>		\$39,000,000	\$96.95
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<b>Cost Analysis for HBU - Not Market Value Estimate</b>		\$214,406,176	\$532.99
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## **Addendum: Qualifications**

# Joseph I. Napoliello, MAI

*Commercial – Industrial – Residential – Real Estate Appraisal and Consultation*

*840 Olive Avenue #3, So. San Francisco, CA 94080 415-309-6728 Joe@JNval.com*

## QUALIFICATIONS

*Joseph I. Napoliello, MAI*

### GENERAL

Bay Area resident since 1982; born and raised in southern New Jersey

### EDUCATION

Boston University, Boston, MA  
M.S.B.A. Business, 1978  
Loyola University, New Orleans, LA  
B.B.A. Finance, 1976

Recent professional coursework and exams:  
Real Estate Appraisal Principles (AI)  
Basic Valuation Procedures (AI)  
Capitalization Theory - Part A (AI)  
Capitalization Theory - Part B (AI)  
Standards of Professional Practice (AI)  
Case Studies in R.E. Valuation (AI)  
Report Writing and Valuation Analysis (AI)  
Highest and Best Use and Feasibility Analysis - Non-Residential (Seminar)  
Highest and Best Use and Market Analysis (AI)  
Rates, Ratios and Reasonableness (Seminar)  
Easement Valuation (Seminar)  
Valuation of Detrimental Conditions (Seminar)

### PROFESSIONAL PRESENTATIONS

2004 Appraisal Institute Valley Seminar: "Critical Documents – The Preliminary Title Report"  
2004 Appraisal Today – Moderator – Commercial Appraisal Liability

### PROFESSIONAL AFFILIATIONS

State Certified General Appraiser - California - #AG003794  
MAI Member, Appraisal Institute, #11786  
Past Member, Board of Directors, Northern California Chapter of the Appraisal Institute, past Chair of Education Committee

### COURT TESTIMONY

Qualified as an expert witness in Superior Court - Counties of San Francisco and San Mateo

**Joseph I. Napolliello, MAI**

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**EMPLOYMENT**

Owner and Senior Appraiser (since August 1989), San Bruno, CA. - independent fee appraisers and consultants specializing in commercial, industrial, and multi-family residential properties. (Formerly Haley Appraisal Company, Inc.)

February 2002 to 2006:

Land acquisition agent for County of San Mateo and various cities on the San Francisco Peninsula on public right-of-way projects.

August 1987 to August 1989:

Vice President, General Manager and Associate Appraiser, Haley, O'Brien and O'Brien, San Francisco, CA. - Independent fee appraisers specializing in commercial and industrial properties.

August 1986 to July 1987:

Staff Appraiser, Class II, Sears Mortgage Corporation, South San Francisco, CA. - residential appraisals of single family, condo, PUD, and 2-4 unit properties.

August 1985 to August 1986:

Residential Loan Representative, Sears Mortgage Corporation, Daly City, CA.

January 1981 to August 1985:

Sales and Marketing Positions, Dean Witter Reynolds Inc., Monterey, CA and San Francisco, CA - major securities dealer.

May 1976 to January 1981:

Finance and Accounting Officer, U.S. Army, various duty stations.

**PROPERTY TYPES APPRAISED**

Office buildings	Industrial buildings
Mixed-use buildings	Vacant land
Shopping Centers	Leased Land
Apartment complexes	Retail buildings
Condominium projects	Single Family Residences / Condo & PUD Units
Hotels	Special Purpose Properties
Easements and partial takings	Appraisal Reviews