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(MS6506)

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Form HUD-52860 Supporting Documents Quality Checklist Submission

Field Office HA: **WA006 Everett Housing Authority**Application: **DDA0007816**

Application Status

Application Type: **Disposition**Processor: **SAC-Chicago**Reviewer: **Sunny Grover**Application Status: **Under Review**Status Date: **11/06/2016**

Section 1: General Information

OMB Approval No. 2577-0075
(exp. 07/31/2008)

Public reporting burden for this collection of information is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required to request permission to demolish or sell all or portion of a development (i.e., dwelling units, non-dwelling property or vacant land) owned and operated by a Housing Authority. The information requested in the application is based on requirements of Section 18 of the United States Housing Act of 1937, as amended and 24 CFR Part 970. HUD will use the information to determine whether, and under what circumstances, to permit HAs to demolish or sell all or a portion of a public housing development. Responses to the collection of information are statutory and regulatory to obtain a benefit. Approval of this application does not substitute approval for funding of the demolition or disposition action. The information requested does not lend itself to confidentiality.

1. Housing Authority: **WA006 Everett Housing Authority** 2. Date of Application: **04/12/2018**3. Address: **3107 COLBY Avenue**City/Locality: **EVERETT**State: **Washington**Zip Code: **98201-4024**4. Phone No: **(425) 339 - 1001** Ext. **0** Fax No: **(425) 303 - 1122**Email Address: **rickd@evha.org**5. Executive Director's Name: **Ashley Lommers-Johnson**Phone No: **(425) 303 - 1100**

Ext.

Fax No:

(425) 303 - 1122Email Address: **ashleyflj@evha.org**6. Primary Contact's Name: **Ashley Lommers-Johnson**Phone No: **(425) 303 - 1100**

Ext.

Fax No:

(425) 303 - 1122Email Address: **ashleyflj@evha.org**

* Designates a required field.

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Section 2: Long-Term Possible Impact of Proposed Action

Enter the total number of units proposed for removal **44**

1. Performance Funding Subsidy (PFS)

In FY **2017**, this HA received \$ **2640.61** per unit in PFS funds.

The HA realizes that after this activity takes place, PFS will decrease by \$ **116186.8** / year.

2. Capital Fund Program

In FY **2017**, this HA received \$ **1073.72** per unit in Capital funds.

The HA realizes that after this activity takes place, Capital funding will decrease by \$ **47243.68** / year.

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Application Type: **Disposition**Processor: **SAC-Chicago**Reviewer: **Sunny Grover**Application Status: **Under Review**Status Date: **11/06/2016**

Section 3: Board Resolution, Environmental Review, and Local Government Consultation

1. Board Resolution Number
14512. Date of Board Resolution
03/26/2018

3. Who is conducting the environmental review?

- ☐ Field Office under 24 CFR Part 50
- ☒ Responsible Entity under 24 CFR Part 58

If the environmental review is to be performed by a responsible entity, name the entity.

City of Everett

4. Jurisdictions covered by the HA (list all cities, counties, etc.):

City of Everett5. Letter of Support from Appropriate Government Official is dated :**03/22/2018**.[Return to Application Index](#)

Resolution No. 1451

Authorizing the Executive Director to Submit a Section 18 Application to HUD for the Disposition of EHA's Scattered Sites Public Housing Units

WHEREAS, Section 18 of the Housing Act of 1937 authorizes the demolition and disposition of Public Housing, with administrative steps (24 CFR 970) prescribed by HUD, including an application process; and

WHEREAS, in keeping with its Five-Year Plan objective for the five-year period commencing July 2015, Everett Housing Authority ("EHA") explored the possibility of converting the assistance tied to the 44 Public Housing Scattered Sites ("Scattered Sites") to Project-Based Vouchers under the Rental Assistance Demonstration ("RAD") program, and found this option to be infeasible; and

WHEREAS, EHA has since determined that the disposition of the Scattered Sites would achieve EHA's Five-Year goal of repositioning the remainder of its Public Housing inventory, and has provided for that action in its Annual Plan for the period commencing July 2017; and

WHEREAS, an approved Section 18 Application would make EHA eligible for Tenant Protection Vouchers to replace the housing units lost through disposition and provide housing subsidies for displaced tenants; and

WHEREAS, EHA believes it is desirable to retain the three six-bedroom units in the Scattered Sites inventory, in order to ensure these units are available for larger households to rent under the Housing Choice Voucher program; and

WHEREAS, EHA is committed to eventually replace all 44 units, except the six-bedroom units through new construction or acquisition; and

WHEREAS, EHA held a public meeting that included residents of the Scattered Sites, to discuss the planned actions relating to the disposition of that development which includes a replacement housing plan, and has solicited, received, and considered those comments; and

WHEREAS, EHA met with the Mayor's office on several occasions to discuss the proposed Section 18 application, planned relocation activities, and the replacement housing plan.

WHEREAS EHA has also informed the Resident Advisory Board (RAB) of its plan to dispose of the Scattered Sites within the context of the 2016-17 Annual Plan but received no specific comments from the RAB regarding this planned course of action.

NOW THEREFORE BE IT RESOLVED by the Housing Authority of the City of Everett:

Section 1: The submittal of a Section 18 application to HUD for the disposition of the 44 Public Housing Scattered Sites, with an option to retain the three six bedroom units, and application for Tenant Protection Vouchers to tenants displaced by that action is hereby authorized.

Section 2: The Executive Director is delegated the authority to take all actions necessary to accomplish the foregoing including a request for Tenant Protection Vouchers subsequent to the approval of the disposition of the units.

Adopted by the Board of Commissioners of the Housing Authority of the City of Everett, Washington, this 26th day of March, 2018.


Chair, Board of Commissioners

3/26/18
Date

Attest:


Secretary

3-26-18
Date



OFFICE OF THE MAYOR

Cassie Franklin

March 22, 2018

Mr. Ashley Lommers-Johnson
Executive Director, Everett Housing Authority
3170 Colby Avenue, Everett, WA 98201

Re: Scattered Sites Disposition

Dear Ashley:

Thank you for sharing your proposed disposition plans for the Everett Housing Authority Scattered Sites properties. I concur with the Everett Housing Authority's goal to replace all public housing units that are not viable to ensure that the City of Everett can continue to serve our neediest households. I also applaud EHA's efforts to enhance our neighborhoods and guard against deteriorating properties.

These homes have been and continue to be a valuable resource to low-income households in Everett. However, I understand these units will continue to deteriorate as a result of underinvestment in necessary capital improvements. I am in agreement with your proposed plan to dispose of these units and to replace them initially with tenant-based vouchers and over the medium-term replace them one for one with "hard" units of affordable housing subsidized through the PBV program.

On June 18, 2015, at a quarterly joint meeting to discuss EHA and efforts to address Everett's affordable housing needs, you consulted with City staff about your plans to propose disposition of the Scattered Sites properties. You also met with City staff on May 26, 2016 to discuss the types of units that will be disposed of. These actions align with the City's overall consolidated plan and the City is particularly interested in what the disposition and future replacement housing will bring.

The City of Everett has completed the Phase I Environmental Review for the Scattered Sites properties. This, we understand, is a requirement for the Section 18 disposition application.

I commend you for the preservation work that you completed under the Rental Assistance Demonstration and look forward to EHA addressing the long-term needs of its affordable housing stock. Please keep us updated on the progress of your efforts at our quarterly meetings and as needed.

Sincerely,

A handwritten signature in dark ink, appearing to be "Cassie Franklin", written over a horizontal line.

Cassie Franklin
Mayor

Section 3, Line 4**Consultation with Appropriate Government Officials**

Everett Housing Authority's 44 proposed Scattered Sites public housing units are located in the City of Everett. Consultation with the Mayor and City Managers began in June of 2015.

Below is a summary of the meeting dates and attendees:

Meeting Date	Appropriate Government Official in Attendance	City Managers or Directors in Attendance
6/04/15	Mayor Ray Stephenson	
6/18/15	Mayor Ray Stephenson	Paul Popelka, Ross Johnson, Dave Koenig, Pat McClean, Alan Giffen
7/24/15		Paul Popelka, Ross Johnson
7/24/15		Paul Popelka, Ross Johnson, Robert Tan
12/17/15	Mayor Ray Stephenson	Becky McCrary, Pat McClean, Allan Giffen, David Stalheim
1/28/16	Representatives of Washington's 2 nd District	Olivia Engle, Ann Seabott, Adam LeMieux, Joe Downes
5/05/16		Becky McCrary, David Hall
6/28/16	Mayor Ray Stephenson	Hil Kaman, David Hall, Julie Fraunhaultz, Allan Giffen, Bob Bolerjack
03/22/18	Mayor Cassie Franklin	Bob Bolerjack

During these initial meetings, Everett Housing Authority Executive staff discussed plans to submit a Section 18 disposition application for proposed disposition of all 44 of the Scattered Sites units. Staff explained that the capital needs of the Scattered Sites units over the next 20 years is over \$7 million and the projected funds to cover capital needs over that same time period is approximately only \$800, 000. EHA is concerned that future funding cuts will further reduce capital funds. Another consideration was discussed in that the Scattered Sites would be the only remaining public housing project, after disposition of the Baker Heights site. Administrative costs could no longer be spread to other public housing projects, resulting in annual operating deficits for these remaining units. Everett Housing Authority also summarized the resident relocation process and plans to request Tenant Protection Vouchers for each Scattered Site

household. The City of Everett agreed to accept the role of responsible entity for the required environmental review.

Everett Housing Authority Executive staff also outlined a comprehensive replacement housing plan that will put affordable units back into the community after the Scattered Sites units are sold. That plan is illustrated in the Section 18 Certification and includes the following elements that were shared with the Mayor's staff:

- Dispose of the 44 units at fair market value.
- Dispose of the three six-bedroom units to an EHA-related entity to ensure their availability to large households who need subsidized housing.
- Obtain Tenant Protection Vouchers to relocate virtually all current residents and to allow residents of the six-bedroom units to lease in place.
- Replace all units disposed of as follows:
 - Acquire and renovate a multifamily property to serve as replacement units through 4% tax credit acquisition/rehab financing.
 - Convert an existing management office at a Rental Assistance Demonstration (RAD) property (Grandview) into two dwelling units as replacement housing.
 - Project-base at least a total of 44 tenant-based vouchers as follows:
 - 3 in the three six-bedroom Scattered Sites units
 - 2 at Grandview
 - Balance in acquired property.

The proposed use of net proceeds from the Sale of the Scattered Sites units was also discussed with the Mayor's staff and is outlined in the Section 18 Certification.

Mayor Cassie Franklin of the City of Everett has submitted a letter in support of disposition activity at the Scattered Sites units.

Questions and comments from government officials:

The City of Everett Mayor's office expressed its support of Everett Housing Authority's plan and seemed to understand the need for action. Two primary concerns were raised – one involving the strategy for relocating residents and the other as to whether or not there will be enough available housing when it comes time move the residents out of their units.

Everett Housing Authority staff explained that all Scattered Sites residents would be eligible to receive a Tenant Protection Voucher, enabling rental assistance to remain in tact during their transition out of public housing, and for as long as the household remains eligible for the rental assistance. It was also conveyed that Everett Housing

Authority would ensure residents receive assistance, per Section 18 requirements, with moving and relocation expenses. In addition, Everett Housing Authority staff will have dedicated relocation staff that will personally assist residents with their housing searches. Assistance may be provided in the form of transportation to view available units, facilitating communication with prospective landlords, household budgeting, and connecting residents to additional tools and resources.

The mayor's staff also asked about the timeframe for HUD to make a determination and for relocation to begin. Everett Housing Authority Executive staff explained that the standard review period is about 100 days.

In 2018, the City of Everett experienced a change in administration, electing new Mayor, Cassie Franklin. On 03/22/18, Director of Governmental Affairs, Bob Bolerjack, met with Mayor Franklin to brief her on EHA's proposed disposition of the 44 Scattered Sites units. Mayor Franklin expressed that she is in favor of the disposition and has provided EHA with a letter of support.

An important message that was shared by Everett Housing Authority during these meetings is the confidence that there will be enough replacement housing available for Scattered Sites households during the relocation process. Within a seven-month period (between July 2015 and January 2016) 170 new voucher holders leased units in and around Everett. These successful lease signings occurred despite a very tight rental market and a large number of participants experiencing the barrier of homelessness. Everett Housing Authority anticipates similar success with Scattered Sites residents who will either relocate to rental units within the private market, or, if qualified, purchase one of the Scattered Sites units. In addition, Everett Housing Authority has a current housing inventory of roughly 1700 units and will have an 18-month period in which to relocate 44 households.

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Form HUD-52860 Supporting Documents Quality Checklist

Submission

Field Office HA: **WA006 Everett Housing Authority**

Application: **DDA0007816**

Development: **WA006000500 EVERETT WA**

Application Status

Application Type: **Disposition** Processor: **SAC-Chicago**

Reviewer: **Sunny Grover**

Application Status: **Under Review** Status Date: **11/06/2016**

Section 4: Description of Property

1. Development Name: **EVERETT WA** 2. Development Number: **WA006000500**
3. Date of Full Availability: **9/14/1992** 4. No. of Residential Buildings: **29**
5. No. of Non-Residential Buildings: **0** 6. Date Constructed: **9/30/1983**
7. Scattered Site: **Y**
8. Single Family Houses: Duplexes:
3-Plexes: 4-Plexes:
Other:
9. Row House: **30** Walk-Up: **0**
High Rise: **0**
10. Total Acres of the Development: **4.88**

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11. Existing Unit Distribution

	General Occupancy	Elderly/Disabled Units	Total Units Being Used for Non- Dwelling Purposes	Merged Units	Total Existing Units	Approved Units yet to be Removed	Total Adjusted Units
0 Bdrm	0	0	0	0	0	0	0
1 Bdrm	0	0	0	0	0	0	0
2 Bdrms	2	0	0	0	2	0	2
3 Bdrms	33	0	0	0	33	0	33
4 or more Bdrms	9	0	0	0	9	0	9
Total	44	0	0	0	44	0	44



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Form HUD-52860 Supporting Documents Quality Checklist Submission

Field Office HA: WA006 Everett Housing Authority

Application: DDA0007816

Development: WA006000500 EVERETT WA

Application Status

Application Type: Disposition

Processor: SAC-Chicago

Reviewer: Sunny Grover

Application Status: Under Review

Status Date: 11/06/2016

Section 5: Description of Proposed Removal Action

1. Proposed Action By Building Type

Calendar Year:

Available Buildings :

(Building Number\Building Number
Entrance\Address Line1 Text)

Proposed Buildings :

(Building Number\Building Number
Entrance\Address Line1 Text)

5501 \1 \2220 PINE ST / 2016
5502 \1 \2030 JACKSON ST / 2016
5503 \1 \4632 COLLEGE AVE / 2016
5504 \1 \727 60TH ST SW / 2016

indicates Non Dwelling Building Structures

2. Proposed Action By Unit Designation

Select the building number(s): No Building Info

Select

* - indicates the building has units that are assigned in this application.

@ - indicates the building is proposed in this application.

No Units Information Found

Available Units :

(Unit Number\Unit Designation\Bedroom Count)

Proposed Units :

(Unit Number\Unit Designation\Bedroom Count)

3. Proposed Action for Non Residential Inventory

A. Acres included in Proposed Disposition

Calendar Year: 2018

Number of Acres : 4.88

B. Buildings included in Proposed Disposition

Calendar Year : Number of Non-Dwelling Buildings without PIC building numbers :

4.

Intentionally deleted to conform to HUD-52860

5. If the proposed action involves a partial removal of a Development, a site map is required
Attach a copy of the site map and reference it as Section 5, line 5

6. If the proposed action involves a partial removal of a development, attach a description of the

property to be removed along with a narrative explaining why the PHA is proposing to remove this portion of the development and if disposition is for vacant land, attach the legal description of each parcel of vacant land. Reference this attachment as Section 5, line 6

7. Which of the following describe the proposed disposition? (Check that which applies)

- ☒ A. Disposition at Fair Market Value (FMV)
☐ B. Disposition at less than Fair Market Value (e.g. donation)
☐ C. Disposition which includes an exchange of property

If B and/or C are checked, provide a justification and reference it as Section 5, line 7.

8. What is the value of the property subject to disposition:

\$ 11865000.00

Attach evidence verifying the value (e.g. executive summary of the appraisal) and reference it as Section 5, line 8

9. Was an appraiser used to determine the value of the property listed at Number 8?

Yes

If so, name of appraiser who conducted the appraisal:

EMG

Date of appraisal:

01/22/2018

10. Calculation of Net Proceeds

Estimated Sales Price **\$11865000.00** - Debt \$ - Cost & Fees **\$2158193.00** = Estimated Net Proceeds **\$9,706,807.00**

Attach an itemization of costs and fees (including relocation, moving, and counseling costs) to be paid out of gross proceeds and reference it as Section 5, line 10

11. How will the Net Proceeds be used?

Attach a narrative providing details concerning the use of Net Proceeds and reference it as Section 5, line 11

12. What is the estimated cost of demolition?

(Include professional fees, hazardous waste removal, building and site improvement, demolition costs, and seeding and sodding of land. Do not include relocation costs or site improvements such as landscaping, playground, retaining walls, streets, sidewalks, etc.)

(a) \$

(b) Indicate the source of funds:

- ☐ Operating Funds for FY
☐ CFP Funds for FY
☐ CDBG Funds
☐ Other

If Other, attach a narrative explaining how the PHA will fund the demolition and reference it as Section 5, line 12

13. General Timetable: The HA is to provide a brief timetable based on the number of days after approval of the application that the following major actions will occur:

- A. Begin relocation of residents **180** B. Complete relocation of residents **540**
C. Execution of contract for removal (e.g. sales contract or **630** D. Actual Removal Action (e.g. demolition or sale closing) **660**
demolition contract)

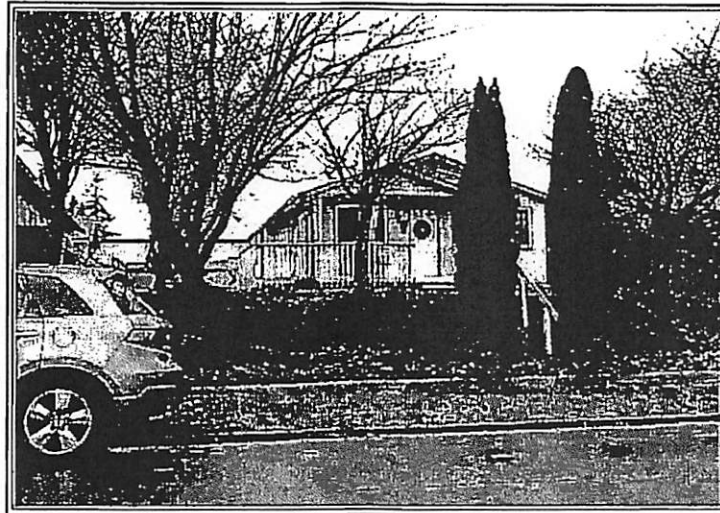
2017/2018	Current FILE #	Prior FILE #	ADDRESS	2016 Appraised Value	2017/18 Appraised Value
118661.16R000-014.170	17-3476	16-3186	2220 Pine St, Everett WA 98201	\$200,000	\$270,000
118661.16R000-015.170	17-3475	16-3187	2030 Jackson Ave Everett WA 98203	\$230,000	\$290,000
118661.16R000-016.170	17-3474	16-3188	4632 College Ave, Everett WA 98201	\$228,000	\$290,000
118661.16R000-017.170	17-3482	16-3189	1816 Cedar St, Everett WA 98201	\$245,000	\$310,000
118661.16R000-018.170	17-3481	16-3190	2007 105th Pl SE, Everett WA 98208	\$340,000	\$410,000
118661.16R000-019.170	17-3480	16-3191	302 76th Pl SW, Everett WA 98203	\$255,000	\$325,000
118661.16R000-020.170	17-3479	16-3192	1513 Virginia Ave, Everett WA 98201	\$205,000	\$275,000
118661.16R000-021.170	17-3478	16-3193	1620 Rainier Ave, Everett WA 98201	\$215,000	\$280,000
118661.16R000-022.170	17-3477	16-3194	9305 3rd Pl SE, Everett WA 98208	\$235,000	\$315,000
118661.16R000-023.170	17-3486	16-3195	6514 Fleming St, Everett WA 98203	\$232,000	\$305,000
118661.16R000-024.170	17-3485	16-3196	6608 Cady Rd, Everett WA 98203	\$260,000	\$320,000
118661.16R000-025.170	17-3501	16-3197	712 60th St SW #AB, Everett WA 98203	\$370,000	\$475,000
118661.16R000-026.170	17-3502	16-3198	727 60th St SW #AB, Everett WA 98203	\$390,000	\$495,000
118661.16R000-027.170	17-3488	16-3199	728 60th St SW #AB, Everett WA 98203	\$400,000	\$490,000
118661.16R000-028.170	17-3484	16-3200	608 58th Pl SE #AB, Everett WA 98203	\$325,000	\$465,000
118661.16R000-029.170	17-3483	16-3201	614 58th Pl SE #AB, Everett WA 98203	\$335,000	\$465,000
118661.16R000-030.170	17-3489	16-3202	620 58th Pl SE #AB, Everett WA 98203	\$335,000	\$465,000
118661.16R000-031.170	17-3490	16-3203	623 58th Pl SE #AB, Everett WA 98203	\$325,000	\$460,000
118661.16R000-032.170	17-3487	16-3204	1907 Chestnut St, Everett WA 98201	\$300,000	\$380,000
118661.16R000-033.170	17-3491	16-3205	2028 Chestnut St, Everett WA 98201	\$336,000	\$445,000
118661.16R000-034.170	17-3492	16-3206	2032 Chestnut St, Everett WA 98201	\$336,000	\$445,000
118661.16R000-035.170	17-3493	16-3207	1203 103rd Pl SW Everett WA 98204	\$305,000	\$450,000
118661.16R000-036.170	17-3494	16-3208	1220 103rd Pl SW, Everett WA 98204	\$310,000	\$455,000
118661.16R000-037.170	17-3496	16-3209	1221 103rd Pl SW, Everett WA 98204	\$310,000	\$450,000
118661.16R000-038.170	17-3495	16-3210	13716 9th Ave W, Everett WA 98204	\$273,000	\$350,000
	17-3503	16-3211	13718 9th Ave W, Everett WA 98204	\$273,000	\$350,000
118661.16R000-039.170	17-3497	16-3212	6518 Fleming St, Everett WA 98203	\$365,000	\$480,000
118661.16R000-040.170	17-3498	16-3268	117 79th Pl SE, Everett WA 98203	\$385,000	\$475,000
118661.16R000-041.170	17-3500	16-3269	2504 Howard Ave, Everett WA 98203	\$375,000	\$440,000
118661.16R000-042.170	17-3499	16-3270	2510 Howard Ave, Everett WA 98203	\$375,000	\$440,000

Totals

\$9,068,000

\$11,865,000

APPRAISAL OF



LOCATED AT:

2220 Pine St
Everett, WA 98201

CLIENT:

Clampett Industries, LLC dba EMG
10461 Mill Run Circle, Suite 1100
Owings Mills, MD, 21117

AS OF:

January 5, 2018

BY:

David Connelly
American Home Appraisals

01/18/2018

Clampett Industries, LLC dba EMG
10481 Mill Run Circle, Suite 1100
Owings Mills, MD, 21117

File Number: 17-3476

In accordance with your request, I have appraised the real property at:

2220 Pine St
Everett, WA 98201

The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as improved.
The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the defined value of the property as of January 5, 2018 is:

\$270,000
Two Hundred Seventy Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions,
final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.

Sincerely,



David Connelly
American Home Appraisals
7433 SE 27th St, Mercer Island, WA 98040

Residential Appraisal Report

Fds No. 17-3476

The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.

PURPOSE
 Client Name/Intended User: **Clampett Industries, LLC dba EMG** E-mail: **lisheckel@emgcorp.com**
 Client Address: **10461 Mill Run Circle, Suite 1100** City: **Owings Mills** State: **MD** Zip: **21117**
 Appraiser/Intended User(s): The intended users of this report is the client listed above, additional intended users are Everett Housing Authority, the property owners and any mediation service or court of competent jurisdiction, and no other
 Intended Use: The intended use of this appraisal is to determine current Market Value. No other use is intended or authorized by the appraiser. The scope of this assignment is specific to the identified intended use.

SUBJECT
 Property Address: **2220 Pine St** City: **Everett** State: **WA** Zip: **98201**
 Owner or Public Record: **Housing Authority of Everett** County: **Snohomish**
 Legal Description: **Per Snohomish Co Assessor: Lots 9 & 10 Smyth Land Co S 1st Addition**
 Assessor's Parcel #: **005787-001-009-00** Tax Year: **2017** R.E. Taxes: **\$ 2586 (estimated)**
 Neighborhood Name: **North Everett** Map Reference: **TB 396 F2** Census Tract: **404.00**
 Property Rights Appraised: ☒ Fee Simple ☐ Leasehold ☐ Other (describe):

SALES HISTORY
 My research: ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.
 Prior Sale/Transfer: Date: **n/a** Price: **n/a** Source(s): **Snohomish County Public Records and Realist**
 Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable): There have been no sales or transfer of interest in the previous three years per NWMLS and Snohomish County public records for the Subject. There have been no prior sales in past 3 years for the comparable sales unless noted.

NEIGHBORHOOD
 Offerings, options and contracts as of the effective date of the appraisal: **No offerings, options and or contracts were noted or were brought to the attention of the appraisers as of the effective date of this appraisal.**

Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing		Present Land Use %		
Location	<input checked="" type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	65 %	
Build-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input checked="" type="checkbox"/> Shortage	<input type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$1000	(yr)	2-4 Unit	10 %	
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths	<input type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	130	Low	Multi-Family	10 %	
Neighborhood Boundaries	Neighborhood is bordered by Puget Sound to the west, the Snohomish River to the north and east and Pacific Ave to the South.							2,300	Hgh	120	Commercial	10 %
Neighborhood Description	See Addendum							375	Prec.	90	Other Public	5 %

Market Conditions (including support for the above conclusions): **See Addendum**

SITE
 Dimensions: **60ft x 120ft** Area: **6,088sf per Sno Co** Shape: **Rectangular** View: **None**
 Specific Zoning Classification: **R2 City of Everett** Single Family **5000sf Minimum lot size**
 Zoning Compliance: ☒ Legal ☐ Legal Nonsupporting (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe):
 Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No If No, describe: _____

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street	asphalt	<input checked="" type="checkbox"/>
Gas	<input checked="" type="checkbox"/>		Sanitary Sewer	<input checked="" type="checkbox"/>	Access	Gravel	<input checked="" type="checkbox"/>

See Comments: **See Addendum**

IMPROVEMENTS

GENERAL DESCRIPTION			FOUNDATION		EXTERIOR DESCRIPTION		INTERIOR	
Units	<input checked="" type="checkbox"/> One	<input type="checkbox"/> One w/Ann. con	<input type="checkbox"/> Concrete Slab	<input checked="" type="checkbox"/> Crawl Space	Foundation Walls	Concrete	Floors	WW Vinyl
# of Stories	1		<input type="checkbox"/> Full Basement	<input type="checkbox"/> Partial Basement	Exterior Walls	T-111 plywood	Walls	DryWall
Type	<input checked="" type="checkbox"/> Det.	<input type="checkbox"/> Att.	Basement Area	n/a sq. ft.	Rear Surface	CompShingle	Trim/Finish	Wood
<input checked="" type="checkbox"/> Existing	<input type="checkbox"/> Proposed	<input type="checkbox"/> Under Const.	Basement Finish	%	Gutters & Downspouts	Alum	Bas Floor	Vinyl
Design (Style)	Rambler		<input type="checkbox"/> Outside Entry/Exit	<input type="checkbox"/> Sump Pump	Window Type	Vinyl Frm	Bas Windows	Laminate
Year Bld	1988				Storm Sash/Insulation	Insulated	Car Storage	None
Effective Age (Yrs)	15				Screens	Yes	<input checked="" type="checkbox"/> Driveway	# of Cars 1
Asse	<input checked="" type="checkbox"/> None		Heating	FWA <input type="checkbox"/> HW <input checked="" type="checkbox"/> Radiators	Awnings		WashStove(s) #	Driveway Surface
<input type="checkbox"/> Drop Slat	<input type="checkbox"/> Slat		<input checked="" type="checkbox"/> Outer Wall	Full Electric	Freeze(s) #	<input checked="" type="checkbox"/> Fence	Garage	# of Cars
<input type="checkbox"/> Finer	<input checked="" type="checkbox"/> Slat		Ceiling	Control Air Conditioning	Paint/Door	<input checked="" type="checkbox"/> Porch	Carport	# of Cars
<input type="checkbox"/> Finished	<input type="checkbox"/> Hatched		<input type="checkbox"/> Insulated	Other	Paint	Other	Att.	Det.
Appliances	<input type="checkbox"/> Refrigerator	<input checked="" type="checkbox"/> Range/Oven	<input checked="" type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Disposal	Microwave	<input type="checkbox"/> Wash/Dryer	Other (describe)	
Finished area ABOVE grade contains:	8 Rooms		3 Bedrooms		1 Bath(s)		884 Square Feet of Gross Living Area Above Grade	
Additional Features	See Addendum							
Comments on the Improvements: See Addendum								

Residential Appraisal Report

Form No. 17-3476

FEATURE	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
2220 Pine St		3015 24th St	1620 Pine St	1515 Fulton St
Address	Everett	Everett, WA 98201	Everett, WA 98201	Everett WA 98201
Proximity to Subject		0.16 miles SE	0.54 miles NE	0.85 miles NW
Sale Price	\$	\$ 275,000	\$ 265,000	\$ 330,000
Sale Price/Gross Lst. Area	\$ 0.00 sq. ft.	\$ 238.72 sq. ft.	\$ 276.04 sq. ft.	\$ 282.53 sq. ft.
Data Source(s)		MLS #1148997	MLS #1140339	MLS #1192134
Vendor Source(s)		Snohomish Co Rec, Realist	Snohomish Co Rec, Realist	Snohomish Co Rec, Realist
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sale or Financing	None/Noted/Cvn	Yes/ VA	-2,650	Yes/Cvn
Concessions	07/2017 omd	08/2017 omd	9,100	10/2017 omd
Date of Sale/Time	08/2017 Clsd	07/2017 Clsd		11/2017 Clsd
Location	North Everett	North Everett	North Everett	North Everett
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Size	6,098sf	3,049sf	17,000	6,098sf
View	None	None	None	None
Design (Style)	Rambler	Rambler	Rambler	Rambler
Quality of Construction	Average	Average	Average	Average
Actual Age	1988 built	1979 built	-0-	1993 built
Condition	Average	Average	-0-	Average
Above Grade	Total Below	Total Below	-0-	Total Below
Room Count	6 3 1	6 3 1	-0-	6 3 2
Gross Living Area	984 sq. ft.	1,152 sq. ft.	-15,000	960 sq. ft.
Basement & Finished	N/A	N/A	N/A	N/A
Recessed Below Grade				
Functional Utility	Average	Average	Average	Average
Heating/Cooling	Elec Wall Unit/BB	FWA	-0-	FWA
Energy Efficient home	Double pane	Double pane	-0-	Double pane
Garage/Carport	No Covered Pkg	No Cvd Parking	-0-	2 Car Garage
Porch/Patio/Deck	Deck	Porch, Deck	-0-	Porch, Deck
Net Adjustments (Total)		[X] + [] - \$ 9,800	[X] + [] - \$ 6,450	[] + [X] - \$ 67,300
Adjusted Sale Price of Comparables		Net Adj. 3.6% \$ 284,800	Net Adj. 2.4% \$ 271,450	Net Adj. -20.4% \$ 262,700
Summary of Sales Comparison Approach See Addendum				
Indicated Value by Sales Comparison Approach \$ 270,000				
COST APPROACH TO VALUE				
See Value Comments See Addendum				
ESTIMATED [] REPRODUCTION OR [X] REPLACEMENT COST NEW				
Source of cost data BuildingCost.net and Craftsman Book Company				
Quality rating from most sources Avg Effective date of cost data 2017				
Comments on Cost Approach (gross living area calculations, depreciation, etc.)				
Remaining economic life is 53 years. Cost figures have been obtained from BuildingCost.net and Craftsman Book Company.				
Average quality construction and from operative local builders.				
Estimated Site Value based on land sales see addendum				
See attached floor plan sketch for soft area calculations.				
Site Improvements include: grading, utilities.				
INDICATED VALUE BY COST APPROACH \$ 273,400				
INCOME APPROACH TO VALUE				
Estimated Monthly Market Rent \$ n/a X Gross Rent Multiplier = \$ 0 Indicated Value by Income Approach				
Summary of Income Approach (including support for market rent and GRM) See Addendum				
Methods and techniques employed: [X] Sales Comparison Approach [X] Cost Approach [] Income Approach [] Other:				
Discussion of methods and techniques employed, including reason for conducting an approach to value: See Addendum				
Reconciliation comments: See Addendum				
Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report as of 01/05/2018, which is the effective date of this appraisal, is:				
[X] Single point \$ 270,000 [] Range \$ to \$ [] Greater than [] Less than \$				
This appraisal is made [] "as is," [] subject to compliance per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, [] subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed [X] subject to the following:				
See Attached Scope of Work				

File No. 17-3478

SALES COMPARISON APPROACH:

Scope of Work, Assumptions and Limiting Conditions

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as "the type and extent of research and analyses in an assignment." In short, scope of work is simply what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

The scope of this appraisal and ensuing discussion in this report are specific to the needs of the client, other identified intended users and to the intended use of the report. This report was prepared for the sole and exclusive use of the client and other identified intended users for the identified intended use and its use by any other parties is prohibited. The appraiser is not responsible for unauthorized use of the report.

The appraiser's certification appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraiser in the report. All extraordinary assumptions and hypothetical conditions are stated in the report and might have affected the assignment results.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
 2. Any sketch in the report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.
 3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.
 4. Neither all, nor any part of the contents of this report, copy or other media thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.
 5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.
 6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.
 7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subject, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such factors. This appraisal is not an environmental assessment of the property and should not be considered as such.
 8. The appraiser specializes in the valuation of real property and is not a home inspector, building contractor, structural engineer, or similar "expert", unless otherwise noted. The appraiser did not conduct the intensive type of field observations of the land intended to seek and discover property defects. The viewing of the property and any improvements is for purposes of developing an opinion of the defined value of the property, given the intended use of this assignment. Statements regarding condition are based on surface observations only. The appraiser claims no special expertise regarding issues including, but not limited to, foundation settlement, basement moisture problems, wood destroying (or other) insects, pest infestation, radon gas, lead based paint, mold or environmental issues. Unless otherwise indicated, mechanical systems were not activated or tested.
- This appraisal report should not be used to disclose the condition of the property as it relates to the presence/absence of defects. The client is invited and encouraged to employ qualified experts to inspect and address areas of concern. If negative conditions are discovered, the opinion of value may be affected.
- Unless otherwise noted, the appraiser assumes the components that constitute the subject property improvement(s) are fundamentally sound and in working order.
- Any viewing of the property by the appraiser was limited to readily observable areas. Unless otherwise noted, attic and crawl space areas were not accessed. The appraiser did not move furniture, floor coverings or other items that may restrict the viewing of the property.
9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alterations are based on the assumption that such completion, alteration or repairs will be competently performed.
 10. Unless the intended use of this appraisal specifically includes issues of property insurance coverage, this appraisal should not be used for such purpose. Reproduction or Replacement cost figures used in the cost approach are for valuation purposes only, given the intended use of the assignment. The Definition of Value used in this assignment is unlikely to be consistent with the definition of Insurable Value for property insurance coverage.
 11. The ACI General Purpose Appraisal Report (GPAPSM) is not intended for use in transactions that require a Fannie Mae 1004/Freddie Mac 70 form, also known as the Uniform Residential Appraisal Report (URAR).

Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions

The subject property has been appraised as of January 5, 2018.

Final appraiser's opinion of value reflects:

- 12) USPAP disclosure: I have personally appraised this property within the past 3 years for the client. The subject property sketch measurements and interior photos included within this appraisal assignment were obtained from the previous March 3 2016 appraisal.
- 13) This is an Exterior only appraisal. No current interior inspection was completed for this assignment. All subject data and interior photos were obtained from previous 2016 interior inspection of the subject property.
- 14) The Client has direct the appraised value to reflect average condition regardless of the actual condition for the purposes of this appraisal.
- 15) The appraiser makes the assumption that the subject property is currently rented at market value.
- 16) The appraiser makes the assumption that there is no observable or un-observable deferred maintenance that would result in an adverse market reaction.
- 17) The appraiser makes the Assumptions that the improvements are in average condition.
- 18) The appraiser makes the assumption that the improvements are compliant with all current jurisdictional smoke alarm and electrical codes.
- 19) The appraiser makes the assumption that there are no interior and or exterior health hazards.

Residential Appraisal Report

Form No. 17-3476

Appraiser's Certification

The appraiser(s) certifies that, to the best of the appraiser's knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise stated, the appraiser has no present or prospective interest in the property that is the subject of this report and has no personal interest with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's 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.
7. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Unless otherwise noted, the appraiser has made a personal inspection of the property that is the subject of this report.
9. Unless noted below, no one provided significant real property appraisal assistance to the appraiser signing this certification. Significant real property appraisal assistance provided by:

Additional Certifications:

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.

Definition of Value: ☒ Market Value ☐ Other Value: _____

Source of Definition: "The Appraisal of Real Estate" 14th Edition, Appraisal Institute, Chicago, IL.

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

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

ADDRESS OF THE PROPERTY APPRAISED:

2220 Pine St

Everett, WA 98201

EFFECTIVE DATE OF THE APPRAISAL: 01/05/2018

APPRAISED VALUE OF THE SUBJECT PROPERTY \$ 270,000

APPRAISER

Signature: David R. Connelly
 Name: David Connelly
 Company Name: American Home Appraisals
 Company Address: 7433 SE 27th St
Mercer Island, WA 98040
 Telephone Number: 206-236-3037
 Email Address: david@AmericanAppraisals.com
 State Certification #: 1700768
 or License #: _____
 or Other (specify): _____ State #: _____
 State: WA
 Expiration Date of Certification or License: 11/17/2018
 Date of Signature and Report: 01/18/2018
 Date of Property Viewing: 01/05/2018
 Degree of property viewing:
☐ Interior and Exterior ☒ Exterior Only ☐ Did not personally view

SUPERVISORY APPRAISER

Signature: _____
 Name: _____
 Company Name: _____
 Company Address: _____
 Telephone Number: _____
 Email Address: _____
 State Certification #: _____
 or License #: _____
 State: _____
 Expiration Date of Certification or License: _____
 Date of Signature: _____
 Date of Property Viewing: _____
 Degree of property viewing:
☐ Interior and Exterior ☐ Exterior Only ☐ Did not personally view

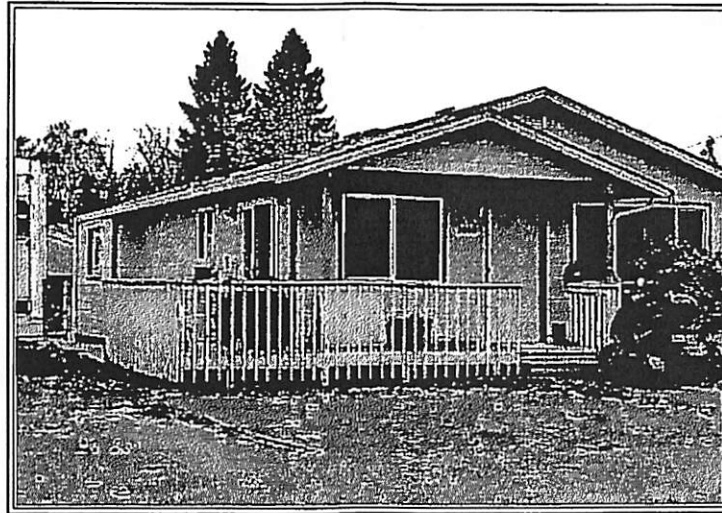


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 Page 4 of 4

American Home Appraisals

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 (FAR) General Purpose Appraisal Report 32017
 APPRAISAL 17 000768

APPRAISAL OF



LOCATED AT:

2030 Jackson Ave
Everett, WA 98203

CLIENT:

Clampett Industries, LLC dba EMG
10461 Mill Run Circle, Suite 1100
Owings Mills, MD, 21117

AS OF:

January 18, 2018

BY:

David Connelly
American Home Appraisals

01/18/2018

Clampett Industries, LLC dba EMG
10481 Mill Run Circle, Suite 1100
Owings Mills, MD, 21117

File Number: 17-3475

In accordance with your request, I have appraised the real property at:

2030 Jackson Ave
Everett, WA 98203

The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as improved.
The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the defined value of the property as of January 18, 2018 is:

\$290,000
Two Hundred Ninety Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions,
final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.

Sincerely,



David Connelly
American Home Appraisals
7433 SE 27th St, Mercer Island, WA 98040

Residential Appraisal Report

File No. 17-3475

The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.

PURPOSE
 Client Name/Intended User: Clampett Industries, LLC dba EMG Email: usheckel@emgcorp.com
 Case Address: 10481 Mill Run Circle, Suite 1100 City: Owings Mills State: MD Zip: 21117
 Appraiser's Intended Use(s): The intended users of this report is the client listed above, additional intended users are the Everett Housing Authority, the property owners and any mediation service or court of competent jurisdiction, and no other
 Authority: The intended use of this appraisal is to determine current Market Value. No other use is intended or authorized by the appraiser. The scope of this assignment is specific to the identified intended use.
 Property Address: 2030 Jackson Ave City: Everett State: WA Zip: 98203
 Owner of Property: Everett Housing Authority of Everett County: Snohomish
 Legal Description: Per Snohomish Co Assessor: Block 34, Lots 11 & 12, Pinehurst Div B
 Assessor's Parcel #: 005450-034-011-00 Tax Year: 2017 R.E. Taxes: \$ 2518/estimated
 Neighborhood Name: Pinehurst Map Reference: TB 416 E3 Census Tract: 414.00
 Property Rights Appraised: ☒ Fee Simple ☐ Leasehold ☐ Other (describe):
 My research: ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.
 Prior Sale/Transfer: Date: N/A Price: N/A Source(s): Snohomish County Public Records and Realist
 Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable): There have been no sales or transfer of interest in the previous three years per NWMLS and Snohomish County public records for the Subject. There have been no prior sales in past 3 years for the comparable sales unless noted.

SALES HISTORY
 Offerings, options and contracts as of the effective date of the appraisal: No offerings, options and or contracts were noted or were brought to the attention of the appraisers as of the effective date of this appraisal.

NEIGHBORHOOD

Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing		Present Land Use %	
Location	Urban	Suburban	Rural	Property Values	Increasing	Stable	Declining	PRICE	AGE	One-Unit	%
Build-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input checked="" type="checkbox"/> Shortage	<input type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	10 %
Growth	<input checked="" type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths	<input type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	130 Low	0	Multi-Family	10 %
Neighborhood Boundaries	Neighborhood is bordered by Hwy 528 to the south, Evergreen Way to the west, 41st St to the north and Interstate 5 to the east.							2,300 Hghn	120	Commercial	10 %
Neighborhood Description	See Addendum							375 Pctn	90	Owner Public	5 %

 Market Conditions (including support for the above conclusions): See Addendum

SITE
 Dimensions: 50ft x 87+-ft Area: 4,358sf per Sno Co Shape: Rectangular View: None
 Specific Zoning Classification: R2 City of Everett Zoning Description: Single Family 5000sf Minimum lot size
 Zoning Compliance: ☐ Legal ☒ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe):
 Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No If No, describe: _____

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street asphalt	<input checked="" type="checkbox"/>	
Gas	<input checked="" type="checkbox"/>		Sanitary Sewer	<input checked="" type="checkbox"/>	Any none		

 Site Comments: See Addendum

IMPROVEMENTS

GENERAL DESCRIPTION				FOUNDATION		EXTERIOR DESCRIPTION		INTERIOR		
Units	<input checked="" type="checkbox"/> One	<input type="checkbox"/> Two	<input type="checkbox"/> Three	Concrete Slab	<input checked="" type="checkbox"/> Crawl Space	Foundation Walls	Concrete	Floors	WW/Vinyl	
# of Stories	<u>1</u>			Full Basement	<input type="checkbox"/> Partial Basement	Exterior Walls	Hd/Bd	Walls	DryWall	
Type	<input checked="" type="checkbox"/> Det.	<input type="checkbox"/> Att.	<input type="checkbox"/> S-Det/End Unit	Basement Area	<u>N/A sq. ft.</u>	Roof Surface	CompShingle	Tand/Floor	Wood	
<input checked="" type="checkbox"/> Existing	<input type="checkbox"/> Proposed	<input type="checkbox"/> Under Constr.	Basement Finish	<u>%</u>	Gutters & Downspouts	Alum	Bas Floor	Vinyl		
Design (Style)	<u>Rambler</u>		<input type="checkbox"/> Outside Entry/Exit	<input type="checkbox"/> Sump Pump	Window Type	<u>Vinyl Frm</u>	Both Windows	Fiberglass		
Year Built	<u>1989</u>				Storm Sash/Anchoring	<u>Insulated</u>	Car Storage	<u>None</u>		
Effective Age (Yrs)	<u>17</u>				Screens	<u>Yes</u>	<input checked="" type="checkbox"/> Driveway	# of Cars	<u>2</u>	
Asp	<input type="checkbox"/> None		Heating	<input type="checkbox"/> FWA	<input type="checkbox"/> HW	<input checked="" type="checkbox"/> Radiant	Amenities	Wash/Dryer	<input type="checkbox"/> Driveway Surface	<u>Gravel</u>
<input type="checkbox"/> Drop Slat	<input type="checkbox"/> Slat		<input checked="" type="checkbox"/> Outer Wall	<input type="checkbox"/> Full Electric		Fireplace(s) #	<input checked="" type="checkbox"/> Fan(s)	Garage	# of Cars	
Floor	<input checked="" type="checkbox"/> Slat		Cooling	<input type="checkbox"/> Central Air Conditioning		<input checked="" type="checkbox"/> Push/Down	<input checked="" type="checkbox"/> Push	Carport	# of Cars	
Finishing	<input type="checkbox"/> Hardwood		<input type="checkbox"/> Insulation	<input type="checkbox"/> Other		Pool	<input type="checkbox"/> Other	Att.	<input type="checkbox"/> Det.	<input type="checkbox"/> Bottom
Appliances	<input type="checkbox"/> Refrigerator	<input checked="" type="checkbox"/> Range/Oven	<input checked="" type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Disposal	<input type="checkbox"/> Microwave	<input type="checkbox"/> Wash/Dryer	<input type="checkbox"/> Other (describe):			
Finished area above grade contains:	<u>6 Rooms</u>		<u>3 Bedrooms</u>		<u>1 Bath(s)</u>		<u>984 Square Feet of Gross Living Area Above Grade</u>			
Additional Features	See Addendum									
Comments on the Improvements: See Addendum										

Residential Appraisal Report

Form No. 17-3475

FEATURE	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
2030 Jackson Ave Address: Everett		5331 Wetmore Ave Everett, WA 98203	2227 Monroe Avenue Everett, WA 98203	2108 Columbia Ave Everett, WA 98203
Proximity to Subject		1.08 miles NW	0.15 miles NE	0.16 miles NE
Sale Price	\$	\$ 349,000	\$ 314,500	\$ 280,000
Sale Price/Gross Lva Area	\$ 0.00 sq. ft.	\$ 287.01 sq. ft.	\$ 307.13 sq. ft.	\$ 307.02 sq. ft.
Data Source(s)		MLS #1123338	MLS #1158832	MLS #1118517
Verification Source(s)		Snohomish Co Rec, Realist	Snohomish Co Rec, Realist	Snohomish Co Rec, Realist
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sale or Financing		None/Noted/Cnv	Yes/Cvn	None/Noted/Cnv
Concessions		14,100	8,800	11,300
Date of Sale/Time		6/30/2017 Cisd	8/2017 Cisd	6/30/2017 Cisd
Location	Pinehurst	Laurel Heights	-0- Pinehurst	-0- Pinehurst
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Size	4,356sf	9,148sf	5,227sf	5,883sf
View	None	None	None	None
Design (Style)	Rambler	Rambler	Rambler	Rambler
Quality of Construction	Average	Average	Average	Average
Actual Age	1989 built	1976 built	-0- 1979 built	-0- 1989 built
Condition	Average	Remodeled	-23,000 Average	-0- Average
Above Grade	Total Below Above	Total Below Above	Total Below Above	Total Below Above
Room Count	6 3 1	7 3 1	-0- 6 3 1	-0- 7 3 1
Gross Living Area 88.00	984 sq. ft.	1,216 sq. ft.	-20,000 1,024 sq. ft.	0 912 sq. ft.
Basement & Finished	N/A	N/A	N/A	N/A
Recessed Below Grade				
Functional Utility	Average	Average	Average	Average
Heating/Cooling	Elec Wall Unit/BB	Elec Wall Heat	ElecBB	EBB
Energy Efficient Items	Double pane	Double pane	Double pane	Double pane
Garage/Carport	No Covered Pkg	Converted	-0- 1 Car Garage	-18,000 No Covered Pkg
Porches/Patio/Deck	Deck, Porch	Porch, Cvd Patio	-0- Porch, Deck	-0- Porch, Patio
Net Adjustments (Total)		\$ 54,900	\$ 18,300	\$ 10,300
Acquired Sale Price of Comparables		Net Adj. -15.7% Gross Adj. 23.8% \$ 294,100	Net Adj. -5.2% Gross Adj. 10.8% \$ 298,200	Net Adj. 3.7% Gross Adj. 8.7% \$ 290,300
Summary of Sales Comparison Approach See Addendum				
Indicated Value by Sales Comparison Approach \$ 290,000				
COST APPROACH TO VALUE				
See Value Comments See Addendum				
ESTIMATED REPRODUCTION OR REPLACEMENT COST NEW OPINION OF SITE VALUE \$ 130,000				
Source of cost data BuildingCost.net and Craftsman Book Company Dwellings 984 Sq. Ft. @ \$ 0				
Quality rating from cost service Avg Effective date of cost data 2017 Sq. Ft. @ \$ 0				
Comments on Cost Approach (gross living area adjustments, depreciation, etc.)				
Remaining economic life is 43 years. Cost figures have been obtained from BuildingCost.net and Craftsman Book Company.				
Average quality construction and from operative local builders.				
Estimated Site Value based on land sales see addendum				
See attached floor plan sketch for sqft area calculations.				
Site Improvements include: grading, utilities.				
Garage/Carport 0 Sq. Ft. @ \$ 0				
Total Estimated or Cost-Now \$ 138,827				
Less 70 Physical Functional Excesses				
Depreciation \$32,838 \$ (32,838)				
Depreciated Cost of Improvements \$ 103,989				
"As-is" Value of Site Improvements \$ 25,000				
INDICATED VALUE BY COST APPROACH \$ 259,000				
INCOME APPROACH TO VALUE				
Estimated Monthly Market Rent \$ n/a X Gross Rent Multiplier = \$ 0 Indicated Value by Income Approach				
Summary of Income Approach (including support for market rent and GRM) See Addendum				
Methods and techniques employed: [X] Sales Comparison Approach [X] Cost Approach [] Income Approach [] Other				
Discussion of methods and techniques employed, including reason for selecting an approach to value: See Addendum				
Reconciliation comments: See Addendum				
Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report as of 01/18/2018, which is the effective date of this appraisal, is:				
[X] Single point \$ 280,000 [] Range \$ to \$ [] Greater than [] Less than \$				
This appraisal is made [] "as is," [] subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, [] subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed [X] subject to the following:				
See Attached Scope of Work				

File No. 17-3475

gpar[™]
GENERAL PURPOSE ANTI-RETROVIRAL

Presented under ACI contract #03-274377
Antiretroviral Compounds

Trade Item Copyright © 2003-2013 ACI, a Fort Lauderdale Company, All Rights Reserved
(LPA[™]) General Purpose Antiretroviral Reagent 3/2/13
GPARSLAN 01 032715131

Scope of Work, Assumptions and Limiting Conditions

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as "the type and extent of research and analyses in an assignment." In short, scope of work is simply what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

The scope of this appraisal and ensuing discussion in this report are specific to the needs of the client, other identified intended users and to the intended use of the report. This report was prepared for the sole and exclusive use of the client and other identified intended users for the identified intended use and its use by any other parties is prohibited. The appraiser is not responsible for unauthorized use of the report.

The appraiser's certification appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraiser in the report. All extraordinary assumptions and hypothetical conditions are stated in the report and might have affected the assignment results.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in this report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.
3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.
4. Neither all, nor any part of the contents of this report, copy or other media thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purpose by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.
5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.
6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.
7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such features. This appraisal is not an environmental assessment of the property and should not be considered as such.
8. The appraiser specializes in the valuation of real property and is not a home inspector, building contractor, structural engineer, or similar "expert", unless otherwise noted. The appraiser did not conduct the intensive type of data observations of the area intended to seek and discover property defects. The viewing of the property and any improvements is for purposes of developing an opinion of the defined value of the property, given the intended use of this assignment. Statements regarding condition are based on surface observations only. The appraiser claims no special expertise regarding issues including, but not limited to: foundation settlement, basement moisture problems, wood destroying (or other) insects, pest infestation, radon gas, lead based paint, mold or environmental issues. Unless otherwise indicated, mechanical systems were not activated or tested.

This appraisal report should not be used to disclose the condition of the property as it relates to the presence/absence of defects. The client is invited and encouraged to employ qualified experts to inspect and address areas of concern. If negative conditions are discovered, the opinion of value may be affected.

Unless otherwise noted, the appraiser assumes the components that constitute the subject property improvement(s) are fundamentally sound and in working order.

Any viewing of the property by the appraiser was limited to readily observable areas. Unless otherwise noted, sites and ground space areas were not assessed. The appraiser did not move furniture, clear coverings or other items that may restrict the viewing of the property.

9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alteration are based on the assumption that such completion, alteration or repairs will be competently performed.
10. Unless the intended use of this appraisal specifically includes issues of property insurance coverage, this appraisal should not be used for such purposes. Reproduction or Replacement cost figures used in the cost approach are for valuation purposes only, given the intended use of the assignment. The Definition of Value used in this assignment is unlikely to be consistent with the definition of Insurable Value for property insurance coverage.
11. The ACI General Purpose Appraisal Report (GPAPTM) is not intended for use in transactions that require a Fannie Mae 1004/Freddie Mac 70 form, also known as the Uniform Residential Appraisal Report (URAR).

Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions

The subject property has been appraised as of January 5, 2018.

Final appraiser's opinion of value reflects:

- 12) USPAP disclosure: I have personally appraised this property within the past 3 years for the client. The subject property sketch measurements and interior photos included within this appraisal assignment were obtained from the previous March 3 2016 appraisal.
- 13) This is an Exterior only appraisal. No current interior inspection was completed for this assignment. All subject data and interior photos were obtained from previous 2018 Interior inspection of the subject property.
- 14) The Client has direct the appraised value to reflect average condition regardless of the actual condition for the purposes of this appraisal.
- 15) The appraiser makes the assumption that the subject property is currently rented at market value.
- 16) The appraiser makes the assumption that there is no observable or un-observable deferred maintenance that would result in an adverse market reaction.
- 17) The appraiser makes the Assumptions that the improvements are in average condition.
- 18) The appraiser makes the assumption that the improvements are compliant with all current jurisdictional smoke alarm and electrical codes.
- 19) The appraiser makes the assumption that there are no interior and or exterior health hazards.

Residential Appraisal Report

Form No. 17-3475

Appraiser's Certification

The appraiser(s) certifies that, to the best of the appraiser's knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise stated, the appraiser has no present or prospective interest in the property that is the subject of this report and has no personal interest with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's 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.
7. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Unless otherwise noted, the appraiser has made a personal inspection of the property that is the subject of this report.
9. Unless noted below, no one provided significant real property appraisal assistance to the appraiser signing this certification. Significant real property appraisal assistance provided by:

Additional Certifications:

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.

Definition of Value: ☒ Market Value ☐ Other Value: _____

Source of Definition: "The Appraisal of Real Estate" 14th Edition, Appraisal Institute, Chicago, IL

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

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

ADDRESS OF THE PROPERTY APPRAISED:

2030 Jackson Ave
Everett, WA 98203

EFFECTIVE DATE OF THE APPRAISAL: 01/18/2018

APPRAISED VALUE OF THE SUBJECT PROPERTY \$ 290,000

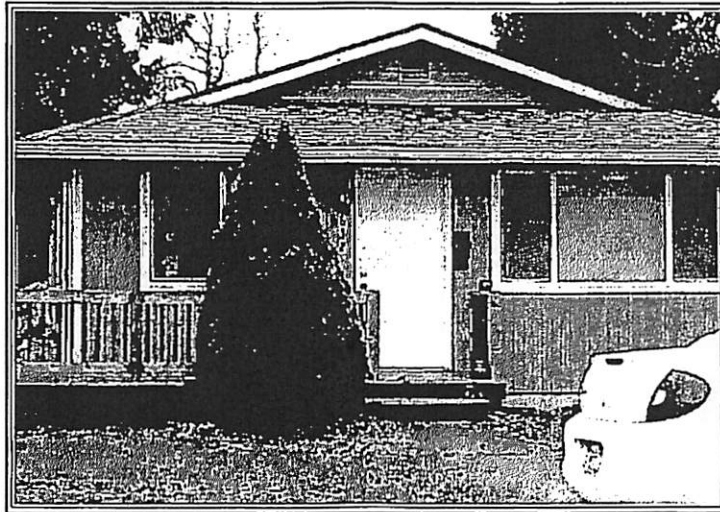
APPRAISER

Signature: David R. Connelly
Name: David Connelly
Company Name: American Home Appraisals
Company Address: 7433 SE 27th St
Mercer Island, WA 98040
Telephone Number: 206-238-3037
Email Address: david@AmericanAppraisals.com
State Certification #: 1700766
or License #: _____
or Other (specify): _____ State #: _____
State: WA
Expiration Date of Certification or License: 11/17/2018
Date of Signature and Report: 01/18/2018
Date of Property Viewing: 01/05/2018
Degree of property viewing:
☐ Interior and Exterior ☒ Exterior Only ☐ Did not personally view

SUPERVISORY APPRAISER

Signature: _____
Name: _____
Company Name: _____
Company Address: _____
Telephone Number: _____
Email Address: _____
State Certification #: _____
or License #: _____
State: _____
Expiration Date of Certification or License: _____
Date of Signature: _____
Date of Property Viewing: _____
Degree of property viewing:
☐ Interior and Exterior ☐ Exterior Only ☐ Did not personally view

APPRAISAL OF



LOCATED AT:

4632 College Ave
Everett, WA 98203

CLIENT:

Clampett Industries, LLC dba EMG
10461 Mill Run Circle, Suite 1100
Owings Mills, MD, 21117

AS OF:

January 5, 2018

BY:

David Connelly
American Home Appraisals

01/18/2018

Clampett Industries, LLC dba EMG
10461 Mill Run Circle, Suite 1100
Owings Mills, MD, 21117

File Number: 17-3474

In accordance with your request, I have appraised the real property at:

4632 College Ave
Everett, WA 98203

The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as improved.
The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the defined value of the property as of January 5, 2018 is:

\$290,000
Two Hundred Ninety Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions,
final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.

Sincerely,



David Connelly
American Home Appraisals
7433 SE 27th St, Mercer Island, WA 98040

Residential Appraisal Report

Fee No. 17-3474

The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.

Client Name/Intended User: Clampt Industries, LLC dba EMG **E-mail:** tsheckel@emgcorp.com

Client Address: 10461 Mill Run Circle, Suite 1100 **City:** Owings Mills **State:** MD **Zip:** 21117

Assessment Intended User(s): The intended users of this report is the client listed above, additional intended users are Everett Housing Authority, the property owners and any mediation service or court of competent jurisdiction, and no other

Intended Use: The intended use of this appraisal is to determine current Market Value. No other use is intended or authorized by the appraiser. The scope of this assignment is specific to the identified intended use.

Property Address: 4632 College Ave **City:** Everett **State:** WA **Zip:** 98203

Owner or Public Record: Housing Authority of Everett **County:** Snohomish

Legal Description: See attached appraisal Addendum for complete Legal per Snohomish County

Assessor's Parcel #: 004120-002-020-00 **Tax Year:** 2017 **R.E. Taxes:** \$ 2363/estimated

Neighborhood Name: Forest Park **Map Reference:** TB 398 C7 **Consent Fees:** 410.00

Property Rights Appraisal: ☒ Fee Simple ☐ Leasehold ☐ Other (describe)

My research: ☐ no ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Prior Sale/Transfer: **Date:** N/A **Price:** N/A **Source(s):** Snohomish County Public Records and Realist

Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable): There have been no sales or transfer of interest in the previous three years per NWMLS and Snohomish County public records for the Subject. There have be no prior sales in past 3 years for the comparable sales unless noted.

Offerings, options and contracts as of the effective date of the appraisal: No offerings, options and or contracts were noted or were brought to the attention of the appraisers as of the effective date of this appraisal.

Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing		Present Land Use	
Location	Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	%
Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input checked="" type="checkbox"/> Shortage	<input type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$ (000)	(yr)	2-4 Unit	10 %
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths	<input type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	130 Low	0	Mult-Family	10 %
Neighborhood Boundaries	Neighborhood is bordered by Mukilteo Blvd to the north, the Evergreen Way to the east, Madison St to the south and Glenwood Ave to the west.							2,300 Hgn	120	Commercial	10 %
Neighborhood Description	See Addendum							375 Front	90	Other Public	5 %

Market Conditions (including support for the above conclusions): See Addendum

Dimensions: 40 x 128.90R **Area:** 5,158sf per Sno Co **Shape:** Rectangular **View:** None

Specific Zoning Classification: R1 City of Everett **Zoning Description:** Single Family 6000sf Minimum lot size

Zoning Compliance: ☐ Legal ☒ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No If No, describe: _____

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street asphalt	<input checked="" type="checkbox"/>	
Gas	<input checked="" type="checkbox"/>		Sewer	<input checked="" type="checkbox"/>	Any none		

See Comments: See Addendum

GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION materials		INTERIOR materials	
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One w/Ann. <input type="checkbox"/>		<input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Craw Space		Foundation Walls Concrete	Floors WW, Vinyl		
# of Stories 1		<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement		Exterior Walls T-111 Plywood	Walls DryWall		
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Am. <input type="checkbox"/> S-Det/Ene Unit		Basement Area n/a sq. ft.		Rear Surface CompShingle	Trim/Ftrim Wood		
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.		Basement Finish %		Gutters & Downspouts Alum	Bath Floor Vinyl		
Design (Style) Rambler		<input type="checkbox"/> Outside Entry/Eas <input type="checkbox"/> Sump Pump		Window Type Vinyl Frm	Bath Windows Fiberglass		
Year Built 1989				Storm Sash/Insulated Insulated	Car Storage None		
Effective Age (Yrs) 14				Screened Yes	<input checked="" type="checkbox"/> Driveway # of Cars 1		
Asps <input type="checkbox"/> None		Heating FWA <input type="checkbox"/> HW <input checked="" type="checkbox"/> Radiant		Amenities	Wood Stove(s) #	Driveway Surface gravel	
<input type="checkbox"/> Drop Stry <input type="checkbox"/> Stairs		<input checked="" type="checkbox"/> Outer Wall <input type="checkbox"/> First Electric		Fireplace(s) #	Fence	Garage # of Cars	
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Stairs		Cooling <input type="checkbox"/> Central Air Conditioning		<input checked="" type="checkbox"/> Pool/Deck	<input checked="" type="checkbox"/> Pavn	Carpets # of Cars	
<input type="checkbox"/> Fireproofing <input type="checkbox"/> Hoses		Insulation <input type="checkbox"/> Other		Pool	Other	Att. Det. Buttr	
Appliances Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Dunes (describe)							
Finished area 28088 gross sqmeters		6 Rooms		3 Bedrooms		1 Bath(s)	
Additional Features						984 Square Feet of Gross Living Area Above Grade	

Comments on the Improvements: See Addendum

Residential Appraisal Report

Fee No. 17-3474

FEATURE	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
4632 College Ave Address: Everett		5331 Wetmore Ave Everett, WA 98203	4715 College Ave Everett, WA 98203	4012 Friday Ave Everett, WA 98201
Proximity to Subject		0.80 miles SE	0.07 miles SE	0.64 miles NE
Sale Price	\$	\$ 349,000	\$ 305,000	\$ 289,000
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 287.01 sq. ft.	\$ 223.94 sq. ft.	\$ 300.22 sq. ft.
Date Source(s)		MLS #1123336	MLS #1165543	MLS #1105473
Verifiable Source(s)		Snohomish Co Rec, Realist	Snohomish Co Rec, Realist	Snohomish Co Rec, Realist
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sale or Financing		None/Noted/Cnv	-0- Yes/FHA	-3,000 None/Noted/Cnv
Concessions		5/21/2017 omd	14,100 08/2017	6,900 4/2017 omd
Date of Sale/Time		6/30/2017 Clsd	09/2017 Clsd	5/2017 Clsd
Location	View Ridge	Laurel Heights	-0- View Ridge	-0- Rucker Hill
Leasehold Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Size	5,158sf	9,148sf	-22,000 9,147sf	-22,000 6,098sf
View	None	None	None	None
Design (Style)	Rambler	Rambler	Rambler	Rambler
Quality of Construction	Average	Average	Average	Average
Actual Age	1989 built	1976 built	-0- 1953 built	-0- 1950 built
Condition	Average	Remodeled	-23,000 Average	Average
Above Grade	1000 sq. ft.	1000 sq. ft.	-0- 1000 sq. ft.	-0- 1000 sq. ft.
Room Count	8 3 1	7 3 1	-0- 6 3 1.5	-0- 8 3 1
Gross Living Area	88.00	984 sq. ft.	-20,000 1,382 sq. ft.	-33,000 896 sq. ft.
Basement & Finishes	N/A	N/A	N/A	N/A
Rooms Below Grade				
Functional Utility	Average	Average	Average	Average
Heating/Cooling	Elec Wall/Unit/BB	Elec Wall Heat	-0- Elec Wall	-0- EFAWP
Energy Efficient Home	Double pane	Double pane	-0- Double pane	-0- Double pane
Garage/Carport	No Covered Pkg	Converted	-0- 1 Car Carport	-0- No Cvd Parking
Porch/Patio/Deck	Deck, Porch	Porch, Cvd Patio	-0- Porch, Patio	-0- Porch, Deck
Net Adjustments (Total)		\$ 50,900	\$ 50,300	\$ 15,500
Adjusted Sale Price		Net Adj. -14.6%	Net Adj. -16.5%	Net Adj. 5.8%
of Comparable		Gross Adj. 22.7%	Gross Adj. 26.3%	Gross Adj. 9.5%
Summary of Sales Comparison Approach	See Addendum			
Indicated Value by Sales Comparison Approach	\$ 290,000			
COST APPROACH TO VALUE				
See Value Comments	See Addendum			
ESTIMATED REPRODUCTION OR REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$ 132,000			
Source of cost data: BuildingCost.net and Craftsman Book Company	Dwelling 984 Sq. Ft. @ \$ = \$ 0			
Quantity rating from cost services: Avg	Sq. Ft. @ \$ = \$			
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	Georgel/Carport 0 Sq. Ft. @ \$ = \$ 0			
Remaining economic life is 43 years. Cost figures have been obtained from BuildingCost.net and Craftsman Book Company.	Total Estimate of Cost-New = \$ 138,827			
Average quality construction and from operative local builders.	Less 70 Physical Functional External = \$ (27,365)			
Estimated Site Value based on land sales see addendum	Depreciated Cost of Improvements = \$ 109,462			
See attached floor plan sketch for sqft area calculations.	*As-is* Value of Site Improvements = \$ 25,000			
Site Improvements include: grading, utilities, sewer connection and permits.	INDICATED VALUE BY COST APPROACH = \$ 286,500			
INCOME APPROACH TO VALUE				
Estimated Monthly Market Rent \$	n/a X Gross Rent Multiplier = \$ 0 Indicated Value by Income Approach			
Summary of Income Approach (including support for market rent and GRM)	See Addendum			
Methods and techniques employed:	<input checked="" type="checkbox"/> Sales Comparison Approach <input checked="" type="checkbox"/> Cost Approach <input type="checkbox"/> Income Approach <input type="checkbox"/> Other:			
Discussion of methods and techniques employed, including reason for selecting an approach to value:	See Addendum			
Reconciliation comments:	See Addendum			
Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report as of 01/05/2018, which is the effective date of this appraisal, is:				
<input checked="" type="checkbox"/> Single point \$ 290,000 <input type="checkbox"/> Range \$ to \$ <input type="checkbox"/> Greater than <input type="checkbox"/> Less than \$				
Two appraisals made <input type="checkbox"/> "as is" <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed <input checked="" type="checkbox"/> subject to the following:				
See Attached Scope of Work				



Residential Appraisal Report

Form No. 17-3474

Appraiser's Certification

The appraiser(s) certifies that, to the best of the appraiser's knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise stated, the appraiser has no present or prospective interest in the property that is the subject of this report and has no personal interest with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's 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.
7. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Unless otherwise noted, the appraiser has made a personal inspection of the property that is the subject of this report.
9. Unless noted below, no one provided significant real property appraisal assistance to the appraiser signing this certification. Significant real property appraisal assistance provided by:

Additional Certifications:

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.

Definition of Value: ☒ Market Value ☐ Other Value: _____

Source of Definition: "The Appraisal of Real Estate" 14th Edition, Appraisal Institute, Chicago, IL

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

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

ADDRESS OF THE PROPERTY APPRAISED:

4832 College Ave

Everett, WA 98203

EFFECTIVE DATE OF THE APPRAISAL: 01/05/2018

APPRAISED VALUE OF THE SUBJECT PROPERTY \$ 290,000

APPRAISER

Signature: David R Connelly

Name: David Connelly

Company Name: American Home Appraisals

Company Address: 7433 SE 27th St

Mercer Island, WA 98040

Telephone Number: 208-238-3037

Email Address: david@AmericanAppraisals.com

State Certification #: 1700768

or License #

or Other (optional):

State #: _____

State: WA

Expiration Date of Certification or License: 11/17/2018

Date of Signature and Report: 01/18/2018

Date of Property Viewing: 01/05/2018

Degree of property viewing:

☐ Interior and Exterior

☒ Exterior Only

☐ Did not personally view

SUPERVISORY APPRAISER

Signature: _____

Name: _____

Company Name: _____

Company Address: _____

Telephone Number: _____

Email Address: _____

State Certification #: _____

or License #

or Other (optional):

Expiration Date of Certification or License: _____

Date of Signature: _____

Date of Property Viewing: _____

Degree of property viewing:

☐ Interior and Exterior

☐ Exterior Only

☐ Did not personally view

File No. 17-3474

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Scope of Work, Assumptions and Limiting Conditions

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as "the type and extent of research and analyses in an assignment." In short, scope of work is simply what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

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 2. Any sketch in this report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.
 3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.
 4. Neither all, nor any part of the contents of this report, copy or other media thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.
 5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.
 6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.
 7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such factors. This appraisal is not an environmental assessment of the property and should not be considered as such.
 8. The appraiser specializes in the valuation of real property and is not a home inspector, building contractor, structural engineer, or similar "expert", unless otherwise noted. The appraiser did not conduct the intensive type of field observations of the kind intended to seek and discover property defects. The viewing of the property and any improvements is for purposes of developing an opinion of the defined value of the property, given the intended use of this assignment. Statements regarding condition are based on surface observations only. The appraiser claims no special expertise regarding issues including, but not limited to: foundation settlements, basement moisture problems, wood destroying (or other) insects, pest infestation, radon gas, lead based paint, mold or environmental issues. Unless otherwise indicated, mechanical systems were not activated or tested.
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- Unless otherwise noted, the appraiser assumes the components that constitute the subject property improvement(s) are fundamentally sound and in working order.
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9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alteration are based on the assumption that such completion, alteration or repairs will be competently performed.
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 11. The ACI General Purpose Appraisal Report (GPAPTM) is not intended for use in transactions that require a Fannie Mae 1004/Freddie Mac 70 form, also known as the Uniform Residential Appraisal Report (URAR).

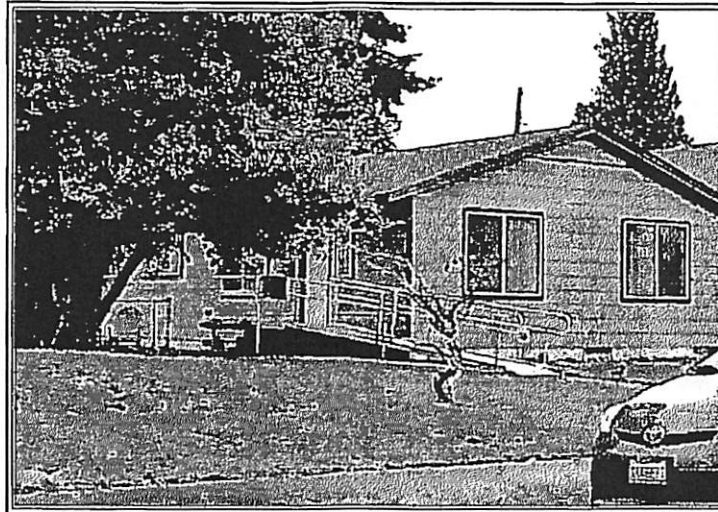
Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions

The subject property has been appraised as of December 20, 2017.

Final appraiser's opinion of value reflects:

- 12) USPAP disclosure: I have personally appraised this property within the past 3 years for the client. The subject property sketch measurements and interior photos included within this appraisal assignment were obtained from the previous March 3 2016 appraisal.
- 13) This is an Exterior only appraisal. No current interior inspection was completed for this assignment. All subject data and interior photos were obtained from previous 2016 interior inspection of the subject property.
- 14) The Client has directed the appraised value to reflect average condition regardless of the actual condition for the purposes of this appraisal.
- 15) The appraiser makes the assumption that the subject property is currently rented at market value.
- 16) The appraiser makes the assumption that there is no observable or un-observable deferred maintenance that would result in an adverse market reaction.
- 17) The appraiser makes the Assumptions that the improvements are in average condition.
- 18) The appraiser makes the assumption that the improvements are compliant with all current jurisdictional smoke alarm and electrical codes.
- 19) The appraiser makes the assumption that there are no interior and or exterior health hazards.

APPRAISAL OF



LOCATED AT:

1816 Cedar St
Everett, WA 98201

CLIENT:

Clampett Industries, LLC dba EMG
10461 Mill Run Circle, Suite 1100
Owings Mills, MD, 21117

AS OF:

January 5, 2018

BY:

David Connelly
American Home Appraisals

01/18/2018

Clampett Industries, LLC dba EMG
10461 Mill Run Circle, Suite 1100
Owings Mills, MD, 21117

File Number: 17-3482

In accordance with your request, I have appraised the real property at:

1816 Cedar St
Everett, WA 98201

The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as improved.
The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the defined value of the property as of January 5, 2018 is:

\$310,000
Three Hundred Ten Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions,
final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.

Sincerely,



David Connelly
American Home Appraisals
7433 SE 27th St, Mercer Island, WA 98040

Residential Appraisal Report

Form No. 17-3482

The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.

Client Name/Intended User: Clampett Industries, LLC dba EMG **E-mail:** llsheckel@emgcorp.com

Client Address: 10461 Mill Run Circle, Suite 1100 **City:** Owings Mills **State:** MD **Zip:** 21117

Additional Intended User(s): The intended users of this report is the client listed above, additional intended users are Everett Housing Authority, the property owners and any mediation service or court of competent jurisdiction, and no other

Intended Use: The intended use of this appraisal is to determine current Market Value. No other use is intended or authorized by the appraiser. The scope of this assignment is specific to the identified intended use.

Property Address: 1816 Cedar St **City:** Everett **State:** WA **Zip:** 98201

Owner or Public Record: Housing Authority of Everett **County:** Snohomish

Legal Description: Per Snohomish Co Assessor: NORMAN ADD TO EVERETT BLK 001 D-02 - N1/2 24 & ALL 25

Assessor's Parcel #: 005313-001024-02 **Tax Year:** 2017 **R.E. Taxes \$:** 2853/estimated

Neighborhood Name: North Everett **Map Reference:** TB 396 E1 **Contour Tract:** 403.00

Property Rights Appraised: ☒ Fee Simple ☐ Leasehold ☐ Other (describe)

My research: ☐ and ☒ I did not review any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Prior Sale/Transfer: Date: N/A Price: N/A **Source(s):** Snohomish County Public Records and Realist

Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable): There have been no sales or transfer of interest in the previous three years per NWMLS and Snohomish County public records for the Subject. There have been no prior sales in past 3 years for the comparable sales unless noted.

Offerings, options and contracts as of the effective date of the appraisal: No offerings, options and or contracts were noted or were brought to the attention of the appraisers as of the effective date of this appraisal.

Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing		Present Land Use %			
Location	Urban	Suburban	Rural	Property Values	Increasing	Stable	Declining	PRICE	AGE	One-Unit	%		
Buy-Up	<input checked="" type="checkbox"/>	Over 75%	25-75%	Under 25%	Demand/Supply	<input checked="" type="checkbox"/>	Shortage	In Balance	Over Supply	\$(000)	(yr)	2-4 Unit	10 %
Growth	Rapid	<input checked="" type="checkbox"/>	Stable	Slow	Marketing Time	<input checked="" type="checkbox"/>	Under 3 mths	3-6 mths	Over 6 mths	130 Low	0	Multi-Family	10 %
Neighborhood Boundaries: Neighborhood is bordered by Puget Sound to the west, the Snohomish River to the north and east and Pacific Ave to the South.								2,300 Hgn	120	Commercial	10 %		
Neighborhood Description: See Addendum								375 Prod.	90	Other Public	6 %		

Market Conditions (including support for the above conclusions): See Addendum

Dimensions: 37.5ft x 120ft **Area:** 4,358SF per Sno Co **Shape:** Rectangular **View:** None

Specialty Zoning Classification: R2 City of Everett **Zoning Description:** Single Family 5000sf Minimum lot size

Zoning Compliance: ☐ Legal ☒ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No **If No, describe:**

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street	asphalt	<input checked="" type="checkbox"/>
Gas	<input checked="" type="checkbox"/>		Sanitary Sewer	<input checked="" type="checkbox"/>	Alley	Asphalt	<input checked="" type="checkbox"/>

See Comments: See Addendum

GENERAL DESCRIPTION				FOUNDATION		EXTERIOR DESCRIPTION		INTERIOR		
Units	<input checked="" type="checkbox"/> One	<input type="checkbox"/> Two	<input type="checkbox"/> Three or more	Concrete Slab	<input checked="" type="checkbox"/> Craw Space	Foundation Walls	Concrete	Floors	WW/Vinyl	
# of Stories	1			Full Basement	Partial Basement	Exterior Walls	Hard Board	Walls	DryWall	
Type	<input checked="" type="checkbox"/> Det.	<input type="checkbox"/> Att.	<input type="checkbox"/> S-Det/End Unit	Basement Area	n/a sq. ft.	Rear Surface	CompShingle	Trim/Finish	Wood	
<input checked="" type="checkbox"/> Existing	<input type="checkbox"/> Proposed	<input type="checkbox"/> Under Const.	Basement Finish	%	Guards & Downspouts	Alum		Base Floor	Vinyl	
Design (Style)	Rambler		Basement Entry/Exit	Sump Pump	Window Type	Vinyl Firm		Base Wall/ceiling	Laminate	
Year Bld	1978				Storm Scaff/Insulation	Insulated		Car Storage	None	
Exterior Age (Yr)	15				Screens	Yes		Driveway	# of Cars	
Asps	<input type="checkbox"/> None		Heating	FWA	HW	<input checked="" type="checkbox"/> Radiant	Amenities	WoodSieve(s) #	Driveway Surface	None
<input type="checkbox"/> Drop Stair	<input type="checkbox"/> Stairs		<input checked="" type="checkbox"/> Other BB	Fuel Electric		Fireplace(s) #	<input checked="" type="checkbox"/> Fence	<input checked="" type="checkbox"/> Garage	# of Cars	2
<input type="checkbox"/> Floor	<input checked="" type="checkbox"/> Sundeck		Coating	Central Air Conditioning		Patio/Deck	<input checked="" type="checkbox"/> Porch	<input type="checkbox"/> Carport	# of Cars	
<input type="checkbox"/> Finished	<input type="checkbox"/> Hoses		Insulation	Other		Pave	<input type="checkbox"/> Other	<input type="checkbox"/> Acc.	<input checked="" type="checkbox"/> Det.	<input type="checkbox"/> Butler
Appliances	<input type="checkbox"/> Range/Grill	<input checked="" type="checkbox"/> Range/Oven	<input checked="" type="checkbox"/> Dishwasher	<input type="checkbox"/> Disposal	<input type="checkbox"/> Microwave	<input type="checkbox"/> Wash/Dryer	<input type="checkbox"/> Other (describe)			
Finished area ABOVE grade contains:				7 Rooms	3 Bedrooms	1 Bath(s)	1,242 Square Feet of Gross Living Area Above Grade			
Additional Features:				See Addendum						
Comments on the Improvements:				See Addendum						

Residential Appraisal Report

Form No. 17-3482

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
1816 Cedar St Address: Everett		3015 24th St Everett, WA 98201		1620 Pine St Everett, WA 98201		1515 Fulton St Everett WA 98201	
Proximity to Subject		0.52 miles SE		0.18 miles NE		0.27 miles NW	
Sale Price	\$	\$ 275,000		\$ 265,000		\$ 330,000	
Sale Price/Gross Lst. Area	\$ 0.00 sq. ft.	\$ 238.72 sq. ft.		\$ 276.04 sq. ft.		\$ 282.53 sq. ft.	
Date Source(s)		MLS #1146997		MLS #1140339		MLS #1192134	
Verification Source(s)		Snohomish Co Rec, Realist		Snohomish Co Rec, Realist		Snohomish Co Rec, Realist	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	ADJUSTMENT	DESCRIPTION	ADJUSTMENT	DESCRIPTION	ADJUSTMENT
Sale or Financing		None/Noted/Cvm		Yes/VA	-2,650	Yes/Cvm	-8,000
Concessions		07/2017 omd	7,800	08/2017 omd	9,100	10/2017 omd	3,700
Date of Sale/Time		08/2017 Clsd		07/2017 Clsd		11/2017 Clsd	
Location	North Everett	North Everett		North Everett		North Everett	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Size	4,358sf	3,049sf	7,000	6,098sf	-10,000	6,098sf	-10,000
View	None	None		None		None	
Design (Style)	Rambler	Rambler		Rambler		Rambler	
Quality of Construction	Average	Average		Average		Average	
Actual Age	1978 built	1979 built	-0-	1942 built	-0-	1993 built	-0-
Condition	Average	Average		Average		Average	
Acres/Gross	7 3 1	6 3 1	-0-	6 3 1	-0-	6 3 2	-21,000
Room Count							
Gross Living Area	88.00	1,242 sq. ft.	8,000	960 sq. ft.	25,000	1,168 sq. ft.	7,000
Basement & Finished	N/A	N/A		N/A		N/A	
Recessed Butler Grade							
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	Elec Wall Unit/BB	FWA		Elec Wall		FWA	
Energy Efficient Items	Double pane	Double pane		Double pane		Double pane	
Garage/Carport	2 Car Garage	No Cvd Parking	28,000	No Cvd Parking	28,000	2 Car Garage	-0-
Porch/Patio/Deck	Porch	Porch, Deck		Porch, Deck		Porch, Deck	
Not Adjustments (Total)		[X] + - \$ 48,800		[X] + - \$ 47,450		[X] + - \$ 28,300	
Adjusted Sale Price of Comparables		Net Adj. 17.7% \$ 323,800		Net Adj. 17.9% \$ 312,450		Net Adj. -8.6% \$ 301,700	
Summary of Sales Comparison Approach See Addendum							
Indicated Value by Sales Comparison Approach \$ 310,000							
COST APPROACH TO VALUE							
Site Value Comments See Addendum							
ESTIMATED REPRODUCTION OR [X] REPLACEMENT COST NEW							
Source of cost data BuildingCost.net and Craftsman Book Company							
Quality rating from cost service Avg Effective date of cost data 2017							
Comments on Cost Approach (gross living area, automatic, coprocessor, etc.)							
Remaining economic life is 43 years. Cost figures have been obtained from BuildingCost.net and Craftsman Book Company. Average quality construction and from operative local builders.							
Estimated Site Value based on land sales see addendum							
See attached floor plan sketch for sqft area calculations.							
Site Improvements include: grading, utilities.							
Garage/Carport 528 Sq. Ft. @ \$ = \$ 0							
Total Estimate of Cost-Now = \$ 180,648							
Less 70 Physical Functional External							
Depreciation \$38,710 = \$ (38,710)							
Depreciated Cost or Improvements = \$ 141,938							
"As-is" Value of Site Improvements = \$ 25,000							
INDICATED VALUE BY COST APPROACH = \$ 298,900							
INCOME APPROACH TO VALUE							
Estimated Monthly Market Rent \$ N/A X Gross Rent Multiplier = \$ 0 Indicated Value by Income Approach							
Summary of Income Approach (including support for market rent and GRM) See Addendum							
Methods and techniques employed: [X] Sales Comparison Approach [X] Cost Approach [] Income Approach [] Other:							
Discussion of methods and techniques employed, including reason for excluding an approach to value: See Addendum							
Reconciliation comments: See Addendum							
Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report as of 01/05/2018, which is the effective date of this appraisal, is:							
[X] Single point \$ 310,000 [] Range \$ to \$ [] Greater than [] Less than \$							
This appraisal is made [] "as is," [] subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, [] subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed [X] subject to the following:							
See Attached Scope of Work							

File No. 17-3482

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Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions

The subject property has been appraised as of January 5, 2018.

Final appraiser's opinion of value reflects:

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- 18) The appraiser makes the assumption that the improvements are compliant with all current jurisdictional smoke alarm and electrical codes.
- 19) The appraiser makes the assumption that there are no interior and or exterior health hazards.

Residential Appraisal Report

Fee No. 17-3482

Appraiser's Certification

The appraiser(s) certifies that, to the best of the appraiser's knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise stated, the appraiser has no present or prospective interest in the property that is the subject of this report and has no personal interest with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's 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.
7. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Unless otherwise noted, the appraiser has made a personal inspection of the property that is the subject of this report.
9. Unless noted below, no one provided significant real property appraisal assistance to the appraiser signing this certification. Significant real property appraisal assistance provided by:

Additional Certifications:

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.

Definition of Value: ☒ Market Value ☐ Other Value: _____

Source of Definition: "The Appraisal of Real Estate" 14th Edition, Appraisal Institute, Chicago, IL

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

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

ADDRESS OF THE PROPERTY APPRAISED:

1816 Cedar St
Everett, WA 98201
EFFECTIVE DATE OF THE APPRAISAL: 01/05/2018
APPRAISED VALUE OF THE SUBJECT PROPERTY \$ 310,000

APPRAISER

Signature: David P. Connelly
Name: David Connelly
Company Name: American Home Appraisals
Company Address: 7433 SE 27th St
Mercer Island, WA 98040
Telephone Number: 208-236-3037
Email Address: david@AmericanAppraisals.com
State Certification #: 1700766
or License #: _____
or Other (describe): _____ State #: _____
State: WA
Expiration Date of Certification or License: 11/17/2018
Date of Signature and Report: 01/18/2018
Date of Property Viewing: 01/05/2018
Degree of property viewing:
☐ Interior and Exterior ☒ Exterior Only ☐ Did not personally view

SUPERVISORY APPRAISER

Signature: _____
Name: _____
Company Name: _____
Company Address: _____
Telephone Number: _____
Email Address: _____
State Certification #: _____
or License #: _____
State: _____
Expiration Date of Certification or License: _____
Date of Signature: _____
Date of Property Viewing: _____
Degree of property viewing:
☐ Interior and Exterior ☐ Exterior Only ☐ Did not personally view

APPRAISAL OF



LOCATED AT:

2007 105th PI SE
Everett, WA 98208

CLIENT:

Clampett Industries, LLC dba EMG
10461 Mill Run Circle, Suite 1100
Owings Mills, MD, 21117

AS OF:

January 5, 2018

BY:

David Connelly
American Home Appraisals

January 18, 2018

Clampett Industries, LLC dba EMG
10461 Mill Run Circle, Suite 1100
Owings Mills, MD, 21117

File Number: 17-3481

In accordance with your request, I have appraised the real property at:

2007 105th PI SE
Everett, WA 98208

The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as improved.
The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the defined value of the property as of January 5, 2018 is:

\$410,000
Four Hundred Ten Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions,
final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.

Sincerely,



David Connelly
American Home Appraisals
7433 SE 27th St, Mercer Island, WA 98040

Residential Appraisal Report

File No. 17-3481

The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.

Client Name/Intended User: Clampett Industries, LLC dba EMG **E-mail:** tjshecket@emgcorp.com
Client Address: 10481 Mill Run Circle, Suite 1100 **City:** Owings Mills **State:** MD **Zip:** 21117

Additional Intended User(s): The intended users of this report is the client listed above, additional intended users are Everett Housing Authority, the property owners and any mediation service or court of competent jurisdiction, and no other.

Intended Use: The intended use of this appraisal is to determine current Market Value. No other use is intended or authorized by the appraiser. The scope of this assignment is specific to the identified intended use.

Property Address: 2007 105th PI SE **City:** Everett **State:** WA **Zip:** 98208
Owner or Public Record: Housing Authority of Everett **County:** Snohomish
Legal Description: Per Snohomish Co Assessor: Lot 24, Chatham Place
Assessor's Parcel #: 004082 000 024 00 **Tax Year:** 2017 **R.E. Taxes:** \$ 3492/estimated
Neighborhood Name: Silver Lake **Map Reference:** TB 416 D7 **Census Tract:** 416.05

Property Rights Appraised: ☒ Fee Simple ☐ Leasehold ☐ Other (describe):

My reasons: ☐ and ☒ I did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Prior Sale/Transfer: **Date:** N/A **Price:** N/A **Source(s):** Snohomish County Public Records and Realist

Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable): There have been no sales or transfer of interest in the previous three years per NWMLS and Snohomish County public records for the Subject. There have be no prior sales in past 3 years for the comparable sales unless noted.

Offerings, options and contracts as of the effective date of the appraisal: No offerings, options and or contracts were noted or were brought to the attention of the appraisers as of the effective date of this appraisal.

Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing		Present Land Use %	
Location	Urban	X Suburban	Rural	Property Values	X Increasing	Stable	Declining	PRICE	AGE	One-Unit	65 %
Bum-Up	X Over 75%	25-75%	Under 25%	Demand/Supply	X Shortage	In Balance	Over Supply	\$ (000)	(yrs)	2-4 Unit	10 %
Growth	Rapid	X Stable	Slow	Marketing Time	X Under 3 mths	3-6 mths	Over 6 mths	130 Low	0	Mult-Family	10 %
Neighborhood Boundaries: Neighborhood is bordered by 118th St SW to the south, 35th Ave SE to the east, Wood Creek Ravine to the north and Interstate 5 to the west.								2,300 Hq	120	Commercial	10 %
Neighborhood Description: See Addendum								375 Price	90	Other Public	5 %

Market Conditions (including support for the above conclusions): See Addendum

Dimensions: 40.98x156.35x115.0x134.84 **Area:** 10,454sf **Shape:** Irregular **View:** None

Specific Zoning Classification: R9800 Sno Co **Zoning Description:** Single Family 9800sf Minimum lot size

Zoning Compliance: ☒ Legal ☐ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe):

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No If No, describe:

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements--Type	Public	Private
Electricity	X		Water	X	Street asphalt	X	
Gas	X		Sanitary Sewer	X	Aspy none		

See Comments: See Addendum

GENERAL DESCRIPTION				FOUNDATION		EXTERIOR DESCRIPTION		INTERIOR	
Units	X One	One w/ Acc. use		Concrete Slab	X Crawl Space	Foundation Walls	Concrete	Floors	Laminate
# of Stories	1			Full Basement	Partial Basement	Exterior Walls	Painted Cedar	Walls	DryWall
Type	X Det.	An.	S-Det/End Unit	Basement Area	N/A sq. ft.	Roof Surface	CompShingle	Turf/Finish	Wood
X Existing	Proposed	Under Const.	Basement Finish	%	Chimneys & Downspouts	Alum	Bath Floor	Vinyl Stone	
Design (Style)	Rambler		Outside Entry/E-En	Sump Pump	Window Type	Vinyl Frm	Bath Windows	StoneTile,lam	
Year Built	1988				Storm Scaff/Insulated	Insulated	Car Storage	None	
Effective Age (Yrs)	12				Screens	Yes	X Driveway	# of Cars 2	
Aspx		None	Heating	X FWA	HW	Radiant	Amenities	Wood Scaff(s) #	Driveway Surface asphalt
Dray Stair		Stairs	Other	Full Nat Gas	X Fireplace(s) # 1	X Fanco	X Garage	# of Cars 2	
Floor	X Surface	Coating	Concrete Air Conditioning	X Paint/Deck	X Porch		Carport	# of Cars	
Furnished	Heating	Insulation	Other	Paint	Other	X An.	Dec.	Built-in	
Airconditioning	Refrigerator	X Range/Oven	X Dishwasher	X Disposal	Microwave	Washer/Dryer	Other (describe)		
Finished area ABOVE grade contains:				8 Rooms	4 Bedrooms	2 Bath(s)	1,450 Square Feet of Gross Living Area Above Grade		
Additional Features:				See Addendum					
Comments on the Improvements:				See Addendum					

File No. 17-3481

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 (PAA™) General Purpose Architect Report 32017
 GRASIM 17 01/2018

Residential Appraisal Report

Form No. 17-3481

FEATURE		SUBJECT		COMPARABLE SALE NO. 4		COMPARABLE SALE NO. 5		COMPARABLE SALE NO. 6	
2007 105th Pl SE		10223 27th Dr SE							
Address Everett		Everett, WA 98208							
Proximity to Subject		0.51 miles NE							
Sale Price		\$ 425,000							
Sale Price/Gross Lm Area		\$ 332.03 sq. ft.							
Data Source(s)		MLS #1128688							
Verification Source(s)		Snohomish Co Rec, Realist							
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		+(-) \$ Adjustment		DESCRIPTION	
Sale or Financing		None/Noted/cnv							
Commissions		06/2017 omd		14,600					
Date of Sale/Time		06/2017 Cisd							
Location		Silver Lake		Silver Lake		-0-			
Leasehold/Fee Simple		Fee Simple		Fee Simple					
Size		10,454sf		10,890sf		-0-			
View		None		None					
Design (Style)		Rambler		Rambler					
Quality of Construction		Average		Average					
Actual Age		1988 built		1988 built		-0-			
Condition		Average/Good		Very Good		-46,000			
Above Grade		Total Rooms Rooms		Total Rooms Rooms		-0-		Total Rooms Rooms	
Room Count		7 4 1.75		7 4 2		-0-			
Gross Living Area 68.00		1,450 sq. ft.		1,280 sq. ft.		15,000		sq. ft.	
Basement & Finished Rooms Below Grade		N/A		N/A					
Functional Utility		Average		Average					
Heating/Cooling		FWA		Wall/Ht		-0-			
Energy Efficient Items		Double pane		Double pane					
Garage/Carport		2 Car Garage		2 Car Garage					
Porch/Patio/Deck		Lg Patio, Porch		Porch, Deck		-0-			
Net Adjustment (Total)		+ 16,400		+ 0		0		+ 0	
Adjusted Sale Price		Net Adj. -3.9%		Net Adj. 0.0%		0		Net Adj. 0.0%	
at Comparison		Gross Adj. 17.8%		Gross Adj. 0.0%		0		Gross Adj. 0.0%	
Summary of Sales Comparison Approach See Addendum									

Scope of Work, Assumptions and Limiting Conditions

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as "the type and extent of research and analyses in an assignment." In short, scope of work is simply what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

The scope of this appraisal and ensuing discussion in this report are specific to the needs of the client, other identified intended users and to the intended use of the report. This report was prepared for the sole and exclusive use of the client and other identified intended users for the identified intended use and its use by any other parties is prohibited. The appraiser is not responsible for unauthorized use of the report.

The appraiser's certification appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraiser in the report. All extraordinary assumptions and hypothetical conditions are stated in the report and might have affected the assignment results.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under reasonable ownership.
 2. Any sketch in this report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.
 3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.
 4. Neither all, nor any part of the contents of this report, copy or other media thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.
 5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.
 6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.
 7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such factors. This appraisal is not an environmental assessment of the property and should not be considered as such.
 8. The appraiser specializes in the valuation of real property and is not a home inspector, building contractor, structural engineer, or similar "expert", unless otherwise noted. The appraiser did not conduct the intensive type of field observations of the kind intended to seek and discover property defects. The viewing of the property and any improvements is for purposes of developing an opinion of the defined value of the property, given the intended use of the assignment. Statements regarding condition are based on surface observations only. The appraiser claims no special expertise regarding issues including, but not limited to: foundation settlement, basement moisture problems, wood destroying (or other) insects, pest infestation, radon gas, lead based paint, mold or environmental issues. Unless otherwise indicated, mechanical systems were not inspected or tested.
- This appraisal report should not be used to disclose the condition of the property as it relates to the presence/absence of defects. The client is invited and encouraged to employ qualified experts to inspect and address areas of concern. If negative conditions are discovered, the opinion of value may be affected.
- Unless otherwise noted, the appraiser assumes the components that constitute the subject property improvement(s) are fundamentally sound and in working order.
- Any viewing of the property by the appraiser was limited to readily observable areas. Unless otherwise noted, attics and crawl space areas were not accessed. The appraiser did not move furniture, floor coverings or other items that may restrict the viewing of the property.
9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alterations are based on the assumption that such completion, alteration or repairs will be competently performed.
 10. Unless the intended use of this appraisal specifically includes issues of property insurance coverage, this appraisal should not be used for such purposes. Replacement or Replacement cost figures used in the cost approach are for valuation purposes only, given the intended use of the assignment. The Definition of Value used in this assignment is unlikely to be consistent with the definition of Insurable Value for property insurance coverage.
 11. The ACI General Purpose Appraisal Report (GPAPSM) is not intended for use in transactions that require a Fannie Mae 1004/Freddie Mac 70 form, also known as the Uniform Residential Appraisal Report (URAR).

Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions

The subject property has been appraised as of January 5, 2018.

Final appraiser's opinion of value reflects:

- 12) USPAP disclosure: I have personally appraised this property within the past 3 years for the client. The subject property sketch measurements and interior photos included within this appraisal assignment were obtained from the previous March 3, 2016 appraisal.
- 13) This is an Exterior only appraisal. No current interior inspection was completed for this assignment. All subject data and interior photos were obtained from previous 2016 interior inspection of the subject property.
- 14) The Client has direct the appraised value to reflect average condition regardless of the actual condition for the purposes of this appraisal.
- 15) The appraiser makes the assumption that the subject property is currently rented at market value.
- 16) The appraiser makes the assumption that there is no observable or un-observable deferred maintenance that would result in an adverse market reaction.
- 17) The appraiser makes the Assumptions that the improvements are in average condition.
- 18) The appraiser makes the assumption that the improvements are compliant with all current jurisdictional smoke alarm and electrical codes.
- 19) The appraiser makes the assumption that there are no interior and or exterior health hazards.

Residential Appraisal Report

Fee No. 17-3481

Appraiser's Certification

The appraiser(s) certifies that, to the best of the appraiser's knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise stated, the appraiser has no present or prospective interest in the property that is the subject of this report and has no personal interest with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's 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.
7. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Unless otherwise noted, the appraiser has made a personal inspection of the property that is the subject of this report.
9. Unless noted below, no one provided significant real property appraisal assistance to the appraiser signing this certification. Significant real property appraisal assistance provided by:

Additional Certifications:

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.

Definition of Value: ☒ Market Value ☐ Other Value: _____

Source of Definition: "The Appraisal of Real Estate" 14th Edition, Appraisal Institute, Chicago, IL

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

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

ADDRESS OF THE PROPERTY APPRAISED:

2007 105th PI SE
 Everett, WA 98208
 EFFECTIVE DATE OF THE APPRAISAL: January 5, 2018
 APPRAISED VALUE OF THE SUBJECT PROPERTY \$ 410,000

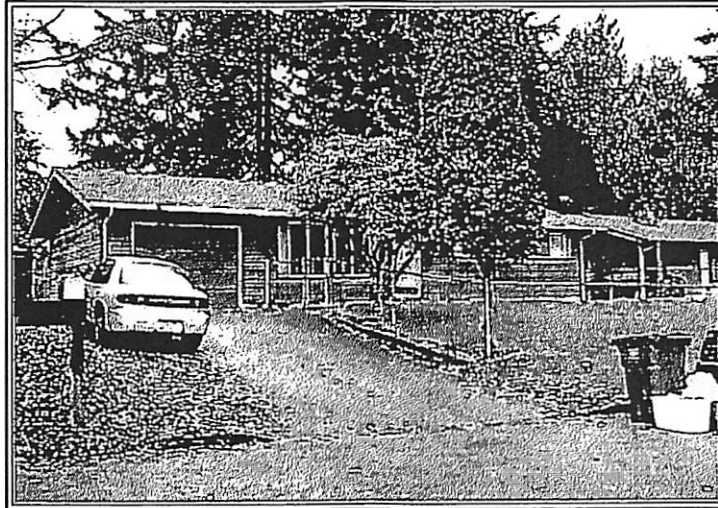
APPRAISER

Signature: David T. Connelly
 Name: David Connelly
 Company Name: American Home Appraisals
 Company Address: 7433 SE 27th St
Mercer Island, WA 98040
 Telephone Number: 206-238-3037
 Email Address: david@AmericanAppraisals.com
 State Certification #: 1700768
 or License #: _____
 or Other (describe): _____ State #: _____
 State: WA
 Expiration Date of Certification or License: 11/17/2018
 Date of Signature and Report: 01/18/2018
 Date of Property Viewing: 01/05/2018
 Degree of property viewing:
☐ Interior and Exterior ☒ Exterior Only ☐ Did not personally view

SUPERVISORY APPRAISER

Signature: _____
 Name: _____
 Company Name: _____
 Company Address: _____
 Telephone Number: _____
 Email Address: _____
 State Certification #: _____
 or License #: _____
 State: _____
 Expiration Date of Certification or License: _____
 Date of Signature: _____
 Date of Property Viewing: _____
 Degree of property viewing:
☐ Interior and Exterior ☐ Exterior Only ☐ Did not personally view

APPRAISAL OF



LOCATED AT:

302 76th PL SW
Everett, WA 98203

CLIENT:

Clampett Industries, LLC dba EMG
10461 Mill Run Circle, Suite 1100
Owings Mills, MD, 21117

AS OF:

January 5, 2018

BY:

David Connelly
American Home Appraisals

January 18, 2018

Clampett Industries, LLC dba EMG
10481 Mill Run Circle, Suite 1100
Owings Mills, MD, 21117

File Number: 17-3480

In accordance with your request, I have appraised the real property at:

302 76th PL SW
Everett, WA 98203

The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as improved.
The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the defined value of the property as of January 5, 2018 is:

\$325,000
Three Hundred Twenty-Five Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions,
final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.

Sincerely,



David Connelly
American Home Appraisals
7433 SE 27th St, Mercer Island, WA 98040

Residential Appraisal Report

Fas No. 17-3460

The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.

Client Name/Intended User: Clampt Industries, LLC dba EMG **E-mail:** usheckel@emgcorp.com

Client Address: 10461 Mill Run Circle, Suite 1100 **City:** Owings Mills **State:** MD **Zip:** 21117

Assessment Intended Use(s): The intended users of this report is the client listed above, additional intended users are Everett Housing Authority, the property owners and any mediation service or court of competent jurisdiction, and no other

Intended Use: The intended use of this appraisal is to determine current Market Value. No other use is intended or authorized by the appraiser. The scope of this assignment is specific to the identified intended use.

Property Address: 302 76th PL SW **City:** Everett **State:** WA **Zip:** 98203

Owner at Public Records: Housing Authority of Everett **County:** Snohomish

Legal Description: Per Snohomish Co Assessor: Lot 8 View Crest Drive

Assessor's Parcel #: 00631300000800 **Tax Year:** 2017 **R.E. Taxes \$:** 2719/estimated

Neighborhood Name: View Ridge **Map Reference:** TB 416 B3 **Contour Tract:** 413.03

Property Rights Appraised: ☒ Fee Simple ☐ Leasehold ☐ Other (describe)

My research: ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Prior Sale/Transfer: **Date:** n/a **Price:** n/a **Source(s):** Snohomish County Public Records and Realist

Analysis of prior sale or transfer history of the subject property (and comparable sales, if appropriate): There have been no sales or transfer of interest in the previous three years per NWMLS and Snohomish County public records for the Subject. There have be no prior sales in past 3 years for the comparable sales unless noted.

Offerings, options and contracts as of the effective date of the appraisal: No offerings, options and or contracts were noted or were brought to the attention of the appraisers as of the effective date of this appraisal.

Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing		Present Land Use %	
Location	Urban	Suburban	Rural	Property Values	Increasing	Stable	Declining	PRICE	AGE	One-Unit	65 %
Build-Up	<input checked="" type="checkbox"/> Over 75%	25-75%	Under 25%	Demand/Supply	<input checked="" type="checkbox"/> Shortage	In Balance	Over Supply	\$1000	(n/a)	2-4 Unit	10 %
Growth	Rapid	<input checked="" type="checkbox"/> Stable	Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths	3-5 mths	Over 6 mths	130 Low	0	Multi-Family	10 %
Neighborhood Boundaries: Neighborhood is bordered by Hwy 526 to the south, Evergreen Way to the west, 41st St to the north and Interstate 5 to the east.								2,300 High	120	Commercial	10 %
Neighborhood Description: See Addendum								375 Pro.	90	Owner Public	5 %

Market Conditions (including support for the above conclusions): See Addendum

Dimensions: 70 x 110.39 x 70 x 110.41 **Area:** 7728 Sq.Ft. +/- **Shape:** Rectangular **View:** None

Specific Zoning Classification: R1 City of Everett **Zoning Description:** Single Family 6000sf Minimum lot size

Zoning Compliance: ☒ Legal ☐ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No. If No, describe.

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements--Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street	asphalt	<input checked="" type="checkbox"/>
Gas	<input checked="" type="checkbox"/>		Sanitary Sewer	<input checked="" type="checkbox"/>	Any	none	

See Comments: See Addendum

GENERAL DESCRIPTION				FOUNDATION		EXTERIOR DESCRIPTION		INTERIOR	
Units	<input checked="" type="checkbox"/> One	<input type="checkbox"/> One of Two	<input type="checkbox"/> One of Three	Concrete Slab	<input checked="" type="checkbox"/> Crawl Space	Foundation Walls	Concrete	Floors	Laminate
# of Stories	1			Full Basement	Partial Basement	Exterior Walls	Painted Cedar	Walls	DryWall
Type	<input checked="" type="checkbox"/> Det.	<input type="checkbox"/> Att.	<input type="checkbox"/> S-Det/End Unit	Basement Area	n/a sq. ft.	Roof Surface	CompShingle	Turf/Floor	Wood
<input checked="" type="checkbox"/> Existing	<input type="checkbox"/> Proposed	<input type="checkbox"/> Under Const.	Basement Finish	%	Gutters & Downspouts	Alum	Basin Floor	Vinyl	
Design (Style)	Rambler		Outside Entry/Exit	Sump Pump	Window Type	Vinyl Frm	Bath Windows	Fiberglass	
Year Built	1970				Storm Sash/Insect Screens	Insulated	Car Storage	None	
Effective Age (Yrs)	15				Screens	Yes	<input checked="" type="checkbox"/> Driveway	# of Cars	2
Asse	<input type="checkbox"/> None		Heating	<input checked="" type="checkbox"/> FWA	HW	Radiant	Amenities	Washers/Dryers	#
<input type="checkbox"/> Deep Snow	<input type="checkbox"/> Stairs		Over	Fuel	Electric	<input checked="" type="checkbox"/> Fireplace(s)	#	1	
Floor	<input checked="" type="checkbox"/> Sawn		Ceiling	Central Air Conditioning	<input checked="" type="checkbox"/> Paint/Decor	<input checked="" type="checkbox"/> Porch	Carport	# of Cars	1
Furnished	<input type="checkbox"/> Heating		Insulation	Over	Post	Over	<input checked="" type="checkbox"/> Att.	<input type="checkbox"/> Det.	<input type="checkbox"/> Basement
Appliances	Refrigerator	<input checked="" type="checkbox"/> Range/Oven	Dishwasher	Disposal	Washer/Dryer	Over (describe)			
Finished area ABOVE grade contains:				7 Rooms	4 Bedrooms	1.5 Bath(s)	1,206 Square Feet of Gross Living Area Above Grade		
Additional Features:				See Addendum					
Comments on the Improvements:				See Addendum					

Residential Appraisal Report

Fee No. 17-3480

FEATURE	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
302 76th PL SW Address: Everett		212 76th PL SW Everett, WA 98203	1718 75th St SE Everett, WA 98203	816 90th St SW Everett, WA 98204
Proximity to Subject		0.04 miles NE	1.38 miles NE	0.80 miles SW
Sale Price	\$	255,000	384,950	385,000
Sale Price/Gross Ltr. Area	\$ 0.00 sq. ft.	\$ 221.74 sq. ft.	\$ 233.94 sq. ft.	\$ 285.61 sq. ft.
Date Source(s)		MLS #1193583	MLS #1197388	MLS #1204792
Verification Source(s)		Snohomish Co Rec, Realist	Snohomish Co Rec, Realist	Snohomish Co Rec, Realist
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sale or Financing		None/Noted/Cash	None/Noted/Cash	Yes/FHA
Concessions		09/2017 omd	10/2017 omd	10/2017 omd
Date of Sale/Time		10/2017 Clsd	11/2017 Clsd	11/2017 Clsd
Location	View Ridge	View Ridge	Eastview	South Everett
Leasehold Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Size	7728 Sq. Ft. +/-	9,583sf	10,890sf	10,454sf
View	None	None	GmBl/PwrStn	None
Design (Style)	Rambler	Rambler	Rambler	Rambler
Quality of Construction	Average	Average	Average	Average
Actual Age	1970 built	1970 built	1959 built	1980 built
Condition	Average	Fair/Unfin Const	Average	Good
Above Grade				
Room Count	7 4 1.5	7 4 2	7 4 1.75	7 4 2
Gross Living Area 88.00	1,208 sq. ft.	1,150 sq. ft.	1,560 sq. ft.	1,348 sq. ft.
Basement & Finishes	N/A	N/A	N/A	N/A
Rooms Below Grade				
Functional Utility	Average	Average	Average	Average
Heating/Cooling	EFWA	BB	FWA, HeatPmp	WH, BB
Energy Efficient Home	Double pane	unknown	Double pane	Double pane
Garage/Carport	1 Car Garage	1 Carport	1 Car Carport	1 Car Garage
Porch/Patio/Deck	Porch, Cvd Patio	Porch, Patio	Porch, Patio	Porch, Patio
Net Adjustment (Total)		\$ 61,800	\$ 50,400	\$ 63,800
Adjusted Sale Price		\$ 316,800	\$ 314,550	\$ 321,400
Gross Adj.		24.2%	-13.8%	-16.5%
Gross Adj.		42.2%	19.6%	18.1%
Summary of Sales Comparison Approach See Addendum				
Indicated Value by Sales Comparison Approach \$ 325,000				
COST APPROACH TO VALUE				
See Value Comments See Addendum				
ESTIMATED REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW				
Source of cost data: BuildingCost.net and Craftsman Book Company				
Quality rating from cost service: Avg Effective date of cost data: 2017				
Comments on Cost Approach (please bring area calculations, depreciation, etc.)				
Remaining economic life is 55 years. Cost figures have been obtained from BuildingCost.net and Craftsman Book Company, Average quality construction and from operative local builders.				
Estimated Site Value based on land sales see addendum				
See attached floor plan sketch for sqft area calculations.				
Site Improvements include: grading, utilities.				
Garage/Carport 312 Sq. Ft. @ \$ 0				
Total Estimate of Cost-New 188,008				
Less 70 Physical Functional External				
Depreciation \$39,858 = \$ (39,858)				
Depreciated Cost of Improvements = \$ 148,148				
"As-is" Value of Site Improvements = \$ 25,000				
INDICATED VALUE BY COST APPROACH = \$ 321,100				
INCOME APPROACH TO VALUE				
Estimated Monthly Market Rent \$ n/a X Gross Rent Multiplier = \$ 0 Indicated Value by Income Approach				
Summary of Income Approach (including support for market rent and GRM) See Addendum				
Methods and techniques employed: <input checked="" type="checkbox"/> Sales Comparison Approach <input checked="" type="checkbox"/> Cost Approach <input type="checkbox"/> Income Approach <input type="checkbox"/> Other:				
Discussion of methods and techniques employed, including reason for not using an approach to value: See Addendum				
Reconciliation comments: See Addendum				
Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report as of January 5, 2018, which is the effective date of this appraisal, is:				
<input checked="" type="checkbox"/> Single point \$ 325,000 <input type="checkbox"/> Range \$ to \$ <input type="checkbox"/> Greater than <input type="checkbox"/> Less than \$				
This appraisal is made <input type="checkbox"/> "as is," <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed <input checked="" type="checkbox"/> subject to the following:				
See Attached Scope of Work				

Residential Appraisal Report

Fee No. 17-3480

FEATURE	SUBJECT	COMPARABLE SALE NO. 4	COMPARABLE SALE NO. 5	COMPARABLE SALE NO. 6
302 76th PL SW Address: Everett		7626 Easy St Everett, WA 98203	6533 Cady Rd Everett, WA 98203	2108 Columbia Ave Everett, WA 98203
Proximity to Subject		0.40 miles NE	1.04 miles NE	1.84 miles NE
Sale Price	\$	\$ 352,000	\$ 330,000	\$ 280,000
Sale Price/Gross Lm Area	\$ 0.00 sq. ft.	\$ 230.97 sq. ft.	\$ 289.61 sq. ft.	\$ 307.02 sq. ft.
Data Source(s)		MLS #1201706	MLS #1155047	MLS #1116517
Verification Source(s)		Snohomish Co Rec, Realist	Snohomish Co Rec, Realist	Snohomish Co Rec, Realist
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sale or Financing		None/Noted/Cnv	None/Noted/Cnv	None/Noted/Cnv
Concessions		10/2017 omd	07/2017 omd	5/21/2017 omd
Date of Sale/Time		11/2017 Cisd	08/2017 Cisd	6/30/2017 Cisd
Location	View Ridge	Madison	View Ridge	Pinehurst
Leasehold Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Size	7728 Sq.Ft. +/-	7,841sf	6,534sf	5,663sf
View	None	None	None	None
Design (Style)	Rambler	Rambler	Rambler	Rambler
Quality of Construction	Average	Average	Average	Average
Actual Age	1970 built	1987 built	1989 built	1989 built
Condition	Average	Average	Average	Average
Below Grade	7 4 1.5	7 3 1.5	6 3 2	7 3 1
Room Count	7 4 1.5	7 3 1.5	6 3 2	7 3 1
Gross Living Area 88.00	1,208 sq. ft.	1,524 sq. ft.	1,224 sq. ft.	912 sq. ft.
Basement & Finishes	N/A	N/A	N/A	N/A
Rooms Below Grade				
Functional Utility	Average	Average	Average	Average
Heating/Cooling	EFWA	BB, minisplit	FWA, HeatPmp	EBB
Energy Emission Items	Double pane	Double pane	Double pane	Double pane
Garage/Carport	1 Car Garage	1 Car Garage	2 Car Garage	No Covered Pkg
Porch/Patio/Deck	Porch, Cvd Patio	Porch, Cvd Patio	Porch, Patio	Porch, Patio
Net Adjustment (Total)		\$ 24,100	\$ 7,100	\$ 72,400
Adjusted Sale Price		\$ 327,900	\$ 322,900	\$ 352,400
Net Adj. -6.8%				
Gross Adj. 9.1%				
Summary of Sales Comparison Approach	See Addendum			

Scope of Work, Assumptions and Limiting Conditions

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as "the type and extent of research and analyses in an assignment." In short, scope of work is simply what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

The scope of this appraisal and ensuing discussion in this report are specific to the needs of the client, other identified intended users and to the intended use of the report. This report was prepared for the sole and exclusive use of the client and other identified intended users for the identified intended use and its use by any other parties is prohibited. The appraiser is not responsible for unauthorized use of the report.

The appraiser's certification appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraiser in the report. All extraordinary assumptions and hypothetical conditions are stated in the report and might have affected the assignment results.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under reasonable ownership.
 2. Any sketch in this report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.
 3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.
 4. Neither all, nor any part of the content of this report, copy or other media thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purpose by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.
 5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.
 6. Information, documents, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.
 7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structure, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such factors. This appraisal is not an environmental assessment of the property and should not be considered as such.
 8. The appraiser specializes in the valuation of real property and is not a home inspector, building contractor, structural engineer, or similar "expert", unless otherwise noted. The appraiser did not conduct the intensive type of field observations of the kind intended to seek and discover property defects. The viewing of the property and any improvements is for purposes of developing an opinion of the defined value of the property, given the intended use of this assignment. Statements regarding condition are based on surface observations only. The appraiser claims no special expertise regarding issues including, but not limited to: foundation settlement, basement moisture problems, wood decaying (or other) insects, pest infestation, radon gas, lead based paint, mold or environmental issues. Unless otherwise indicated, mechanical systems were not activated or tested.
- The appraiser reports should not be used to disclose the condition of the property as it relates to the presence/absence of defects. The agent is invited and encouraged to employ qualified experts to inspect and address areas of concern. If negative conditions are discovered, the opinion of value may be affected.
- Unless otherwise noted, the appraiser assumes the components that constitute the subject property improvement(s) are fundamentally sound and in working order.
- Any viewing of the property by the appraiser was limited to readily observable areas. Unless otherwise noted, stairs and crawl space areas were not accessed. The appraiser did not move furniture, floor coverings or other items that may restrict the viewing of the property.
9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alteration are based on the assumption that such completion, alteration or repairs will be competently performed.
 10. Unless the intended use of this appraisal specifically includes issues of property insurance coverage, this appraisal should not be used for such purposes. Reproduction or Replacement cost figures used in the cost approach are for valuation purposes only, given the intended use of the assignment. The Duration of Value used in this assignment is unlikely to be consistent with the definition of Insurable Value for property insurance coverage.
 11. The ACI General Purpose Appraisal Report (GPAPSM) is not intended for use in transactions that require a Fannie Mae 1004/Freddie Mac 70 form, also known as the Uniform Residential Appraisal Report (URAR).

Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions

The subject property has been appraised as of January 5th, 2018.

Final appraiser's opinion of value reflects:

- 12) USPAP disclosure: I have personally appraised this property within the past 3 years for the client. The subject property sketch measurements and interior photos included within this appraisal assignment were obtained from the previous March 3 2016 appraisal.
- 13) This is an Exterior only appraisal. No current interior inspection was completed for this assignment. All subject data and interior photos were obtained from previous 2016 interior inspection of the subject property.
- 14) The Client has direct the appraised value to reflect average condition regardless of the actual condition for the purposes of this appraisal.
- 15) The appraiser makes the assumption that the subject property is currently rented at market value.
- 16) The appraiser makes the assumption that there is no observable or un-observable deferred maintenance that would result in an adverse market reaction.
- 17) The appraiser makes the Assumptions that the improvements are in average condition.
- 18) The appraiser makes the assumption that the improvements are compliant with all current jurisdictional smoke alarm and electrical codes.
- 19) The appraiser makes the assumption that there are no interior and or exterior health hazards.
- 20) The appraisers makes the assumption that enclosed fireplaces are operational and functional.
- 21) The appraisers make the assumption that the roof and gutters have been replaced since 2016 inspection.

Residential Appraisal Report

Form No. 17-3480

Appraiser's Certification

The appraiser(s) certifies that, to the best of the appraiser's knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise stated, the appraiser has no present or prospective interest in the property that is the subject of this report and has no personal interest with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's 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 the appraisal.
7. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Unless otherwise noted, the appraiser has made a personal inspection of the property that is the subject of this report.
9. Unless noted below, no one provided significant real property appraisal assistance to the appraiser signing this certification. Significant real property appraisal assistance provided by:

Additional Certifications:

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.

Definition of Value: ☒ Market Value ☐ Other Value: _____

Source of Definition: "The Appraisal of Real Estate" 14th Edition, Appraisal Institute, Chicago, IL.

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

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

ADDRESS OF THE PROPERTY APPRAISED:

302 78th PL SW

Everett, WA 98203

EFFECTIVE DATE OF THE APPRAISAL: January 5, 2018

APPRAISED VALUE OF THE SUBJECT PROPERTY \$ 325,000

APPRAISER

Signature: David R Connelly

Name: David Connelly

Company Name: American Home Appraisals

Company Address: 7433 SE 27th St

Mercer Island, WA 98040

Telephone Number: 206-238-3037

Email Address: david@AmericanAppraisals.com

State Certification #: 1700766

or License #

or Other (specify): _____ State #: _____

State: WA

Expiration Date of Certification or License: 11/17/2018

Date of Signature and Report: 01/18/2018

Date of Property Viewing: 01/05/2018

Degree of property viewing:

☐ Interior and Exterior

☒ Exterior Only

☐ Did not personally view

SUPERVISORY APPRAISER

Signature: _____

Name: _____

Company Name: _____

Company Address: _____

Telephone Number: _____

Email Address: _____

State Certification #

or License #

State: _____

Expiration Date of Certification or License: _____

Date of Signature: _____

Date of Property Viewing: _____

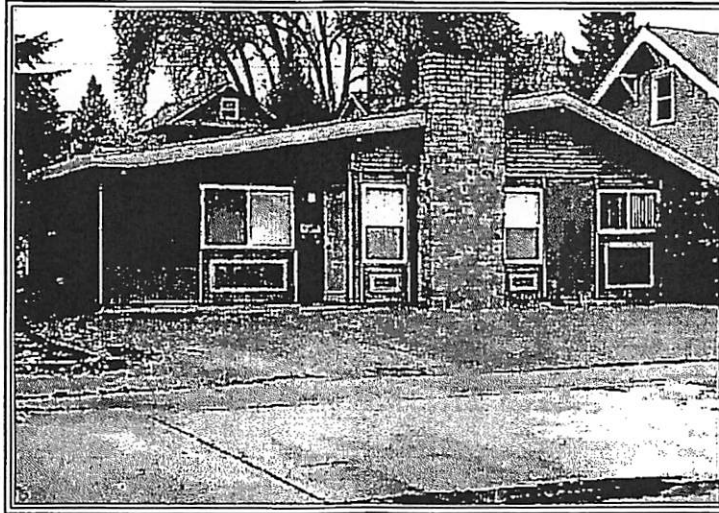
Degree of property viewing:

☐ Interior and Exterior

☐ Exterior Only

☐ Did not personally view

APPRAISAL OF



LOCATED AT:

1513 Virginia Ave
Everett, WA 98201

CLIENT:

Clampett Industries, LLC dba EMG
10461 Mill Run Circle, Suite 1100
Owings Mills, MD, 21117

AS OF:

January 5, 2018

BY:

David Connelly
American Home Appraisals

01/18/2018

Clampett Industries, LLC dba EMG
10481 Mill Run Circle, Suite 1100
Owings Mills, MD, 21117

File Number: 17-3479

In accordance with your request, I have appraised the real property at:

1513 Virginia Ave
Everett, WA 98201

The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as improved.
The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the defined value of the property as of January 5, 2018 is:

\$275,000
Two Hundred Seventy-Five Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions,
final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.

Sincerely,



David Connelly
American Home Appraisals
7433 SE 27th St, Mercer Island, WA 98040

Residential Appraisal Report

File No. 17-3479

The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.

Client Name/Intended User: Clappett Industries, LLC dba EMG **E-mail:** lshackel@emgcorp.com

Client Address: 10461 Mill Run Circle, Suite 1100 **City:** Owings Mills **State:** MD **Zip:** 21117

Additional Intended User(s): The intended users of this report is the client listed above, additional intended users are Everett Housing Authority, the property owners and any mediation service or court of competent jurisdiction, and no other

Intended Use: The intended use of this appraisal is to determine current Market Value. No other use is intended or authorized by the appraiser. The scope of this assignment is specific to the identified intended use.

Property Address: 1513 Virginia Ave **City:** Everett **State:** WA **Zip:** 98201

Owner or Public Record: Housing Authority of Everett **County:** Snohomish

Legal Description: See Attached Addendum

Assessor's Parcel #: 280517 003 033 00 **Tax Year:** 2017 **R.E. Taxes \$:** 2,803.00

Neighborhood Name: North Everett **Map Reference:** TB 398 E1 **Census Tract:** 403.00

Property Rights Appraised: ☒ Fee Simple ☐ Leasehold ☐ Other (describe)

My reason: ☐ I did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Prior Sale/Transfer: Date: n/a Price: n/a **Source(s):** Snohomish County Public Records and Realist

Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable): There have been no sales or transfer of interest in the previous three years per NWMLS and Snohomish County public records for the Subject. There have be no prior sales in past 3 years for the comparable sales unless noted.

Offerings, options and contracts as of the effective date of the appraisal: No offerings, options and or contracts were noted or were brought to the attention of the appraisers as of the effective date of this appraisal.

Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing		Present Land Use %	
Location	<input checked="" type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	85 %
Buy-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input checked="" type="checkbox"/> Shortage	<input type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	10 %
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths	<input type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	130 Low	0	Multi-Family	10 %
Neighborhood Boundaries	Neighborhood is bordered by Puget Sound to the west, the Snohomish River to the north and east and Pacific Ave to the South.							2,300 High	120	Commercial	10 %
Neighborhood Description	See Addendum							375 Prod.	80	Owner Public	5 %

Market Conditions (including support for the above conclusions): See Addendum

Dimensions: 50ft x 120ft **Area:** 6,098sf per Sno Co **Shape:** Rectangular **View:** None

Specific Zoning Classification: R2 City of Everett **Zoning Description:** Single Family 5000sf Minimum lot size

Zoning Compliance: ☒ Legal ☐ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No If No, describe: _____

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street concrete	<input checked="" type="checkbox"/>	
Gas	<input checked="" type="checkbox"/>		Sewer	<input checked="" type="checkbox"/>	Alley asphalt	<input checked="" type="checkbox"/>	

See Comments: See Addendum

GENERAL DESCRIPTION			FOUNDATION		EXTERIOR DESCRIPTION		INTERIOR	
Units	<input checked="" type="checkbox"/> One	<input type="checkbox"/> One of Two	Concrete Slab	<input checked="" type="checkbox"/> Craw Space	Foundation Walls	Concrete	Floors	WW Vinyl
# of Stories	1		Full Basement	<input type="checkbox"/> Partial Basement	Exterior Walls	T-111 plywood	Walls	DryWall
Type	<input checked="" type="checkbox"/> Det.	<input type="checkbox"/> Am.	Basement Area	n/a sq. ft.	Roof Surface	RollComp	Trim/Furnish	Wood
<input checked="" type="checkbox"/> Existing	<input type="checkbox"/> Proposed	<input type="checkbox"/> Under Constr.	Basement Finish	%	Gutters & Downspouts	Boxed / Alum	Bath Finish	Vinyl
Design (Style)	Rambler		Outside Entry/Exit	<input type="checkbox"/> Sump Pump	Window Type	Vinyl Frm	Bath Windows	Laminate
Year Built	1970				Storm Sash/Insulation	Insulated	Car Storage	None
Effective Age (Yrs)	17				Servicos	Yes	<input checked="" type="checkbox"/> Driveway	# of Cars 1
Aspx	<input type="checkbox"/> None		Heating	<input type="checkbox"/> FWA <input type="checkbox"/> HW <input type="checkbox"/> Radiant	Amenities		Wood Sides(s) #	Driveway Surface
<input type="checkbox"/> Drop Sides	<input type="checkbox"/> Sides		<input checked="" type="checkbox"/> Other BB	<input type="checkbox"/> Full Electric	<input checked="" type="checkbox"/> Fireplace(s) # 1	<input type="checkbox"/> Fences	<input type="checkbox"/> Garage	# of Cars
<input type="checkbox"/> Floor	<input checked="" type="checkbox"/> Slat		Cooling	<input type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Patio/Deck	<input checked="" type="checkbox"/> Porch	<input type="checkbox"/> Carport	# of Cars
<input type="checkbox"/> Finished	<input type="checkbox"/> Hards		Insulation	<input type="checkbox"/> Other	<input type="checkbox"/> Pool	<input type="checkbox"/> Other	<input type="checkbox"/> Am.	<input type="checkbox"/> Den.
Appliances	<input type="checkbox"/> Refrigerator	<input checked="" type="checkbox"/> Range/Oven	Dishwasher	<input type="checkbox"/> Disposal	Washer/Dryer	<input type="checkbox"/> Other (describe)		
Finished area above grade contains:			6 Rooms	3 Bedrooms	1 Bath(s)	1,028 Square Feet of Gross Living Area Above Grade		
Additional Features: See Addendum								
Comments on the Improvements: See Addendum								

Residential Appraisal Report

FSA No. 17-3479

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
1513 Virginia Ave		3015 24th St		1620 Pine St		1515 Fulton St	
Address	Everett	Everett, WA 98201		Everett, WA 98201		Everett, WA 98201	
Proximity to Subject		0.83 miles SE		0.23 miles SE		0.10 miles SE	
Sale Price	\$	\$ 275,000		\$ 285,000		\$ 330,000	
Sale Price/Gross Lst. Area	\$ 0.00 sq. ft.	\$ 238.72 sq. ft.		\$ 276.04 sq. ft.		\$ 282.53 sq. ft.	
Date Source(s)		MLS #1148997		MLS #1140339		MLS #1182134	
Verification Source(s)		Snohomish Co Rec, Realist		Snohomish Co Rec, Realist		Snohomish Co Rec, Realist	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	(H) \$ Adjustment	DESCRIPTION	(H) \$ Adjustment	DESCRIPTION	(H) \$ Adjustment
Sale or Financing		None/Noted/Cvn		Yes/VA	-2,850	Yes/Cvn	-8,000
Concessions		07/2017 omd	7,800	08/2017 omd	9,100	10/2017 omd	3,700
Date of Sale/Term		08/2017 Clsd		07/2017 Clsd		11/2017 Clsd	
Location	North Everett	North Everett		North Everett		North Everett	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Size	6,098sf	3,049sf	17,000	6,098sf	-0-	6,098sf	-0-
View	None	None		None		None	
Design (Style)	Rambler	Rambler		Rambler		Rambler	
Quality of Construction	Average	Average		Average		Average	
Actual Age	1970 built	1979 built	-0-	1942 built	-0-	1993 built	-0-
Condition	Average	Average		Average		Average	
Above Grade	Total Below Above	Total Below Above	-0-	Total Below Above	-0-	Total Below Above	-0-
Room Count	6 3 1	6 3 1	-0-	6 3 1	-0-	6 3 2	-21,000
Gross Living Area	88.00	1,028 sq. ft.	1,152 sq. ft.	-11,000	980 sq. ft.	6,000	1,168 sq. ft.
Basement & Finished	N/A	N/A		N/A		N/A	
Rooms Below Grade							
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	BB	FWA		Elec Wall		FWA	
Energy Efficient Items	Double pane	Double pane		Double pane		Double pane	
Garage/Carport	No Cvd Parking	No Cvd Parking		No Cvd Parking		2 Car Garage	-26,000
Porch/Patio/Deck	CP/Patio	Porch, Deck		Porch, Deck		Porch, Deck	
Not Adjusted (Total)		[X] + [] -	\$ 13,900	[X] + [] -	\$ 12,450	[] + [X] -	\$ 63,800
Adjusted Sale Price of Comparables		Net Adj. 5.1%	Gross Adj. 13.1%	Net Adj. 4.7%	Gross Adj. 6.7%	Net Adj. -19.3%	Gross Adj. 21.6%
Summary of Sales Comparison Approach	See Addendum						
Indicated Value by Sales Comparison Approach \$ 275,000							
COST APPROACH TO VALUE							
See Value Comments See Addendum							
ESTIMATED REPRODUCTION OR [X] REPLACEMENT COST NEW							
Source of cost data		BuildingCost.net and Craftsman Book Company		Opinion of Site Value		\$ 137,000	
Quality rating from cost service		Avg		Dwelling 1,028 Sq. Ft. @ \$		\$ 0	
Effective date of cost data		2017		Sq. Ft. @ \$		\$	
Comments on Cost Approach (gross living area calculations, depreciation, etc.)							
Remaining economic life is 63 years. Cost figures have been obtained from BuildingCost.net and Craftsman Book Company. Average quality construction and from operative local builders.				Garage/Carport 0 Sq. Ft. @ \$ = \$ 0			
Estimated Site Value based on land sales see addendum				Total Estimate of Cost-Now = \$ 145,340			
See attached floor plan sketch for sqft area calculations.				Less 70 Physical Functional External = \$ (34,525)			
Site improvements include: grading, utilities.				Depreciation \$34,525 = \$ (34,525)			
				Depreciated Cost of Improvements = \$ 110,815			
				"As-Is" Value of Site Improvements = \$ 25,000			
				INDICATED VALUE BY COST APPROACH = \$ 272,800			
INCOME APPROACH TO VALUE							
Estimate Monthly Market Rent \$		N/A		X Gross Rent Multiplier		\$ 0	
Indicated Value by Income Approach							
Summary of Income Approach (including support for market rent and GRM) See Addendum							
Methods and techniques employed: [X] Sales Comparison Approach [X] Cost Approach [] Income Approach [] Other:							
Discussion of methods and techniques employed, including reason for excluding an approach to value: See Addendum							
Reconciliation comments: See Addendum							
Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report as of 1/5/2018, which is the effective date of this appraisal, is:							
[X] Single point \$ 275,000 [] Range \$ to \$ [] Greater than [] Less than \$							
This appraisal is made [] "as is," [] subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, [] subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed [X] subject to the following:							
See Attached Scope of Work							

Residential Appraisal Report

File No. 17-3479

FEATURE	SUBJECT	COMPARABLE SALE NO. 4			COMPARABLE SALE NO. 5			COMPARABLE SALE NO. 6		
1513 Virginia Ave Address Everett		2014 Summit Ave Everett, WA 98201			1618 Rockefeller Ave Everett, WA 98201			2218 Cleveland Ave Everett, WA 98201		
Proximity to Subject		0.75 miles SE			0.45 miles SW			0.97 miles SE		
Sale Price	\$	\$ 290,000			\$ 275,000			\$ 315,000		
Sale Price/Gross Lot Area	\$ 0.00 sq. ft.	\$ 248.29 sq. ft.			\$ 282.92 sq. ft.			\$ 322.09 sq. ft.		
Date Source(s)		MLS #1071039			MLS #1168663			MLS #1211876		
Verification Source(s)		Snohomish Co Rec, Realist			Snohomish Co Rec, Realist			Snohomish Co Rec, Realist		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+/- \$ Adjustment		DESCRIPTION	+/- \$ Adjustment		DESCRIPTION	+/- \$ Adjustment	
Sale or Financing Concessions		None/Noted/VA 02/2017 omd	-0- 17,800		None/Noted/Crv 08/2017 omd	-0- 6,200		Unknown 12/19/2017 omd	-0-	
Date of Sale/Time		04/2017 Clsd			08/2017 Clsd			Pending Sale		
Location	North Everett	North Everett			North Everett			North Everett		
Leasehold/Fee Simple	Fee Simple	Fee Simple			Fee Simple			Fee Simple		
Size	6,098sf	6,098sf	-0-		4,358sf	10,000		5,227sf	5,000	
View	None	Terr/Mtn/TrfNs	-0-		None			None		
Design (Style)	Rambler	Rambler			Rambler			Rambler		
Quality of Construction	Average	Average			Average			Average		
Actual Age	1970 built	1980 built	-0-		1988 built	-0-		1987 built	-0-	
Condition	Average	Average			Average			Remodeled	-23,000	
Above Grade Room Count	Total Rooms Basms	Total Rooms Basms			Total Rooms Basms			Total Rooms Basms		
	6 3 1	6 3 1.75	-21,000		6 3 2	-21,000		6 3 1	-0-	
Gross Living Area 88.00	1,028 sq. ft.	1,168 sq. ft.	-12,500		972 sq. ft.	5,000		978 sq. ft.	4,500	
Basement & Finished Rooms Below Grade	N/A	N/A			N/A			N/A		
Functional Utility	Average	Average			Average			Average		
Heating/Cooling	BB	FWA			BB			BB		
Energy Efficient Items	Double pane	Double pane			Double pane			Double pane		
Garage/Carport	No Cvd Parking	2 Car Garage	-26,000		No Cvd Parking	-0-		No Cvd Parking	-0-	
Porch/Patio/Deck	CP/Patio	Porch, Deck			Porch, Deck			Porch, Deck		

File No. 17-3479

gpar™

Scope of Work, Assumptions and Limiting Conditions

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as "the type and extent of research and analyses in an assignment." In short, scope of work is simply what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

The scope of this appraisal and ensuing discussion in this report are specific to the needs of the client, other identified intended users and to the intended use of the report. This report was prepared for the sole and exclusive use of the client and other identified intended users for the identified intended use and its use by any other parties is prohibited. The appraiser is not responsible for unauthorized use of the report.

The appraiser's certification appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraiser in the report. All extraordinary assumptions and hypothetical conditions are stated in the report and might have affected the assignment results.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in this report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.
3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.
4. Neither all, nor any part of the contents of this report, copy or other made thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.
5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.
6. Information, comments, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.
7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subject, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such factors. This appraisal is not an environmental assessment of the property and should not be considered as such.
8. The appraiser specializes in the valuation of real property and is not a home inspector, building contractor, structural engineer, or similar "expert", unless otherwise noted. The appraiser did not conduct the intensive type of field observations of the kind intended to seek and discover property defects. The viewing of the property and any improvements is for purposes of developing an opinion of the defined value of the property, given the intended use of this assignment. Statements regarding condition are based on surface observations only. The appraiser claims no special expertise regarding issues including, but not limited to, foundation settlement, basement moisture problems, wood destroying (or other) insects, pest infestation, radon gas, lead based paint, mold or environmental issues. Unless otherwise indicated, mechanical systems were not observed or tested.

This appraisal report should not be used to disclose the condition of the property as it relates to the presence/absence of defects. The client is invited and encouraged to employ qualified experts to inspect and address areas of concern. If negative conditions are discovered, the opinion of value may be affected.

Unless otherwise noted, the appraiser assumes the components that constitute the subject property improvement(s) are fundamentally sound and in working order.

Any viewing of the property by the appraiser was limited to readily observable areas. Unless otherwise noted, attic and crawl space areas were not accessed. The appraiser did not move furniture, floor coverings or other items that may restrict the viewing of the property.

9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alterations are based on the assumption that such completion, alteration or repairs will be competently performed.
10. Unless the intended use of this appraisal specifically includes issues of property insurance coverage, this appraisal should not be used for such purposes. Reproduction or Replacement cost figures used in the cost approach are for valuation purposes only, given the intended use of the assignment. The Definition of Value used in this assignment is unlikely to be consistent with the definition of Insurable Value for property insurance coverage.
11. The ACI General Purpose Appraisal Report (GPAPTM) is not intended for use in transactions that require a Fannie Mae 1004/Freddie Mac 70 form, also known as the Uniform Residential Appraisal Report (URAR).

Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions

The subject property has been appraised as of January 5, 2018

The appraiser's opinion of value reflects:

12) USPAP disclosure: I have personally appraised this property within the past 3 years for the client. The subject property sketch measurements and interior photos included within this appraisal assignment were obtained from the previous March 3 2016 appraisal.

13) This is an Exterior only appraisal. No current interior inspection was completed for this assignment. All subject data and interior photos were obtained from previous 2016 interior inspection of the subject property.

14) The Client has direct the appraised value to reflect average condition regardless of the actual condition for the purposes of this appraisal.

15) The appraiser makes the assumption that the subject property is currently rented at market value.

16) The appraiser makes the assumption that there is no observable or un-observable deferred maintenance that would result in an adverse market reaction.

17) The appraiser makes the Assumptions that the improvements are in average condition.

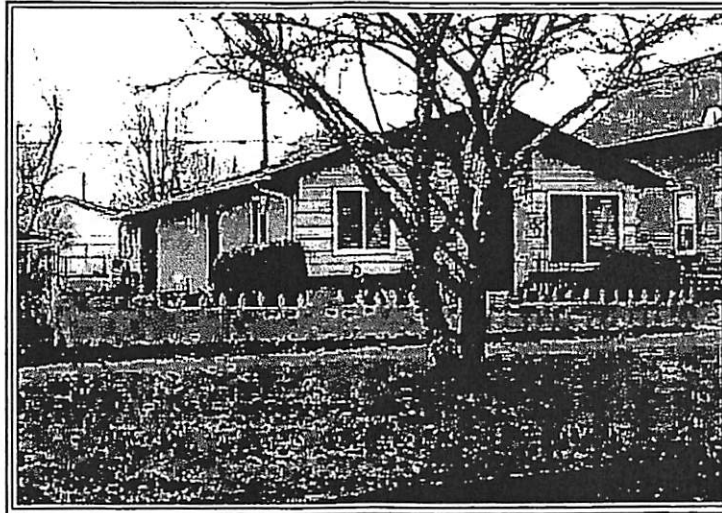
18) The appraiser makes the assumption that the improvements are compliant with all current jurisdictional smoke alarm and electrical codes.

19) The appraiser makes the assumption that there are no interior and or exterior health hazards.

20) The appraiser makes the assumption that the fireplace is operational and functional.

21) No interior walk through was completed in 2016. Tenant was not home and Everett Housing Authority employee for safety concerns would not allow interior access due to barking dog(s) inside the residence.

APPRAISAL OF



LOCATED AT:

1620 Rainier Ave
Everett, WA 98201

CLIENT:

Clampett Industries, LLC dba EMG
10461 Mill Run Circle, Suite 1100
Owings Mills, MD, 21117

AS OF:

January 5, 2018

BY:

David Connelly
American Home Appraisals

01/18/2018

Clampett Industries, LLC dba EMG
10461 Mill Run Circle, Suite 1100
Owings Mills, MD, 21117

File Number: 17-3478

In accordance with your request, I have appraised the real property at:

1620 Rainier Ave
Everett, WA 98201

The purpose of this appraisal is to develop an opinion of the defined value of the subject property, as improved.
The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the defined value of the property as of January 5, 2018 is:

\$280,000
Two Hundred Eighty Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions,
final opinion of value, descriptive photographs, assignment conditions and appropriate certifications.

Sincerely,



David Connelly
American Home Appraisals
7433 SE 27th St, Mercer Island, WA 98040

Residential Appraisal Report

Fm No. 17-3478

The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.

Client Name/Intended User: Clampt Industries, LLC dba EMG **E-mail:** tshackel@emgcorp.com
Client Address: 10481 Mill Run Circle, Suite 1100 **City:** Owings Mills **State:** MD **Zip:** 21117

Additional Intended User(s): The intended users of this report is the client listed above, additional intended users are Everett Housing Authority, the property owners and any mediation service or court of competent jurisdiction, and no other

Intended Use: The intended use of this appraisal is to determine current Market Value. No other use is intended or authorized by the appraiser. The scope of this assignment is specific to the identified intended use.

Property Address: 1620 Rainier Ave **City:** Everett **State:** WA **Zip:** 98201
Owner of Public Record: Housing Authority of Everett **County:** Snohomish

Legal Description: See attached appraisal Addendum

Appraiser's Parcel #: 004388 334 023 00 **Tax Year:** 2017 **R.E. Taxes \$:** 2378+-
Neighborhood Name: North Everett **Map Reference:** TB 388 E1 **Consent Taxes:** 403.00

Property Rights Appraised: ☒ Fee Simple ☐ Leasehold ☐ Other (describe)

My research: ☐ and ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Prior Sale/Transfer: Date: N/A **From:** N/A **Source(s):** Snohomish County Public Records and Realist

Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable): There have been no sales or transfer of interest in the previous three years per NWMLS and Snohomish County public records for the Subject. There have be no prior sales in past 3 years for the comparable sales unless noted.

Offerings, options and contracts as of the effective date of this appraisal: No offerings, options and or contracts were noted or were brought to the attention of the appraisers as of the effective date of this appraisal.

Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing		Present Land Use %	
Location	<input checked="" type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Decreasing	PRICE	AGE	One-Unit	85 %
Build-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input checked="" type="checkbox"/> Shortage	<input type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	10 %
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input checked="" type="checkbox"/> Under 3 mths	<input type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	130 Low	0	Mult-Family	10 %
Neighborhood Boundaries: Neighborhood is bordered by Puget Sound to the west, the Snohomish River to the north and east and Pacific Ave to the South.								2,300 High	120	Commercial	10 %
Neighborhood Description: See Addendum								375 Price	90	Other Public	5 %

Market Conditions (including support for the above conclusions): See Addendum

Dimensions: 45ft x 120ft **Area:** 5,227sf per Sno Co **Shape:** Rectangular **View:** None

Specs: Zoning Classification: R2 City of Everett **Zoning Description:** Single Family 5000sf Minimum lot size

Zoning Compliance: ☐ Legal ☒ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No **If No, describe:**

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street asphalt	<input checked="" type="checkbox"/>	
Gas	<input checked="" type="checkbox"/>		Sanitary Sewer	<input checked="" type="checkbox"/>	Any Gravel	<input checked="" type="checkbox"/>	

See Comments: See Addendum

GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION materials		INTERIOR materials	
Units	<input checked="" type="checkbox"/> One <input type="checkbox"/> One and a half <input type="checkbox"/>	<input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Crawl Space	<input type="checkbox"/> Foundation Walls	<input type="checkbox"/> Concrete Block	Floors	<input type="checkbox"/> WW Vinyl	
# of Stories	1	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls	T-111 plywood	Walls	<input type="checkbox"/> Dry Wall	
Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det/End Unit	Basement Area	n/a sq. ft.	Rear Surface	Comp Shingle	Tan/Factor	Wood
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Constr.		Basement Finish	%	Gutters & Downspouts	Alum	Boat Floor	Vinyl
Design (Style)	Rambler	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump		Window Type	Vinyl Frm	Boat Windows	Laminata
Year Built	1987			Storm Sash/Insulating	Insulated	Car Storage	<input type="checkbox"/> None
Effective Age (Yrs)	22			Screens	Yes	<input checked="" type="checkbox"/> Driveway # of Cars	2
Asps	<input type="checkbox"/> None	Heating	<input checked="" type="checkbox"/> FWA <input type="checkbox"/> HW <input type="checkbox"/> Radiant	Amenities	<input type="checkbox"/> Wood Stove(s) #	Driveway Surface	Concrete
<input type="checkbox"/> Drop Slew <input type="checkbox"/> Slew		<input type="checkbox"/> Other	Fuel Electric	Fireplace(s) #	<input checked="" type="checkbox"/> Fan	Garage # of Cars	
<input type="checkbox"/> Fiber <input checked="" type="checkbox"/> Satellite		Cooling	<input type="checkbox"/> Central Air Conditioning	Pool/Deck	<input checked="" type="checkbox"/> Porch	<input checked="" type="checkbox"/> Carport # of Cars	1
<input type="checkbox"/> Finished <input type="checkbox"/> Heated		Insulation	<input type="checkbox"/> Other	Pool	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Bottom	
Appliances	<input type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven	Dishwasher	<input type="checkbox"/> Disposal <input type="checkbox"/> Microwave	Washer/Dryer	<input type="checkbox"/> Other (describe)		
Finished area above grade contains:		6 Rooms	3 Bedrooms	1.25 Bath(s)	1,056 Square Feet of Gross Living Area Above Grade		
Additional Features:		See Addendum					
Comments on the Improvements:		See Addendum					

Residential Appraisal Report

Form No. 17-3478

FEATURE	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
1620 Rainier Ave		3015 24th St	1620 Pine St	1515 Fulton St
Address	Everett	Everett, WA 98201	Everett, WA 98201	Everett WA 98201
Proximity to Subject		0.77 miles SE	0.29 miles SE	0.22 miles NE
Sale Price	\$	\$ 275,000	\$ 285,000	\$ 330,000
Sale Price/Gross Lst. Area	\$ 0.00 sq. ft.	\$ 238.72 sq. ft.	\$ 276.04 sq. ft.	\$ 282.53 sq. ft.
Data Source(s)		MLS #1146997	MLS #1140339	MLS #1192134
Verification Source(s)		Snohomish Co Rec, Realist	Snohomish Co Rec, Realist	Snohomish Co Rec, Realist
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sale or Financing	None/Noted/Cvn	Yes/VA	-2,650	Yes/Cvn
Connections	07/2017 cmd	08/2017cmd	9,100	10/2017 cmd
Date of Sale/Time	08/2017 Clsd	07/2017 Clsd		11/2017Cld
Location	North Everett	North Everett	North Everett	North Everett
Leased/For Sale	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Size	5,227sf	3,049sf	12,000	6,098sf
View	None	None		None
Design (Style)	Rambler	Rambler		Rambler
Quality of Construction	Average	Average		Average
Amount Age	1967 built	1979 built	-0-	1993 built
Condition	Average	Average		Average
Above Grade	1000 sq. ft.	1000 sq. ft.	-0-	1000 sq. ft.
Room Count	8 3 1.25	6 3 1	-0-	6 3 2
Gross Living Area	88.00	1,056 sq. ft.	1,152 sq. ft.	-8,000
Basement & Finished	N/A	N/A		N/A
Rooms Below Grade	N/A	N/A		N/A
Functional Utility	Average	Average		Average
Heating/Cooling	FWA	FWA		FWA
Energy Efficient home	Double pane	Double pane		Double pane
Garage/Carport	1 CP & Stg	No Cvd Parking	7,300	No Cvd Parking
Porch/Patio/Deck	CP,Patio	Porch,Deck	-0-	Porch,Deck
Net Adjustment (Total)		[X] + [] - \$ 19,100	[X] + [] - \$ 16,750	[] + [X] - \$ 59,000
Adjusted Sale Price		Net Adj. 6.9%	Net Adj. 6.3%	Net Adj. -17.9%
or Comparable		Gross Adj. 12.8%	Gross Adj. 12.1%	Gross Adj. 20.1%
Summary of Sales Comparison Approach	See Addendum			
Indicated Value by Sales Comparison Approach \$ 280,000				
COST APPROACH TO VALUE				
See Value Comments See Addendum				
ESTIMATED [] REPRODUCTION OR [X] REPLACEMENT COST NEW				
Source of cost data: BuildingCost.net and Craftsman Book Company				
Quality rating from cost service: Avg Effective date of cost data: 2017				
Comments on Cost Approach (gross living area calculations, depreciation, etc.)				
Remaining economic life is 48 years. Cost figures have been obtained from BuildingCost.net and Craftsman Book Company.				
Average quality construction and from operative local builders.				
Estimated Site Value based on land sales see addendum				
See attached floor plan sketch for sqft area calculations.				
Site Improvements include: grading, utilities.				
Garage/Carport 240 Sq. Ft. @ \$ = \$ 0				
Total Estimate of Cost-New = \$ 155,426				
Less 70 Physical Functional External				
Depreciation \$48,848 = \$ (48,848)				
Depreciated Cost of Improvements = \$ 106,578				
"As-is" Value of Site Improvements = \$ 25,000				
INDICATED VALUE BY COST APPROACH = \$ 286,600				
INCOME APPROACH TO VALUE				
Estimated Monthly Market Rent \$ N/A X Gross Rent Multiplier = \$ 0 Indicated Value by Income Approach				
Summary of Income Approach (including support for market rent and GRM) See Addendum				
Methods and techniques employed: [X] Sales Comparison Approach [X] Cost Approach [] Income Approach [] Other:				
Discussion of methods and techniques employed, including reason for excluding an approach to value: See Addendum				
Reconciliation comments: See Addendum				
Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report as of 01/05/2018, which is the effective date of this appraisal, is:				
[X] Single point \$ 280,000 [] Range \$ to \$ [] Greater than [] Less than \$				
True appraisal is made [] as is, [] subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, [] subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed [X] subject to the following:				
See Attached Scope of Work				




Residential Appraisal Report

Fee No. 17-3478

FEATURE	SUBJECT	COMPARABLE SALE NO. 4			COMPARABLE SALE NO. 5			COMPARABLE SALE NO. 6		
1620 Rainier Ave Everett, WA 98201		2014 Summit Ave Everett, WA 98201			1618 Rockefeller Ave Everett, WA 98201			2218 Cleveland Ave Everett, WA 98201		
Proximity to Subject		0.77 miles SE			0.33 miles NW			0.97 miles SE		
Sale Price	\$	\$ 280,000			\$ 275,000			\$ 315,000		
Sale Price/Gross Living Area	\$ 0.00 sq. ft.	\$ 248.29 sq. ft.			\$ 282.92 sq. ft.			\$ 322.09 sq. ft.		
Date Source(s)		MLS #1071039			MLS #1168883			MLS #1211876		
Verification Source(s)		Snohomish Co Rec, Realist			Snohomish Co Rec, Realist			Snohomish Co Rec, Realist		
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+/- \$ Adjustment		DESCRIPTION	+/- \$ Adjustment		DESCRIPTION	+/- \$ Adjustment	
Sale or Financing Conditions		None/Noted/VA 02/2017 omd	17,000		None/Noted/Cnv 08/2017 omd	6,200		Unknown 12/19/2017 omd	-0-	
Date of Sale/Time		04/2017 Cisd			08/2017 Cisd			Pending Sale		
Location	North Everett	North Everett			North Everett			North Everett		
Location/Off Fee Simple	Fee Simple	Fee Simple			Fee Simple			Fee Simple		
Size	5,227sf	8,098sf	-5,000		4,356sf	5,000		5,227sf	-0-	
View	None	Terr/Mtn/TrfNs	-0-		None			None		
Design (Style)	Rambler	Rambler			Rambler			Rambler		
Quality of Construction	Average	Average			Average			Average		
Actual Age	1987 built	1980 built	-0-		1988 built	-0-		1987 built	-0-	
Condition	Average	Average			Average			Remodeled	-23,000	
Above Grade	Total Below Below	Total Below Below	-0-		Total Below Below	-0-		Total Below Below	-0-	
Room Count	6 3 1.25	6 3 1.75	-21,000		6 3 2	-21,000		6 3 1	-0-	
Gross Living Area 88.00	1,056 sq. ft.	1,168 sq. ft.	-10,000		972 sq. ft.	7,000		978 sq. ft.	7,000	
Basement & Finished Rooms Below Grade	N/A	N/A			N/A			N/A		
Functional Utility	Average	Average			Average			Average		
Heating/Cooling	FWA	FWA			BB			BB		
Energy Efficient Items	Double pane	Double pane			Double pane			Double pane		
Garage/Carport	1 CP & Stg	2 Car Garage	-18,700		No Cvd Parking	7,300		No Cvd Parking	7,300	
Porch/Patio/Deck	CP, Patio	Porch, Deck	-0-		Porch, Deck	-0-		Porch, Deck	-0-	

File No. 17-3478


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 (qPAR™) General Purpose Approval Request 3/20/15
 (qPARUSAL) 11 0327251

Section 5, Line 7Disposition Type

The Everett Housing Authority proposes to dispose of the 44 public housing units via fair market value by public bid.

Section 5, Line 10**Calculation of Net Proceeds**

Total Appraised Value	\$11, 865, 000
Immediate Repair Summary Based on PNA 2018 Repair Costs	\$ 952, 000
Real Estate Transaction Costs	\$ 750, 000
Relocation Counseling and Advisory Services	\$ 456, 193
Estimated Net Proceeds	\$ 9, 706, 807

Section 5, Line 11

Use of Net Proceeds

Based on an appraisal of the inventory, the total value of the units is \$11.8 million. The cost of sale is estimated at \$2.1 million resulting in net proceeds of \$9.7 million. The proposed disposition will facilitate not only the replacement and long-term viability of the 44 subsidized units for low-income households; it also will allow EHA to provide needed community facilities at one of its RAD sites.

The specific proposed uses of proceeds summarized below are explained more thoroughly and put into context in the Section 18 Certification:

Proposed Use	Est. Amount
Acquire and/or renovate replacement project-based voucher (PBV) units	\$8.4 (all numbers millions)
Construct new community center at RAD development	\$0.8
Renovate Grandview non-dwelling space to create 2 PBV units	\$0.5
Total Proceeds	\$9.7

Section 5, Line 13**Description of General Timetable**

Everett Housing Authority proposes disposition of 44 public housing Scattered Sites units. If the Section 18 disposition application is approved, we will immediately submit a funding application to the local HUD field office in an effort to secure Tenant Protection Vouchers for each relocating household. Relocation of 44 households will take place over an 18-month period. Everett Housing Authority has identified a small number of residents who have expressed a desire to purchase a Scattered Sites unit at market value. Residents of the Scattered Sites properties will be given the opportunity to purchase some of the units. The following items are factored into the relocation timetable:

- Resident Voucher Briefing
- Request for Tenancy Approval (RFTA)
- Schedule of packing and moving
- Housing Quality Standard (HQS) inspection on new unit
- Lease signing with new landlord

Number of Days from Disposition Approval Date	Action
180 days	Begin relocation of first 30 households
Between 180-360 days	Begin relocation of next 15 households
Between 360-540 days	Relocation Complete
630	Final Execution of Contract for Removal
660 days	Actual Removal Action

[? Get Help](#)[Logoff / Return to Secure Systems](#)Erica Koenig
(MS6506)

PIC Main

Housing
Agency

Development

Inventory
Removals

Logoff

Application

Application
ReviewRemove from
Inventory

Reports

List

Form HUD-52860 Supporting Documents Quality Checklist Submission

Field Office HA: **WA006 Everett Housing Authority**Application: **DDA0007816**Development: **WA006000500 EVERETT WA**

Application Status

Application Type: **Disposition** Processor: **SAC-Chicago**Reviewer: **Sunny Grover**Application Status: **Under Review** Status Date: **11/06/2016**

Section 6: Relocation

1. Occupied units:

a. Of the **44** units proposed for removal, **43** are occupied as of the date of this application.*Attach a narrative explaining the circumstances that resulted in the units becoming vacant and the relocation of the residents and reference it as Section 6, line 1(a).*b. Of the **44** total units in the development, **0** units will remain after removal.c. Of the **0** units that will remain after removal, **0** are occupied as of the date of this Application.***If any units are listed as occupied in 1(a), complete questions 2-8***2. How many individuals will be affected by this action? **216**

3. How will counseling and advisory services be provided?

Attach a narrative explaining and reference it as Section 6, line 3.

4. What housing resources are expected to be used for relocation?

☐ Other Public Housing ☒ Section 8 ☒ Other*Attach a narrative explaining and reference it as Section 6, line 4.*

7. Total cost of relocation expenses

	Per Unit Cost x	No. of Units =	Total
5. Estimated cost of counseling and advisory services	\$6,811.00	44	\$299,684.00
6. Estimated cost of moving expenses	\$3,557.00	44	\$156,508.00
		\$456,192.00	

8. What sources of funding will be used to pay for relocation activities?

☒ Operating Funds for FY: **2017**☒ Capital Fund for FY: **2017**☒ Other*If Other, provide an attachment explaining and reference it as Section 6, line 8.*[Return to Application Index](#)

Section 6, Line 1(a)

Relocation – Occupancy

The total unit distribution for Scattered Sites consists of 44 general occupancy units. As of the date of this application, all 44 of the 44 general occupancy units proposed for disposition are occupied.

PIC Section 6, line 1(c) reflects an inconsistency relative to the number of units that will remain after removal which are currently occupied. Zero units will remain after removal. All 44 general occupancy units proposed for disposition are currently occupied.

The HUD SAC office was consulted on similar inconsistencies in August of 2016, for a different EHA development and the PHA received consultation that this is not a concern as the system “populates information at the time of creation, not submission.”

Section 6, Line 3

Relocation Counseling and Advisory Services

Everett Housing Authority takes a comprehensive approach to resident relocation counseling and advisory services. There are a total of 44 Scattered Sites households that may require relocation. During consultation with residents, factors such as household demographics and size, schools, employment, transportation needs, and disability needs are taken into consideration. Everett Housing Authority's Relocation staff will consult with residents on a regular basis in order to develop a custom relocation plan that addresses the needs of each individual household.

Relocation Staff

Everett Housing Authority has a designated relocation team that will remain available to residents during each stage of relocation planning and moving. Staff will conduct one-on-one meetings with each household, at the resident home. During these meetings, staff administers a resident questionnaire that captures important information about the household's needs and preferences. Residents are given preliminary information about staff's role and the assistance that will be provided during relocation.

Identification of Barriers

Consultation with residents includes a focus on present or future barriers that would make it difficult for a household to be successful in the open rental market. During our discussions with residents, we ask key questions that will inform us as to what types of resources are most appropriate. Common barriers include unfavorable credit history; past or current lease violation notices, and budgetary limitations, including inability to pay for a security deposit. Other factors such as equal access and communication needs are also taken into consideration. When necessary, Relocation staff will connect residents to resources outside of Everett Housing Authority in order to address barriers that may prevent successful relocation.

Everett Housing Authority's Relocation staff will work closely with the Resident Services Department in order to ensure that residents have access to as many resources and supportive networks as possible. This service component is especially important for residents who may struggle with the relocation process. In all instances, Everett Housing Authority will carry out relocation activities in a manner consistent with the Fair Housing Act of 1937, Washington State Fair Housing Law, all applicable HUD and federal regulations, and agency best practices.

Housing Search Assistance

Relocation staff will not only provide residents with written materials about available housing, but will also physically assist residents when necessary. This will include conducting an Internet search, transporting residents to view units, or facilitating communication between residents and their prospective landlords. Due to the number of long-term residents at the Scattered Sites properties, and based on initial resident feedback, we anticipate more than half of the total households will require assistance with housing search and relocation logistics.

Some residents have expressed interest in purchasing a Scattered Sites home. In addition to rental housing search assistance, Everett Housing Authority may also assist residents connect to homebuyer programs that may help them qualify for a loan and home purchase.

Language Translation Services

Everett Housing Authority has identified a minimum of four languages, other than English, that are prevalent within the Scattered Sites Community. We contract with the Refugee Forum and Immigrant Services Northwest (RISNW) to provide language translation during group meetings. During individual meetings, staff utilizes RISNW or the AT&T language line, depending upon the duration and spontaneity of the communication. We contract with Translators USA for translated, written documents that contain information about the disposition and relocation.

Resource Referral

During planning and implementation, Everett Housing Authority will ensure residents are referred to available resources relevant to successful relocation. Below are some examples of resources that may be appropriate for some households:

- An updated listing of landlords who participate in the Housing Choice Voucher program where the Tenant Protection Voucher may be utilized.
- Assistance with free online housing searches through NW Housing Search.
- Renter's certification classes through the Dispute Resolution Center.
- Free Credit counseling and budget management through partnership with the Northwest Justice Project.
- Access to landlord fairs where landlords hold presentations and set up stations at the neighborhood community center.
- Equal access navigation and materials.
- Access to free tools through NW Housing Search such as rental checklists, budget worksheets, and moving cost calculator.
- Access to additional paid resources.

Tenant Protection Voucher Education

Everett Housing Authority will request an allocation of Tenant Protection Vouchers for all relocating Scattered Sites households. Everett Housing Authority recognizes this potential change in rental assistance and the requirements associated with the voucher will be a learning process for residents. This educational component will be ongoing. Residents have received preliminary information about the Voucher Program during community meetings and through individual consultation with the Housing Choice Voucher Director. Everett Housing Authority staff will meet with each household for a voucher briefing to explain the obligations, rules, and regulations associated with participation in the Voucher Program. In addition, a voucher checklist will be established that will be utilized by both the resident and staff in order to ensure all steps are completed properly up until the point of the resident's new lease-signing.

Everett Housing Authority will continue to develop its overall relocation plan with a primary focus on the unique needs of each household. Staff will remain accessible, resources will be made available, and a personalized plan will be implemented for all households. We believe this approach will ensure the best possible transition for residents and will contribute positively to the entire project.

Section 6, Line 4

Relocation Housing Sources

The Scattered Sites disposition may require relocation of residents in the proposed units. The Everett Housing Authority will implement its plan in a manner consistent with the Fair Housing Act of 1937, Washington State Fair Housing law, all applicable HUD and federal regulations, and best agency practices. Our goal is to assist with identifying the best possible replacement housing options that meet Housing Quality Standards (HQS) and the needs of each household.

The primary housing resource expected to be used for relocation from Scattered Sites will be Tenant Protection Vouchers. EHA will request Tenant Protection Vouchers upon approval of the Disposition Application. Despite a relatively tight market, EHA new voucher participants have been very successful in leasing units in the private market. For example, in a seven-month period starting in August 2015, over 170 households leased up, more than half of whom had been homeless. EHA is very confident that over an 18-month period, the vast majority of the residents will have found housing using their Tenant Protection Vouchers.

EHA's Housing Choice Voucher Department has laid the groundwork for a close working relationship with a developer/owner of tax credit properties who specializes in developing housing for families with children. The developer (HNN Associates) develops 500 tax credits units per year in south Snohomish County and in King County. HCV employees have toured their new properties to develop a close working relationship with HNN property management to facilitate future HCV tenant-based leasing. All of these properties are in low-poverty neighborhoods of Everett and South Snohomish County.

Relocation Assistance

Residents will choose one of the following three options for their assistance:

- **Fixed Payment Option:** Residents may receive a flat fee based on the guidelines laid out in the Federal Highway Administration's Fixed Residential Moving Cost Schedule. This would be a flat fee of \$1,000 for a one-bedroom unit, plus \$200 for each additional bedroom in their existing unit. For example, a household moving from a three-bedroom unit would qualify for \$1,400 in relocation assistance. Fixed payments will be issued in an expedient manner, upon written request by the resident but only after the Housing Authority has confirmed the resident has officially moved from the Scattered Sites premises and has secured a lease with a new landlord.
- **Reimbursement Option:** Residents may ask for reimbursement of their actual and reasonable moving expenses. Reimbursement of moving expenses will be paid for a move of up to fifty miles. If a resident chooses to move farther than

fifty miles from their current unit, they may opt for payments of moving services for the first fifty miles of their move, or may choose the Fixed Payment Option.

- Coverage of moving, packing, delivery, and unpacking through the Everett Housing Authority. The Everett Housing Authority will procure professional moving services through a licensed and bonded moving company. Residents choosing this option will not be eligible for the fixed payment option or reimbursement and will instead allow the Housing Authority to coordinate the scheduling and logistics of the move.

Some of EHA's own properties will be available also as relocation opportunities. These properties include unsubsidized tax credit developments. For example, EHA acquired four tax credit properties with over 200 units for elderly and near elderly households in 2015-2016. EHA will seek to fill vacant units with residents of Scattered Sites who want to continue their tenancy with the Authority.

Section 6, Line 8**Relocation Funding**

Everett Housing Authority will fund relocation expenses out of previous year public housing operating reserves, capital funds from fiscal year 2015, 2016, and 2017, from the Asset Repositioning fee as indicated on the HUD form 52723, and if necessary, from net proceeds resulting from disposition.

Section 7, Line 1

Resident Consultation

Community Meeting

A resident community meeting has provided starting point for communication about plans for the Scattered Sites properties. Everett Housing Authority's Director of Development and Acquisitions, Relocation Manager, and the Housing Choice Voucher Director, facilitated these meetings, giving residents access to key staff all in one place. Language translation through the Refugee Forum and Immigrant Services Northwest services was provided during both meetings.

A community meeting was held on June 7, 2016 at the Pineview Community Center located in Southeast Everett. An afternoon and evening session were held in order to accommodate resident schedules. A total of 21 households participated in these meetings. The Director of Development and Acquisitions provided an overview of the Scattered Sites disposition proposal, the Housing Choice Voucher Director gave an overview of the Housing Choice Voucher Program and the Relocation Manager presented a potential timeline and relocation process. The following key points were made:

- Scattered Sites have become increasingly costly to operate due to the spread-out locations, age of the properties, and need for capital repairs such as roofs.
- Capital funds for Scattered Sites will continue to reduce – largely due to the possibility of our only other Public Housing property being disposed of as well.
- Everett Housing Authority will submit a Section 18 application to HUD.
- Everett Housing Authority will apply for Tenant Protection Vouchers
- Everett Housing Authority will provide relocation resources, including assistance with housing search and reasonable expenses.

The sign-in sheet and minutes of the resident consultation meeting are included with this application. The minutes contain audience questions and Everett Housing Authority responses.

About 11 months after the resident consultation meeting, EHA invited residents to gather for updates and hear about the replacement housing plan. This meeting was held on April 27, 2017 at the Pineview Community Center located in Southeast Everett. An afternoon and evening session were held in order to accommodate resident schedules. A total of 20 households participated in these meetings. The Relocation Manager provided a review and update of the Scattered Sites disposition proposal. Residents were informed that the disposition application was nearly complete and that it would be submitted to HUD within the next two weeks.

Tenant Protection Voucher (TPV) Consultation

During the community meeting, residents received answers and information about the Tenant Protection Voucher. The Housing Choice Voucher Director discussed payment standards, resident rent calculation, portability, zero-income households, and eligibility. All residents will attend a briefing with details about their specific voucher scenario. Residents were informed that they should not move before vouchers become available. During individual consultation, residents are referred to the Housing Choice Voucher Director for questions specific to the Voucher Program. In this manner, the resident may call the Housing Choice Voucher Director and ask questions unique to their household. This educational piece about the Tenant Protection Voucher and the overall voucher program is significant to ensuring residents understand the new rental assistance structure and their rights under the voucher program.

Language Translation Services

Everett Housing Authority has identified a minimum of three languages, other than English, that are prevalent within the Scattered Sites Community. We contract with the Refugee Forum and Immigrant Services Northwest (RISNW) to provide language translation during group meetings. During individual meetings, staff utilizes RISNW or the AT&T language line, depending upon the duration and spontaneity of the communication. We contract with Translators USA for translated, written documents that contain information about the disposition and relocation.

Section 7 Line 1

Resident Consultation

Attached are the community meeting invitations, sign-in sheets, and meeting minutes from our June 7, 2016 and April 27, 2017 meetings.

Tenants were given an opportunity to respond as to whether or not they were in favor of the proposed disposition action. Attendees were also invited to share additional comments about their household such as whether or not any member requires a disability accommodation, or if there are concerns about credit and rental history.

During the June 27 meetings, a total of 8 attendees out of 21, responded that they were in favor of the proposed disposition action, while a total of 3 out of 21, responded they were not in favor. 4 responded that they were unsure.

The individual comments from tenants, and EHA's responses to those comments are on file, electronically at the EHA main office.

Consultation with Residents

Resident sign-in sheets contain personal identifiers of Housing participants and are therefore omitted from the application for public viewing.

The original sign-in sheets are contained electronically at the EHA Acquisitions and Development Office.

SCATTERED SITES COMMUNITY MEETING NEWS FROM THE EVERETT HOUSING AUTHORITY

Everett Housing Authority has information to share about the proposed sale of the Scattered Sites properties. Please join us during the date below and arrive at your preferred time:



WHERE: Pineview Community Center
220 ½ 98th PL SE, Everett, WA 98208
(across the street, west of Target Store)

WHEN: Tuesday, June 7 2016

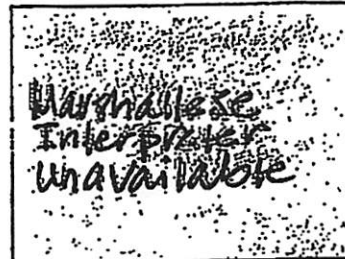
TIME: Attend at your preferred time:
2:00pm or 6:30pm

Refreshments and child care will be provided. Parking is limited. Please park on 3rd Ave SE or in the Target parking lot.

The following language translation Services will be arranged:

- Arabic
- Russian
- Vietnamese

If you require a reasonable accommodation in order to fully participate in this meeting, please contact Erica Dias at 425-339-1009



CUỘC HỌP CỘNG ĐỒNG DÂN CƯ NHÀ Ở XÃ HỘI TIN TỬ CƠ QUAN NHÀ Ở EVERETT

Cơ quan Nhà ở Everett muốn chia sẻ thông tin về việc dự mở bán các khu Nhà ở Xã hội. Hãy tham gia cùng chúng tôi theo ngày giờ ở dưới đây và có mặt theo khung giờ phù hợp với bạn:



ĐỊA ĐIỂM: Trung tâm Cộng đồng Pineview
220 ½ 98 PL SE, Everett, WA 98.208
(Bên kia đường, phía tây Target Store)

KHI NÀO: Thứ Ba, 7 Tháng Sáu, 2016

THỜI GIAN: Có mặt vào thời gian phù hợp với lịch của bạn 2:00 chiều hoặc 06:30 chiều

Đồ uống giải khát và dịch vụ trông trẻ sẽ được cung cấp. Bãi đậu xe có giới hạn. Vui lòng đỗ xe trên Ave SE thứ ba hoặc trong bãi đậu xe của Target.

Những dịch vụ dịch thuật sau đây sẽ được cung cấp:

- Tiếng Ả Rập
- Tiếng Nga
- Tiếng Việt Nam

Nếu bạn cần chỗ ăn ở phù hợp để tham gia trọn vẹn vào cuộc họp này, xin vui lòng liên hệ với Erica Dias theo số 425-339-1009



СОБРАНИЕ СООБЩЕСТВА SCATTERED SITES НОВОСТИ ЖИЛИЩНОГО ХОЗЯЙСТВА ЭВЕРЕТТ

Жилищное хозяйство Эверетт (Everett Housing Authority) хотело бы поделиться с вами информацией о предполагаемой продаже жилплощади Scattered Sites. Пожалуйста, присоединяйтесь к нам в указанный ниже день и приходите в удобное для вас время:



МЕСТО ПРОВЕДЕНИЯ: Центр сообщества
Пайнвью

(Pineview Community Center)

Штат Вашингтон, г. Эверетт, 98-й Плейс-СаусИст 220

½ 98208 (220 ½ 98th PL SE, Everett, WA 98208)

(через дорогу, к западу от магазина Target)

КОГДА: Во вторник, 7 июня 2016 г.

ВРЕМЯ: Приходите в удобное для вас время:

14:00 или 18:30

Предоставляются легкие закуски и услуги по уходу за детьми.

Количество мест на парковке ограничено. Пожалуйста, паркуйтесь на 3
Авеню СаусИст (3rd Ave SE) или на автостоянке магазина Target.

Будут предоставляться услуги перевода с/на следующие языки:

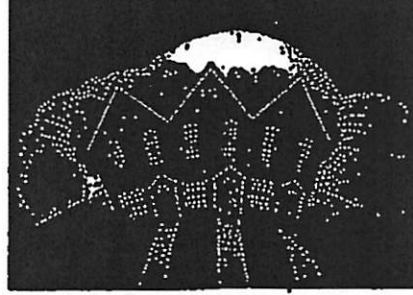
- арабский;
- русский;
- вьетнамский;

Если вам необходимо место, в котором можно было бы остановиться
на время проведения собрания, пожалуйста, обратитесь к Эрике Диас
по телефону 425-339-1009



اجتماع منظم لسكاترد سايتس
أخبار جديدة من سلطة الاسكان بإيفرت

سلطة الاسكان بإيفرت تود إمدادكم بمعلومات حول بيع ممتلكات سكاترد
سايتس الرجاء الالتحاق بنا خلال التاريخ المعلن أسفله في الوقت الذي
يناسبكم:



المكان: Pineview Community Center

220 1/2 98th PL SE, Everett, WA 98208

(على الطريق, غرب Target Store)

الزمان: June 7 2016, Tuesday

الوقت: الوقت الذي يناسب حضرتكم:

الساعة الثانية أو لساعة السادسة و النصف مساء.

سيتم تقديم المشروبات و المرطبات و كذلك العناية بالأطفال. موقف السيارات
محدود. الرجاء إيقاف السيارة في 3rd Ave SE أو في موقف سيارات Target.

سيتم اعداد ترجمة إلى اللغات التالية:

- العربية
- الروسية
- الفيتنامية

إذا كنتم تحتاجون إلى مرافق إقامة ملائمة للمشاركة في الاجتماع، الرجاء
الاتصال بإيريك دياز على الرقم 1009-339-425



Scattered Site Community Meeting

6/7/16, 2:00pm & 6:30pm

Translation Services Present – Arabic, Russian, Vietnamese

Meeting Opens: Erica Dias:

About a year ago there was a similar meeting regarding upcoming activities for the Scattered Sites. Today we will provide a timeline and update for those activities and answer any new questions you may have.

Introductions:

- Rick Dorris- Director of Acquisitions and Development – he will discuss why we are meeting and what the proposed actions are.
- Wendy Westby – Director of HCV - She will answer questions about the housing choice voucher (HCV) program.
- Tabitha Albertson – Asset manager for the Scattered Sites.
- Erica Dias – Acquisitions and Development and Relocation Planner - Will be discussing relocation and timeline for proposed action.
- Donnele Ackerman – Resident Services.
- Teena Ellison – Director of Resident Services

Rick Dorris Presentation Key Notes:

- The housing authority owns 44 scattered sites (duplex and single family homes) scattered throughout north and south Everett.
- These 44 units have become increasingly costly to manage and due to their location and age this has become very expensive (new roofs, new carpeting and countertops).
- With the RAD program (PV and other public housing sites) there are now only 2 remaining public housing properties. You may have read in the paper, the Housing Authority plans to dispose of Baker Heights, making the Scattered Sites the only remaining public housing units managed by Everett Housing Authority.
- When Baker Heights is no longer managed by EHA, we will only receive funds for these 44 Scattered Sites units, which is a very small amount of money. We won't be able to complete the necessary repairs with such minimal funding.
- The housing authority is concerned the condition of these properties will decline without sufficient funding. The housing authority has decided to do a disposition, meaning sell 41 of the 44 units.
- We will be submitting an application to HUD for approval to sell these properties. Purchase of these units will first be offered to current residents, then made available to the open market.
- The housing authority is required by law to ensure you have somewhere to live. Because you are being displaced due to action taken by the housing authority, you will receive what's called a Tenant Protection Voucher.

Wendy Westby Presentation Key Notes:

- As a part of this decision we will be able to offer each family a Tenant Protection Voucher, this is a regular housing choice voucher (HCV) with some special provisions.
- Because you already live in public housing, everyone will be eligible for the voucher.

- Right now your family receives assistance because you live in your particular unit, you pay 30% of your family's income towards rent and utilities. The same is true under the HCV program. The difference is, instead of having to stay in a particular unit you are able to choose a unit that fits the needs of your family. The unit you select can be here in Everett or anywhere in Snohomish County. The voucher can also be ported to any other housing authority in the United States.
- There are some differences between public housing and the HCV program.
 - With support from Erica's team, you will look to find a new home of your choice.
 - The HCV program units can be a house or an apartment. There is no guarantee it will be a single-family home.
 - In public housing you will never pay more than 30% of your income or flat rent. On the voucher program it is possible you could pay more depending on the home you select. On an initial contract HUD permits you to pay up to 40% of the contract rent and utilities.
 - Current occupancy standards are 2 persons per bedroom. This could mean the voucher you qualify for is smaller than the unit in which you currently reside. Your voucher has a specific dollar value based on your household size and demographics.
- This flexibility allows you to move closer to work and/or preferred schools. There are more options available for the household.
- The housing authority will go through all the details of the program with each of you, at least 1-2 hours. This is called a briefing; often these briefings happen in groups.
- The housing authority does not choose the size of the home you can lease-up into, only the payment standard or dollar amount of the voucher your family is eligible for. If you find a larger home that your voucher affords that is permissible.

Erica Dias Presentation Key Notes:

- Erica provides contact information for herself, Rick Dorris and Wendy Westby. If you have questions specifically for relocation contact her (Erica) and specific questions related to the voucher contact Wendy.
- Timeline:
 - Submit application to HUD (Housing and Urban Development) – a federal entity that allows us to decide what we can do with our public housing units. Submission Goal: 6/30/16, these dates are estimates. This is an action taken by the housing authority; you are not responsible to do anything within this step.
 - Home Ownership Opportunities – EHA will conduct a sales campaign to identify where interest in these homes exists. If you are interested in purchasing your unit, please note this on your comment card. EHA may be able to link you to resources to assist in this transaction.
 - The application and approval process is roughly 100-120 days, 10/31/16.
 - Apply for Tenant Protection Vouchers – takes roughly 15 days.
 - Once approved, it is required that relocation provide a 90 day notice before relocation. A relocation plan will be created for your household. EHA will support you through this process.
 - Sales campaign completed (January/February). At this point, we should have an idea of who will be purchasing their homes and who will be relocating. We will then begin relocating residents not interested in purchasing their homes.

- Complete Relocation is projected to be complete by 6/30/17.
- Tenants will have the choice to receive a fixed payment or reimbursement to move themselves, or to use the contracted, professional movers through EHA.
- Security Deposits: EHA will assist households with security deposits. There are still logistics to work out but we are willing to help you. Everett Housing authority cannot provide financing or assist with a loan; we can provide coaching to assist with the process of home buying.
- Rental History – have you been paying rent on time, do you have conflict with your neighbors, do you have a favorable landlord history? Start to work to correct any negative references as new landlords will be verifying the history of your tenancy.

Teena Ellison Presentation Notes:

- The FSS program allows you to have an increase in income and have your increase in rent saved in an escrow account. This money can be used for such things as a down payment on a house.
- You can enroll in this program now with public housing.
- EHA's goal is to help you achieve self-sufficiency. Having a job and living independently is something we try to help you with.

Meeting Conclusion:

Takeaways, EHA is proposing to sell the 41 Scattered Sites units and we are submitting our application very soon. When we get that approval we will notify everyone immediately. Please know these dates are the absolute earliest things could transpire. Things can likely be delayed.

Question and Answer:

- 1) Which areas of housing are we permitted to live?
 - a. Wendy: Everett Housing will no longer be administering public housing.
- 2) How much will a voucher be worth?
 - a. Wendy: The amount of your voucher is based on your household size and demographics compared to EHA's occupancy standards.
- 3) Is there a list of places available?
 - a. Wendy: We do keep a list at the Colby office. However the relocation team will be the best resource for finding homes. The market is very tight in Everett but we have recently housed over 200 residents in the area. We are still having success leasing people into homes in the area.
- 4) Where can I get more information about the Scattered Sites properties?
 - a. Erica: You can go to the EHA website
- 5) Can residents schedule an appointment with her (Erica) rather than a phone call?
 - a. Erica: Yes. A note, our relocation team will be doing individualized meetings with each household. Where do you want to live, schools, transportation and other details to help get you where you want to be.
- 6) Do we get the vouchers today?
 - a. Erica: No. We need to wait until an official HUD approval.
- 7) What if I'm too tired and sick, I don't want to move?
 - a. Erica: If we receive approval from HUD the only option is to move or purchase your home. Relocation will sit down and help identify barriers to moving and areas we can help you move.

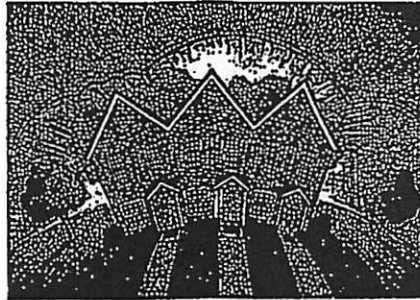
- 8) What if I live in a townhome, will I be able to purchase my own unit?
 - a. Erica: We are still working through the logistics of this. Please mark that on your comment card.
- 9) Are HUD applications going to be provided today?
 - a. Erica: The HUD application is something EHA completes. This is the application in which EHA requests permission to take the referenced actions.
- 10) Is it possible for residents to move into other EHA properties?
 - a. Erica: That is a possibility; please note that on your comment card.
- 11) If you want to purchase, the deadline would be when?
 - a. Erica: We are looking to end the sales campaign by the end of January.
- 12) I live in unit A and I want to purchase unit B.
 - a. Erica: That could be an option, but the current resident will have the first option to purchase.
- 13) I looked on the website and there was no information about the sales of the properties.
 - a. Erica/Wendy: That information is not available yet. These units are not for sale yet. We cannot advertise until we get approval from HUD. We cannot sell your home unit HUD approves the sale.
- 14) What if I am unable to find a new place to live?
 - a. Erica: Relocation will be working with households to get you where you need to be. I don't anticipate this being an issue.
- 15) In Everett there are very few homes for rent and the rent is very high.
 - a. Erica: We have this timeline and I'm very optimistic within this timeline that we will be able to accomplish this. We will support you every step of the way.
- 16) What about credit checks? My credit is not great or I don't have any?
 - a. Erica: Now is the time and start thinking about your credit score. If you have unpaid bills it might be time to address that. This is another resource we can direct you to, credit counseling.
- 17) Could you give an example of the voucher size?
 - a. Wendy/Erica: Ages and gender of the household members are considered, in general 2 people per bedroom. That being said payment standards change, what I say today might not be the same come next spring. This information will be given in the briefing; your obligations, details about the voucher etc. This will happen roughly around the time of the 90-day relocation notice.
- 18) Once the voucher is issued, how long do I have?
 - a. Wendy: Current policy is 60 days, with a request it can be extended to 120 days. A total of 4 months. There is still a process and paperwork that needs to be completed. It is not an application to determine eligibility. You will be successfully re-housed with your voucher, with additional extensions if needed.
- 19) What would I need to take to an intake interview?
 - a. Wendy: You are already eligible for the program, however you will need to bring documentation pertaining to your income, assets and medical dedications.
- 20) Does a voucher help cover move in costs for a new unit?
 - a. Wendy: No, but in this case the housing authority will assist with some of these moving expenses.
- 21) Some landlords specifically state they don't want section-8. I think it's because S8 requires an inspection and landlords require first/last months and security deposits.
 - a. Wendy: A landlord is not required to accept a S8 voucher, but we've had recent success leasing-up over 200 vouchers in the last year.

- b. Wendy: Landlords will not lose out on any money, as the housing authority will pay these amounts. However, they will not be compensated up front.
- 22) What about children of different sexes, are they required to share a bedroom?
 - a. Wendy: Up until the oldest is 5, then different genders will receive their own room.
- 23) On the voucher program do you get to own the house?
 - a. Wendy: No, not on the voucher program.
- 24) What about utilities?
 - a. Wendy: It is not the same as public housing, but there is a utility allowance used in the HCV program.
- 25) What if HUD says no, can we still purchase these homes?
 - a. Erica: No, at that point the units will remain public housing units.
- 26) If I want to move now, can I have a voucher now?
 - a. Erica: If you move now, you will not be eligible for a voucher. We are unable to provide a voucher until HUD approves the proposed application.
- 27) Based on your income, can someone lose his or her voucher?
 - a. Wendy: As long as you qualify. Some family's income gets to a point where we aren't helping them anymore (30% of your income exceeds the rent).
- 28) If your children move out, will we have to move?
 - a. Wendy: The size of your household will reflect the size of your voucher. If your family becomes smaller, your voucher will also become smaller. Sometimes families are required to move as their voucher no-longer affords the rent.
- 29) If the child leaves the household, will they get a voucher?
 - a. Wendy: There is one voucher per family. The child can take the voucher, however the remaining family would no longer be subsidized through a voucher. If a family breaks up into two otherwise eligible families while receiving assistance, only one of the new families will continue to be assisted.
- 30) Can we negotiate the prices of the units?
 - a. Erica/Rick: As with any transaction there is room for negotiation. We will be completing appraisals. HUD requires that we sell these units are Fair Market Value. We are going to see if HUD allows us to deduct the value of the noted deficiencies from the selling price of the unit.

SCATTERED SITES COMMUNITY MEETING

INFORMATION FROM THE EVERETT HOUSING AUTHORITY

Everett Housing Authority will share updates about the proposed sale of the Scattered Sites properties, as well as provide an overview of the affordable housing replacement plan. Please join us during the date below and arrive at your preferred time:



WHERE: Pineview Community Center
220 ½ 98th PL SE, Everett, WA 98208
(across the street, west of Target Store)

WHEN: Thursday, April 27, 2017

TIME: Attend at your preferred time:
10:30am or 6:30pm

Refreshments and child care will be provided. Parking is limited. Please park on 3rd Ave SE or in the Target parking lot.

The following language translation Services will be arranged:

- Marshallese
- Arabic
- Russian
- Vietnamese
- Spanish

If you require a reasonable accommodation in order to fully participate in this meeting, please contact Erica Dias at 425-339-1009



Scattered Sites Community Meeting

Thursday April 27, 2017, 10:30am

Introductions

- **Interpreters:** Vietnamese, Russian, Arabic, Spanish
- **Relocation Manager:** Erica Dias
- **Relocation Staff:** Desa Metiljevic and Michelle Farnham

Review of Topics

- **Update from last year's community meeting.**
- **Relocation Plan**
- **Questions and FAQ**

Update

The Everett Housing Authority is proposing to dispose of all 44 of its Scattered Sites units at fair market value. The reason for this proposal is to ensure the long-term availability of the equivalent number of subsidized housing opportunities. EHA does not have the funds to ensure the physical viability of the properties over the next 20 years. \$7million in capital needs cost over 20 years, with only \$880,000 funding is available.

- **Anticipated disposition application Submittal to HUD by mid-May. EHA could receive a determination by September**
- **Relocation Activity could start as early as September if the disposition application is approved.**
- **Explanation of required 90-day notice to vacate -- does not mean residents have to move in 90-days. It is an initial notice to move but we will have a 12-18 month period in which to relocate all households.**
- **Relocation will cover moving expenses and assist with housing search.**

Overview of comprehensive replacement housing plan:

- **Dispose of 41 of the 44 units at fair market value.**
- **Dispose of the three six-bedroom units to an EHA-related entity to ensure their availability to large households who need subsidized housing.**
- **Obtain Tenant Protection Vouchers to relocate virtually all current residents and to allow residents of the six-bedroom units to lease in place.**
- **Replace all units disposed of as follows:**
 - **Acquire and renovate a multifamily property of 80 units or more through 4% tax credit acquisition/rehab financing.**
 - **Combine Lakeview Terrace, a 21-unit property owned by EHA, with the above-mentioned acquisition, in the same tax credit project and renovate the development to ensure long-term viability.**

Scattered Sites Community Meeting

Thursday April 27, 2017, 10:30am

- o Convert an existing management office at a RAD property (Grandview) into two dwelling units as replacement housing.
- o Project-base at least a total of 44 tenant-based vouchers as follows:
 - 21 in Lakeview Terrace
 - 18 in the newly-acquired property of 80 units or more
 - 3 in the three six-bedroom Scattered Sites units
 - 2 at Grandview

Review of Frequently Asked Questions

Resident Questions

Q. Is this going to be a temporary project like the other renovations you've been doing?

A. No, this will be a permanent relocation.

Q. Will the voucher be a "Section 8" Voucher?

A. Yes, the Voucher will be similar to a Housing Choice Voucher but it is called a Tenant Protection Voucher.

Q. When I have this voucher, how does it work when I need have repairs done in my home?

A. Your new landlord will have a process for work orders, just like EHA does.

Q. How do I know how much I have to spend with the voucher?

A. Each household will be given the payment standard amount for their voucher (bedroom) size.

Q. Will EHA pay for security deposits?

A. Yes.

Q. Will the vouchers be given to all 44 households at once?

A. We are not sure at this time how many vouchers we will receive at once. When we find out, we will provide an update.

Q. If I find a new place now, can I get a voucher to move?

A. No. Please do not make arrangements to move yet. We will only have the vouchers available once HUD approves of our disposition application and request for vouchers.

Thank you everyone for attending. Please call the relocation team if you have questions and we will hold another meeting as soon as we have additional updates.

Scattered Sites Community Meeting

Thursday April 27, 2017, 6:30pm

Introductions

- **Interpreters:** Vietnamese, Russian, Arabic, Spanish
- **Director of Acquisitions and Development:** Rick Dorris
- **Relocation Manager:** Erica Dias
- **Relocation Staff:** Desa Metiljevic and Michelle Farnham

Overview of Topics

- **Update from last year's community meeting.**
- **Relocation Plan**
- **Questions and FAQ**

Update

The Everett Housing Authority is proposing to dispose of all 44 of its Scattered Sites units at fair market value. The reason for this proposal is to ensure the long-term availability of the equivalent number of subsidized housing opportunities. EHA does not have the funds to ensure the physical viability of the properties over the next 20 years. \$7million in cost over 20 years, when \$440,000 funding is available (down from \$880, 000).

- **Anticipated disposition application Submittal to HUD by mid-May. EHA could receive a determination by September**
- **Relocation Activity could start as early as September if the disposition application is approved.**
- **Explanation of required 90-day notice to vacate – does not mean residents have to move in 90-days. It is an initial notice to move but we will have a 12-18 month period in which to relocate all households.**
- **Relocation will cover moving expenses and assist with housing search.**

Overview of comprehensive replacement housing plan:

- **Dispose of 41 of the 44 units at fair market value.**
- **Dispose of the three six-bedroom units to an EHA-related entity to ensure their availability to large households who need subsidized housing.**
- **Obtain Tenant Protection Vouchers to relocate virtually all current residents and to allow residents of the six-bedroom units to lease in place.**
- **Replace all units disposed of as follows:**
 - **Acquire and renovate a multifamily property of 80 units or more through 4% tax credit acquisition/rehab financing.**
 - **Combine Lakeview Terrace, a 21-unit property owned by EHA, with the above-mentioned acquisition, in the same tax credit project and renovate the development to ensure long-term viability.**
 - **Convert an existing management office at a RAD property (Grandview) into two dwelling units as replacement housing.**

Scattered Sites Community Meeting

Thursday April 27, 2017, 6:30pm

- **Project-base at least a total of 44 tenant-based vouchers as follows:**
 - **21 in Lakeview Terrace**
 - **18 in the newly-acquired property of 80 units or more**
 - **3 in the three six-bedroom Scattered Sites units**
 - **2 at Grandview**

Review of Frequently Asked Questions

Resident Questions

Q. Have you submitted the Baker Heights disposition application and did you get approval?

A. Yes, we have submitted but we are still waiting to hear back.

Q. How do we buy one of the Scattered Sites homes?

A. EHA intends to offer the sale of Scattered Sites units to residents who have expressed an interest in purchasing before it is put on the open market. There will be a timeframe in which residents will need to get financing together.

Q. Will EHA sell the whole duplex, or by individual unit?

A. EHA is working out those details and more information will follow.

Q. Out of the 44 Scattered Sites units, how many single-family houses are there as opposed to duplexes?

A. Probably close to 5 or 6 but we could check on those numbers.

Q. Will you meet with us individually?

A. Yes, Relocation staff will meet with each household to gather questions and data.

Q. What if you don't qualify for the voucher program?

A. EHA will confirm answers with voucher specialist.

Other Items

- **EHA-provided moving costs:**
 - **Professional Moving Company**
 - **Security Deposit Fees**
 - **Applications fee**
 - **Utility transfer**
 - **Participants who have a section 8 voucher, they pay 30% of their adjusted income for Rent and utilities.**

Thank you everyone for attending. Please call the relocation team if you have questions and we will hold another meeting as soon as we have additional updates.

Get Help

Logoff / Return to Secure Systems

Erica Koenig
(MS6506)

PIC Main

Housing
Agency

Development

Inventory
Removals

Logoff

Application

Application
ReviewRemove from
Inventory

Reports

List

Form HUD-52860 Supporting Documents Quality Checklist Submission

Field Office HA: WA006 Everett Housing Authority

Application: DDA0007816

Development: WA006000500 EVERETT WA

Application Status

Application Type: Disposition Processor: SAC-Chicago

Reviewer: Sunny Grover

Application Status: Under Review Status Date: 11/06/2016

Section 7: Resident Consultation

1. Describe how the residents of the development were informed and consulted about the proposed action.

Attach a narrative explaining the PHA's consultation with the residents of the affected Development and reference it as Section 7, line 1

If proposed action is for Demolition and/or Disposition under Section 18 of the Act, complete questions 2-5

2. Resident Council (at development): Provide the name of the Resident Council representing the residents of the development **None**

Attach a narrative explaining the PHA's consultation with the Resident Council of the affected Development and reference it as Section 7, line 2

3. Resident Council (PHA-jurisdiction-wide): Provide the name of the PHA-wide Resident Council representing the interests of the residents of the development **None**

Attach a narrative explaining the PHA's consultation with Resident Council (PHA jurisdiction-wide), and reference it as Section 7, line 3

4. Resident Advisory Board (RAB) (as defined by 24 CFR 903.13):

Attach a narrative explaining the PHA's consultation with the RAB and reference it as Section 7, line 4.

5. Did you receive any written comments from the residents, the Resident Council(s), or the RAB? ☐ Yes ☒ No

If yes, attach the comments, along with any evaluation the PHA has made of those comments and reference it as Section 7, line 5

[Return to Application Index](#)

Section 7, Line 4

Consultation with the Resident Advisory Board (RAB)

Everett Housing Authority has, in the past, maintained a standing Resident Advisory Board (RAB) that served as an active and vital communication link between the Housing Authority and its public housing program participants. However, due to the recent conversion of half of the Housing Authority's public housing inventory to the Rental Assistance Demonstration (RAD), and the disposition approval of 244 units of public housing, the RAB no longer serves in that broader capacity. The RAB's primary role is to assist with and make recommendations for the development of its 5 Year and Annual Plans, and any amendments to those Plans, in accordance with 24 CFR §903.13.

The Resident Advisory Board (RAB) reviewed Everett Housing Authority's Annual Plan for 2016-2017. That plan included the following revised element since the 5 Year/Annual Plan effective July 1, 2015 was submitted:

Asset Management

EHA plans to submit a Section 18 application for the disposition of 41 of its 44 Public Housing Scattered Sites, retaining only the 6-BR units. Proceeds from the sale of the Scattered Sites would go towards the purchase of other affordable housing.

Upon review of the Annual Plan, the RAB did not submit comments or questions about the proposed disposition of the Scattered Sites.



Erica Koenig
(MS6506)
PIC Main

Housing Agency

Development

Inventory Removals

Logoff

Application

Application
Review

Remove from
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List

Form HUD-52860 Supporting Documents Quality Checklist Submission

Field Office HA: **WA006 Everett Housing Authority**

Application: **DDA0007816**

Development: **WA006000500 EVERETT WA**

Application Status

Application Type: **Disposition** Processor: **SAC-Chicago**

Reviewer: **Sunny Grover**

Application Status: **Under Review** Status Date: **11/06/2016**

Section 8: Offer of Sale

1. Is the PHA exercising any of the exceptions to the offer of sale requirement permitted by 24 CFR 970.9(b)(3): ☐ Yes ☒ No

Note: Additional options may be displayed upon selecting an answer

3. State the names of all Established Eligible Organizations (as defined by 24 CFR 970.9(c)) for the affected development, including the following organizations (if none, state none):

Resident Council:

Resident Management Corporation:

Outside Organization acting on behalf of residents:

4. The PHA sent an initial written notification of the sale of the development to each Established Eligible Organization on **3/2/2018**

5. The PHA received a written initial expression of interest from one or more Eligible Established Organization within 30 days of the date it sent its notification ☐ Yes ☒ No

6. The PHA received a proposal to purchase the development from an Eligible Established Organization within 60 days of the date that it provided the organization with all necessary terms and information ☐ Yes ☒ No

7. The PHA **REJECTED** the organization's proposal to purchase the development.

[Return to Application Index](#)

Section 8, Line 3

Exception to Offer of Sale Requirement

Per 24 CFR 970.9(b) (1), if the PHA applies to HUD to dispose of a development or developments, the PHA shall initially offer the property proposed for disposition to any eligible resident organization, eligible resident management corporation, or to a nonprofit organization acting on behalf of the residents at any development proposed for disposition, if the resident entity has expressed an interest in purchasing the property for continued use as low-income housing.

Everett Housing Authority is not exercising an exception to the offer of sale requirement permitted by 24 CFR 970.9(b) (3). Although EHA's legal counsel has advised that the Resident Advisory Board (RAB) is not an incorporated entity and therefore may not meet the applicable definition of an established eligible organization as defined by 24 CFR 970.0(c), EHA has nonetheless presented the offer of sale to the RAB.

There are no other resident groups or organizations associated with the Everett Housing Authority that meet the definition of an established eligible organization as defined by 24 CFR 970.0 (c).

Section 8, Line 4

Offer of Sale

EHA sent a meeting invitation to the Resident Advisory Board (RAB) on 03/02/18. This invitation informed RAB members that they would be presented with a notification of offer of sale for the Scattered Sites properties, and they would be given an opportunity to decide whether or not they want to proceed with pursuing the purchase of these properties. One RAB member attended the meeting on 03/02/18. That RAB member reviewed the notification of offer of sale and the appraisal documents for the Scattered Sites properties.

A second meeting invitation was sent to the remaining RAB members on 03/08/18. Again, this invitation informed RAB members that they would be presented with a notification of offer of sale for the Scattered Sites properties, and they would be given an opportunity to decide whether or not they want to proceed with pursuing the purchase of these properties. All three remaining RAB members attended the meeting on 03/15/18.

During both meetings, each group reviewed the notification of offer of sale and appraisal documents. RAB members were given an opportunity to ask questions and were informed that they could take up to 30 days in order to provide a response to EHA.

RAB members chose to deliver responses the same day they attended these meetings.

Included in this narrative is the email invitation, the notification of offer of sale, appraisal summaries, and the RAB's responses.

Please see additional attachment (S8L4b) that includes the actual appraisals reviewed by the RAB.

Section 8, Line 6 (in reference to Section 8 Line 7)

Offer of Sale

EHA received no proposal from the RAB to purchase the 44 Scattered Sites units. Therefore, we neither accepted nor rejected a proposal. PIC however, requires an "accepted" or "rejected" answer for Section 8 Line 7. The "rejected" answer has been selected but this narrative shall serve as supporting documentation the no proposal was received.

Response to Offer of Sale
Everett Housing Authority Resident Advisory Board

Responses to the Offer of Sale contain personal identifiers of Housing participants and are therefore omitted from the application for public viewing.

The original responses to the Offer of Sale are contained electronically at the EHA Acquisitions and Development Office.

Meeting Poll -- Take 2

Chris Neblett

Fri 3/2/2018 2:38 PM

To: Barbara Underwood (granbobbie5@comcast.net) <granbobbie5@comcast.net>; Bridget McManus (bridgetkmcmanus@gmail.com) <bridgetkmcmanus@gmail.com>; Marge Hoder (margielew1@yahoo.com) <margielew1@yahoo.com>; Pablo Reyes <pabloreyes1021@gmail.com>;

Cc: Erica Dias <ericad@evha.org>;

Importance: High

I'm sorry, but I got my dates wrong on the below email. The proposed dates should be

- **Thursday, March 8 @ noon**
- **Friday, March 9 @ noon**

I hope this isn't too confusing. Thanks for your understanding, and don't hesitate to call me at (425) 303-1186 first thing next week if you have any questions!

Thanks,

Chris Neblett

Good Afternoon,

Thanks to all of you for attending last month's Resident Advisory Board meeting to review and comment on EHA's 2018-19 Annual Plan. There is another matter that requires the RAB's attention at this time. As you may know, EHA is planning to sell most of its Public Housing Scattered Sites, and is in the process of preparing the application to HUD for permission to do so. As part of that process, HUD requires that we present the RAB with an offer to sale. We need to schedule a meeting of the RAB to present the offer and let you decide if the RAB wants to purchase these properties. This meeting will be facilitated by Erica Dias, EHA's Relocation and Planning Manager.

I apologize for the short notice, but it's important that this meeting be held as soon as possible. Therefore, I am proposing that we meet in the same place we met to review the Annual Plan, the Baker Community Center large hall, on either of the following:

- **Thursday, March 15 @ Noon**
- **Friday, March 16 @ Noon**

This meeting should not take more than an hour, and pizza and beverages will be provided. Please let me know as soon as possible which of these two dates works best for you, and I will follow up with a finalized announcement. We look forward to seeing you there!

Thanks,

Chris Neblett

Hearing Officer/Admin Coordinator

Notification of Sale (Offer of Sale) Scattered Sites

Date: March 8, 2018

1. Any Resident Management Corporation, Resident Council or Resident Cooperative of the affected development has an opportunity to purchase the affected portion of this development from the Everett Housing Authority (EHA).
2. The development being offered is identified as Scattered Sites located at the following locations:

Street Number	City, State	Zip Code	Number of Units
2030 Jackson Avenue	Everett, WA	98203	1
2220 College Avenue		98201	1
4632 College Avenue		98201	1
6518 Fleming Street A & B		98203	2
1816 Cedar Street		98201	1
712 60 th Street SW, A & B		98203	2
728 60 th Street SW A & B		98203	2
727 60 th Street SW A & B		98203	2
608 58 th Place SE A & B		98203	2
614 58 th Place SE A & B		98203	2
620 58 th Place SE A & B		98203	2
623 58 th Place SE A & B		98203	2
1203 103 rd Place SW A & B		98204	2
1221 103 rd Place SW A & B		98204	2
1220 103 rd Place SW A & B		98204	2
1907 Chestnut A & B		98201	2
13718 9 th Avenue W		98204	1
13716 9 th Avenue W		98204	1
1513 Virginia Avenue		98201	1
2032 Chestnut Street A & B		98201	2
2028 Chestnut Street A & B		98201	2
2007 105 th Place SE		98208	1
1620 Rainier Avenue		98201	1
302 76 th Place SW		98203	1
6514 Fleming Street		98203	1
6608 Cady Road		98203	1
9305 3 rd Place SE		98208	1
117 79 th Place SE		98203	1
2504 Howard Avenue		98203	1
2510 Howard Avenue		98203	1
		Total Units	44

9. If you choose to accept our offer of sale, you will be given sixty days from the date of your letter of interest to develop and submit a formal proposal.
10. The EHA expects to receive an offer for at least the appraised value of the property. If you plan to offer less than that amount, you will have to demonstrate the commensurate public value. If the Resident Advisory Board chooses to accept the Offer of Sale, it does with the understanding that the purchaser must use the property low-income housing.
11. Your proposal will have to contain the following information at a minimum:
 - A. The length of time the organization has been in existence;
 - B. A description of current or past activities which demonstrate the entity's organizational and management capability or the planned acquisition of such capability through a partner or other outside entities;
 - C. A statement of financial capability;
 - D. To the extent not included in paragraph B of this section, the organization's experience in the development of low-income housing, or planned arrangements with partners or outside entities with such experience (in which case the proposal should state how the partner or outside entity meets this requirement);
 - E. A description of involvement of any non-resident organization (non-profit, for profit, governmental or other entities), if any, the proposed division of responsibilities between these two, and the non-resident organization's financial capabilities;
 - F. A plan for financing the purchase of the property and a firm commitment for funding resources necessary to purchase the property and pay for any necessary repairs;
 - G. A plan for the low-rent housing use of the property;
 - H. The proposed purchase price in relation to the appraised value;
 - I. Justification for purchase at less than the fair market value, if appropriate;
 - J. Estimated time schedule for completing the transaction;
 - K. Any additional items necessary to respond fully to the PHA's terms of sale;
 - L. The response to the PHA's terms of sale;
 - M. A resolution from the resident organization's Board approving the proposal; and
 - N. A proposed date of settlement, generally not to exceed six months from the date of PHA approval of the proposal, or such period as the PHA may determine to be reasonable.

Notification of Sale (Offer of Sale) Scattered Sites

Date: March 15, 2018

1. Any Resident Management Corporation, Resident Council or Resident Cooperative of the affected development has an opportunity to purchase the affected portion of this development from the Everett Housing Authority (EHA).
2. The development being offered is identified as Scattered Sites located at the following locations:

Street Number	City, State	Zip Code	Number of Units
2030 Jackson Avenue	Everett, WA	98203	1
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2504 Howard Avenue		98203	1
2510 Howard Avenue		98203	1
		Total Units	44

9. If you choose to accept our offer of sale, you will be given sixty days from the date of your letter of interest to develop and submit a formal proposal.
10. The EHA expects to receive an offer for at least the appraised value of the property. If you plan to offer less than that amount, you will have to demonstrate the commensurate public value. If the Resident Advisory Board chooses to accept the Offer of Sale, it does with the understanding that the purchaser must use the property low-income housing.
11. Your proposal will have to contain the following information at a minimum:
 - A. The length of time the organization has been in existence;
 - B. A description of current or past activities which demonstrate the entity's organizational and management capability or the planned acquisition of such capability through a partner or other outside entities;
 - C. A statement of financial capability;
 - D. To the extent not included in paragraph B of this section, the organization's experience in the development of low-income housing, or planned arrangements with partners or outside entities with such experience (in which case the proposal should state how the partner or outside entity meets this requirement);
 - E. A description of involvement of any non-resident organization (non-profit, for profit, governmental or other entities), if any, the proposed division of responsibilities between these two, and the non-resident organization's financial capabilities;
 - F. A plan for financing the purchase of the property and a firm commitment for funding resources necessary to purchase the property and pay for any necessary repairs;
 - G. A plan for the low-rent housing use of the property;
 - H. The proposed purchase price in relation to the appraised value;
 - I. Justification for purchase at less than the fair market value, if appropriate;
 - J. Estimated time schedule for completing the transaction;
 - K. Any additional items necessary to respond fully to the PHA's terms of sale;
 - L. The response to the PHA's terms of sale;
 - M. A resolution from the resident organization's Board approving the proposal; and
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Erica Koenig
(MS6506)

PIC Main

Housing Agency

Development

Inventory Removals

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Form HUD-52860 Supporting Documents Quality Checklist Submission

Field Office HA: WA006 Everett Housing Authority

Application: DDA0007816

Development: WA006000500 EVERETT WA

Application Status

Application Type: Disposition Processor: SAC-Chicago

Reviewer: Sunny Grover

Application Status: Under Review Status Date: 11/06/2016

Section 9: Certification of Compliance

1. Attach the applicable PHA Certification of Compliance from the HUD-52860 for the applicable removal action and reference it as Section 9, Line 1: Certification of Compliance

PHA Certification of Compliance: HUD 52860

Section 18 Demolition/Disposition

Section 18 Disposition 24 CFR Subpart F

De Minimis Exception to Demolition

Section 32 Homeownership

Section 33 Required Conversion

Section 22 Voluntary Conversion

Eminent Domain

These Certifications can be found at the SAC web site

2. Attach any applicable addendum(s) from the HUD-52860 (as identified below) for the specific removal action for which you are applying for and reference it as Section 9, Line 2: Addendums

The new HUD-52860 form and its addendums include:

HUD-52860-B:**Total****Development****Cost (TDC)****Calculation**

Attach for all Demolition actions and for all Disposition actions where the justification is obsolescence

HUD-52860-C:**Homeownership**

Attach for all actions involving homeownership

HUD-52860-D:**Required****Conversion**

Attach for all actions involving the required conversion of public housing units

HUD-52860-E:**Voluntary****Conversion**

Attach for all actions involving the voluntary conversion of public housing units

HUD-52860-F:**Eminent****Domain**

Attach for all disposition actions involving eminent domain proceedings

These Forms can be found at the SAC web site[Return to Application Index](#)

Section 18 Certification

Section 9, Line 1

The Everett Housing Authority proposes to dispose of the Scattered Sites both to allow for replacement housing and for other reasons, as documented in the following Scattered Sites Disposition and Replacement Plan:

Scattered Sites Disposition and Replacement Housing Plan

I. Executive Summary

The Everett Housing Authority (EHA) proposes to dispose of all 44 of its Scattered Sites public housing units at fair market value. These units meet the requirements for disposition under Section 3)A.3.e. of HUD Notice PIH 2018-04, “Scattered Site Units.” (The Notice).

As EHA’s only remaining public housing once Baker Heights is fully disposed of, administrative costs that can no longer be spread to other public housing projects will result in annual operating deficits for these units that EHA cannot support under the public housing program. Moreover, EHA has no means to sustain these units as public housing over the next 20 years given their capital needs of over \$7 million and projected \$840,000 in capital funds available over the same period. By disposing of the units now, EHA can afford one-for-one replacement of all units in more cost-effective replacement units in areas of opportunity.

Specifically, EHA proposes to:

- Dispose of the 44 units at fair market value.
- Obtain Tenant Protection Vouchers to relocate all current residents. Replace all units disposed of as follows:
 - Acquire and renovate a multifamily property to serve as replacement units through 4% tax credit acquisition/rehab financing.
 - Convert an existing management office at a Rental Assistance Demonstration (RAD) property (Grandview) into two dwelling units as replacement housing.
 - Project-base at least a total of 44 vouchers as follows:
 - 2 at Grandview
 - Balance in acquired property.
- Use the sales proceeds, estimated at \$9.7 million, to:
 - Acquire and/or renovate the 44 replacement units (use of proceeds: \$8.4million).
 - Construct a new community center at Grandview Apartments, a 151-unit former family public housing community converted to project-based voucher units

under RAD, to provide resident services and management office space (\$800,000).

- Renovate a Grandview management building to create two units (\$500, 000).
- Increase availability of affordable housing in low-poverty areas by utilizing tax credit acquisition/rehabilitation funding and project-based vouchers (PBV) with any remaining proceeds.

Proposed Uses of Disposition Proceeds	Est. Amount
Acquire and/or renovate replacement PBV units	\$8.4 (all numbers millions)
Construct new community center at RAD development	\$0.8
Renovate Grandview non-dwelling space to create 2 PBV units	\$0.5
Total Proceeds	\$9.7

The proposed disposition will facilitate the replacement and long-term viability of the 44 subsidized units for low-income households, and will allow EHA to provide needed community and management/maintenance facilities at one of its RAD sites.

II. Background

The EHA until 2014 had operated a public housing program of 621 units in five projects. Based on an analysis of the viability of the public housing properties, EHA decided to request a portfolio award under RAD. Three of the projects containing 333 public housing units were converted under RAD to project-based vouchers. RAD was not a suitable solution for the remainder of the units (Baker Heights: 244 units; Scattered Sites: 44 units).

RAD did not work financially for Baker Heights, given its extensive financial needs. On June 6, 2017, HUD approved EHA's Section 18 Disposition Application for Baker Heights based on its physical obsolescence.

The Scattered Sites units are not a feasible project for tax credit investors—the transactions costs associated with such a project would be cost-prohibitive. The only potentially viable strategy for Scattered Sites was the transfer of its subsidy to other properties. However, the contract rents under RAD would have been too low to ensure financially feasible operations and long-term sustainability.

Upon completion of the Baker Heights disposition, the Scattered Sites will be the only remaining public housing in EHA's inventory. The Scattered Sites units have been highly desirable opportunities for public housing residents. However, these units will continue to deteriorate as a result of inadequate operating support and under-investment in capital improvements. EHA is proposing to dispose of these units and to replace them initially with tenant-based vouchers and over the medium term at least one for one with "hard" units of affordable housing subsidized through the PBV program. The discussion below provides the rationale for EHA's preferred replacement option.

III. EHA Strategic Objectives

The following represents EHA's strategic objectives related to the households it serves, the real estate assets it owns and manages, and the future direction of its mission:

- Ensure the continued availability and 100% utilization of current deeply subsidized housing resources (3,160 combined vouchers and public housing).
- Preserve and improve physically viable assets.
- Ensure long-term financial viability of assets.
- Ensure that EHA assets do not detract from the neighborhoods where they are located, and, in fact, represent a true asset to the neighborhoods.
- Replace all nonviable subsidized assets through replacement tenant protection vouchers (TPVs) initially and one for one through development and acquisition of affordable housing.
- Ensure the availability of unit sizes (number of bedrooms) available in the current public housing inventory, especially units that can serve large households.
- Promote mobility of households with children.
- Replace nonviable housing for families with children in low-poverty neighborhoods.
- Increase the utilization of tenant-based vouchers in low-poverty neighborhoods.
- Expand the inventory of affordable housing, including for those exiting subsidized housing.
- Address the serious housing needs of a growing elderly population in Snohomish County, estimated to increase by more than 100% over the next 20 years.

IV. Scattered Sites: Challenges

The 44 units of scattered sites public housing have been a valuable resource for extremely low income households who have the opportunity to live in neighborhoods outside of areas where subsidized housing is concentrated. However, without a substantial increase in resources to provide for adequate operations and address the immediate and long-term capital needs of these properties, the Scattered Sites are not viable over the medium and long term. In addition, the 44 scattered sites units will be the only public housing units operated by EHA, which will seriously impact the ability of EHA to operate the program given the continued low level of funding and the inefficiencies in operating such a small highly-regulated program.

The applicable provision of the Notice reads as follows:

“3. Best Interests and Consistency: 24 CFR 970.17(c). A PHA certifies it has determined the disposition to be appropriate for reasons that are in the best interests of the residents and the PHA, consistent with the goals of the PHA and the PHA Plan and are otherwise consistent with the 1937 Act. In making such a certification, a PHA considers the tremendous need for public housing units nationwide, the purpose and mandate of the 1937 Act, the mission and obligations of the PHA to maintain and operate projects as decent and safe housing in accordance with its ACC, and other tools available to the PHA to preserve and reposition its public housing stock. SAC applications are reviewed on a case-by-case basis. Below are examples of what HUD generally approves under this section: ...

e. Scattered Site Units. Due to distance between units and lack of uniformity of systems (e.g. HVAC, utilities) the PHA demonstrates an unsustainability to operate and/or maintain the units as

public housing. For purposes of this notice, scattered site units generally mean units in non-contiguous buildings with four or fewer total units.”

The Scattered Sites are all non-contiguous buildings with four or fewer units. As described below, they are not sustainable to operate over the long term as public housing.

Financial Viability (Operations Costs)

The Scattered Sites program historically has been underfunded from an operations point of view. This project has fluctuated over the years with small operational losses and small gains depending in large part on extraordinary maintenance expenses. The Scattered Sites have benefitted from a higher amount of administrative costs being allocated to the other public housing projects with higher unit counts. In 2011, the authority transferred \$330,000 into the Scattered Sites project from the other projects to ensure the Scattered Sites met HUD’s cash requirements. Without financial support from having other public housing, it is likely the Scattered Sites will lack operational funding over the long term. Given recent appropriations for the Operating Fund and continued uncertainty of support in the future, the ability of EHA to continue to fund the operations of this program is seriously compromised. A number of factors contribute to the financial non-viability of the operations of the program:

- The Scattered Sites program will bear all of the administrative costs of a public housing program in addition to the cost of managing and maintaining the 44 units of scattered sites housing.
- Not only will the units be burdened with the program costs, they are inherently expensive to operate because they are not consolidated in one property. Maintenance and management in a scattered sites environment is extremely costly compared to 44 units in a single building or on the same property.

EHA sees no future potential for the financial viability of this program given the higher than standard operating costs of scattered sites units, the program administration costs falling on only 44 units, and the inadequate operating subsidies from HUD.

All 44 Scattered Sites units were built at different times, ranging from 1960 to 1993. There exists a lack of consistency between units with regard to major systems including furnaces, plumbing, electrical, insulation, roofing, windows, and exterior finishes such as siding and masonry. It is not possible to achieve economy of scale when completing routine and extraordinary maintenance, and capital improvements. Nearly all expenses for materials, fixtures, and supplies are procured through “one-off” purchases.

The 44 Scattered Sites units are spread out over a distance of 8.5 miles from north Everett to extreme south Everett. The average drive time for maintenance and operations staff is 20 minutes one-way, during normal traffic flows. During peak traffic times, staff has experienced as much as 40-minute one-way commutes in order to carry out routine maintenance repairs or management operations, resulting in the need for overtime, while negatively impacting the operations budget.

EHA needs a viable strategy to address both the operating needs and the long-term capital needs for the Scattered Sites program or pursue solutions that can achieve the agency’s strategic objectives. Since

EHA sees no viable strategy to address these needs, an advantageous alternative has been developed to address the goals identified below.

Physical Viability

EHA conducted a Physical Needs Assessment of all 44 units in 2017 to determine the viability of the units and the financial investment needed to ensure the long-term financial and physical viability. EHA currently receives about \$1,000 per unit per year from the Public Housing Capital Fund. According to the report of replacement reserves required over the next 20 years,

- The total replacement reserves required during this period to address the needs identified by the PNA is \$7.26 million.
- The critical needs in the first year of this period (2018) is \$952, 000.
- The total needs over the first three years amount to \$1.9 million.

EHA is in the process of addressing some of the immediate needs with current Capital Funds. These funds and an estimated \$44,000 per year of future Capital Funds, or anywhere near that amount, even if appropriations are greater than in the immediate past as in fiscal 2018, are woefully inadequate:

- EHA cannot address the physical needs identified for 2018 with all projected capital funds over the next 20 years.
- For the remainder of the first three years, EHA will need an additional \$950, 000 to address the replacement needs, with estimated Capital Fund resources of only \$84,000 apart from Demolition and Disposition Transitional Funding (DDTF) from Baker Heights for five years.
- With only \$840,000 apart from DDTF expected over the 20-year period covered by the PNA, the \$7.26 million in needs far exceeds the funds projected to be available, a gap of \$6.42 million.
- EHA will receive no other capital funds.

Given these circumstances, it is abundantly clear that EHA cannot pursue a number of its strategic objectives with respect to the scattered sites public housing:

- These units and properties are not viable over the long term.
- Inevitably, EHA will have reduced subsidized housing resources to serve the needs of extremely low-income households because it will not be able to preserve this valuable community resource.
- These units will detract from the neighborhoods where they are located as EHA falls further behind in its ability to keep up with the replacement needs schedule. As a result, EHA will lose public support for its mission.

V. Scattered Sites Plan Goals

A viable strategy must address as many of the following goals as possible:

- Replace the 44 public housing units with at least an equivalent number of subsidized housing resources.

- Over the medium term, replace the physical units one-for-one in a configuration that is more cost-effective than a scattered sites program.
- Ensure that the locations of the replacement resources provide households with children the opportunity to live in neighborhoods with low poverty rates, good quality schools and increased employment opportunities
- Provide the subsidized housing in mixed-income developments.
- Create replacement housing resources that are financially and physically viable over the long term.
- Ensure that the new housing resources enhance the neighborhood(s) where they will be located.
- Expand the availability of affordable housing.
- Complement the replacement housing strategy for Baker Heights.

VI. Options to Achieve the Goals of the Scattered Sites Plan

Disposition. A key element of the set of solutions addressing the needs and goals identified above is the disposition of the Scattered Sites properties. The proceeds of sale of the properties will allow EHA to afford the physical replacement of all the units. Based on an appraisal of the inventory, the total value of the units is \$11.9 million prior to adjustments for work needed and transactions costs. EHA will invest the net proceeds in the creation of replacement units and other allowable uses, including the construction of a community building in a recently converted property under the RAD program.

Replacement Options

EHA generated and examined a range of alternatives to replace the 44 Scattered Sites. The use of projected proceeds from sale to leverage replacement units make all of the alternatives listed below financially feasible. The last alternative, discussed in more detail in Section VII below, is preferable to EHA because it achieves the largest number of EHA's goals.

The options below are for EHA to replace the physical units with units serving substantially the same income-level households. The following is a summary of replacement housing options:

- Immediate Replacement with Tenant-Based Vouchers
- New Development Only (with 4% Tax Credits)
- New Development Only (with 9% Tax Credits)
- Acquisition (Tax Credits)
- Project-Basing in Existing EHA Property and New Development
- Project-Basing in Existing EHA Property and Acquisition

VII. Preferred Replacement Housing Plan

The option that achieves most of EHA's strategic objectives and all of the Scattered Sites replacement housing goals includes project-basing 44 vouchers in acquired replacement

housing and two PBVs in two Grandview units through acquisition. The following provides more detail to this option:

- EHA will acquire a multifamily property or properties eligible for tax credits acquisition/rehabilitation to provide at least 44 replacement housing units that will receive project-based vouchers.
- These units will serve households at or below 80 percent Area Median Income (AMI).
- EHA will use proceeds of the sale to renovate a management building in one of its RAD sites to create two replacement PBV units.

The benefits of this solution are:

- The Scattered Sites units will be replaced with at least the same number of affordable housing units.
- The units will be viable over the long term as a result of the comprehensive rehabilitation financed by tax credit equity and other sources.
- All the replacement units will be in lower poverty areas of Everett. The replacement units will be in areas with low poverty rates, good schools, and access to transportation and employment.
- The cost of replacement of the Scattered Sites will be low compared to all the options that include new development or acquisition only.
- The cost of operations will be lower than the current Scattered Sites program because EHA will make an effort to acquire properties that will create operational efficiencies gained by the units being consolidated in fewer properties (compared to multiple Scattered Sites units).
- The replacement or capital needs of all of the units will be covered by replacement reserves that will be included in the operating pro formas.

VIII. Projected Use of Proceeds of Sale

- Acquisition of multifamily property: EHA estimates that each of the 44 units that will count as 44 replacement units will cost an estimated total of \$8.4 million.
- Creation of two replacement units at Grandview Apartments at a total cost of \$500, 000.
- Construction of a new community center at a RAD development, at \$800,000.
- If proceeds remain, possible additional affordable units in low poverty neighborhoods.
- The new community center would house resident services and maintenance and management offices at Grandview Apartments, a former public housing development converted under RAD. The building will house two housing management staff, three resident services staff (including two Family Self-Sufficiency Coordinators), and an

Ameri-Corps volunteer. It will include five offices, a computer lab and classroom, a kitchen, a large community room, and a conference room. A main purpose of the center and the services provided there is to enhance the ability of households to transition to unsubsidized housing. EHA may need to fund this construction with a loan or other funds and pay the loan or reimburse itself when sales proceeds become available.

- Any remaining proceeds would be used to increase affordable housing in low-poverty neighborhoods by funding units receiving PBVs in a larger development or developments that serve households up to 80% of AMI.

IX. Concluding Summary

The EHA is committed to ensure that it continues to provide at least the same number of subsidized housing units and units of housing subsidy that it is currently authorized to provide.

EHA's ability to afford the operating costs of this inherently costly housing stock is not sustainable, especially when the Scattered Sites units have to bear all the overhead and administrative costs of the public housing program.

The Scattered Sites are in dire need of capital investment with no prospects of ever being able to acquire necessary funds to ensure that EHA can provide safe, decent, and sanitary housing to residents of these properties. Disposition and eventual replacement of the Scattered Sites is highly feasible as a means of offering long-term viability of this vital resource to EHA's clients. In doing so, EHA will not only be able to replace the units, but also pursue strategic objectives, including increasing the affordable housing stock in Everett, providing housing in a mixed-income, low-poverty environment, and creating a community center in a development serving low-income residents.

PHA Certification of Compliance
Section 18 Demolition/Disposition

~~Everett~~

Acting on behalf of the Board of Commissioners of the ~~Housing Authority~~ (PHA), as its Chairman, Executive Director, or other authorized PHA official, I approve the submission of this Inventory Removal Application (HUD-52860) dated _____ and known as DDA # 00018112, hereinafter referred to as the "Application", of which this document is a part, and make the following certifications, agreements with, and assurances to the Department of Housing and Urban Development (HUD) in connection with the submission of this Application and the implementation thereof:

- 1) All information contained in the Application (including all attachments and Addendums) is true and correct as of the date of this Application;
- 2) The proposed removal action does not violate any remedial civil rights orders or agreements, compliance agreements, final judgments, consent decrees, settlement agreements, or other court orders or agreements to which this PHA is a party;
- 3) The PHA certifies that it will carry out the proposed removal action in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990 and will affirmatively further fair housing in carrying out the proposed removal action;
- 4) If this proposed removal action involves a disposition and the PHA did not claim an exemption to the Offer of Sale requirement, this PHA sent all required initial written notifications (as described at 24 CFR 970.11) of the proposed sale of the Development to all Established Eligible Organization and the PHA certifies that either it did not receive a response from any notified organization within a 30-day time frame or each notified Established Eligible Organization waived its opportunity to purchase the Development or otherwise rejected the Offer of Sale. The PHA further certifies that it maintains documentation of all documents required by 24 CFR 970.11 on file at its primary business office;
- 5) If an appraisal was submitted at Section 5, the PHA verified that the appraiser was licensed/certified in the state in which the PHA property and received a certification from the appraiser that the appraisal was conducted using generally accepted appraisal methods and maintains this written documentation on file at its central office;
- 6) All dwelling units at the affected development are vacant and have been approved by HUD for demolition, OR, if any dwelling units at the affected development are occupied:
 - The PHA created a Relocation Plan in compliance with all applicable federal, state, and local laws (to the extent those requirements apply), including, without limitation, the Act, 24 CFR 970.21, and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) and its implementing regulations at 49 CFR Part 24, and maintains a written copy of the Relocation Plan on file at the central office;
 - The PHA will notify each family residing in a unit affected by this proposed removal action at least 90 days prior to the displacement date, except in cases of imminent threat to health and safety and such notice;
 - The PHA will provide for all actual and reasonable relocation expenses of each resident displaced by this proposed removal action, including residents requiring reasonable accommodation because of disabilities;
 - The PHA will offer any necessary counseling for residents displaced by this proposed removal action;
 - The PHA will not commence the demolition or complete the disposition of any occupied building until all residents residing in the units affect by this proposed removal action are actually relocated;
 - The PHA will provide each family affected by this proposed removal action with comparable housing that meets Housing Quality Standards (HQS) and that is located in an area that is generally not less desirable than the location of the displaced person's housing. This comparable housing may include: (a) actual relocation into the private rental market with Housing Choice Voucher assistance; (b) actual relocation into housing with project-based assistance; or (c) other PHA properties;
- 7) The PHA described the proposed removal action in its PHA Annual Plan and timetable under 24 CFR Part 503 (except in the case of small or high-performing PHAs eligible for streamlined annual plan treatment), and the description in the PHA Annual Plan is identical to the removal action proposed in this Application and otherwise complies with the Act;
- 8) The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or 24 CFR Part 50;
- 9) All attachments and supporting documentation referenced in the Application have been and will continue to be available at all times in the PHA's primary business office;
- 10) The PHA will comply with all reporting and recordkeeping requirements of HUD (including the requirements set forth at 24 CFR 970.35) and shall make all required reports to the applicable HUD Field Office. The PHA acknowledges that reporting

Provide attachments as needed.
All attachments must reference the
Section and line number to which
they apply. Previous versions obsolete.

and recordkeeping requirements are ongoing and certifies that it will comply with all applicable reporting requirements after it receives any approvals to this action from the SAC;

- 11) The PHA certifies that the proposed removal action complies with all applicable Federal statutory and regulatory requirements;
- 12) The PHA will not take any action to commence the proposed removal action, including without limitation the expenditure of HUD funds, until it receives written approval of this proposed action from HUD.
- 13) The PHA certifies that the reason(s) for this proposed removal action is as described in Exhibit A, attached to and made a part of this Certification.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official Ashley Lomanga-Johnson

Title Executive Director

Signature 

Date March 25, 2016

EXHIBIT A: Reason for Removal

PHA Certification of Compliance
Section 18 Demolition/Disposition

The PHA Certifies that its reason for applying to demolish and/or dispose of the Development and/or PHA Property (or a part thereof) is as indicated below.
Check all applicable boxes.

Demolition:

The demolition of the Development (or portion of the Development) is in the best interest of the residents and this PHA because:

Must be Checked for Full or Partial Demolition

☐ **Obsolescence—24 CFR 970.15(a)(1):** The Development (or affected portion of the Development) is obsolete as to physical condition, location or other factors (as defined by 24 CFR 970.15), making it unsuitable for housing purposes and no reasonable program of modification or rehabilitation of the Development is cost-effective to return the Development (or portion of the Development proposed for demolition) to its useful life;

**Attach a narrative or documentation (e.g. architect's report, feasibility study, etc.) to justify obsolescence and attach a completed Total Development Cost (TDC) Calculation" (HUD-52860-B and reference them as Section 18 Certification)*

Must be Checked for Partial Demolition Only

☐ **Viability—24 CFR 970.15(a)(2) and 24 CFR 970.15(c):** the partial demolition will help to ensure the viability of the remaining portion of the Development by reducing the density of the Development to permit better access to emergency or rescue services, or by improving marketability of the Development by reducing the density of the Development to that of the neighborhood in which the Development is located or to other developments in the PHA's inventory;

**Attach a narrative or documentation to justify how density reduction will result from the partial demolition and reference it as Section 18 Certification.*

Disposition:

The retention of the Development (or a portion thereof) and/or the PHA property is not in the best interests of the residents or the PHA because:

☐ **Change in Neighborhood—24 CFR 970.17(a):** Conditions in the area surrounding the Development (density, or industrial or commercial development) adversely affect the health or safety of the residents or the feasible operation of the Development by the PHA;

☐ **Replacement Housing—24 CFR 970.17(b):** The disposition allows the acquisition, development, or rehabilitation of other properties or developments that will be more efficiently or effectively operated as low-income housing developments;

☒ **Other—24 CFR 970.17(c):** The PHA has otherwise determined that the disposition is appropriate for reasons that are consistent with its goals of the PHA and its PHA Plan and that are otherwise consistent with the Act;

☐ **Vacant Land and Non-dwelling Facilities (Excess)—24 CFR 970.17(d)(1)** The disposition of vacant land or non-dwelling structures exceed the needs of the Development (after Date of Full Availability—DOFA)

☐ **Vacant Land and Non-dwelling Facilities (Incidental)—24 CFR 970.17(d)(2):** The disposition of vacant land or non-dwelling structures is incidental to, or does not interfere with, the continued operation of the remaining portion of the Development;

**Attach a narrative or documentation to justify the PHA's specific reason for disposition checked above and reference it as Section 18 Certification.*