

Due Diligence Checklist
Address: 1432 West Forest Home Avenue

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| <p>The Commissioner's assessment of the market value of the property.</p> | <p>The property was constructed as the Forest Home Library in 1966. It's a 14,500 SF one-story building on a 41,948 SF lot. The property was appraised for \$650,000 on April 18, 2018. It was offered for sale through a competitive RFP process and only one Proposal was received from Voces De La Frontera, Inc. (Buyer) for \$450,000. The property is being sold "as is, where is," including all environmental and geotechnical conditions, without any guarantees.</p> <p>The purchase price for the Property is \$450,000.</p> |
| <p>Full description of the development project.</p> | <p>The Buyer proposes to occupy the property and rent two small office spaces. No changes will be made to the exterior, except repairs to broken glass windows and signage in the future. The Buyer plans to improve the interior to suit its organization at an estimated cost of \$100,000.</p> <p>The Buyer understands that the proposed project may require certain City approvals in addition to the approval of the Land Disposition Report. The closing is contingent upon the Buyer obtaining all necessary approvals and financing.</p> |
| <p>Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.</p> | <p>No changes will be made to the exterior, except repairs to existing broken glass windows and signage in the future. The existing landscaping was approved by City Planning and will be cleaned up and maintained after closing.</p> |
| <p>Developer's development project history.</p> | <p>The Buyer will utilize contractors, as needed, for repairs and renovations.</p> |
| <p>Capital structure of the project, including sources, terms and rights for all project funding.</p> | <p>The purchase price is \$450,000, and the estimated renovation cost for the property is \$100,000. The Buyer has provided a Letter of Interest from Forward Community Investments (FCI) as its lender. FCI has a long history of lending to nonprofit organizations. FCI is a certified community development entity that receives New Market Tax Credit (NMTC) allocations. FCI will be working with the Buyer and plans to fund the loan via its NMTC loan pool. The Buyer also is exploring available City grants that may be applicable.</p> |
| <p>Project cash flows for the lease term for leased property.</p> | <p>The Buyer plans to rent two small offices spaces for \$500/month each. The Buyer provided a Letter of Intent to Lease space from Marc Christopher, an Attorney at Christopher & De Leon Law Office. The Buyer also provided a Letter of Intent to Lease space from Aurora Walker's Point Community clinic to provide mental health counseling, health and wellness activities and health education.</p> |
| <p>List and description of project risk factors.</p> | <p>The closing is contingent upon the Buyer obtaining all necessary approvals, financing and appraisal.</p> |
| <p>Tax consequences of the project for the City.</p> | <p>The Buyer anticipates investing \$100,000 on improvements. The property will be fully taxable. The deed of conveyance will contain a restriction prohibiting the Buyer or its successors from applying to the City for tax-exempt property status.</p> |