



GEM of the DESERT

**NOTICE AND CALL OF SPECIAL MEETING
OF THE LA QUINTA HOUSING COMMISSION**

**TO THE MEMBERS OF THE HOUSING COMMISSION OF THE CITY OF LA QUINTA AND
TO THE COMMISSION SECRETARY:**

NOTICE IS HEREBY GIVEN that a special meeting of the Housing Commission of the City of La Quinta is hereby called to be held on July 12, 2017 at 6:00 p.m. at La Quinta City Hall, 78-495 Calle Tampico, La Quinta, California.

CONSENT CALENDAR

- 1. APPROVE MINUTES OF MAY 17, 2017
- 2. APPROVE MINUTES OF JUNE 7, 2017

BUSINESS SESSION

- 1. RECOMMEND SALE OF PERMANENT ROADWAY AND PUBLIC UTILITIES EASEMENT ON DUNE PALMS ROAD SOUTH OF WESTWARD HO DRIVE (APN 600-030-004, 020 AND 021) TO THE CITY OF LA QUINTA FOR FUTURE ROAD WIDENING

STUDY SESSION

- 1. REVIEW HOUSING COMMISSION ACTIVITY DURING FISCAL YEAR 2016/17

Dated: July 7, 2017

/s/ Lynne Joy Rogers
Lynne Joy Rogers, Chairperson

Attest:

Marilyn Monreal
Housing Commission Secretary

DECLARATION OF POSTING

I, Marilyn Monreal, La Quinta Housing Commission Secretary, do hereby declare that the foregoing notice for the Special La Quinta Housing Commission meeting of July 12, 2017, was posted on the outside entry to the Council Chamber at 78-495 Calle Tampico and on the bulletin boards at 51-321 Avenida Bermudas and 78-630 Highway 111 on July 7, 2017.

DATED: July 7, 2017

Marilyn Monreal, Commission Secretary
La Quinta Housing Commission



HC agendas and staff reports are now available on the City's web page: www.laquintaca.gov

HOUSING COMMISSION AGENDA

CITY HALL STUDY SESSION ROOM
78-495 Calle Tampico, La Quinta

SPECIAL MEETING
WEDNESDAY, JULY 12, 2017 AT 6:00 P.M.

CALL TO ORDER

ROLL CALL: Commissioners Harland, Johnson, Long, McDonough, and Chair Rogers

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

At this time, members of the public may address the Housing Commission on any matter not listed on the agenda. *Please complete a "Request to Speak" form and limit your comments to three minutes.* The Housing Commission values your comments; however in accordance with State law, no action shall be taken on any item not appearing on the agenda unless it is an emergency item authorized by GC 54954.2(b).

CONFIRMATION OF AGENDA

CONSENT CALENDAR

1. APPROVE MINUTES OF MAY 17, 2017
2. APPROVE MINUTES OF JUNE 7, 2017

BUSINESS SESSION

1. RECOMMEND SALE OF PERMANENT ROADWAY AND PUBLIC UTILITIES EASEMENT ON DUNE PALMS ROAD SOUTH OF WESTWARD HO DRIVE (APN 600-030-004, 020 AND 021) TO THE CITY OF LA QUINTA FOR FUTURE ROAD WIDENING

STUDY SESSION

1. REVIEW HOUSING COMMISSION ACTIVITY DURING FISCAL YEAR 2016/17

DEPARTMENT REPORTS

REPORTS AND INFORMATIONAL ITEMS

COMMISSIONERS' ITEMS

ADJOURNMENT

The next regular meeting of the La Quinta Housing Commission will be held on September 13, 2017, commencing at 6:00 p.m. at the La Quinta Study Session Room, 78-495 Calle Tampico, La Quinta, CA 92253.

DECLARATION OF POSTING

I, Marilyn Monreal, Housing Commission Secretary, of the City of La Quinta, do hereby declare that the foregoing Agenda for the Housing Commission meeting was posted on the City's website, near the entrance to the Council Chambers at 78-495 Calle Tampico, and the bulletin boards at the Stater Brothers Supermarket at 78-630 Highway 111, and the La Quinta Cove Post Office at 51-321 Avenida Bermudas, on July 7, 2017.

DATED: JULY 7, 2017

Marilyn Monreal, Housing Commission Secretary / Management Assistant
City of La Quinta, California

PUBLIC NOTICES

- The La Quinta City Study Session Room is handicapped accessible. If special equipment is needed for the hearing impaired, please call the City Clerk's office at 777-7103, twenty-four (24) hours in advance of the meeting and accommodations will be made.
- If special electronic equipment is needed to make presentations to the Commission, arrangements should be made in advance by contacting the City Clerk's office at 777-7103. A one (1) week notice is required.
- If background material is to be presented to the Commission during a Housing Commission meeting, please be advised that eight (8) copies of all documents, exhibits, etc., must be supplied to the Secretary for distribution. It is requested that this take place prior to the beginning of the meeting.
- Any writings or documents provided to a majority of the Commission regarding any item(s) on this agenda will be made available for public inspection at The Hub counter at City Hall located at 78-495 Calle Tampico, La Quinta, California, 92253, during normal business hours.



**HOUSING COMMISSION
MINUTES
WEDNESDAY, MAY 17, 2017**

A Special meeting of the La Quinta Housing Commission was called to order at 6:01 p.m. by Chairperson Rogers.

PRESENT: Commissioners Johnson, Long, and Chairperson Rogers
ABSENT: None
VACANT: Two seats

PLEDGE OF ALLEGIANCE

Chairperson Rogers led the audience in the pledge of allegiance.

PUBLIC COMMENT ON MATTERS NOT ON AGENDA – None

CONFIRMATION OF AGENDA – Confirmed

CONSENT CALENDAR

1. APPROVE MINUTES OF APRIL 12, 2017

City Attorney Ihrke presented written comments submitted by Ms. Linda Gunnett, which are on file in the Clerk’s Office, requesting that the Commission do not approve the minutes as recommended. He explained pursuant to the City’s adopted Rules of Procedure (Council Resolution No. 2015-023), which govern Council, Boards’, and Commissions’ meetings, staff prepares action minutes.

Motion – A motion was made and seconded by Commissioners Long/Johnson to approve the Consent Calendar as recommended. Motion passed unanimously.

BUSINESS SESSION

1. REVIEW AND RECOMMEND AN AFFORDABLE HOUSING AND PROPERTY DISPOSITION AGREEMENT AND ASSOCIATED SUMMARY REPORT BETWEEN THE LA QUINTA HOUSING AUTHORITY AND COACHELLA VALLEY HOUSING COALITION TO PURCHASE PROPERTY LOCATED AT THE SOUTHEAST CORNER OF HIDDEN RIVER ROAD AND WASHINGTON STREET FOR THE PURPOSE OF REHABILITATING CONSTRUCTING AND OPERATING AFFORDABLE RENTAL HOUSING

Management Specialist Villalpando presented the staff report, which is on file in the City Clerk’s Office.

City Economist McMillen introduced the following Coachella Valley Housing Coalition (CVHC) staff members: Executive Director Julie Bornstein, Multi-Family Director May Ann Ybarra, and Project Manager Mike Walsh, and said they were available to answer any questions the Commission might have.

Executive Director Bornstein provided the mission statement and background of CVHC.

City Economist McMillen presented an overview of the proposed Washington Street Apartments (WSA) rehabilitation project; including information on the 2007/2008 purchase of the existing WSA and adjacent vacant lot; purchase price; bond proceed expenses; and other expenses related to the planning, design, and engineering of the project rehabilitation plan.

The Commission discussed the reliability of using tax credits to fund the project, through the California Tax Credit Allocation Committee, which administers the federal and state Low-Income Housing Tax Credit Programs and facilitates the investment of private capital into the development of affordable rental housing for low-income Californians; alternative funding solutions, should project costs exceed the tax credits; the addition of swimming pools to the project; and the wait list for affordable housing in La Quinta.

PUBLIC SPEAKER: Ms. Barbara (no last name stated), La Quinta – introduced herself and spoke in opposition to the project.

PUBLIC SPEAKER: Mr. William Cain, La Quinta – introduced himself and spoke in opposition to the project. He stated that he contacted Wolff Waters low income apartments and got notified the waiting list is five years. He said he also contacted the California Housing Partnership regarding tax credits and got confirmation that it is a competitive process. Mr. Cain spoke of the former Redevelopment Agency and the problems it encountered, comparing it to the proposed \$45 million project. He proposed rehabilitation rather than construction, and presented the Commission with questions, which are on file in the City Clerk's Office.

PUBLIC SPEAKER: Ms. Mimi Miller, La Quinta – introduced herself and asked if the selected builder for the project would be local.

Project Manager Walsh replied CVHC seeks and encourages local contractors.

Commissioner Johnson questioned the viability of the WSA rehabilitation project and said he was in opposition to it. He noted the proposed cost for the build-out of the new units seemed high. He expressed concerns about completing the project, which has been delayed for quite some time, and the importance of ensuring that the residents do get the units remodeled and built.

Following this meeting, Commissioner Johnson submitted the attached written comments dated June 2 and 7 (Attachment 1) explaining his position regarding the project in further detail.

City Manager Spevacek provided the historical background regarding the land annexation and the WSA rehabilitation project.

PUBLIC SPEAKER: Mr. Bruce McKelvy, La Quinta – introduced himself and suggested rehabilitating a smaller portion of WSA.

Motion – A motion was made and seconded by Commissioners Rogers/Long to approve the Affordable Housing and Property Disposition Agreement and associated Summary Report as recommended. Motion passed – AYES: Commissioner Long and Chairperson Rogers. NOES: Commissioner Johnson. ABSENT: None. ABSTAIN: None.

STUDY SESSION – None

DEPARTMENT REPORTS

1. ESTABLISHMENT OF A HOUSING AUTHORITY LOCAL AGENCY INVESTMENT FUND (LAIF) ACCOUNT

Management Specialist Villalpando presented the report, which is on file in the City Clerk's Office.

REPORTS AND INFORMATIONAL ITEMS – None

COMMISSIONER ITEMS – None

ADJOURNMENT

A motion was made and seconded by Commissioners Long/Johnson to adjourn the meeting at 7:50 p.m. Motion passed unanimously.

Respectfully submitted,

Marilyn Monreal, Commission Secretary / Management Assistant
City of La Quinta, California

Attachment: 1. Commissioner Johnson emails dated June 2 and 7, 2017

ATTACHMENT 1

TO MAY 17, 2017 HOUSING COMMISSION
SPECIAL MEETING MINUTES

From: Joe Johnson [<mailto:joejagent@aol.com>]
Sent: June 7, 2017 5:34 AM
To: Gilbert Villalpando
Subject: minutes

Gil,

So there are no surprises and so you have a chance to show this to whoever:

Joe Johnson

I don't want to take up a lot of time at the meeting over this, but I prefaced my remarks at the last meeting that I wanted to go on record questioning this project. Except for my NO vote there is no record of my concerns. Even though this meeting was well attended, most people in our city can't or won't show up, and minutes are the only way they can find out what happened. Accurate and complete minutes are crucial to good government. Because of that I will object to accepting the minutes to the last meeting.

As Commissioner I represent citizens of this City, not the City government. I believe it is my job to question things that do not appear to be appropriate and to object when things presented do not make sense to me. I thought I would be making a record of my questions and objections at the last meeting but the minutes prepared by staff completely ignored everything I said, even though I stated I was going on record. It appears we have different opinions as to what that means. I am sure that was not done deliberately or under anyone's direction because falsifying a government record could be a serious offense, even if it is just the Housing Commission.

I request the following to be added to the those minutes plus this entire statement be added to the minutes of this meeting:

I questioned the viability of counting on the 9% tax credit. I thought I was going on record that I thought it was just going to waste another year where the tenants go without improvements. I brought up the expected National tax climate and how that affects tax credits, and we discussed the value of such credits and how that would impact revenue even if approved. There was a reasonable chance this proposal was doomed and just a waste of time.

I questioned why in the previous meeting we were told there was no swimming pool for the complex, yet this proposal now has two. I did not question the need or benefits of a pool(s), only the inconsistency of the information we are given. I also mentioned how prior to this meeting I asked how many people were on the waiting list of affordable housing in this City and requested it by project. The figure given at the meeting was about 100 times what I was told prior to the meeting.

I went back to the original concept of this project from 12 years ago. It was to rehab the existing units and to build 24 more this was going to cost somewhere around \$15 million, which we were previously was told was "in the bank". Now we have a project of about 44 more units that will cost an additional \$30 million. I questioned how this does not make any sense and appears to be a waste of money. I would think you can get more than 44 units somewhere else for \$30 million. I think you could get 100 houses for that much (probably more). That would house a lot more people. I am not questioning the need, only that it is a lot of money for little gain.

I asked about construction costs and how they were determined. We were told it was a number submitted by someone the developer knew, but it was not real. When the time comes it will go for bid. I again questioned the extra costs wasted by the expansion of the project, many of which would not be incurred if we just did the original plan.

Joe Johnson

-----Original Message-----

From: Marilyn Monreal <Mmonreal@la-quinta.org>
To: Joe Johnson <joejagent@aol.com>
Cc: Gilbert Villalpando <Gvillalpando@la-quinta.org>
Sent: Fri, Jun 2, 2017 2:30 pm
Subject: RE: Housing Commission Agenda Packet - June 7, 2017

Good afternoon Mr. Johnson,

Please bring up this request to edit the minutes of May 17, 2017 at the next meeting.

Thank you.

Marilyn Monreal | Management Assistant

City of La Quinta

78495 Calle Tampico • La Quinta, CA 92253

Ph. 760.777.7016

MMonreal@la-quinta.org

From: Joe Johnson [<mailto:joejagent@aol.com>]
Sent: Friday, June 02, 2017 2:24 PM
To: Marilyn Monreal <Mmonreal@la-quinta.org>
Subject: Re: Housing Commission Agenda Packet - June 7, 2017

I would like the minutes of the last Housing Commission meeting to reflect my questioning the viability of obtaining 9% tax credits and what I believe to be a waste of money, especially in the expansion of the project from its original plan to its current plan. I want to go on record that I believe that a year from now we will still not be ready to get this project done when we have to reevaluate revenue and costs.

Joe Johnson

-----Original Message-----

From: Marilyn Monreal <Mmonreal@la-quinta.org>
To: Jon McMillen (jon@tallmangroup.net) <jon@tallmangroup.net>; Gilbert Villalpando <Gvillalpando@la-quinta.org>; Teresa Thompson <Tthompson@la-quinta.org>; Karla Campos <KCampos@la-quinta.org>
Cc: Monika Radeva <Mradeva@la-quinta.org>
Sent: Fri, Jun 2, 2017 1:58 pm
Subject: Housing Commission Agenda Packet - June 7, 2017

Good afternoon,

Attached is the agenda packet for the June 7, 2017 meeting at the City of La Quinta Study Session Room beginning at 6 p.m.

Have a wonderful weekend.



Marilyn Monreal | Management Assistant

City of La Quinta

78495 Calle Tampico • La Quinta, CA 92253

Ph. 760.777.7016

MMonreal@la-quinta.org



**HOUSING COMMISSION
MINUTES
WEDNESDAY, JUNE 7, 2017**

A Special meeting of the Housing Commission was called to order at 6:00 p.m. by Chairperson Rogers.

PRESENT: Commission Members Johnson, Long and Chair Rogers
ABSENT: None
VACANT: Two seats

PLEDGE OF ALLEGIANCE

Chairperson Rogers led the audience in the pledge of allegiance.

PUBLIC COMMENT ON MATTERS NOT ON AGENDA – None

CONFIRMATION OF AGENDA

Management Analyst Villalpando requested that Consent Calendar Item No. 1 be pulled from the agenda. He explained staff had received written comments from Commissioner Johnson dated June 2 and 7, which were distributed to the Commission, made available to the public, and are on file in the Clerk’s Office, requesting to amend the minutes and include additional comments. Staff will make the amendments and bring the item back to the Commission at the next meeting.

The Commission concurred.

CONSENT CALENDAR

- 1. *Pulled >>>***APPROVE MINUTES OF MAY 17, 2017**

BUSINESS SESSION – None

STUDY SESSION

- 1. **REVIEW HOUSING AUTHORITY BUDGET**

Finance Director Campos presented the staff report, which is on file in the Clerk’s Office. She also explained in detail the standard annual budget adoption timeline and budget oversight process, including several annual and mid-year public meetings with the City Council, the Finance Advisory Commission, and the Housing Commission to discuss and adopt the budget; monthly public meetings regarding revenue and expense reports; additional public meetings in December for financial reporting

disclosures and updates; and the required internal and external audits and federal verification.

General discussion followed regarding the Coral Mountain Apartments partial loan repayment; the outstanding loan amount still due to the City; and the repayment requirements and timeline.

City Attorney Ihrke explained how residual receipt payments work and the gap financing – to build an affordable housing project, which subsequently must generate enough revenue, which is subject to affordability state restrictions, to cover its expenses and then repay the built-out loan.

Discussion followed regarding the Housing Authority’s revenues; the Housing Fund balances; and the Housing Authority’ anticipated expenditures.

PUBLIC SPEAKER: Ms. Linda Gunnett, La Quinta – introduced herself and asked for clarification on the Housing Authority’s receivables and available cash as identified on the attached Overall Housing Fund Balance Power Point slide (Attachment 1); and the repayment timeline of the former La Quinta Redevelopment Agency (RDA) loan.

Staff explained the Housing Fund balances; noted the direct correlation of the RDA loan repayment amount to regulatory requirements of the Department of Finance; and explained the loan repayment is dependent upon available residual housing funds.

City Attorney Ihrke briefly explained California Senate Bill No. 107, approved by Governor Brown on September 22, 2015, which included provisions to streamline the current dissolution process for redevelopment agencies, enhance affordable housing by providing increased statewide funding, and expand the type of loans for which cities can seek reimbursement. Particularly, as it relates to La Quinta’s preparation of its RDA last and final Recognized Obligation Payment Schedule (ROPS) and projected repayment timeline.

Although the fiscal year 2017/18 Housing Authority Budget was a Study Session item, which by definition is a discussion only item and does not require a vote, the Commission did make a formal motion.

Motion – A motion was made and seconded by Commissioners Long/Johnson recommending that the City Council approve the Fiscal Year 2017/18 Housing Authority Budget as presented. Motion passed unanimously.

DEPARTMENT REPORTS

1. UPDATE ON JOINT COUNCIL AND COMMISSION MEETING OF JULY 18, 2017

Management Analyst Villalpando stated that a Joint Meeting of the City Council and the City's Boards and Commissions has been scheduled for Tuesday, July 18, 2017, and the Council has asked that each board/commission present their work plan for the upcoming fiscal year 2017/18.

He noted the regular quarterly Housing Commission meeting of June 14, 2017 will be cancelled and a Special Housing Commission meeting is scheduled for Wednesday, July 12, 2017, at 6:00 p.m.

2. 2017 HOUSING COMMISSION APPOINTMENTS

Management Analyst Villalpando said the Housing Authority conducted interviews to fill the three open full-term vacant positions on the Housing Commission at the June 6, 2017 meeting and appointed Chairperson Rogers and Commissioners Michele McDonough and Gary Harland; each appointment is for a 3-year term ending June 30, 2020.

REPORTS AND INFORMATIONAL ITEMS – None

COMMISSIONER ITEMS – None

ADJOURNMENT

A motion was made and seconded by Commissioners Long/Johnson to adjourn the meeting at 6:34 p.m. Motion passed unanimously.

Respectfully submitted,

Marilyn Monreal, Commission Secretary / Management Assistant

Attachment: 1. Overall Housing Fund Balances (power point slide)

Overall Housing Fund Balances

	Estimated at June 30, 2017			Estimated at June 30, 2018		
	Cash	Receivables	Fund Balance	Revenues	Expenses	Ending Balance
Housing	10,600,000	6,900,000	17,500,000	919,000	(1,192,100)	17,226,900
2004 Bond	1,704,900	-	1,704,900	-	(1,704,900)	-
2011 Bond	25,566,705	-	25,566,705	-	(9,400,000)	16,166,705
			44,771,605			33,393,605

	Estimated at June 30, 2018		
	Cash	Receivables	Fund Balance
Housing	10,926,900	6,300,000	17,226,900
2011 Bond	16,166,705	-	16,166,705
	27,093,605	6,300,000	33,393,605

City of La Quinta

HOUSING COMMISSION MEETING: July 12, 2017

STAFF REPORT

AGENDA TITLE: RECOMMEND SALE OF PERMANENT ROADWAY AND PUBLIC UTILITIES EASEMENT ON DUNE PALMS ROAD SOUTH OF WESTWARD HO DRIVE (APN 600-030-004, 020 AND 021) TO THE CITY OF LA QUINTA FOR FUTURE ROAD WIDENING

RECOMMENDATION

Recommend sale of permanent roadway and public utilities easement on Dune Palms Road south of Westward Ho Drive (APN 600-030-004, 020 and 021) to the City of La Quinta for future road widening for \$93,800.

EXECUTIVE SUMMARY

- The City of La Quinta (City) seeks to acquire a roadway and public utilities easement for the Dune Palms Road Widening Project from the Housing Authority.
- After review and receiving comment from the Housing Commission, the Housing Authority will review the sale of the portion of the property needed for the City Right of Way and take actions, as appropriate, to implement the sale of the same and to transfer funds to the Housing Authority, which funds must be used for future affordable housing projects or programs in the City.

FISCAL IMPACT

The Authority would accept payment (\$93,800) for the easement which would be added to the unreserved Housing Authority Project Area fund balance.

BACKGROUND/ANALYSIS

Widening of this street segment is necessary to develop the roadway to General Plan standards, align roadway width with the Dune Palms Bridge project, and meet the State and Federal “logical termini” and “independent utility” requirements for the proposed Dune Palms Bridge. The Dune Palms Bridge project was approved by City Council with the FY 2011/12 Capital Improvement Program and will provide a necessary all-weather crossing.

The former La Quinta Redevelopment Agency (RDA) acquired these parcels in 2007. An appraisal has been completed and the current market value is \$93,800 (Attachment 1).

ALTERNATIVE

Staff does not recommend an alternative since the easement is needed to construct the CIP project.

Prepared by: Edward J. Wimmer, P.E., Principal Engineer

Approved by: Frank J. Spevacek, City Manager

Attachment: 1. Appraisal

Appraisal Report

ATTACHMENT 1

Appraisal of:

La Quinta Housing Authority Property
APNs: 600-030-004, 020, & 021

Located at:

46150 Dune Palms Road
La Quinta, CA 92247

Date of Report:

May 22, 2017

Date of Value:

May 14, 2017

Prepared For:

Mr. Brad Donais, P.E.
Heptagon Seven
c/o John Cutler
Program Manager
Overland, Pacific & Cutler
3750 Schaufele Ave.,
Long Beach, CA 90808

Prepared By:

Overland, Pacific & Cutler, Inc.

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May 22, 2017

Mr. Brad Donais, P.E.
Heptagon Seven
c/o John Cutler
Program Manager
Overland, Pacific & Cutler
3750 Schauffele Ave.,
Long Beach, CA 90808

**RE: Appraisal of: La Quinta Housing Authority Property
46150 Dune Palms, La Quinta, CA 92247
APNs: 600-030-004, 020, & 021
Project Code: HEP-002
Job I.D.#: APP-008**

Dear Mr. Wimmer:

Per the request of the clients, the City of La Quinta Housing Authority and the City of La Quinta, we have provided the Fair Market Value of the subject property on an "as vacant" basis. The interest appraised is a Fee Simple Estate and easement rights for the proposed Roadway and Public Utilities Easement.

The project as proposed includes one (1) proposed acquisition: a permanent easement for roadway and public utilities. This is a segment of the subject larger parcel subject to an interagency transfer to the City of La Quinta. Please refer to the Plat Map and Legal Descriptions in the Addenda Section for specific size and dimensions of the easement area. The proposed acquisition is defined as follows and will be discussed in detail later in this appraisal report.

Parcel No.	Transfer Type	Transfer Size
600-030-004, 020, & 021	Roadway and Public Utilities Easement	15,636 sf

Data, information, and calculations leading to the value conclusion are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. Any special assumptions and limiting considerations were especially noted in Section 2 of this report. Your attention is directed to the "General Assumptions and Limiting Conditions," which are part of this report. We suggest that you thoroughly read and familiarize yourself with these, since the appraisal is based upon these assumptions.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) and the Code of Professional Ethics of the Appraisal Institute.

The Appraisal Group of Overland, Pacific & Cutler, Inc., does not authorize the out-of-context quoting from or partial reprinting of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of media for public communication without the prior written consent of the appraisers signing this report.



The Appraisal Group of Overland, Pacific & Cutler, Inc. does not authorize the out-of-context quoting from or partial reprinting of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of media for public communication without the prior written consent of the appraisers signing this report.

This appraisal employs the following ***extraordinary assumption and hypothetical condition***:

- Section 1263.330 of the California Code of Civil Procedure requires the appraisers to not consider any effect on the value of the project, the eminent domain proceeding, or any preliminary actions of the acquiring agency. The appraisers investigated the real estate market for any influence these issues may have had in the market data selected and analyzed and could not find any. Therefore we have prepared the appraisal analysis of the subject larger under the ***extraordinary assumption*** that these activities have no effect on the value conclusion stated in this appraisal report. Use of the ***extraordinary assumption*** may have affected the assignment results.
- For the valuation of the remainder property in the "after" condition, the appraisal analysis has been prepared using the ***hypothetical condition*** that the public project has been completed per the descriptions, plans and specifications presented in this appraisal report. This may have affected the selection and analysis of comparable market data, the discussion of market trends and the description of the property. Use of the ***hypothetical condition*** may have affected the assignment results.

The intended use of this report is to assist the clients in determining the fair market value of the aforementioned property; owned by the City of La Quinta Housing Authority, subject to an interagency transfer for easement purposes. Based upon the results of our investigation and analyses contained in the following report, the estimated Fair Market Value is:

Subject Larger Parcel
\$1,500,000
ONE MILLION FIVE HUNDRED THOUSAND DOLLARS

Proposed area for Transfer (Easement)
\$93,800
NINETY-THREE THOUSAND EIGHT HUNDRED DOLLARS

Please refer to the attached appraisal report, plus exhibits, for documentation of these value estimates contained herein. It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if Overland, Pacific & Cutler, Inc. can be of further service, please contact us.

Respectfully submitted,
Overland, Pacific & Cutler, Inc.



Kevin J. Donahue, MAI
Managing Director
Overland, Pacific & Cutler, Inc.
Certified General Real Estate Appraiser
CA License #AG015779



Mark Wallen
Valuation Analyst

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Section 1 - Summary of Salient Facts

Property reference:	City of La Quinta Housing Authority Property
Addresses:	46150, 46160, & 46176 Dune Palms Rd., La Quinta, CA 92247 Note: For the purpose of this appraisal, the address of 46150 Dune Palms Road will be used as the larger parcel address.
Location:	The subject larger parcel is located on the southeast corner of Dune Palms Road and Westward Ho Drive.
APN(s)	600-030-004, 020, & 021
Property type:	Vacant residential acreage
Report Format:	Appraisal Report
Date of appraisal report:	May 22, 2017
Date of value:	May 14, 2017
Date of site inspection:	May 14, 2017
Real estate interest appraised:	Fee simple as to the larger parcel
Function of the appraisal:	The function of this appraisal is to provide a Fair Market Value basis for proposed interagency transfer of real property.
Site description:	The subject parcel is a ±253,737 sf lot or ±5.83 acres per the Assessor's Parcel map; subject to survey. The subject larger parcel, which is comprised of three (3) individual parcels, is a slightly irregular shaped lot. It has approximately 297 feet of frontage on Dune Palms Road, and 366 feet of frontage along Westward Ho Drive. The parcel is zoned <i>RM Medium Density Residential</i> under the City of La Quinta Municipal Code.
Improvements Description:	The subject larger parcel consists of vacant acreage with no building improvements.
Highest and Best Use "As Vacant":	Hold for future investment purposes
Additional Conditions:	<p>This appraisal employs the following <i>extraordinary assumption and hypothetical condition</i>:</p> <ul style="list-style-type: none"> • Section 1263.330 of the California Code of Civil Procedure requires the appraisers to not consider any effect on the value of the project, the eminent domain proceeding, or any preliminary actions of the acquiring agency. The appraisers investigated the real estate market for any influence these issues may have had in the market data selected and analyzed and could not find any. Therefore we have prepared the appraisal analysis of the subject larger under the <i>extraordinary assumption</i> that these activities have no effect on the value conclusion stated in this appraisal report. Use of the <i>extraordinary assumption</i> may have affected the assignment results. • For the valuation of the remainder property in the "after" condition, the appraisal analysis has been prepared using the <i>hypothetical condition</i> that the public project has been

completed per the descriptions, plans and specifications presented in this appraisal report. This may have affected the selection and analysis of comparable market data, the discussion of market trends and the description of the property. Use of the *hypothetical condition* may have affected the assignment results.

Fair Market Value (Subject Larger Parcel): **\$1,500,000**

Fair Market Value (Area to be Transferred): **\$93,800**

Value Recapitulation	
Value of the Larger Parcel: Land Only	\$ 1,500,000
Value of the Parts Transferred	\$ 93,816
Value of the Remainder As Part of the Whole:	\$ 1,406,184
Value of the Remainder 'After' Transfer:	\$ 1,406,184
Incurable Severance Damages	\$ 0
Benefits:	N/A
Total Value of the Area to be Transferred:	\$ 93,816
Rounded	\$ 93,800

Section 2 – Certification and Limiting Conditions

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, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have not performed any 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 acceptance of 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 upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification other than persons co-signing the appraisal or designated in the transmittal letter.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Kevin J. Donahue, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.



May 22, 2017

Kevin J. Donahue, MAI,
Managing Director, Valuation Services
Overland, Pacific & Cutler, Inc.
Certified General Real Estate Appraiser California License #AG015779

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, and unbiased professional analyses, opinions, and conclusions.
- ❖ I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- ❖ I have 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 acceptance of 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 upon developing or reporting predetermined results.
- ❖ My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- ❖ My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- ❖ I have made a personal inspection of the property that is the subject of this report.
- ❖ The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- ❖ The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- ❖ As of the date of this report, I, Mark Wallen, have completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.



May 22, 2017

Mark Wallen
Valuation Analyst

General Assumptions & Limiting Conditions

Information Used:

No responsibility is assumed for accuracy of information furnished by others or from others, including the client, its officers and employees, or public records. Neither Overland, Pacific & Cutler, Inc. or Kevin J. Donahue, MAI or Mark Wallen is liable for such information or for the work of contractors, subcontractors and engineers. To the extent possible, the comparable data relied upon in this appraisal has been confirmed with one or more parties familiar with the transaction unless otherwise noted; all are considered appropriate for inclusion to the best of my factual judgment and knowledge.

Research staff working with the appraisers may have gathered certain information, upon which the opinions and values are in part based. Names, professional qualifications and extent of their participation can be furnished to the client upon request.

Legal, Engineering, Financial, Structural or Mechanical Nature, Hidden Components:

No responsibility is assumed for legal matters or matters of survey, or of any architectural, structural, mechanical or engineering nature. No opinion is rendered as to the legal nature or condition of the title to the property, which is presumed to be good and marketable. The property is appraised assuming it is free and clear of all mortgages, liens or encumbrances, unless otherwise stated in particular parts of this report.

The legal description is presumed to be correct, but we have not confirmed it by survey or otherwise. We assume no responsibility for the survey, any encroachments or overlapping or other discrepancies that might be later revealed.

We have inspected, as far as possible by observation, the land and improvements thereon; however, it was not possible to personally observe hidden structures, or other components, or any mechanical components within the improvement; as a result, no representation is made herein as to such matters unless otherwise specifically stated. The estimated market value assumes that no such conditions exist that would cause a loss of value. We do not warrant against the occurrence of problems arising from any of these conditions. It is assumed that there are no hidden or unapparent conditions to the property which would render it more or less valuable. No responsibility is assumed for any such conditions or for any expense or engineering to discover them. All mechanical and HVAC components are assumed to be in operating condition standard for the properties of the subject's type and are considered to be commensurate with the condition of the balance of the improvements, unless otherwise stated. No judgment is made as to the adequacy of insulation, engineering or energy efficiency of the improvements or equipment.

Information relating to the location or existence of public utilities has been obtained through verbal inquiry to the appropriate utility authority, or has been ascertained from visual evidence. No warranty has been made regarding the exact location or capacities of public utility systems. Subsurface oil, gas or mineral rights were not considered in this report unless otherwise stated.

Legality of Use:

The appraisal is based on the premise that there is or will be full compliance with all applicable federal, state and local environmental regulations and laws, unless otherwise stated in the report; and that all appropriate zoning, building and use regulations and restrictions of all types have been or will be complied with and required licenses, consent, permits or other authority, whether local, state, federal and/or private, have been or can be obtained or renewed for the use intended and considered in the value estimate.

Component Values:

A report related to an estate that is less than the whole fee simple estate applies only to the fractional interest involved. The value of this fractional interest, plus the value of all other fractional interests, may or may not equal the value of the entire fee simple estate considered as a whole. A report relating to the geographic portion of a larger property applies only to such geographic portion and should not be considered as applying with equal validity to other portions of the larger property or tract. The value for such geographic portions, plus the value of all other geographic portions, may or may not equal the value of the entire property or tract considered as a single entity.

All valuations in the report are applicable only under the opined highest and best use and are not necessarily appropriate under other uses.

Auxiliary/Related Studies:

No environmental or impact studies, special market study or analysis, highest and best use analysis study or feasibility study has been requested or made by me unless otherwise specified in this report or in my agreement for services. We reserve the unlimited right to alter, amend, revise or rescind any of these statements, findings, opinions, values, estimates or conclusions upon any subsequent study or analysis or previous study or analysis that subsequently becomes available.

Inclusions:

Furnishings and equipment or business operations, except as otherwise specifically indicated, have been disregarded, with only the real estate being considered.

Value Change, Dynamic Market Influences:

The estimated value is subject to change with market changes over time. Value is highly related to interest rates, exposure, time, promotional effort, supply and demand, terms of sale, motivation and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property both physically and economically in the marketplace.

The estimate of value in this report is not based in whole or in part upon race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

In the event this appraisal includes the capitalization of income, the estimate of value is a reflection of such benefits and my interpretation of income and yields and other factors which were derived from general and specific market information. Such estimates are made as of the date of the estimate of value. As a result, they are subject to change, as the market is dynamic and may naturally change over time. The date upon which the value estimate applies is only as of the date of valuation, as stated in the letter of transmittal. The appraisal assumes no responsibility for economic or physical factors occurring at some later date which may affect the opinion stated herein.

An appraisal is the product of a professionally trained person, but nevertheless is an opinion only, and not a provable fact. As a personal opinion, a valuation may vary between appraisers based upon the same facts. Thus, the appraisers warrant only that the value conclusions are their best estimate as of the date of valuation. There are no guaranties, either written or implied, that the property would sell for the expressed estimate of value.

Sales History:

It is assumed that the subject title is marketable, but the title should be reviewed by legal counsel. Any information given by the appraisers as to a sales history is information that the appraisers have researched; to the best of our knowledge, this information is accurate, but not warranted.

Property Management:

It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management over the entire life of the property. If prudent and competent management and ownership are not provided, this would have an adverse effect upon the value of the property appraised.

Confidentiality:

We are not entitled to divulge the material (evaluation or valuation) content of this report and analytical findings or conclusions, or give a copy of this report to anyone other than the client or his designee, as specified in writing, except as may be required by the Appraisal Institute, as they may request in confidence for ethic enforcement, or by a court of law with the power of subpoena.

All conclusions and opinions concerning the analyses as set forth herein are prepared by the appraisers whose signatures appear. No change of any item in the report shall be made by anyone other than the appraisers, any opinion herein with respect to the existence or absence of fact is qualified by the phrase or phrases "to the best of our knowledge", "it appears" or "indicated", it is intended to indicate that, during the course of our review and investigation of the property, no information has come to our attention which would provide actual knowledge of the existence or absence of such facts.

The client shall notify the appraisers of any error, omission or invalid data herein within ten (10) days of receipt and return of the report, along with all copies, to the appraisers for corrections prior to any use whatsoever. Neither our names nor this report may be used in connection with any financing plans which would be classified as a public offering under State or Federal Security Laws.

Copies, Publication, Distribution, Use of Report:

Possession of this report, or any copy thereof, does not carry with it the right of publication, nor may it be used for other than its intended use. The physical report remains the property of the firm for the use of the client, with the fee being for the analytical services only. This report may not be used for any purpose by any person or corporation other than the client or the party to whom the report is addressed. Additional copies may not be made without the written consent of an officer of the firm, and then only in its entirety.

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations effort, news, sales or other media without our prior written consent and approval of the client.

Trade Secrets:

This appraisal was obtained from Overland, Pacific & Cutler, Inc. or related companies and/or its individuals and consists of "trade secrets and commercial or financial information" which is privileged and confidential. Notify the appraisers signing the report or an officer of Overland, Pacific & Cutler, Inc. of any request to reproduce this report in whole or in part.

Authentic Copies:

Any copy that does not have original signatures of the appraisers is unauthorized and may have been altered and, therefore, is considered invalid.

Testimony, Consultation, Completion of Contract for Appraisal Services:

A contract for appraisal, consultation or analytical services is fulfilled and the total fee payable upon completion of the report. The appraisers or those assisting in the preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal in full or in part, nor will they be asked or required to engage in post-appraisal consultation with the client or third parties except under separate and special arrangement and at an additional fee.



Any subsequent copies of this appraisal report will be furnished on a cost plus expenses basis, to be negotiated at the time of request.

Limit of Liability:

Liability of the firm and the associates is limited to the fee collected for the preparation of the appraisal. There is no accountability or liability to any third party.

Fee:

The fee for this appraisal or study is for the service rendered, and not for time spent on the physical report. The acceptance of the report by the client takes with it the agreement and acknowledgement that the client will pay the negotiated fee, whether said agreement was verbal or written. The fee is in no way contingent on the value estimated.

Extraordinary Assumption:

This appraisal employs the following ***extraordinary assumption and hypothetical condition:***

- Section 1263.330 of the California Code of Civil Procedure requires the appraisers to not consider any effect on the value of the project, the eminent domain proceeding, or any preliminary actions of the acquiring agency. The appraisers investigated the real estate market for any influence these issues may have had in the market data selected and analyzed and could not find any. Therefore we have prepared the appraisal analysis of the subject larger under the ***extraordinary assumption*** that these activities have no effect on the value conclusion stated in this appraisal report. Use of the ***extraordinary assumption*** may have affected the assignment results.
- For the valuation of the remainder property in the "after" condition, the appraisal analysis has been prepared using the ***hypothetical condition*** that the public project has been completed per the descriptions, plans and specifications presented in this appraisal report. This may have affected the selection and analysis of comparable market data, the discussion of market trends and the description of the property. Use of the ***hypothetical condition*** may have affected the assignment results.

Section 3 – Premise of the Appraisal and Scope of Work

Purpose of Appraisal

The purpose of this appraisal is to estimate the current fair market value under the reporting requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), as defined by The Appraisal Foundation.

Function of Appraisal

The function of this report is to provide a Fair Market Value basis of the subject larger parcel “as vacant” and proposed easement area, using a current date of value.

Competency of Appraisers

The appraisers' specific qualifications are included within this report. These qualifications serve as evidence of their competence for the completion of this appraisal assignment in compliance with the competency provision contained within the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of The Appraisal Foundation. The appraisers' knowledge and experience, combined with their professional qualifications, are commensurate with the complexity of this assignment based on the following:

- ❖ professional experience;
- ❖ educational background and training; and
- ❖ business, professional, academic affiliations and activities.

The appraisers have previously provided consultation and value estimates for industrial and commercial land properties in California.

Scope of Assignment

This is an “Appraisal Report” which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation.

The scope of this appraisal has been to collect, confirm, and report data. Other general market data and conditions have been considered. Consideration has been given the property’s zoning surrounding improvements and neighborhood. The work performed for this assignment included:

- ❖ An inspection of the property being appraised, as well as the neighborhood in which it is located. The inspection of the subject consisted of the grounds only (no interior building inspections). During the inspection, an inventory of the property attributes was collected based on visual observation. (**NOTE:** The term “inspection” should not be construed to be a professional engineer’s report concerning the condition of the building, if any, structural integrity, or condition of any mechanical items. If the client has concerns of this type, a professional engineer’s inspection and report are recommended. That type of inspection is beyond the scope of work of this assignment and the professional abilities of a certified appraiser. This inspection is made only for observation of property attributes).
- ❖ Investigation of public records for the property’s zoning, flood hazard area classification and property tax assessor’s records, for attributes of the property.
- ❖ Consideration of the highest and best use.
- ❖ Collection and analysis of sales, listings and contracts of sale to form a value estimate using the Sales Comparison Approach.
- ❖ Analysis of the portion to be acquired, valuation of the remainder as part of the whole, valuation of the remainder “after” acquisition and consideration of damages and benefits.

❖ **Preparation of a written report:**

To develop the opinion of value, the appraisers performed an appraisal as defined by the Uniform Standards of Professional Appraisal Practice (USPAP). In this Appraisal, we used the Sales Comparison Approach to value. Other approaches, if any, were not applicable or not necessary to develop a reliable value indication. Furthermore, the value conclusion reflects all information about the subject, market conditions, and available data. This appraisal of the subject has been presented in the form of an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the USPAP.

Property Rights Appraised

The property ownership rights appraised in this appraisal are those known as Fee Simple, which is described as follows:

- ❖ "Fee Simple" interest is defined as "absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat."¹
- ❖ Easement is defined as "*the right to use another's land for a stated purpose*"²

Intended Use of Appraisal

The intended use of the appraisal is to assist the client, the La Quinta Housing Authority and the City of La Quinta with an interagency transfer of real property.

Intended Users of Appraisal

The intended users are the appropriate authorities and/or representatives of the La Quinta Housing Authority and the City of La Quinta. The client is the City of La Quinta.

Value Definition:

The following definitions and discussions are extracted from the State of California Code of Civil Procedure, Title 7, Eminent Domain Law (New), and Chapter 9.

Fair Market Value: Article 4. Measure of Compensation for Property

- 1263.320 (a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for doing so, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.
- (b) The fair market value of the property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.

- 1263.330 The fair market value of the property taken shall not include any increase or decrease in the value of the property that is attributable to any of the following:
 - (a) The project for which the property is taken.
 - (b) The eminent domain proceeding in which the property is taken.
 - (c) Any preliminary actions of the plaintiff relating to the taking of the property.

¹ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015).

² The Dictionary of Real Estate Appraisal, Sixth Edition, The Appraisal Institute, Chicago, Illinois (U.S., 2015), page 71



Definitions:

Remainder

Article 5: Compensation for Injury to Remainder

- 1263.410 (a) Where the property acquired is part of a larger parcel, in addition to the compensation awarded pursuant to Article 4, for the part taken, compensation shall be awarded for the injury, if any, to the remainder.
- (b) Compensation for injury to the remainder is the amount of the damage to the remainder reduced by the amount of the benefit to the remainder. If the amount of the benefit to the remainder equals or exceeds the amount of the damage to the remainder, no compensation shall be awarded under this article. If the amount of the benefit to the remainder exceeds the amount of damage to the remainder, such excess shall be deducted from the compensation provided in Section 1263.510, if any, but shall not be deducted from the compensation required to be awarded for the property taken or from the other compensation required by this chapter.

Damages

Article 5: Compensation for Injury to Remainder

- 1263.420 Damage to the remainder is the damage, if any, caused to the remainder by either or both of the following:
- (a) The severance of the remainder from the part taken.
- (b) The construction and use of the project for which the property is taken in the manner proposed by the plaintiff whether or not the damage is caused by a portion of the project located on the part taken.

Benefits

Article 5: Compensation for Injury to Remainder

- 1263.430 Benefit to the remainder is the benefit, if any, caused by the construction and use of the project for which the property is taken in the manner proposed by the plaintiff whether or not the benefit is caused by a portion of the project located on the part taken.

Comparable Sales

When relevant to the determination of the value of property, a witness may take into account as a basis for his opinion the price and other terms and circumstances of any sale or contract to sell and purchase comparable property if the sale or contract was freely made in good faith within a reasonable time before or after the date of valuation. In order to be considered comparable, the sale or contract must have been made sufficiently near in time to the date of valuation, and the property sold must be located sufficiently near the property being valued and must be sufficiently alike in respect to character, size, situation usability, and improvements, to make it clear that the property sold and the property being valued are comparable in value and that the price realized for the property sold may fairly be considered as shedding light on the value of the property being valued (*California Evidence Code* §816).

Improvements Pertaining To Realty

- (a) As used in this article, "improvements pertaining to the realty include any machinery or equipment installed for use on property taken by eminent domain, or on the remainder if such property is part of a larger parcel, that cannot be removed without a substantial economic loss or without substantial damage to the property on which it is installed, regardless of the method of installation".

In determining whether particular property can be removed "without substantial economic loss" within the meaning of this section, the value of property in place considered as a part of the realty should be compared with its value if it were removed and sold (*California Code of Civil Procedure* §1263.205).

Items Pertaining To Realty

Personal property that cannot be removed without substantial physical damage or economic loss (*California Code of Civil Procedure* §1263.205).

Larger Parcel

An analytical premise unique to the field of eminent domain valuation. (*Real Estate Valuation in Litigation*, Eaton).

1. In condemnation, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use.
2. In condemnation, the portion of a property that has unity of ownership, contiguity, and unity of use, the three conditions that establish the larger parcel for the consideration of severance damages in most states. In federal and some state cases, however, contiguity is sometimes subordinated to unitary use (*The Dictionary of Real Estate Appraisal*, Fifth Edition).

Value Estimate Date

The fair market value estimated in this appraisal report is May 14, 2017.

Property Inspection Date

The subject property was inspected by Mark Wallen on May 14, 2017. The appraiser was advised by John Cutler of Overland, Pacific & Cutler, Inc., that representatives of the client did not wish to attend the inspection.

History of the Property

There have been no recorded market transactions in the past three (3) years.

Property Identification:

The property that is the subject of this report is identified as:

Reference	La Quinta Housing Authority Property
Street Address:	46150 Dune Palms Rd., La Quinta, CA 92247
Location:	Southeast corner of Dune Palms Rd. & Westward Ho Drive
County:	Riverside
Legal:	Lengthy; please refer to the Addenda for Legal Descriptions
Current owner of record:	City of La Quinta Housing Authority
Assessor Parcel No(s):	600-030-004, 020, & 021

History of the Property:

The Uniform Standards of Professional Appraisal Practice requires a statement of the sales or listing history of the subject property for the three (3) years prior to the appraisal date. There have been no market transactions for the subject property in the past three (3) years, to include sales, listings or offers.



Appraisal Analysis/Report Type:

The Appraisal Standards Board controls the process of making an appraisal of a parcel of real estate. The Board issues rules and guidelines from which all appraisals and resulting reports are made. The process of administration of those rules and guidelines is addressed to the Real Estate Appraiser Commission of each respective state. The Appraisal Standards Board issues the rules and guidelines in the form of a document update published each year by The Appraisal Foundation. That document is entitled "The Uniform Standards of Professional Appraisal Practice" (USPAP).

The analysis process is composed of several distinctive steps that appraisers follow to gain a thorough understanding of the property and factors that affect its value.

There are two types of reports: the Appraisal Report and Restricted Appraisal Report; this is an "Appraisal" Report.

Section 4 – Presentation of Data Collected

County Data - Riverside³

Counties surrounding Riverside County are as follows; San Bernardino County to the north, Orange County to the west, San Diego and Imperial Counties to the south and La Paz (Arizona) to the east. Both demographically and physically, Riverside County is divided into eastern and western sectors. The western sector, centered by the City of Riverside, is substantially more developed than the eastern sector, often referred to as the lower desert, clustering around the City of Palm Springs extending easterly to the California state border. Riverside County is traditionally grouped together with San Bernardino County as the "Inland Empire." Together, the two counties constitute a Metropolitan Statistical Area (MSA).

The resort cities of Palm Springs, Palm Desert, Indian Wells, La Quinta, Rancho Mirage and Desert Hot Springs are all located in the Coachella Valley region of Riverside County. Large numbers of Los Angeles area workers have moved to the county in recent years to take advantage of the affordable housing. In addition, smaller, but significant, numbers of people have been moving into Southwest Riverside County from the San Diego-Tijuana metropolitan area. The cities of Temecula and Murrieta account for 20% of the increase in population of Riverside County between 2000 and 2007.



The 2010 Census estimated Riverside County's population at 2,189,641 persons, an increase of 1.4% over the prior year, and 42% from the 2000 Census. The County is expected to show significant growth: the estimated 2020 population is 2,600,000. The California Department of Finance reports an estimated January 2017 population of 2,384,783, which is up 1.56% from January 2016.

Regional Circulation and Transportation

Riverside County's freeway linkage includes Interstate 10, 215 and 15 Freeways (the San Bernardino and Corona freeways, respectively) as well as State Routes 60 and 91. The Interstate 15 interchange to State Route 60 provides an alternate route for west/south regional traffic flow. Also in progress is the improvement of State Route 91 (the Riverside Freeway). The Eastern Transportation Corridor, a toll road, also links Riverside County directly to central and southern Orange County.

The county is served by major freight distribution rail systems including the Union Pacific and AT&SF railroads. Complete commuter rail service facilities are also in planning or already operative in the Metro Link system. Local air transportation facilities are located at Riverside Municipal Airport and Palm Springs Airport. Commercial travel is available from Ontario International Airport in neighboring San Bernardino County to the west.

Ontario Airport, which underwent a major expansion in the mid 1990's, is a medium hub for air cargo. The annual volume of freight handled at Ontario International has kept pace with the explosive growth of

³ https://en.wikipedia.org/wiki/Riverside_County,_California

warehousing and distribution facilities in the surrounding industrial areas of Ontario, Rancho Cucamonga and comparable facilities in Riverside County.

Employment

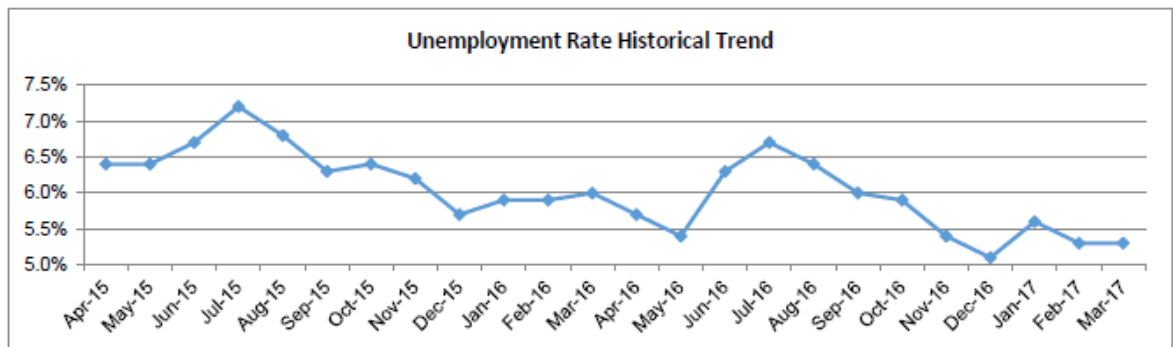
The unemployment rate in the Riverside-San Bernardino-Ontario MSA was 5.3 percent in March 2017, unchanged from a revised 5.3 percent in February 2017, and below the year-ago estimate of 6.0 percent. This compares with an unadjusted unemployment rate of 5.1 percent for California and 4.6 percent for the nation during the same period. The unemployment rate was 5.5 percent in Riverside County, and 5.2 percent in San Bernardino County.

Between February 2017 and March 2017, total nonfarm employment increased by 7,800 for a total of 1,437,200 jobs in the region. Agricultural employment increased by 1,600 jobs, or 12.8 percent.

- Government posted the greatest increase in employment, adding 4,300 jobs to its payrolls. Local government (up 4,100), specifically local government educational services (up 4,100), accounted for 95 percent of the job growth in this sector.
- Construction also posted significant gains in employment, up 2,900 jobs. Most of the jobs added in construction were in the specialty trade contractors subsector (up 2,700). Construction of buildings and heavy and civil engineering construction each added 100 jobs over the month.
- Three industries posted month-over job losses. Trade, transportation, and utilities (down 1,300), leisure and hospitality (down 800), and financial activities (down 400).
- Mining and logging and information reported no change over the month.

Between March 2016 and March 2017, total nonfarm employment increased by 52,400 jobs, or 3.8 percent. Agricultural employment declined by 1,000 jobs, or 6.6 percent.

- Construction (up 12,200), reported the largest employment increase over the year. Gains in specialty trade contractors (up 10,500), accounted for 86 percent of the job increase in this sector. Construction of buildings added 1,000 jobs and heavy and civil engineering construction increased by 700 jobs.
- Eight other sectors added jobs over the year, the most notable included trade, transportation, and utilities (up 10,300), and educational and health services (up 7,800).
- Mining and logging posted the only decline over the year with a loss of 100 jobs.



Top 10 Employers for Riverside County

Employer Name	Location	Industry
Abbott Vascular Inc.	Temecula	Physicians & Surgeons Equip & Supplies Wholesale
Corona Regional Medical Center	Corona	Hospitals
Corrections Dept.	Norco	State Govt.-Correctional Institutions
Desert Regional Medical Center	Palm Springs	Hospitals
Eisenhower Medical Heart Center	Rancho Mirage	Orthopedic Surgeons
Handsome Rewards	Perris	Internet & Catalog Shopping
Hemet Valley Medical Center	Hemet	Hospitals
Hotel At Fantasy Springs	Indio	Casinos
HUB INTERNATIONAL INS SVC-CA	Riverside	Insurance
Inland Valley Medical Center	Wildomar	Hospitals

Housing- Southern California

According to the March 2017 housing report, provided by Corelogic.com:

The median price paid for all Southern California homes sold in March 2017 was \$480,000, the highest for any month since August 2007 when it was \$500,000. The March 2017 median sale price was up 4.3 percent month over month from \$460,000 in February 2017 and up 7.1 percent year over year from \$488,000 in March 2016. The average change in the median sale price between February and March since 1988 is a gain of 3.1 percent, and on a year over year basis, the median has risen for 60 consecutive months, of which the last 34 have been single-digit gains. The March 2017 median was 5 percent below the peak median of \$505,000 reached in April, May, and July of 2007; however, when the median sale price history is adjusted for inflation, the March 2017 median remained 16.3 percent below the peak.

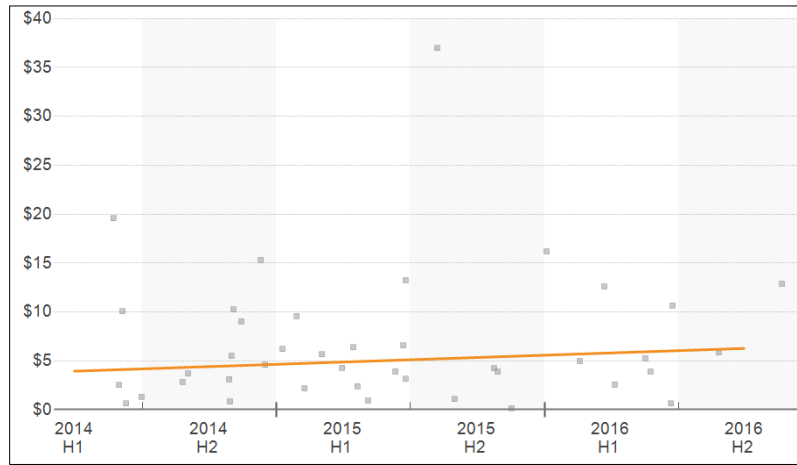
YEAR-OVER-YEAR CHANGE						
TOTAL HOMES SOLD/MEDIAN PRICE FOR SELECT SOUTHERN CALIFORNIA COUNTIES (REFLECTS TOTAL HOME SALES)						
County	Homes Sold March 2016	Homes Sold March 2017	Percent Change	Median Sale Price March 2016	Median Sale Price March 2017	Percent Change
Los Angeles	6,626	7,266	9.7%	\$506,000	\$549,000	8.5%
Orange	3,190	3,444	8.0%	\$625,000	\$665,000	6.4%
Riverside	3,597	3,964	10.2%	\$330,000	\$352,955	7.0%
San Bernardino	2,568	2,721	6.0%	\$272,000	\$305,000	12.1%
San Diego	3,547	3,698	4.3%	\$478,000	\$515,000	7.7%
Ventura	921	949	3.0%	\$497,000	\$538,500	8.4%
Southern California Total	20,449	22,042	7.8%	\$448,000	\$480,000	7.1%

Source: CoreLogic

Vacant Land Trends

Average land price trends based on real property transactions collected by CoStar Inc. were developed to assist in the analysis of vacant land transactions. Properties up to 10 acres in the greater Coachella Valley were used. Bulk and multiple property sales were excluded, as were non-arm's-length transactions. To determine a trend in sale prices over the last three years, average price per square foot (psf) sales were examined over the previous six (6) halves. As the graph below indicates, market conditions have been relatively stagnant during this timeframe.

Vacant Land Sale Trends, Coachella Valley Submarket (Residential)

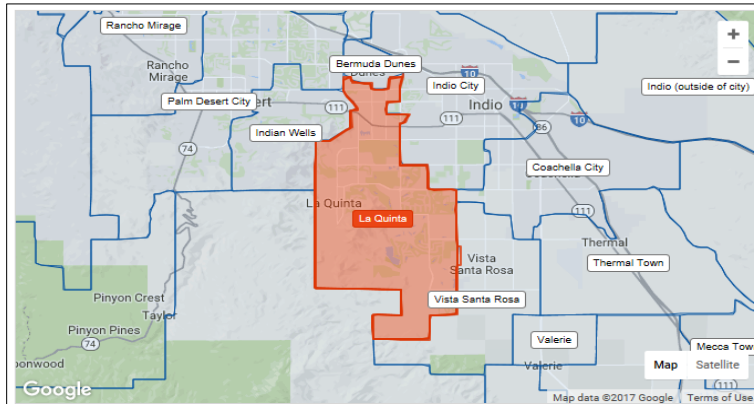


The survey above includes residential land transactions throughout the Coachella Valley. However it does not solely include *unimproved* land similar to the subject larger parcel. Land sales involving entitled and/or fully developed lots are also included. As such, it is not a reliable indicator. We acknowledge, however, that the limited number of sales, as well as the wide range of size, utility, and location within the data set results in an inability to draw a statistically significant conclusion from the data analyzed. Interviews with real estate agents and area brokers were also conducted as an additional resource. This includes discussions with area agents and brokers on separate recent Coachella Valley valuation projects, as well as in the analysis of the subject larger parcel. These market participants indicated a “flat” to “marginally improved” residential acreage market condition during the last two years. There have been too few vacant acreage sales to develop a meaningful quantitative analysis regarding a change in market conditions.

Overall, in view of both the sales analyzed and discussions with local market participants; it is safe to say that demand and prices at best have had only a slight improvement during the last two to three years.

City of La Quinta⁴

La Quinta is a resort city in Riverside County, California, specifically in the Coachella Valley between Indian Wells and Indio. La Quinta's growth rose dramatically by the mid-1980s, which led to its incorporation as a city in Riverside County in 1982. In the 2010 census, the city of La Quinta had a population of 37,467. The California Department of Finance reported a January 2017 population of 40,677.



The city of La Quinta was home to the Arnold Palmer Classic Course at SilverRock Resort from 2008 to 2011. Named by the Robb Report as the “Best Place to Live for Golf,” La Quinta is home to over 20 exceptional golf courses, including the famous PGA West. The historic La Quinta Resort & Club is the largest resort in the Coachella Valley and is complemented by other recently-opened hospitality venues. The city embraces art and culture, offering the La Quinta Arts Festival and a variety of beautiful public art pieces. The Highway 111 corridor and Old Town Village feature a variety of shops, restaurants and personal services.

2010 Demographics⁵

The 2010 United States Census reported that La Quinta had a population of 37,467. The population density was 1,053.9 people per square mile. The Census reported that 37,410 people (99.8% of the population) lived in households, 50 (0.1%) lived in non-institutionalized group quarters, and 7 (0%) were institutionalized.

The Census reported that 37,410 people (99.8% of the population) lived in households, 50 (0.1%) lived in non-institutionalized group quarters, and 7 (0%) were institutionalized.

There were 14,820 households, out of which 4,329 (29.2%) had children under the age of 18 living in them, 8,672 (58.5%) were opposite-sex married couples living together, 1,442 (9.7%) had a female householder with no husband present, 595 (4.0%) had a male householder with no wife present. There were 787 (5.3%) unmarried opposite-sex partnerships, and 182 (1.2%) same-sex married couples or partnerships. 3,164 households (21.3%) were made up of individuals and 1,522 (10.3%) had someone living alone who was 65 years of age or older. The average household size was 2.52. There were 10,709 families (72.3% of all households); the average family size was 2.93.

The population was spread out with 8,208 people (21.9%) under the age of 18, 2,509 people (6.7%) aged 18 to 24, 7,696 people (20.5%) aged 25 to 44, 11,238 people (30.0%) aged 45 to 64, and 7,816

⁴ https://en.wikipedia.org/wiki/La_Quinta,_California

⁵ https://en.wikipedia.org/wiki/La_Quinta,_California

people (20.9%) who were 65 years of age or older. The median age was 45.6 years. For every 100 females there were 93.5 males. For every 100 females age 18 and over, there were 91.3 males.

There were 23,489 housing units at an average density of 660.7 per square mile (255.1/km²), of which 11,152 (75.2%) were owner-occupied, and 3,668 (24.8%) were occupied by renters. The homeowner vacancy rate was 6.5%; the rental vacancy rate was 16.5%. 27,386 people (73.1% of the population) lived in owner-occupied housing units and 10,024 people (26.8%) lived in rental housing units.

According to the 2010 United States Census, La Quinta had a median household income of \$72,099, with 8.0% of the population living below the federal poverty line.

2016 Population and Housing Estimates

The table below contains the most recent population and housing estimates reported by the California Department of Finance:

January 2017 Population and Housing Estimates - Coachella Valley												
County / City	POPULATION			HOUSING UNITS							Vacancy Rate	Persons per Household
	Total	Household	Group Quarters	Total	Single Detached	Single Attached	Two to Four	Five Plus	Mobile Homes	Occupied		
Coachella Valley												
Cathedral City	54,557	54,270	287	21,118	11,786	2,845	2,268	1,744	2,475	17,377	17.7%	3.12
Coachella	45,551	45,493	58	10,411	7,357	312	1,002	1,111	629	9,629	7.5%	4.73
Desert Hot Springs	29,111	28,993	118	11,507	7,241	189	1,671	1,535	871	9,286	19.3%	3.12
Indian Wells	5,450	5,444	6	5,294	3,521	1,140	266	367	0	2,885	45.5%	1.89
Indio	88,718	87,756	962	31,674	21,372	1,344	2,192	3,579	3,187	26,123	17.5%	3.36
La Quinta	40,677	40,620	57	24,544	19,101	2,465	1,140	1,607	231	15,385	37.3%	2.64
Palm Desert	50,740	50,432	308	38,315	15,256	10,986	2,953	5,416	3,704	23,156	39.6%	2.18
Palm Springs	47,379	46,840	539	35,603	13,352	8,473	2,907	8,724	2,147	23,142	35.0%	2.02
Rancho Mirage	18,295	18,231	64	14,451	7,809	4,187	725	835	895	8,972	37.9%	2.03

Top Employers

According to the City of La Quinta’s 2015 Comprehensive Annual Financial Report, the top employers in the city are:

Employer	Type of Business	Employees
La Quinta Resort & Club	Hotel & Golf Resort	1,233
PGA West	Golf Resort	1,214
Desert Sands Unified School District	Government	1,400
Wal-Mart Super Center	Retail	360
Costco	Retail	246
Home Depot	Retail	181
Lowe's Home Improvement	Retail	152
Imperial Irrigation District	Utility Company	142
Rancho La Quinta	Golf Resort	128
Stater Brothers	Grocery	120



Utilities:

Public utilities in La Quinta are as follows:

- Water:** Coachella Valley Water District
- Sewer:** Coachella Valley Water District
- Electric:** Imperial Irrigation District (IID)
- Natural Gas:** So. California Gas Company
- Phone:** Verizon/ Time Warner
- Police:** Riverside County Sheriff’s Department
- Fire:** Riverside County Fire Authority

Project Description

The City of La Quinta proposes to widen the east side of Dune Palms Road to its ultimate General Plan width from Westward Ho Drive/ Blackhawk Way to a point approximately 330 feet north of the Coachella Valley Storm Water Channel (CVSC). The length of the widening improvements is approximately 900 linear feet. The width of the widening varies along the improvement area. Dune Palms is currently constructed within an 88 foot right of way, and includes a single lane of travel in each direction, and a striped median. An asphalt curb that was not constructed to City standards exists along the eastern edge of the street section. There is no gutter or sidewalk on the east side of Dune Palms. On the west side of Dune Palms, along the entire length of the improvement area, the street is at its ultimate half-width, and includes curb, gutter and sidewalk. Within the project limits, the existing church has one driveway access onto Dune Palms, as does the mobile home park. Both these access driveways will remain, but will be modified to safely operate in the new right of way.

This improvement will connect with the widening of Dune Palms Road being undertaken as part of the Dune Palms Bridge Project, which the City is also undertaking. The west half of Dune Palms Road in the project area was built out to its ultimate right of way when the La Quinta High School was constructed.

Dune Palms Road is designated a Secondary Arterial, which provides four lanes of traffic, a central median, curb, sidewalk and parkway within a 102 foot right of way. The final widened street section will consist of a 72 feet curb to curb street section, which will provide two 11 foot travel lanes in both directions; a 12 foot wide raised median; an 8 foot bicycle/golf cart lane along each side of the road, adjacent to the curb; and a 6 foot wide sidewalk. A right turn lane is proposed to extend from immediately north of the existing church to Westward Ho, along the length of the vacant City property. The widening of Dune Palms Road will also result in the modification of the existing traffic signal at Westward Ho Drive to correspond with the revised intersection geometry.

With regard to the subject larger parcel, the following exclusive Roadway and Public Utilities Easement is proposed (interagency transfer):

Parcel No.	Transfer Type	Transfer Size
600-030-004, 020, & 021	Roadway and Public Utilities Easement	15,636 sf

600-030-004, 020, & 021: Roadway and Public Utilities Easement – The proposed Roadway and Public Utilities Easement is 15,636 sf in size. It is mostly rectangular shaped strip of land adjacent to western property line, with a width of approximately 30.00 feet.

Legal descriptions and plat maps were provided and are included in the Addenda Section



Site Description

General Site Information	
Address:	46150 Dune Palms, La Quinta, CA, 92247
Location:	The subject larger parcel is located on the southeast corner of Dune Palms Road and Westward Ho Drive.
Current Owners:	Housing Authority of the City of La Quinta
3-Year Sales History:	There have been no market transactions for the subject property in the past three (3) years.
Assessor's Parcel No:	600-030-004, 600-030-020, & 600-030-021
Assessed Land:	N/A
Assessed Improvements:	N/A
Total Value:	N/A
Taxable Value:	N/A
2016-2017 Taxes:	Government owned properties are typically tax exempt.
Physical Characteristics of the Site	
Frontage:	Approximately 297 feet of frontage on Dune Palms Road, and approximately 366 feet of frontage along Westward Ho Drive.
Total Site Area:	The subject parcel is a ±253,737 sf lot or ±5.83 acres per the Assessor's Parcel map; subject to survey.
Shape:	Slightly irregular
Topography:	The subject larger parcel is mostly level and at street grade.
Access:	Via Dune Palms Road and Westward Ho Drive
Corner Influence:	The subject parcel does have a corner lot location, with dual access available.
Easement(s):	A preliminary title report was not provided for review. Typical utility easements are assumed to be in place; none impact value
Encroachments:	None noted from site visit; encroachments subject to survey.
Utilities to Site:	The subject larger parcel was previously improved with single family dwellings, and utility infrastructure remains in place. This was verified with the Coachella Valley Water District and the Imperial Irrigation District (IID). The subject larger parcel has not been served for approximately 10 years; however these utility connections can be reestablished with the installation of new meters.
Sidewalk, Curbs and Gutters:	Asphalt curbing is located along Dune Palms Road. Westward Ho Drive is improved with sidewalks, curbing, and gutters.
Flood Designation:	The subject larger parcel is located on F.E.M.A. Panel #060709 – 06065C2234G, dated 8/28/2008. According to this map, the subject larger parcel is within Flood Zone X (shaded); an area that is determined to be outside the 100-year but within the 500-year floodplains.
Earthquake/Fault Zone:	The subject larger parcel is not within an area delineated by the California Geological Survey as an Alquist-Priolo earthquake fault zone, but is subject to seismic activity.
Surface Drainage:	Surface drainage appears to be adequate for the development as constructed. No evidence of ponding was noted during the site inspection.
Soils	A soil analysis for the site has not been provided for the preparation of

	this appraisal. In the absence of a soil report, it is a specific assumption that the site has adequate soils to support the highest and best use.
Subsurface Conditions:	It is assumed that there are no hidden or unapparent conditions to the property, soil, or subsoil, which would render them more or less valuable. Subsurface oil, gas or mineral rights were not considered in this report unless otherwise stated.
Economic Factors Affecting the Site	
Supply of Vacant Land:	Above average
Demand for Vacant Land:	Below average
Traffic Pattern/Volume:	Dune Palms Road is a collector street with typical local traffic patterns.
Neighboring Property Uses:	The subject larger parcel is located on the southeast corner of Dune Palms Road and Westward Ho Drive, approximately one-half mile north of State Highway 111. It is adjacent to single family residential development which is located to the east. Additional single family homes are also located to the north of Westward Ho Drive. The La Quinta High School is located to the west of Dune Palms Road, and the Kingdom Hall of Jehovah's Witnesses center is adjacent to the south. Retail and service uses are located within close proximity, along SR 111.
General Plan Designation:	Medium/ High Residential land use.
Zoning:	<p>The parcel is zoned <i>RM Medium Density Residential</i> by the City of La Quinta. According to the City's Municipal Code, the purpose of the RM zoning designation is "to provide for the development and preservation of medium density neighborhoods (four to eight units per acre) with single family detached dwellings on medium and small size lots and/or, subject to a specific plan, projects with clustered smaller dwellings, such as one- and two-story single family attached, townhome or multifamily dwellings, with open space." Development standards in the RM zone include:</p> <ul style="list-style-type: none"> • Minimum lot size 5,000 sq. ft. • Minimum lot frontage 50 ft. • Maximum structure height 28 ft. • Maximum number of stories 2 • Minimum front yard setback (non-garage portions of dwelling) 20 ft.* • Minimum garage setback 25 ft.¹ • Minimum interior/exterior side yard setbacks 5/10 ft.² • Minimum rear yard setback 15 ft. • Maximum lot coverage 60% • Minimum livable floor area for single family detached excluding garage 1,400 sq. ft. • Minimum landscape setbacks adjacent to perimeter streets 10' minimum at any point, 20' minimum average over entire frontage³ • Minimum common open area 30%³ <p>*Projects with five or more adjacent dwelling units facing the same street shall incorporate front setbacks varying between 20 feet and 25 feet or more in order to avoid streetscape monotony.</p> <p>¹Twenty feet if "roll-up" type garage door is used.</p> <p>²For interior setbacks, if the building is over 17 feet in height, the setback is 5 feet plus one foot for every foot over 17 feet in height or</p>

	fraction thereof, to a maximum setback of ten feet. The additional setback may be provided entirely at grade level or a combination of at grade and airspace above the 17-foot building. ³ Does not apply to single family detached if a specific plan is required. Landscaping and open area shall be per the standards of Section 9.60.240.
Allowable Uses in the District:	Permitted uses within the RM zone include single family detached dwellings, townhomes, condominium multifamily ("airspace" units), apartment multifamily (rental units), mobile home subdivisions and manufactured homes on individual lots subject to Section 9.60.180, resort residential subject to Section 9.60.320 , congregate living facilities 6 or fewer persons, residential care facilities 6 or fewer persons, senior citizen residences 6 or fewer persons subject to Section 9.60.200, public parks, playfields and open space, golf courses and country clubs per Section 9.110.040
Major Flaws in Site:	None noted
Overall Site Analysis:	The overall site is legally conforming and adequate for development under the current zoning ordinance.

Improvements Description

The subject property is vacant land with no building improvements.

Subject Property Photographs



Photograph 1.
Easterly view of the
subject larger parcel
from Dune Palms Rd.

Taken by:
Mark Wallen

Photograph date:
May 14, 2017



Photograph 2.
Southerly view along
Dune Palms Rd. The
subject larger parcel
is located on the left.

Taken by:
Mark Wallen

Photograph date:
May 14, 2017

Subject Property Photographs



Photograph 3.
Northerly view along Dune Palms Rd. The subject larger parcel is located to the right.

Taken by:
Mark Wallen
Photograph date:
May 14, 2017



Photograph 4.
Easterly view of the interior of the subject larger parcel.

Taken by:
Mark Wallen
Photograph date:
May 14, 2017

Subject Property Photographs



Photograph 5.
Northerly view of the interior of the subject larger parcel, from the southern boundary.

Taken by:
Mark Wallen

Photograph date:
May 14, 2017



Photograph 6.
Easterly view along the southern boundary.

Taken by:
Mark Wallen

Photograph date:
May 14, 2017

Subject Property Photographs



Photograph 7.
Westerly view along
Westward Ho Drive.
The subject larger
parcel is located on
the left.

Taken by:
Mark Wallen

Photograph date:
May 14, 2017

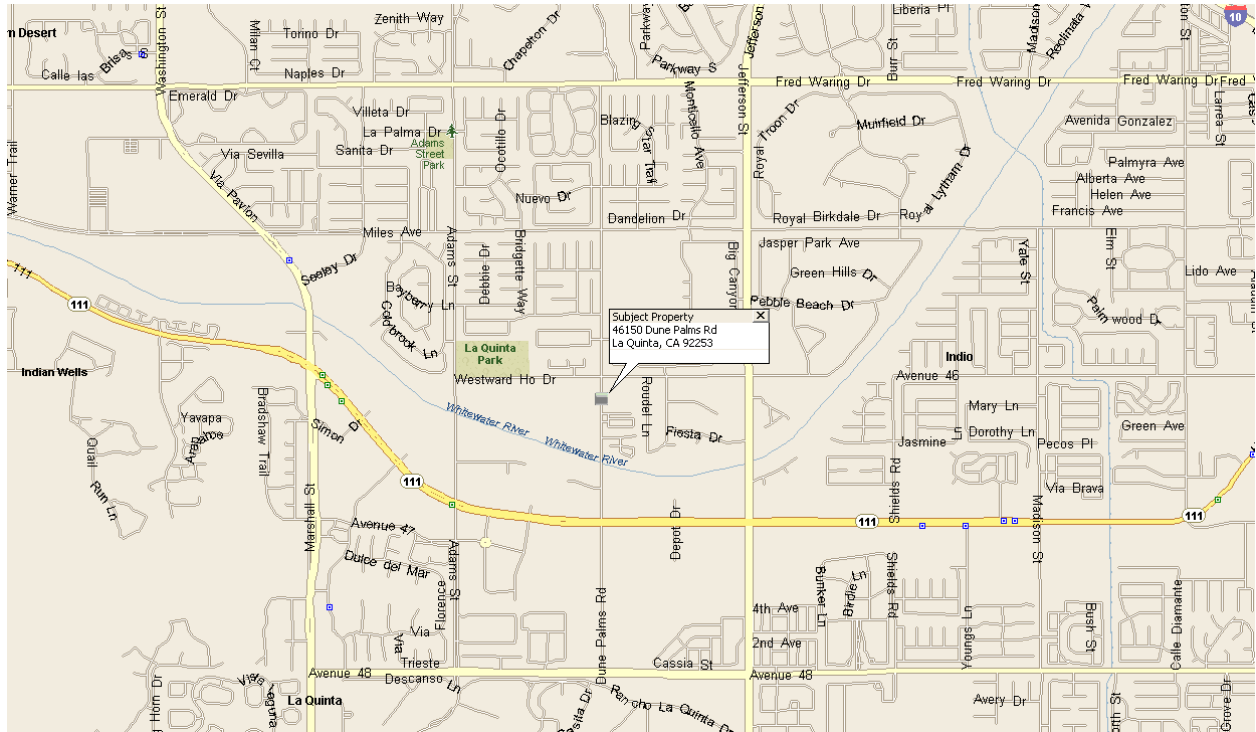


Photograph 8.
Southerly view from
Westward Ho Drive,
including water
infrastructure.

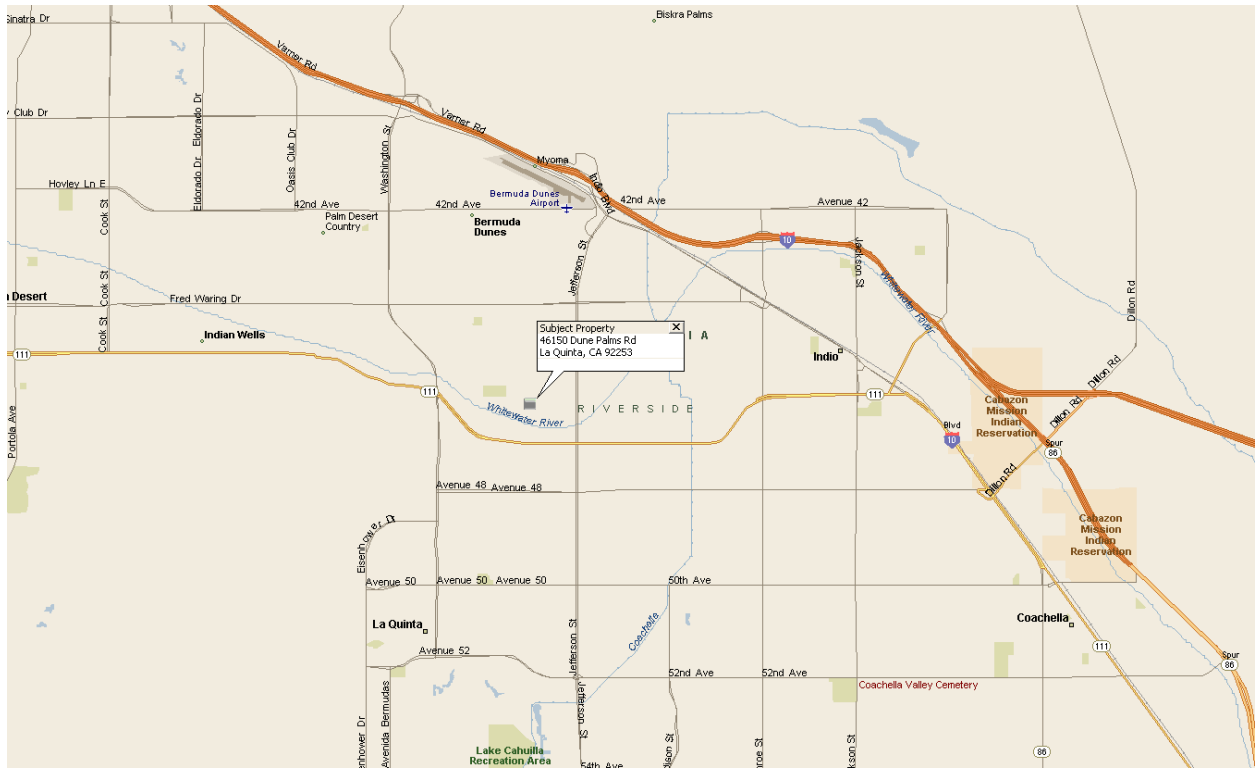
Taken by:
Mark Wallen

Photograph date:
May 14, 2017

Location Map



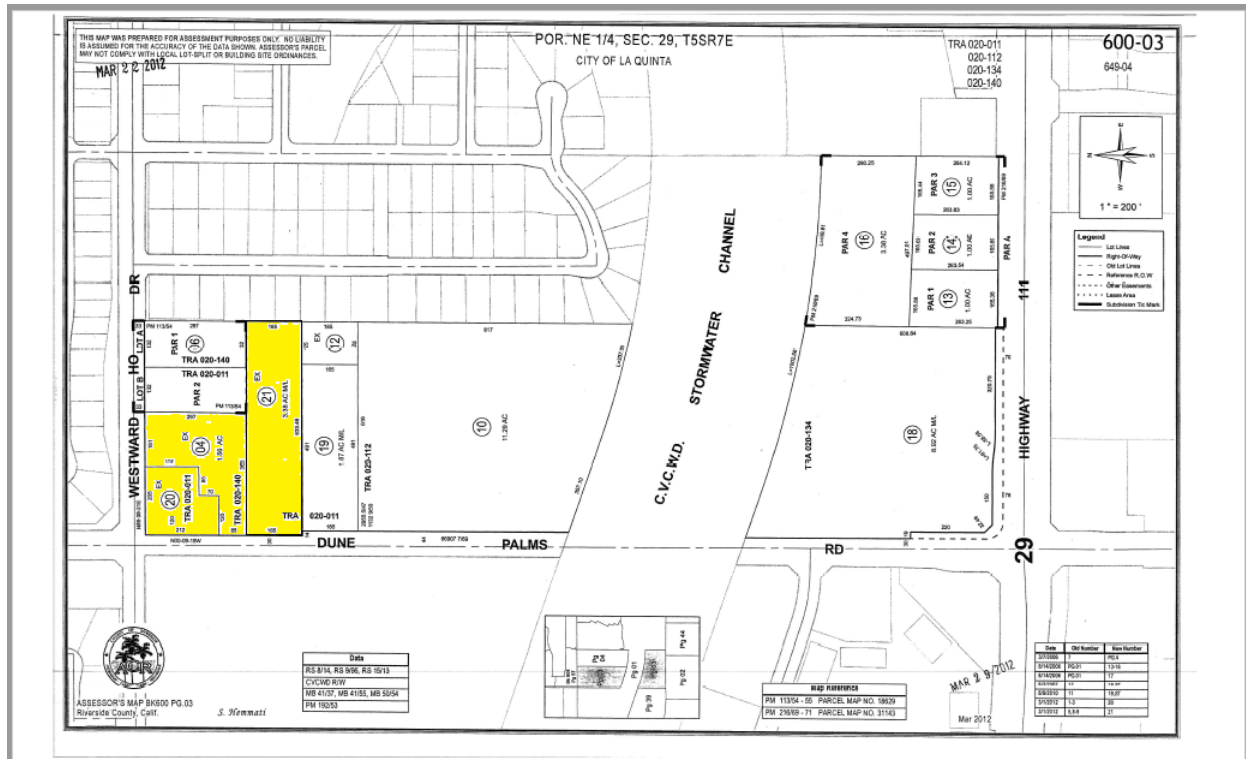
Area Map



Aerial of Subject Property



Assessor's Parcel Map



Highest and Best Use Analysis

The principal of highest and best use is defined as: "That reasonably probable use of property that results in the highest value."⁶

The criteria the highest and best use must meet are legal permissibility, physical possibility and financial feasibility."

- ❖ **Permissible Use (Legal)** - what uses are permitted by zoning and deed restrictions on the site in question?
- ❖ **Possible Use** - to what uses is it physically possible to put the site in question?
- ❖ **Feasible Use** - which possible and permissible uses will produce any net return to the owner of the site?
- ❖ **Highest and best Use** - among the feasible uses, which use will produce the highest net return or the highest present worth?

The highest and best use may be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the property's total value in its existing use.

Implied within these definitions is recognition of the contribution of that specific use to community environment or to community development goals, in addition to wealth maximization of individual property owners. Also implied is that the determination of highest and best use results from the appraiser's judgment and analytical skill, i.e., that the use determined from analysis represents an opinion, not a fact.

Highest and best use represents the premise upon which value is based. In the context of highest selling price (fair market value) another appropriate term to reflect highest and best use would be most probable use.

The highest and best use for the unimproved property may be different from the highest and best use of the improved property. This will be true when the improvement is not an appropriate use and yet makes a contribution to total property value in excess of the value of the site.

As the scope of work in this appraisal does not include the buildings, the highest and best use analysis only addresses the subject 'as if vacant'.

Highest and Best Use "As Vacant":

Legally Permissible:

The subject larger parcel is zoned *RM Medium Density Residential* under the City of La Quinta Municipal Code. The primary purpose of the RM District is to provide for the development and preservation of medium density neighborhoods (four to eight units per acre) with single family detached dwellings on medium and small size lots and/or, subject to a specific plan, projects with clustered smaller dwellings, such as one- and two-story single family attached, townhome or multifamily dwellings, with open space.

Physically Possible:

The subject has on-site utility connections available, and has an adequate shape and size, sufficient access, etc. The subject larger parcel would support a site layout for many of the legally probable uses.

⁶ The Appraisal of Real Estate, 14th edition, The Appraisal Institute, Chicago, Illinois, (U.S. 2013), page 333.

Financially Feasible

The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally permissible and physically possible land uses versus the cost to create the uses. As evidenced by the comparable data, there has been a slowed demand in the market for vacant residential acreage in the Coachella Valley submarket. There have been few sales in the subject larger parcel's immediate market area, with only a very slight upward trend in sale prices in recent years within the Coachella Valley as a whole. While home resale values in La Quinta and surround areas have increased steadily over the last few years, there has been little new development and construction in the subject larger parcel's immediate market area. There are multiple vacant properties within this market area as well, with 22 listings for residential acreage within a five (5) mile radius as of the valuation date.

While general market conditions within Southern California are improving and development is becoming more financially feasible; new residential development within the immediate market area of the subject is considered unlikely under current market conditions. As such, holding the site for investment is the most financially feasible use at this time.

Conclusion: Highest and Best Use "As Vacant":

Based on the foregoing analysis, the highest and best use of the subject larger parcel "as vacant" is to hold the site vacant for investment purposes.

Highest and Best Use – In the "After" Condition:

In light of the data and analysis, in the "after condition", the remainder of the subject larger parcel will support the development of the site under its existing zoning for future investment purposes. There will be no permanent impacts as a result of the construction of the project in the manner proposed. As such, the highest and best use of the subject remainder in the after condition therefore, is unchanged.

Section 5 - Valuation Analysis

Valuation Process:

Valuation process is defined as:

*"The systematic set of procedures an appraiser follows to provide answers to a client's questions about real property value."*⁷

Valuation is a term used interchangeably with appraisal. Real estate markets are a function of the location in which they are located. The overall market environment can have a profound effect on the manner in which buyers and sellers perform the act of transferring property rights. Considerations made by the participants are generally based on certain fundamental principles. Those principles and their definitions are as follows:

Anticipation: "The perception that value is created by the expectation of benefits to be derived in the future. Value is created by the anticipation of future benefits.

Change: The result of the cause and effect relationship among the forces that influence real property value.

Supply and Demand: In economic theory, the principle of supply and demand states that the price of a commodity, good, or service varies directly, but not necessarily proportionately, with demand and inversely, but not necessarily proportionately with supply. Thus, an increase in the supply of an item or decrease in the demand for an item tends to reduce the equilibrium price; the opposite conditions produce an opposite effect. The relationship between supply and demand may not be directly proportional, but the interaction of these forces is fundamental to economic theory. The interaction of suppliers and demanders, or sellers and buyers, constitutes a market.

Competition: Between purchasers or tenants, the interactive efforts of two or more potential buyers or tenants to make a sale or secure a lease; between sellers or landlords, the interactive efforts of two or more potential sellers or landlords to complete a sale or lease; among competitive properties, the level of productivity and amenities or benefits characteristic of each property considering the advantageous or disadvantageous position of the property relative to the competitors.

Substitution: The appraisal principle that states that when several similar or commensurate commodities, goods, or services are available, the one with the lowest price attracts the greatest demand and widest distribution. This is the primary principle upon which the cost and sales comparison approaches are based.

Balance: The principle that real property value is created and sustained when contrasting, opposing, or interacting elements are in a state of equilibrium.

Contribution: The concept that the value of a particular component is measured in terms of its contribution to the value of the whole property or as the amount that its absence would detract from the value of the whole.

Surplus productivity: The net income that remains after the cost of various agents of production has been paid.

Conformity: The appraisal principle that real property value is created and sustained when the characteristics of a property conform to the demands of its market.

Externalities: The principle that factors outside a property, or externalities, exert both positive and negative influences on the property's value."⁸

⁷ The Appraisal of Real Estate, 14th edition, The Appraisal Institute, Chicago, Illinois (U.S., 2013), page 35

⁸ The Appraisal of Real Estate, 14th edition, The Appraisal Institute, Chicago, Illinois (U.S., 2013), page 33

The valuation of the subject property is made on the basis of the real estate. Both the market participants as well as the real estate appraiser take the effects of the fundamental principles listed above into consideration. In arriving at an estimate of value, the appraisal considers the three approaches normally employed in accepted real estate appraisal practice, namely:

The Cost Approach, wherein the land is appraised "As If Vacant" and available for development to its highest and best use. To this result is added the improvements' estimated cost of replacement or reproduction new less depreciation accruing from all causes.

The Income Approach, which requires a study of the earnings capacity of the real estate, and the conversion of such net income into value by means of a capitalization process.

The Sales Comparison Approach, involving an analysis of the sale of other properties having similar improvements, and a comparison of such data with the property appraised, giving due consideration to the elements of dissimilarity. This approach was used to value the subject property as if vacant.

Valuation Methodology

The Sales Comparison Approach is typically the preferred method of land valuation when comparable data is available. The price per lot has been used as the salient unit of comparison, consistent with how market participants buy and sell property. As such the Income, Cost and Improved Sales Comparison Approaches have not been used, as they are typically not applicable to the analysis of vacant land.

Sales Comparison Approach

The application of this approach produces an estimate of value for a property by comparing it with similar properties which have been sold or are currently offered for sale in the same or competing areas. Procedures used to estimate the degree of comparability between two properties involve sound judgment decisions concerning their similarity with respect to any value factors such as transactional factors, location, physical characteristics, zoning and legal encumbrances.

Comparable Sales Search

A search for comparable data was undertaken in order to gain market insight. A limited quantity of comparable data was found, indicative of the soft market for land in the area. Listings, contracts of sale and recorded transactions were all considered. Sources referenced include Costar, MLS, LoopNet and RealQuest. The unit of comparison utilized for the analysis is price per square foot.

The following is a summary of market data items relied on for analysis using the Sales Comparison Approach. The adjustments made to the data are delineated on the adjustment grid following the summary.

Summary of Comparable Sales in Riverside County

No.	Location	Recording Date	Zoning	Lot Size (SF)	Lot Size (Acres)	Sale Price	\$Price PSf
L-1	N. Sunrise Wy., South of Vista Chino, Palm Springs	11/21/2016	R2	49,658	1.14	\$ 640,000	\$ 12.89
L-2	1550 E. Amado Road, Palm Springs	6/24/2016	MR	121,968	2.80	\$ 1,300,000	\$ 10.66
L-3	W. Side of Jefferson Street, South of 111, Indio	5/25/2016	MU	307,534	7.06	\$ 1,200,000	\$ 3.90
L-4	North Indian Canyon Dr. @ Via Escuela, Palm Springs	5/17/2016	R2	47,045	1.08	\$ 250,000	\$ 5.31
L-5	W. San Rafael Road @ Virginia Road, Palm Springs	2/19/2016	R2	178,370	4.09	\$ 890,000	\$ 4.99
L-6	34th Avenue @ Lawrence Street, Palm Springs	1/9/2015	RGA-6	352,836	8.10	\$ 2,050,000	\$ 5.81
Average:				176,235	4.05	\$ 1,055,000	\$ 7.26
Minimum:				47,045	1.08	\$ 250,000	\$ 3.90
Maximum:				352,836	8.10	\$ 2,050,000	\$ 12.89

The map below shows the location of the sales and the subject property.

Land Sales Market Data Map



Land Sale Adjustments

Where necessary, each of the land sales have been adjusted for various elements of comparison. These include: property rights conveyed, financing terms, conditions of sale, expenditures immediately after acquisition, market conditions (i.e., time), location and physical characteristics to include lot size, shape and site influence.

Real Property Rights Conveyed:

The selected comparable sales reflect transfers of fee simple interests; so no adjustments were necessary.

Financing:

All of the sales were facilitated with cash or cash equivalent financing; therefore, no adjustments were necessary.

Conditions of Sale:

All of the comparable sales were arm’s length transactions and similar accordingly. No adjustments were warranted.

Expenditures Immediately after Purchase:

A knowledgeable buyer considers expenditures that must be made following the purchase of a property because these costs may affect the net price the buyer agrees to pay. Such expenditures may include the costs to demolish and remove any buildings, costs to petition for a zoning change, or costs to remediate environmental contamination. Costs to upgrade a property are typically not cause for adjustment, as the benefit of these expenditures will most likely be manifested in improved income for the property. **Items L-1 and L-2** required upward adjustments for expenditures immediately after acquisition because the buyer is going to incur a cost to underground some overhead utilities. Refer to the grid and discussion for analysis.

Market Conditions:

As discussed in Section 4, a survey of recent Coachella Valley was conducted along with interviews of area real estate agents and brokers. In review of both the sales analyzed and discussions with local market participants; it is safe to say that demand and prices at best have had only a slight improvement during the last two to three years. With too few vacant residential acreage sales to analyze quantitatively; qualitative adjustments have been applied to the comparable sales. Transactions taking place within the last 12 months are rated as similar in terms of market conditions, with earlier sales inferior to varied degrees. Adjustments were made accordingly.

Physical Description

Location/Vicinity:

The comparable sales are all located in the cities of Indio, La Quinta and Palm Springs. Adjustments for locational differences are shown on the adjustment grid.

Access:

The subject property has a corner lot location, and has dual access via Dune Palms Road and Westward Ho Drive. This is considered superior to the comparable sale properties with an interior lot location. As such, adjustments were made accordingly.

Site Size:

Site size is generally a less important element of comparison than date and location. The comparables are generally in a narrow size range. The sales were adjusted accordingly.

Topography:

The subject larger parcel has effectively level to gently rolling topography. The comparable land sales all have effectively level topography, and adjustments were made accordingly.

Utilities, Grading & Other Site Improvements:

The subject larger parcel is vacant land with no site improvements. It does however have utility infrastructure in place, as it was previously developed. Although there it is not presently metered, it is superior to the comparable properties without this infrastructure in place. Adjustments are made accordingly.

Street Improvements:

The subject property has only partially improved frontage along Dune Palms Road, and is fully improved along Westward Ho Drive. All comparable items had varied levels of improvements, and adjustments were made accordingly.

Zoning:

A property’s zoning is a key element in determining potential legal uses of the given property. The subject property has *RM Medium Density Residential* zoning in place.

Entitlements:

The comparable properties in this analysis were sold without entitlements in place. As such, no adjustments for entitlements were required.

Legal Encumbrances & Other:

The subject property, as well as the most comparable items within the data set, had no restrictions or encumbrances in place which would preclude their development to their highest and best use; therefore no adjustments were warranted. **Item L-4** is required to keep a 30’ clearance on the front and rear of the property for emergency services. Although this doesn’t prevent development to its highest and best use, it does reduce the amount of developable area. As such it is rated as inferior. This adjustment was made accordingly.

Comparable Sales Discussion

Adjustments to the comparable sales are discussed as follows:

Item L-1: This is a November 2016 sale of a 1.14 acre site in Palm Springs. It sold for \$640,000; \$12.89 per square foot. The buyer intends on developing a senior housing. It was determined by the buyer just prior to closing that underground will be required prior to the residential development. The buyer was able to renegotiate with the seller, which led to a reduction of \$50,000 to assist with these lines. Although this property recorded for \$690,000, this listing agent verified the sale price of \$640,000. The buyer will incur additional expenditures for the difference, which is expected to be between \$50,000 and \$100,000. The listing agent also stated this property was purchased by an adjacent owner (Desert Aids Project of Palm Springs; 1695 N. Sunrise Way) to be used in conjunction with the existing housing and assistance facilities at this location. The listing broker indicated this had a slight upward influence on the sale price; however it was still within the range of market value for the area.

Conditions of Sale	Slightly Superior	This was an assemblage sale which resulted in slight upward influence in the sale price.
Expenditures Immediately after purchase	Inferior	The buyer will incur additional costs to establish underground powerlines.
Location/Vicinity	Very Superior	This item has a very superior Palm Springs location compared to the subject.
Access	Slightly Inferior	This is an interior lot location, which is inferior to the corner access of the subject larger parcel.
Site Size	Superior	Superior on a price per square foot basis
Utilities, Grading, & Other Site Improvements	Slightly Inferior	The subject larger parcel has utility infrastructure in place.



Zoning	Superior	This item has superior zoning, which allows a higher density than does the subject's zone.
Overall Comparison	Superior	

Item L-2: This is a June 2016 sale of a 2.8 acre site in Palm Springs. It sold for \$1,300,000; \$10.66 per square foot. The buyer's intent is unknown; the site is zoned for multiple family or single family use. The buyer is purportedly trying to buy the adjacent property. There were no entitlements in place. The buyer will incur expenditures immediately after acquisition to underground power lines.

Expenditures Immediately After Acquisition	Inferior	This item requires upward adjustment as power lines will require undergrounding.
Location/Vicinity	Very Superior	This item has a very superior Palm Springs location compared to the subject.
Site Size	Superior	Superior on a price per square foot basis
Utilities, Grading, & Other Site Improvements	Slightly Inferior	The subject larger parcel has utility infrastructure in place.
Street Improvements	Slightly Inferior	The subject property has sidewalk, curbing, and gutter improvements along Westward Ho Drive.
Zoning	Slightly Superior	This item has superior zoning, which allows a higher density than does the subject's zone.
Overall Comparison	Superior	

Item L-3: This is a May 2016 sale of a 7.06 acre site in Indio. It sold for \$1,200,000; \$3.90 per square foot. According to the broker, the buyer plans to hold it vacant for investment purposes. The property is zoned for mixed use. It sold unentitled and was in escrow for two weeks.

Location	Inferior	Indio is generally inferior to La Quinta, all things being equal.
Access	Slightly Inferior	This is an interior lot location, which is inferior to the corner access of the subject larger parcel.
Utilities, Grading, & Other Site Improvements	Slightly Inferior	The subject larger parcel has utility infrastructure in place.
Zoning	Superior	This property's mixed use zoning is superior to the subject's.
Overall Comparison	Inferior	

Item L-4: This is a May 2016 sale of a 1.08 acre site in Palm Springs. It sold for \$250,000; \$5.31 per square foot. The property is zoned R2, which permits a higher density than the subject. The site was originally listed for \$575,000. During negotiations it was discovered that a mandatory 30 feet of clearance on either side of the property by the fire department was required. This significantly reduced the development potential. The broker indicated that the site will only support 4 or 5 units as a result. No entitlements were included in the sale.

Location/Vicinity	Superior	This item has a superior Palm Springs location compared to the subject.
Access	Slightly Inferior	This is an interior lot location, which is inferior to the corner access of the subject larger parcel.
Site Size	Superior	Superior on a price per square foot basis
Utilities, Grading, & Other Site	Slightly	The subject larger parcel has utility infrastructure in place.

Improvements	Inferior	
Street Improvements	Inferior	This property lacks the off-site improvements that the subject larger parcel has (curb, sidewalk, and gutters).
Zoning	Superior	This property's zoning permits a higher density than does the subject's.
Legal Encumbrances and Other	Inferior	A 30' clearance is required on both ends of this property, reducing total usable area.
Overall Comparison	Sl. Inferior	

Item L-5: This is a February 2016 sale of a 4.09 acre site in Palm Springs. It sold for \$890,000; \$4.99 per square foot. The buyer intends to construct 24 sustainable economically-minded housing units. The property is zoned R2, which permits a higher density than the subject.

Market Conditions	Slightly Inferior	This property sold under superior market conditions.
Location/Vicinity	Slightly Superior	This item has a slightly superior Palm Springs location compared to the subject.
Utilities, Grading, & Other Site Improvements	Slightly Inferior	The subject larger parcel has utility infrastructure in place.
Street Improvements	Inferior	This item lacks the off-site improvements the subject larger parcel has (curb, sidewalk, gutters).
Zoning	Superior	This property's zoning permits a higher density than does the subject's.
Overall Comparison	Sl. Inferior	

Item L-6: This is a January 2015 sale of an 8.10 acre site in Palm Springs. It sold for \$2,050,000; \$5.81 per square foot. The property sold with an old tentative tract map that was renewed and modified while the property was in escrow. The entitlements included a tentative plan for 35 detached condominiums and 6 attached units in 3 duplexes for a total of 41 units. The old entitlements were for 43 units. The broker indicated the buyers overpaid for this property and now have it on the market.

Market Conditions	Inferior	This property sold under inferior market conditions.
Access	Slightly Inferior	This is an interior lot location, which is inferior to the corner access of the subject larger parcel.
Site Size	Slightly Inferior	This property is slightly inferior on a price per square foot basis.
Utilities, Grading, & Other Site Improvements	Slightly Inferior	The subject larger parcel has utility infrastructure in place.
Street Improvements	Inferior	This item lacks the off-site improvements the subject larger parcel has (curb, sidewalk, gutters).
Zoning	Slightly Inferior	This property's zoning is inferior compared to the subject property.
Overall Comparison	Sl. Inferior	

The grid with these adjustments is located on the following page.

Vacant Land Sales Adjustment Grid

Vacant Land Sales							
	Subject	Item L-1	Item L-2	Item L-3	Item L-4	Item L-5	Item L-6
Location:	46150 Dune Palms Rd. La Quinta, CA	N. Sunrise Wy., South of Vista Chino Palm Springs, CA	1550 E Amado Road Palm Springs, CA	Jefferson Street Indio	North Indian Canyon Dr. @ Via Escuela Palm Springs, CA	W San Rafael Road @ Virginia Road Palm Springs, CA	34th Avenue @ Lawrence Street Palm Springs, CA
Sale Price/Asking Price:	N/A	\$640,000	\$1,300,000	\$1,200,000	\$250,000	\$890,000	\$2,050,000
Recording/List Date:	N/A	11/21/2016	6/24/2016	5/25/2016	5/17/2016	2/19/2016	1/9/2015
Lot Area (ac)	5.83	1.14	2.80	7.06	1.08	4.09	8.10
Lot Area (sf)	253,955	49,658	121,968	307,534	47,045	178,370	352,836
Zoning	RM	R2	MR	MU	R2	R2	RGA-6
Price/per sf	N/A	\$12.89	\$10.66	\$3.90	\$5.31	\$4.99	\$5.81
Sales Adjustment							
		Item L-1	Item L-2	Item L-3	Item L-4	Item L-5	Item L-6
Carried Forward Price/per sf		\$640,000	\$1,300,000	\$1,200,000	\$250,000	\$890,000	\$2,050,000
Property Rights Conveyed		Similar	Similar	Similar	Similar	Similar	Similar
Financing Terms		Similar	Similar	Similar	Similar	Similar	Similar
Conditions of Sale		Sl. Superior	Similar	Similar	Similar	Similar	Similar
Expenditures Immediately after purchase		Inferior	Inferior	Similar	Similar	Similar	Similar
Market Conditions		Similar	Similar	Similar	Similar	Slightly Inferior	Inferior
Adj Price/per sf		\$12.89	\$10.66	\$3.90	\$5.31	\$4.99	\$5.81
Other Adjustments:							
Location/Vicinity		Very Superior	Very Superior	Inferior	Superior	Slightly Superior	Similar
Access		Slightly Inferior	Similar	Slightly Inferior	Slightly Inferior	Similar	Slightly Inferior
Site Size		Superior	Superior	Similar	Superior	Similar	Slightly Inferior
Topography		Similar	Similar	Similar	Similar	Similar	Similar
Utilities, Grading, Other Site Improvements		Slightly Inferior	Slightly Inferior	Slightly Inferior	Slightly Inferior	Slightly Inferior	Slightly Inferior
Street Improvements		Similar	Slightly Inferior	Similar	Inferior	Inferior	Inferior
Zoning		Superior	Slightly Superior	Superior	Superior	Superior	Slightly Inferior
Entitlements		Similar	Similar	Similar	Similar	Similar	Similar
Legal encumbrances & Other		Similar	Similar	Similar	Inferior	Similar	Similar
Overall Comparison		Superior	Superior	Inferior	Sl. Inferior	Sl. Inferior	Sl. Inferior

Overland Pacific & Cutler Appraisal Group

Note: minor disparities in rounding are a result of Microsoft Excel formulas and have no impact on value.

Larger Parcel Value Conclusion:

The six (6) data items analyzed range chronologically from January 2015 to November 2016 based on their recording dates.

Ranking analysis of the adjusted data yields the following result:

Item	Overall Comparison	Indicated Price \$/psf
L-1	Superior	\$12.89
L-2	Superior	\$10.66
SUBJECT LARGER PARCEL		
L-6	Sl. Inferior	\$5.81
L-4	Sl. Inferior	\$5.31
L-5	Sl. Inferior	\$4.99
L-3	Inferior	\$3.90

These sales are ranked from "Inferior" to "Superior" relative to the subject's site as the Sales Comparison analysis indicated. This ranking summarizes the sales by an overall comparison to the subject showing the range of land value indicators; however, not all value indicators were given equal weight in the overall analysis. As can be seen in the chart above, the subject trends toward the middle of the range of the values indicated by the comparable sales and falls above **Items L-3 through L-6**, indicating that the value of the subject should be no less than \$5.81 psf. **Items L-1 and L-2** are rated superior, respectively, and indicates that the subject should fall below \$10.66. Thus, the subject's value should fall between \$5.81 and \$10.66.

Items L-1 and L-2 are both superior in location. **Items L-3 through L-6**, albeit inferior to slightly inferior in ranking, form a narrow range between \$3.90 and \$5.81. Three of these sales, **L-4, L-5 and L-6** are within an even narrower range. Still, the subject is well located, has a dual access, off-site improvements, and utility infrastructure is in place. **Items L-4, L-5, and L-6** do not share the same combination of attributes as the subject larger parcel, and are rated slightly inferior as a result.

The Sales Comparison Approach references sales of similar properties located in competitive areas. Since properties of identical characteristics are uncommon, any reliance placed on the Sales Comparison Approach could be lessened due to required adjustments to the comparable sales; however, due to the dates of the sales, the range of value indicated by the sales after adjustments was considered to be a reliable indicator of value for the subject property, as if vacant.

Using the concluded unit value of \$6.00 per square foot and 253,955 square foot land area, the subject's total fair market value, as vacant is \$1,523,729, rounded to \$1,500,000.

FAIR MARKET VALUE CONCLUSION – AS VACANT			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
"As Vacant"	Fee Simple Estate	May 14, 2017	\$1,500,000

Analysis of Portion to be Transferred

In theory, complete real property ownership, otherwise known as the fee simple interest, consists of a bundle of distinct and separable rights. These rights can be individually conveyed by the fee owner to other parties, either in perpetuity or for a limited duration. Separating rights from the bundle creates a partial or fractional interest. The value of the portions to be acquired is based on the average unit value of the whole. To facilitate the future roadway improvements along Dune Palms Road, a transfer of a segment of the subject larger parcel is proposed (interagency transfer).

- **Proposed Area to be Transferred (Easement) – 15,636 sf**

As it pertains to the subject property, the proposed project requires the permanent acquisition of 15,636 sf (0.36 acres) from the western portion along Dune Palms Road. This represents approximately 6.0% of the total land area. The property’s shape will remain generally the same, and it will still have frontage on two streets. Additionally, sidewalk, curb and gutter improvements will be installed on the property’s frontage on Dune Palms Road. In short, not only will the property not lose any of its essential characteristics, but it will benefit from street and offsite improvements.

Since the transfer of fee simple rights is proposed, the unit value is based on 100% of the previously concluded fee simple value of \$6.00 psf. The calculations are show as follows:

Value of the Parts to be Transferred				
Fee Area to be Transferred	15,636 sf @	\$6.00 psf @	100%	\$ 93,816

Site Improvements in the Area to be Transferred

There are no site improvements within the portion to be transferred, as the site is unimproved, vacant land.

Total Parts Transferred

Value of the Parts to be Transferred	
Land Area Transferred:	\$ 93,816
Site Improvements	\$ -
Total, Portions Acquired:	\$ 93,816

Remainder Parcel – As Part of the Whole

Valuation of the remainder parcel as part of the whole is measured by subtracting the value of the parts acquired from the larger parcel value, as follows:

Value of the Remainder as Part of the Whole:	
Larger Parcel Valuation (Land Only):	\$ 1,500,000
Less: Value of the Parts Transferred	\$ 93,816
Equals: Value of the Remainder As Part of the Whole	\$ 1,406,184

Value of the Remainder After Transfer and Before Consideration of Benefits

Typically valuation of a remainder parcel after acquisition considers how the partial acquisition affects the remainder parcel. Methodology involves a determination as to severance damages and benefits that may accrue to the remainder parcel.

Consideration of Severance Damages

California Eminent Domain Law defines Damage to the remainder as the damage, if any, caused by either or both of the following: **a)** The severance of the remainder from the part acquired, **b)** The construction and use of the project for which the property is acquired in the manner proposed by the plaintiff whether or not the damage is caused by a portion of the project located on the part acquired.

Damage considerations include issues related to air, light and view obstruction, a change in utility due to shape, topography, access or other physical impairment, or a reduction in site amenities enjoyed in the before condition.

The highest and best use in the "After" condition is unchanged. As it pertains to the subject property, the proposed project requires the permanent acquisition of 15,636 sf (0.36 acres) from the western portion along Dune Palms Road. This represents approximately 6.0% of the total land area. The property's shape will remain generally the same, and it will still have frontage on two streets. Additionally, sidewalk, curb and gutter improvements will be installed on the property's frontage on Dune Palms Road. In short, not only will the property not lose any of its essential characteristics, but it will benefit from street and offsite improvements for public safety purposes.

In short, not only will the property not lose any of its essential characteristics, but it will benefit from street and offsite improvements. Thus, we conclude that the highest and best use of the property in the "after" condition is unchanged from the "before" condition.

Conclusion – Damages

Total Damages are estimated as the difference between the Value of the Remainder as Part of the whole and the Value of the Remainder "After" Transfer.

Conclusion, Severance Damages:	
Value of the Remainder as Part of the Whole	\$ 1,406,814
Less: Value of the Remainder 'After' Transfer	\$ 1,406,814
Equals: Severance Damages:	<u>\$0</u>

Value of the Remainder after Transfer and after Consideration of Benefits:

Briefly stated, benefits are defined as any value enhancement resulting from the project. As cited in Los Angeles County Metropolitan Transit Agency v. Continental Development Corporation, 97 Daily Journal D.A.R. 11021, ***"...all reasonably certain, non-speculative benefits resulting from the project may offset against severance damages..."***

Quantifiable benefits may accrue to the remainder after construction as a result of the project in the manner proposed. As noted above, the property will benefit from new street improvements, as well as superior access and exposure to traffic.

Nevertheless, in the case of the subject property, we previously concluded that there were no severance damages to the remainder parcel. Because benefits only offset severance damages, it was not necessary to value said benefits in this assignment as no severance damages exist. The appraisers reserve the right to consider benefits should any changes to this assignment arise.

Conclusion – Benefits to the Remainder

Benefits: N/A

Value Recapitulation

Appraisal conclusions stated in this section are summarized as follows:

Value Recapitulation		
Value of the Larger Parcel: Land Only	\$	1,500,000
Value of the Parts Transferred	\$	93,816
Value of the Remainder As Part of the Whole:	\$	1,406,184
Value of the Remainder 'After' Transfer:	\$	1,406,184
Incurable Severance Damages	\$	0
Benefits:		N/A
Total Value of the Area to be Transferred:	\$	93,816
	Rounded \$	93,800

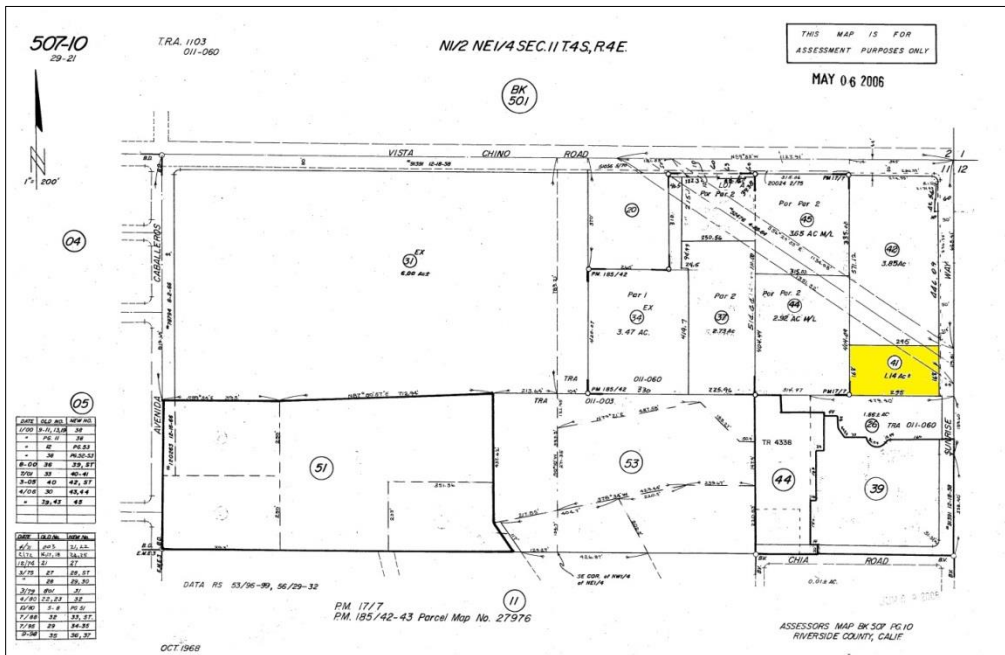
Section 6 - Market Data

Item L-1	
Location/Address:	N. Sunrise Way, South of Vista Chino, Palm Springs, CA
Recording Date (Doc. No:)	11/21/2016 (Doc. No. 0519435)
Grantor:	Ben Moshrefi
Grantee:	Desert AIDS Project
Deed Type:	Grant Deed
Assessor's Parcel Numbers:	507-100-041
Zoning:	R2 Limited Multiple Family Residential Zone (City of Palm Springs)
Interest Conveyed:	Fee Simple
Lot Area:	1.14 acres/ 49,658 sf
Topography:	Effectively level
Shape:	Slightly irregular
Utilities:	Available off site
Intended Use:	Hold for future development
Sales Price/psf:	\$640,000/\$12.89 psf
Verification/Date:	Jennifer Moore, listing broker on 5/12/16
Financing Terms:	Cash
Conditions of Sale:	Standard
Current Use at Sale Date:	Vacant
Comments:	<p>This is a November 2016 sale of a 1.14 acre site in Palm Springs. It sold for \$640,000; \$12.89 per square foot. The buyer intends on developing a senior housing. It was determined by the buyer just prior to closing that underground will be required prior to the residential development. The buyer was able to renegotiate with the seller, which led to a reduction of \$50,000 to assist with these lines. Although this property recorded for \$690,000, this listing agent verified the sale price of \$640,000. The buyer will incur additional expenditures for the difference, which is expected to be between \$50,000 and \$100,000. The listing agent also stated this property was purchased by an adjacent owner (Desert Aids Project of Palm Springs; 1695 N. Sunrise Way) to be used in conjunction with the existing housing and assistance facilities at this location. The listing broker indicated this had a slight upward influence on the sale price; however it was still within the range of market value for the area.</p>

Comparable Data Photo



Assessor's Parcel Maps

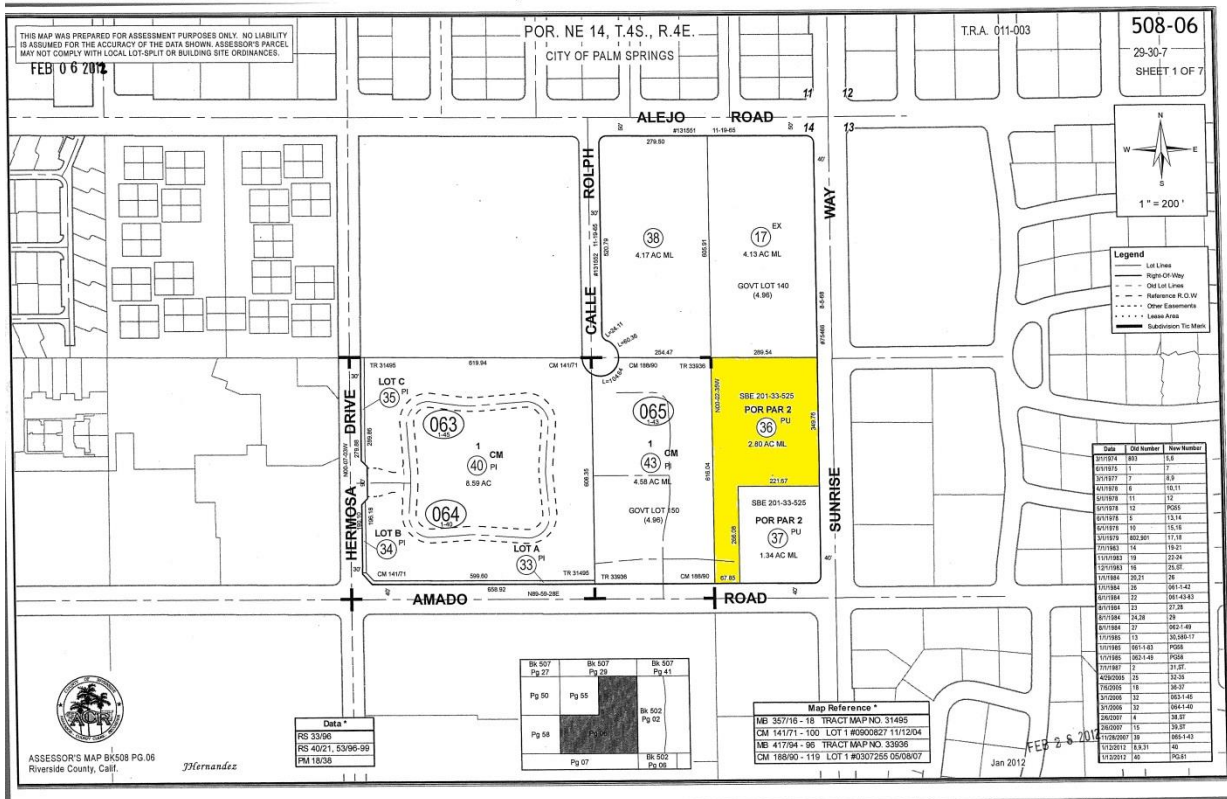


Item L-2	
Location/Address:	1550 E Amado Road, Palm Springs, CA
Recording Date (Doc. No:)	06/24/2016 (Doc. No. 0259323)
Grantor:	James D. Miller
Grantee:	Indio 40 Investments LP
Deed Type:	Grant Deed
Assessor's Parcel Numbers:	508-060-036
Zoning:	MR (R-2 Limited Multiple Family Residential)
Interest Conveyed:	Fee Simple
Lot Area:	2.80 acres/ 121,968 sf
Topography:	Level
Shape:	Irregular
Utilities:	In the street
Intended Use:	Unknown
Sales Price/psf:	\$1,300,000 /\$10.66 psf
Verification/Date:	John Stiles and David Worden, co-listing brokers on 10/7/16
Financing Terms:	Cash
Conditions of Sale:	Standard Sale
Current Use at Sale Date:	Vacant
Comments:	<p>This property was listed for \$1,800,000. The sellers took a lower price in exchange for a short (45 day) escrow period. The buyer will incur \$100,000 to underground an Edison line adjacent to the property. There were no entitlements included in the price. A prior development plan provided for 38 units, equal to 13.57 units/ acre with an underground parking element.</p> <p>Mr. Stiles indicated that market conditions are soft at this time.</p>

Comparable Data Photo



Assessor's Parcel Maps

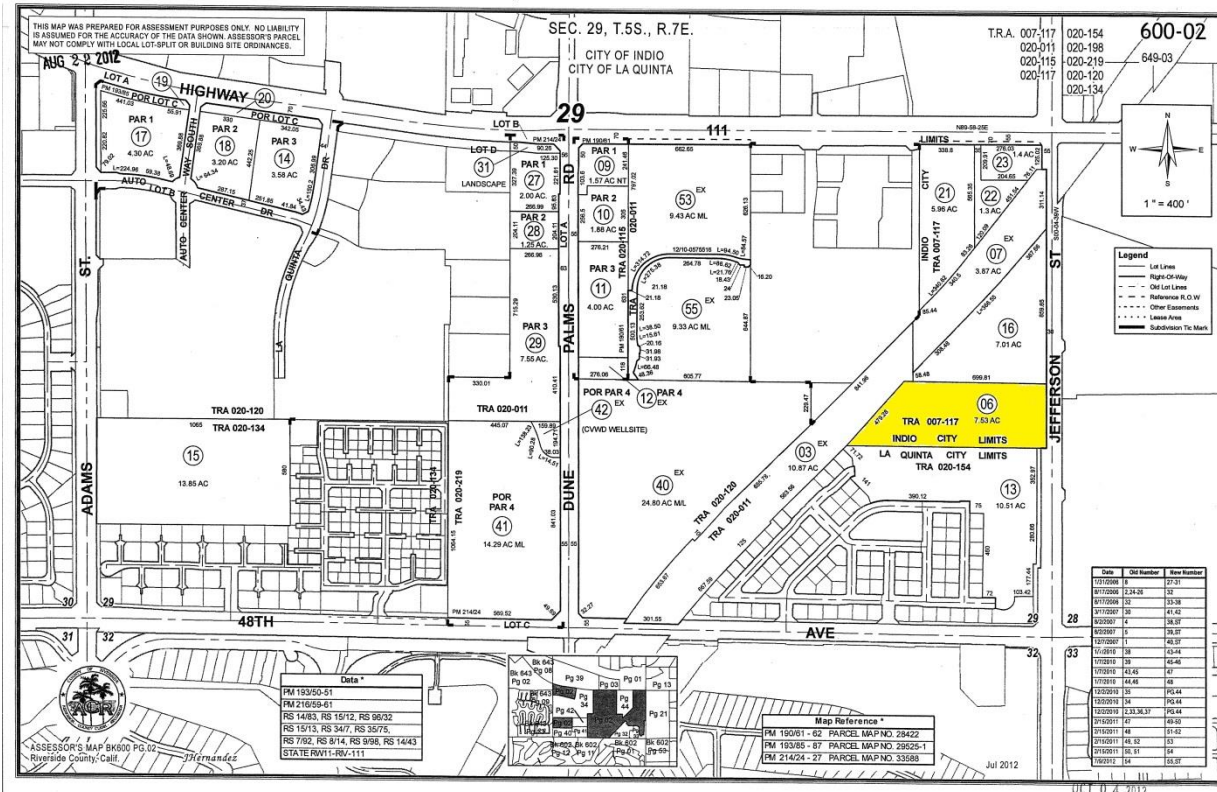


Item L-3	
Location/Address:	West side of Jefferson Street, south of Highway 111, Indio, CA
Recording Date (Doc. No:)	05/25/2016 (Doc. No. 0212545)
Grantor:	P6K Portfolio KDP Parcel II, LLC
Grantee:	Peterson Ranch Properties LLC
Deed Type:	Grant Deed
Assessor's Parcel Numbers:	600-020-006
Zoning:	MU (Mixed Use)
Interest Conveyed:	Fee Simple
Lot Area:	7.06 acres/ 307,534 sf
Topography:	Level
Shape:	Irregular
Utilities:	In the street
Intended Use:	Not known
Sales Price/psf:	\$1,200,000 /\$3.90 psf
Verification/Date:	Costar, Inc. and listing broker Maggie Montez on 10/10/16
Financing Terms:	All cash transaction
Conditions of Sale:	Standard Sale
Current Use at Sale Date:	Vacant
Comments:	This property sold un-entitled. The initial asking price was \$1,700,000. It was in escrow for two weeks according to the listing broker. It had been on the market for about a year. Per the broker, the buyer plans to hold it vacant for investment purposes.

Comparable Data Photo



Assessor's Parcel Maps

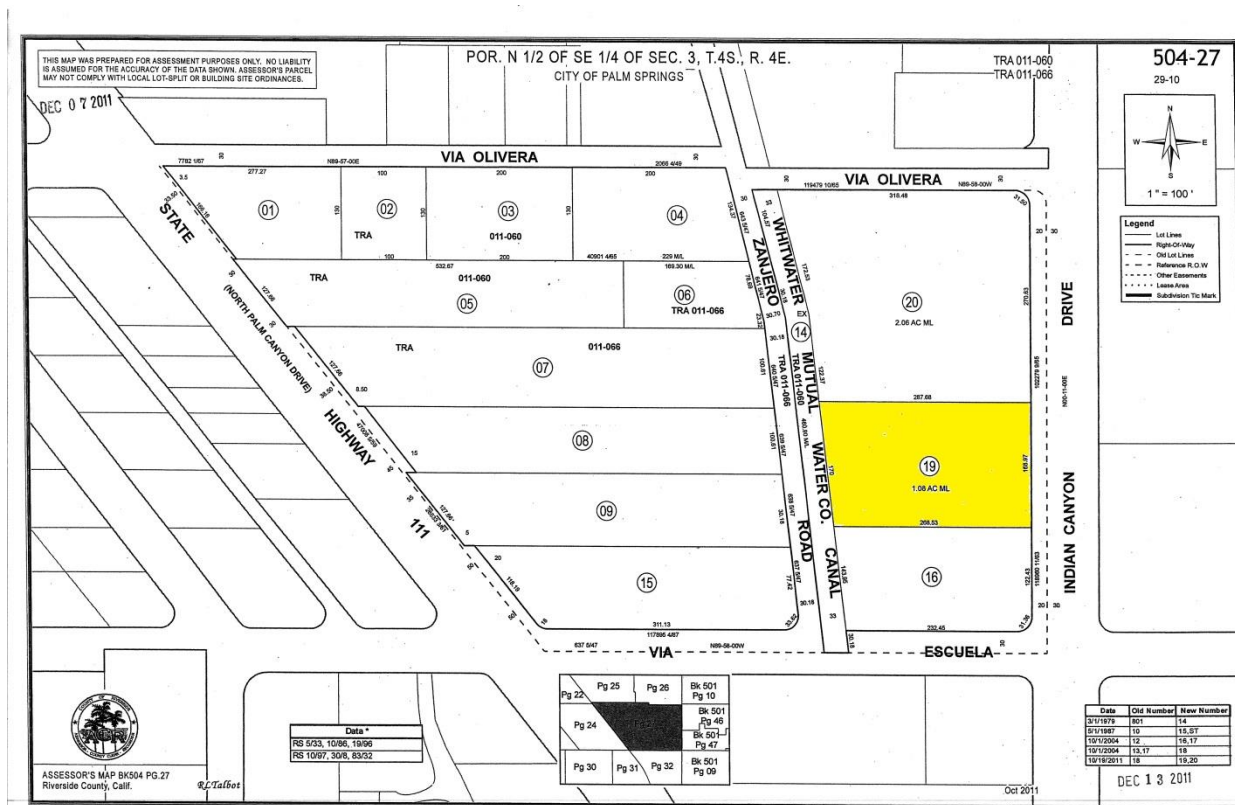


Item L-4	
Location/Address:	North Indian Canyon Dr. @ Via Escuela, Palm Springs, CA
Recording Date (Doc. No:)	05/17/2016 (Doc. No.0201287)
Grantor:	Shea Blythe LLC
Grantee:	Glenwood Management Group LLC
Deed Type:	Grant Deed
Assessor's Parcel Numbers:	504-270-019
Zoning:	R2 Limited Multiple Family Residential
Interest Conveyed:	Fee Simple
Lot Area:	1.08 acres/ 47,045 sf
Topography:	Level, at street grade
Shape:	Irregular
Utilities:	In the street
Intended Use:	Apartment Development
Sales Price/psf:	\$250,000 /\$5.31 psf
Verification/Date:	Joe Gilb, Selling broker on 10/7/16
Financing Terms:	All cash transaction
Conditions of Sale:	Standard sale
Current Use at Sale Date:	Vacant
Comments:	Property was initially on the market for \$575,000. During negotiations, it was discovered that the fire department required 30 feet of clearance on either side of the property. This significantly reduced the development potential. The broker indicated that the site will only support 4 or 5 units as a result. No entitlements were included in the sale.

Comparable Data Photo



Assessor's Parcel Maps

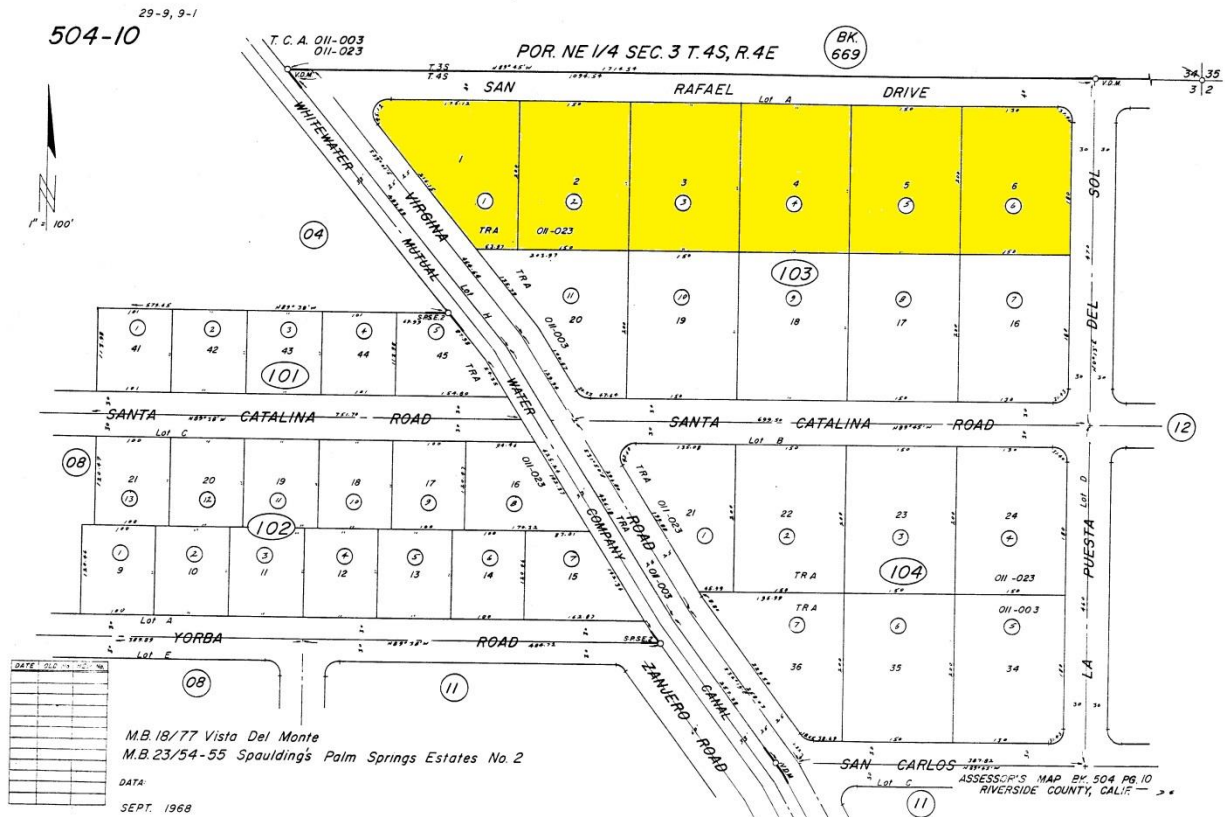


Item L-5	
Location/Address:	W San Rafael Road @ Virginia Road, Palm Springs, CA
Recording Date (Doc. No:)	02/19/2016 (Doc. No.065284)
Grantor:	The RPM Construction Group Inc.
Grantee:	Sunia Investments LLC
Deed Type:	Grant Deed
Assessor's Parcel Numbers:	504-103-001 through 504-103-006
Zoning:	R2 (Limited Multi Family)
Interest Conveyed:	Fee Simple
Lot Area:	4.09 acres/ 178,370 sf
Topography:	Ungraded, generally level
Shape:	Irregular
Utilities:	In the street
Intended Use:	Buyer to construct 24 residential units
Sales Price/psf:	\$890,000 /\$4.99 psf
Verification/Date:	Costar and Public Records; further confirmation pending
Financing Terms:	\$300,000 cash down payment; 1 st TD Private Lender \$590,000; terms not disclosed
Conditions of Sale:	Standard Sale
Current Use at Sale Date:	Vacant
Comments:	The buyer of this property specializes in building sustainable and economically-minded housing.

Comparable Data Photo



Assessor's Parcel Maps

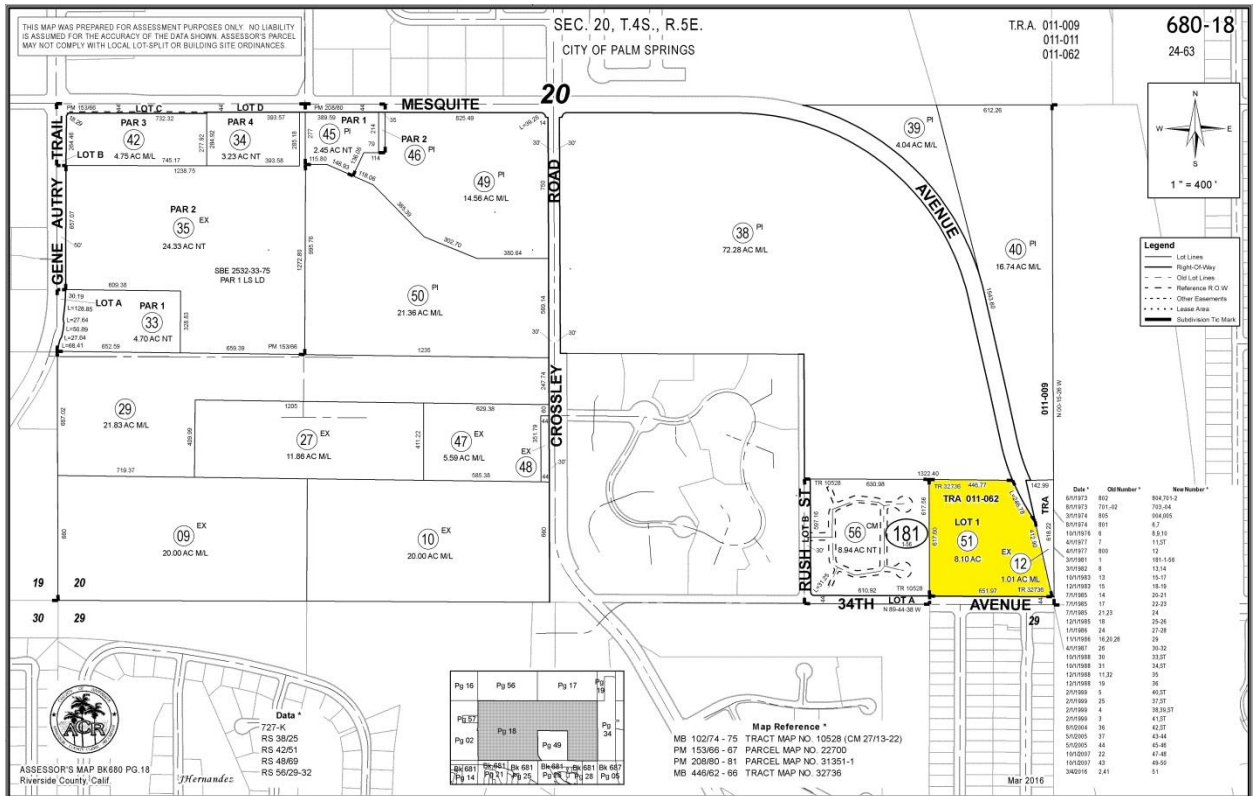


Item L-6	
Location/Address:	34 th Avenue @ Lawrence Street, Palm Springs, CA
Recording Date (Doc. No:)	01/09/2015 (Doc. No. 0009233)
Grantor:	RHSMAX T41 LLC
Grantee:	Tahquitz 41 LLC
Deed Type:	Grant Deed
Assessor's Parcel Numbers:	680-180-041, 680-180-002 (now 680-180-051)
Zoning:	RGA-6 (Low Density Multi Family Residential)
Interest Conveyed:	Fee Simple
Lot Area:	8.10 acres/ 352,836 sf
Topography:	Ungraded; basically level
Shape:	Irregular
Utilities:	All utilities are available in the street
Intended Use:	Future residential development
Sales Price/psf:	\$2,050,000 /\$5.81 psf
Verification/Date:	Stone James, listing broker on 10/7/16 and public records
Financing Terms:	Cash
Conditions of Sale:	Standard Sale
Current Use at Sale Date:	Vacant
Comments:	<p>This property was sold with an old tentative tract map that was renewed and modified while the property was in escrow. The broker indicated that the buyers overpaid for this property and now have it on the market. He anticipated it would sell for significantly less today.</p> <p>The entitlements included a tentative plan for 35 detached condominiums and 6 attached units in 3 duplexes for a total of 41 units. The old entitlements were for 43 units.</p>

Comparable Data Photo



Assessor's Parcel Maps



Section 7 - Addenda

Kevin Donahue, MAI Managing Director, Valuation Services

Overland, Pacific & Cutler, Inc.

- Education:** ▪ Bachelor of Arts in Finance, Emphasis in Real Estate Studies, California State University, Fullerton
- License(s):** ▪ Certified General Real Estate Appraiser, State of California OREA No. AG015779
- Professional Affiliations:** ▪ MAI Designated Member, Appraisal Institute
 ▪ Appraisal Member, Orange County Association of Realtors
 ▪ Past President, International Right of Way Association (IRWA), Chapter 67
- Years of Experience:** **Initial Year in Industry:** 1986
 Initial Year with OPC: 2010

Overview

Mr. Donahue has completed numerous and complex assignments involving commercial, industrial, and residential properties. Besides shopping centers, industrial warehouses, business parks, office buildings, and large apartment complexes, Mr. Donahue has appraised many special purpose properties such as transportation corridors, open space land, mitigation land, affordable housing projects, SRO hotels, and government buildings. Appraisal purposes include eminent domain, inverse condemnation, various easements, ground lease valuation, insurable asset taxation, leasehold/leased fee analysis, I.R.S. disputes, bankruptcy litigation, construction defect litigation, soils movement matters, failure to disclose litigation, and estate planning. Kevin is qualified as an expert witness in Orange, Riverside, Los Angeles and Ventura County Superior Courts.

Project Examples

Recent Appraisal Project Experience:

- **California High Speed Rail Project, Central California.** Supervised and managed appraisal process for over 50 full and partial acquisition appraisals from Madera to Kings County, to include complex subject properties.
- **Riverside County Transportation Commission (RCTC), SR-91 Corridor Improvement Project.** Full and Partial Acquisitions on various residential and commercial properties. Appraisal review also required. High profile, politically sensitive project to widen approximately 16 miles of active highway through the urbanized area of Corona and the County of Riverside.
- **San Bernardino Associated Governments (SANBAG), I-215 HOV Gap Closure Project.** Fifteen (15) partial acquisition appraisals including vacant and improved industrial, utility, and rail properties in the cities of Colton, Westminster, and Riverside. **Laurel Street Grade Separation Project.** This project involved full or partial acquisition of 12 ownerships to include residential, industrial, railroad and special purpose properties needed for the BNSF/Laurel Street Grade Separation Project in the City of Colton.
- **California American Water District (CalAm).** Appraisal of a permanent non-exclusive access easement for eminent domain purposes in Camarillo, Ventura County, CA.

- **CALTRANS, SR60/57 Freeway Interchange Improvement Project, City of Diamond Bar, Los Angeles County.** Partial acquisition appraisal of an improved commercial property requiring multiple takings for a new freeway ramp.
- **City of Highland/IVDA/County of San Bernardino, 5th Street and Del Rosa Avenue Improvement Project.** Partial acquisition appraisal of 50+ parcels, to include residential, commercial, industrial, and special purpose utility-owned property.

Recent Appraisal Review Experience

- **California High Speed Rail Project, Central California.** Provided over 30 appraisal reviews of full and partial acquisition appraisals from Madera to Kings County, to include complex subjects.
- **Sacramento Regional Transit District, South Sacramento Phase II Corridor Project.** Completed appraisal reviews for relocation of a SMUD overhead transmission line for the South Sacramento Phase II Corridor Project.
- **Port of Long Beach Authority, Gerald Desmond Bridge Project.** Appraisal reviews needed for complex partial acquisitions to include special purpose and waterfront industrial properties.
- **Riverside County Transportation Commission (RCTC), SR-91 Corridor Improvement Project.** Appraisal reviews for both Full and Partial Acquisitions on various residential, industrial, and commercial properties, improved and vacant. High profile, politically sensitive project to widen approximately 16 miles of active highway through the urbanized area of Corona and the County of Riverside.

Specific Expertise

Other Coursework:

Appraisal Institute Courses/Seminars:
Report Writing and Valuation Analysis
Advanced Applications
Standards of Professional Practice (bi-annually)
Real Estate Principles
Basic Valuation Procedures
Basic and Advanced Income Capitalization
Valuation of Leased Fee Interests
Easement Valuation
Professional Writing In Appraisal Reports
Appraisal Review according to the Federal Land
Acquisitions (aka "Yellow Book")

Mark Wallen, Assistant Valuation Analyst

Overland, Pacific & Cutler, Inc.

- Education:**
- Coursework towards State of California Real Estate Appraisal License
 - B.S., Criminal Justice, Northern Arizona University, Flagstaff
- Professional Affiliations:**
- Associate Member, The Appraisal Institute
 - Member, California Association for Local Economic Development (CALED)
- Years of Experience:** **Initial Year in Industry:** 2010
Initial Year with OPC: 2010

Overview

Mr. Wallen has experience appraising residential properties and vacant land for public projects. In addition, Mark investigates and verifies all planning and zoning information and market factors to assist the Valuation Services Team with determination of Highest and Best Use. He researches sale and lease information and verifies data to assist with field measurements and improvement inventories and also provides site photographs. He is adept at investigating property issues with planning and building departments and providing comparable sales. Mark is an Associate Member of the Appraisal Institute and is studying to become a licensed real estate appraiser.

Project Examples

Mr. Wallen has provided appraisal assistance on the following projects:

- **City of Highland, 5th St. & Del Rosa Drive Street Improvements**
- **Riverside County Transportation Commission (RCTC), 91 CIP Advance Acquisition Implementation**
- **City of Murrieta, Murrieta Hot Springs Acquisition**
- **City of Anaheim, Anaheim Metrolink**
- **San Bernardino Area Governments (SANBAG), Laurel Street Grade Separation**
- **CALTRANS, Devore Junction/Goods Movement Improvement Project**
- **CALTRANS, SR60/57 Freeway Interchange Improvement Project**
- **City of Coachella, Grapefruit/52 Avenue Grade Separation Project**
- **City of Riverside, Arlington Desalter Project**

Legal Description

**EXHIBIT "A"
PARCEL MERGER 2011-497**

THE NORTHERLY 660.00 FEET OF THE NORTHWEST ONE QUARTER OF THE NORTHWEST ONE QUARTER OF THE NORTHEAST ONE QUARTER OF SECTION 29, TOWNSHIP 5 SOUTH, RANGE 7 EAST, SAN BERNARDINO MERIDIAN, IN THE CITY OF LA QUINTA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA;

EXCEPTING THEREFROM PARCEL 1 AND LOTS A AND B OF PARCEL MAP 18629 AS SHOWN IN PARCEL MAP BOOK 113, PAGES 54 AND 55, RECORDS OF SAID RIVERSIDE COUNTY;

AND ALSO EXCEPTING THEREFROM THE SOUTH ONE HALF OF THE SOUTH 330.00 FEET OF THE NORTH 660.00 FEET OF SAID NORTHWEST ONE QUARTER OF THE NORTHWEST ONE QUARTER OF THE NORTHEAST ONE QUARTER OF SECTION 29 AS SHOWN ON CORPORATION GRANT DEED RECORDED JUNE 1, 2005 AS INSTRUMENT NO. 435679, RECORDS OF SAID RIVERSIDE COUNTY;

AND ALSO EXCEPTING THEREFROM A RIGHT OF WAY FOR PUBLIC HIGHWAY AND PUBLIC UTILITY PURPOSES, OVER THE WESTERLY RECTANGULAR 30 FEET OF SAID PROPERTY, AS CONVEYED TO THE COUNTY OF RIVERSIDE, BY DEED RECORDED MAY 24, 1933 IN BOOK 122 PAGE 374, RECORDS OF SAID RIVERSIDE COUNTY;

AND ALSO EXCEPTING THEREFROM ANY PORTION INCLUDED WITH WESTWARD HO DRIVE, FORMERLY AVENUE 46.

SAID MERGED PARCEL CONTAINING 253,497 SQUARE FEET, (5.82 ACRES) MORE OR LESS.

THE ABOVE DESCRIPTION BEING SHOWN ON THE ATTACHED EXHIBIT "B" AND HEREBY BEING MADE A PART HEREOF.

SUBJECT TO ALL COVENANTS, RIGHTS, RIGHTS OF WAYS AND EASEMENTS OF RECORD, IF ANY.

APPROVED BY:


LES JOHNSON
PLANNING DIRECTOR
CITY OF LA QUINTA
DATE 9/19/11

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Page 1 of 1

PREPARED BY:



DALE KELLEHER LS 6687
September 8, 2011

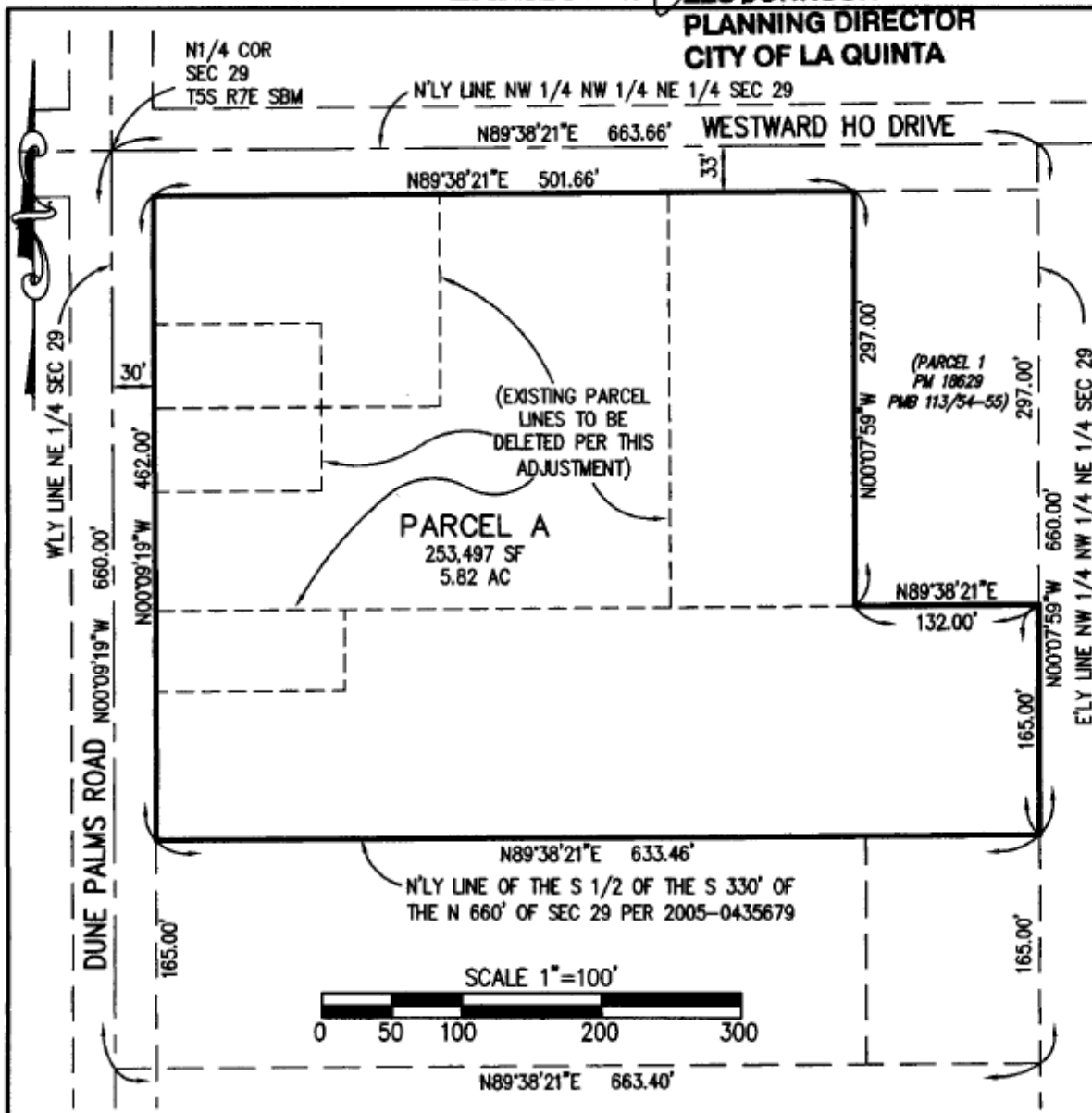


EXHIBIT "B"

LES JOHNSON
LES JOHNSON

9/19/11
DATE

**PLANNING DIRECTOR
 CITY OF LA QUINTA**



PARCEL MERGER 2011-497

KELLEHER MAPPING

78-080 CALLE AMIGO, SUITE 102
 LA QUINTA, CA 92253
 760-219-9886 - 760-262-3000 (FAX)
 dale@kellehermapping.com

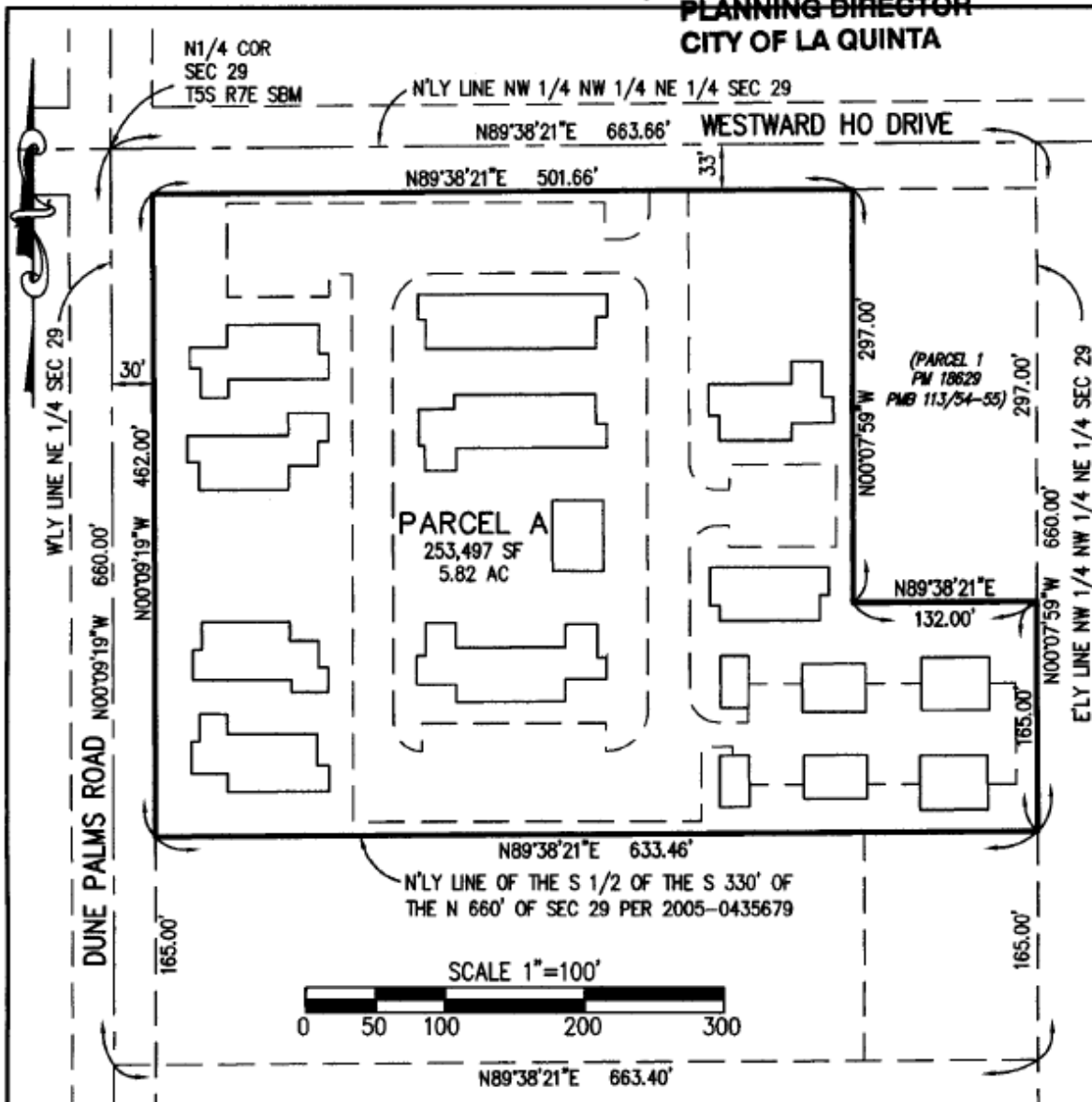
PREPARED BY:

Dale Kelleher
 DALE KELLEHER, DATE
 LS 6687 EXP. 6-30-12



EXHIBIT "C" LES JOHNSON
PLANNING DIRECTOR
CITY OF LA QUINTA

9/19/11
 DATE



SITE PLAN - PARCEL MERGER 2011-497

KELLEHER MAPPING
 78-080 CALLE AMIGO, SUITE 102
 LA QUINTA, CA 92253
 760-219-9886 - 760-262-3000 (FAX)
 dale@kellehermapping.com

PREPARED BY:

Dale Kelleher 9/6/11
 DALE KELLEHER, DATE
 LS 6687 EXP. 6-30-12



ROW Legal Description and Plat Map

EXHIBIT "A"
LEGAL DESCRIPTION
ROADWAY AND PUBLIC UTILITIES EASMENT
DUNE PALMS ROAD
(APN 600-030-004, 009, 020, 021)
(LA QUINTA HOUSING AUTHORITY, A PUBLIC BODY, CORPORATE AND POLITIC)

That certain parcel of land located in the City of La Quinta, County of Riverside, State of California being a portion of the northerly 660.00 feet of the Northwest Quarter of the Northwest Quarter of the Northeast Quarter of Section 29, Township 5 South, Range 7 East, San Bernardino Meridian, as described in a Grant Deed recorded October 7, 2011 as Doc. #2011-0444036 of Official Records of said County, more particularly described as follows:

COMMENCING at the Southwest Corner of the northerly 165.00 feet of the southerly 330.00 feet of said northerly 660.00 feet;

Thence along the southerly line of said northerly 165.00 feet North 89°50'08" East a distance of 30.00 feet to the **POINT OF BEGINNING**;

Thence continuing along said southerly line North 89°50'08" East a distance of 33.00 feet to a line parallel with and 63.00 feet easterly of the westerly line of said Northeast Quarter of Section 29;

Thence along said parallel line North 00°09'52" West a distance of 441.68 feet;

Thence leaving said parallel line North 46°43'11" East a distance of 34.25 feet to a line parallel with a 30.00 feet southerly of the northerly line of said Section 29, said parallel line being the southerly right-of-way line of Westward Ho Drive;

Thence along said parallel line South 89°37'24" West a distance of 58.00 feet to the westerly right-of-way of Dune Palms Road as described in a in Deed Recorded May 24, 1933 in Book 122, Page 374, records of said County;

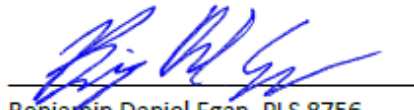
Thence along said westerly right-of-way line South 00°09'52" East a distance of 465.00 feet to the POINT OF BEGINNING.

CONTAINING: 15,636 Square Feet, more or less.

SUBJECT TO all Covenants, Rights, Rights-of-Way and Easements of record.

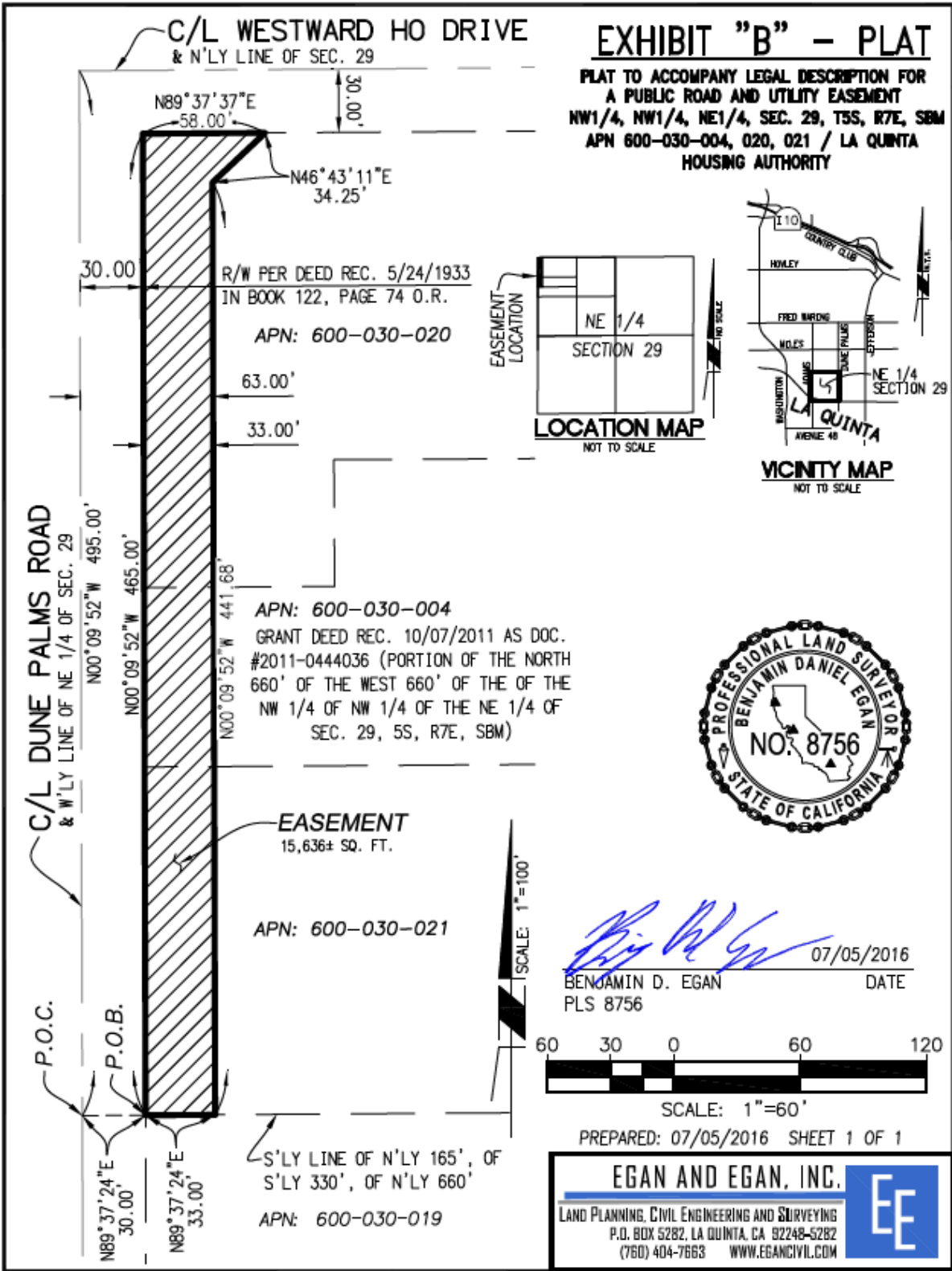
Graphically depicted on 'EXHIBIT "B" – PLAT', attached hereto and by this reference made a part hereof.

This legal description was prepared
by me or under my direction.



Benjamin Daniel Egan, PLS 8756
Prepared July 5, 2016





City of La Quinta

HOUSING COMMISSION MEETING: July 12, 2017

STAFF REPORT

AGENDA TITLE: REVIEW HOUSING COMMISSION ACTIVITY DURING FISCAL YEAR 2016/17

RECOMMENDATION

Review Housing Commission activity during fiscal year 2016/17.

EXECUTIVE SUMMARY

- The Housing Commission (Commission) was established in 2009 and tasked to review and make recommendations on matters under the preview of the Housing Authority (Authority).
- Between February and June 2017 the Commission held six meetings and recommended to the Authority approval of the Housing Authority Annual Report, Fiscal Year 2017/18 Housing Authority Annual Budget, and Washington Street Apartments Project.
- The Commission held one meeting at the Washington Street Apartments complex to encourage tenants' participation.

FISCAL IMPACT - None

BACKGROUND/ANALYSIS

The Commission was established in 2009 to review and make recommendations on all matters to come before the Authority prior to Authority action, except on emergency matters and matters which the Authority, by resolution, excludes from its review. The Commission is comprised of five members appointed by the Authority (three non-tenants and two tenants, with one over the age of 62).

The Commission meets quarterly in the months of March, June, September, and December. The Commissions' meeting schedule for fiscal year 2017/18 is as follows:

- September 13, 2017
- December 13, 2017
- March 14, 2018
- June 13, 2018

Annually the City Council holds two Special Joint Council Meetings with the City's Boards and Commissions, which will be included in the Commission's meeting schedule. They are usually held in the months of January and July. The first special joint meeting for 2017/18 is scheduled for July 18, 2017, at 6 p.m., at the La Quinta Library; and the second one has not yet been determined.

Prepared by: Gil Villalpando, Business Analyst