



# Lassen County Housing Site Feasibility Study

Completed for the County of Lassen by

 **HousingTools**

March 28, 2018



## Table of Contents

	<u>Page</u>
Introduction	1
Recommended Properties in Each Category	4
Site Analyses and Summaries	13
Master Lease within the City of Susanville	14
New Construction or Rehabilitation within the City of Susanville	29
New Construction or Rehabilitation within Lassen County Jurisdiction	101
Site Ranking by Category	113





### I. Introduction

One of Lassen County's core goals is to assist residents in meeting their basic needs, including housing. Toward this end, the County administers federal and state funds that are dedicated to the creation and preservation of affordable homes. In order to employ these funds judiciously, and in a way that addresses the County's priorities, the County has engaged the services of Housing Tools, an affordable housing development consultant. Housing Tools is a consulting firm experienced in assisting government agencies and communities to plan and implement housing programs.

Lassen County has contracted with Housing Tools to conduct a broad assessment of opportunity sites throughout Susanville and the surrounding area for the purpose of identifying the most feasible sites for affordable housing construction. For this report, Housing Tools assessed site feasibility by the following criteria:

- *Development Feasibility*— How well does the location, size, physical features, and zoning of the site accommodate affordable housing development in terms of design and construction? How motivated is the property owner to sell?
- *Financial Feasibility*— How do Development Feasibility factors impact the cost of constructing housing on the site? How do Development Feasibility factors influence attraction of non-local funding for development, including private sources (debt and equity) and public sources (federal and state programs)? A major factor in attracting non-local funding is the size of the project, as larger projects are more likely to receive interest and competitive pricing from investors and lenders. Larger projects also tend to maximize efficiencies of scale for construction and operations.
- *Community Benefit*— How well does the site address the County's goals to provide affordable housing and supportive services that meet its greatest needs, particularly for vulnerable populations? How efficiently does the site address these goals?

Using these criteria, opportunity sites were grouped into categories to facilitate the comparison of similar properties, and ranked from most feasible to least feasible. The three categories used for this assessment include:

- *Master Lease within the City of Susanville*— scattered site homes and duplexes that could be acquired, rehabilitated and master-leased by single entity.
- *New Construction or Rehabilitation within the City of Susanville*— multifamily housing sites that are prohibited from accessing County HOME funds. County HOME funds are a significant potential source of funding that has been dedicated for the production of affordable housing.
- *New Construction or Rehabilitation within the Lassen County Jurisdiction*— multifamily housing sites that could access County HOME funds.



Financial feasibility will depend on the types of funding that are available for development. For purposes of this Site Feasibility Analysis, it is assumed that the most financially feasible sites will require the least amount of local funds that are not already dedicated to affordable housing. These funding sources are less reliable and available than other sources. This consideration is much more important than the estimated cost of developing housing. Many projects that are less expensive to develop will end up requiring more funding from these less reliable sources than larger, more expensive projects that can attract more reliable private and public funding. For this reason, many of the larger, more expensive sites analyzed in this report score better in Financial Feasibility than smaller, less expensive sites. Below is a brief description of the different funding sources that can potentially be accessed for affordable housing, in order of most reliable to least reliable for affordable housing.

**Local Funding Dedicated to Affordable Housing—** These funds have already been secured, dedicated, and budgeted for the production of affordable housing, and are under the control of local government agencies. They include:

- *County Mental Health Services Act (MHSA)* funds, which can be used anywhere in the County to provide housing for homeless persons with mental disabilities;
- *County HOME* funds, which can be used for the production of permanent affordable housing within the unincorporated County jurisdiction only;
- *Noncompetitive No Place Like Home (NPLH)* funds, which are allocated from the State to localities for the development of permanent supportive housing benefitting homeless individuals with mental disabilities.

**Competitive State Programs—** These are programs that allocate funding for affordable housing through statewide application competitions. Site features such as size, zoning compatibility for multifamily development, and proximity to amenities, make sites more competitive for these funds. They include:

- *Federal Low-Income Housing Tax Credits (Tax Credits)* that are allocated by the California Tax Credit Allocation Committee;
- *Federal Tax-Exempt Bonds* that are allocated by the California Debt Limit Allocation Committee;
- *County Community Development Block Grant (CDBG)* funds, which can be used for the construction of emergency shelters and transitional housing within the unincorporated County jurisdiction only; and
- *Competitive No Place Like Home (NPLH)* funds that are allocated on a competitive basis for the development of permanent supportive housing benefitting homeless individuals with mental disabilities.

**Local Funding Not Dedicated to Affordable Housing—** These funds have not been dedicated for the production of affordable housing, and must compete with other local funding priorities.



Following is a description of the sections of this report, in order.

### **Section II. Recommended Properties in Each Category**

This section summarizes the highest ranked, top recommended site in each category, including: a brief overview; a description of its exterior, zoning, environmental, and neighborhood characteristics; a list of its advantages and challenges; and recommended next steps for further assessment.

### **Section III. Site Analyses and Summaries**

This section consists of two parts for each site— a site analysis, and a site summary. The site analysis describes how each property was scored by the three criteria—development feasibility, financial feasibility, and community benefit, followed by a list of site advantages and disadvantages. The site summary is a one-page description of the site followed by one-page of aerial photos.

### **Section IV. Site Ranking by Category**

This section ranks all of the sites, along with an explanation of why they were ranked in the order shown.

### **Appendix. Site Feasibility Analysis Summary**

This spreadsheet is a one-page summary of the sites that were assessed for this report, including the category, zoning, potential number of units and bedrooms, criteria scores, and metrics to compare sites by estimated acquisition and development costs, and projected local funds required for development.



## **II. Recommended Properties in Each Category**

### **Master Lease within the City of Susanville**

**606 North Street, 1508 Third Street, 456 Minckler Avenue, 515 and 545 Limoneria Ave., 155 South Gay Street (Pgs. 14-28)**

#### *606 North Street Detail*

*Overall:* The property is well-maintained.

*Exterior:* Good condition. The building was originally built in 1945. There is a single entrance at the front of the structure accessible by sidewalk, and access to the two ground-floor units from the parking area at the back of the structure. There is a four-car garage behind the building.

*Units:* There are four recently remodeled units within the building: an 800 square-foot two-bedroom, one bath unit; and 700 square-foot two-bedroom, one bath unit; and two 550 square-foot one-bedroom, one bath units.

*Zoning:* The property is zoned R-3A, which allows duplexes and triplexes. A four-plex or larger multifamily buildings are allowed with a use permit.

*Neighborhood:* The surrounding neighborhood is a mix of single-family homes, duplexes and small multi-family buildings in a centrally located historic neighborhood. The surrounding properties are generally well-maintained.

#### *1508 Third Street Detail*

*Overall:* The property is well-maintained.

*Exterior:* Good condition. The home was originally built in 1960. There is a single entrance at the front of the home accessible by sidewalk, and access to the upstairs unit from the back alley. There is a two-car garage unit behind the primary structure next to the alley.

*Units:* There are two units within the home: a two-bedroom, two bath unit with living room, dining room, kitchen, laundry room and partial basement on the ground floor; and a two-bedroom, one bath unit upstairs. There are also two storage rooms. Total square footage of the units is 2,458 square feet.

*Zoning:* The property is zoned R-1.

*Neighborhood:* The surrounding neighborhood is a mix of single-family homes, duplexes and small multi-family buildings in a centrally located historic neighborhood. The surrounding properties are generally well-maintained.

#### *456 Minckler Avenue Detail*

*Overall:* The property is well-maintained.

*Exterior:* Good condition. The home was originally built in 1935. There is an entrance to the home accessible by sidewalk at the street, and access to a two-bedroom unit and two one-bedroom units from a back alley. There is a parking lot between the two structures accessible from the back alley. The property doesn't have a garage.

*Units:* The main home has three bedrooms and two bathrooms. The back units include a two-bedroom, two bath unit, and two one-bedroom, one bath units. The units total 2,502 square feet.

*Zoning:* The property is zoned R-1.



## Lassen County Housing Site Feasibility Study

*Neighborhood:* The surrounding neighborhood is a mix of single-family homes, duplexes and small multi-family buildings south of Main Street near Railroad Ave. The surrounding properties are in fair condition.

### 515 Limoneria Avenue Detail

*Overall:* The property is well-maintained.

*Exterior:* Good condition. The duplex was originally built in 1967. The entrance to both units is from the street. There is a parking area for two cars in front of the building.

*Units:* There are two two-bedroom, one bath apartments in the structure. Each apartment is 1,352 square feet. Each apartment currently rents for \$600 per month.

*Zoning:* The property is zoned R-2, which allows single-family homes and duplexes. Group care for more than six persons is allowed with a use permit.

*Neighborhood:* The surrounding neighborhood is a mix of older single-family homes, duplexes, and multifamily properties. The property is across the street from the Citrus Manor Apartments. The surrounding properties are in fair condition.

### 545 Limoneria Avenue Detail

*Overall:* The property is well-maintained.

*Exterior:* The exterior of the improvements are in good condition. The townhomes were built in 1976. The landscaping is in fair to poor condition. The improvements are arranged with two two-floor units on both sides of two garages.

*Units:* Each unit has two bedrooms and one bathroom on two floors, and is 960 square feet. Rent for each unit is currently \$600.

*Zoning:* The property is zoned R-2, which allows single-family homes and duplexes. Group care for more than six persons is allowed with a use permit.

*Neighborhood:* This property is three doors south of 515 Limoneria Avenue. The surrounding neighborhood is a mix of older single-family homes, duplexes, and multifamily properties. The property is across the street from the Citrus Manor Apartments. The surrounding properties are in fair condition.

### 155 South Gay Street

*Overall:* The property is poorly maintained and looks abandoned from the exterior.

*Exterior:* The exterior of the improvements are in poor condition, with weathered siding and peeling paint. There is no landscaping except a gravel parking area. The improvements consist of two duplexes. They were built in 1945.

*Units:* One duplex has townhouses, each with two bedrooms and one bathroom. The other duplex is single story with two one-bedroom, one bath units. Total square footage for the units is 3,026 square feet. Total rental income for all units is currently \$2,050.

*Zoning:* The property is zoned UBD.

*Neighborhood:* The surrounding neighborhood is a mix of older single-family homes, duplexes and small multi-family complexes. It is centrally located, just south of the historic downtown and Main Street.

### Advantages

- With exception of the 155 South Gay Street property, the six master lease properties are in good condition and will require minimal rehabilitation.
- The properties are well situated for master leasing to an entity that will house special needs populations in shared housing. The tenant population would be well-integrated within the surrounding community.



### *Challenges*

- Spreading a high-need tenant population among six properties presents some logistical challenges for organizations to provide property management and supportive services. It is not the most cost efficient way to serve the population.
- Older homes present challenges for physically disabled tenants. A large portion of the units will not be fully ADA accessible. Some units can be made fully accessible with modifications, which will add additional cost to the project.
- There are two types of State NPLH funds available— a \$500,000 non-competitive allocation available to Lassen County, and a competitive portion that would provide funding in addition to the County's \$500,000 allocation. Scattered site projects with less than four units are not eligible for the competitive NPLH funds. Therefore, the master lease project would require that an estimated \$931,160 of other local funds are dedicated to the project.

### *Recommended Next Steps*

If the County decides to pursue this option, below are recommended next steps prior to site acquisition.

1. Determine each property owner's interest in selling and confirm asking price.
2. Identify potential developers, program operators, and service providers and conduct a Request for Proposals or Request for Qualifications, if necessary.
3. Select a developer, program operator, and service provider, and enter into a Loan Agreement with the developer that includes a timeline for site investigation, property acquisition, rehabilitation, and lease-up, and conditions that must be met prior to disbursement. Enter into Memoranda of Understanding with the program operator and service provider.
4. Require that the developer secure the services of a reputable relocation consultant to ensure compliance that federal and state relocation law. The consultant will prepare a relocation plan in adherence with federal and state regulations that meets development needs.
5. Require that the developer conduct third-party appraisals, secure preliminary title reports, and conduct all necessary environmental reviews for all properties prior to acquisition, including lead and asbestos tests and any environmental assessments required by federal and state funding sources.





### New Construction or Rehabilitation within the City of Susanville

#### **2755 Main Street (Pgs. 29-32)**

##### *Property Detail*

*Overall:* The property is T-shaped with frontage on Main Street and Russell Avenue, wrapping around the O'Reilly Auto Parts store, which sits at the southeast corner of Main Street and Russell Avenue. It consists of three parcels: APNs 205-320-17, 18 and 21. The Main Street frontage is 100 feet wide, while the Russell Avenue frontage is 128 feet wide with a 20-foot easement that runs from Russell Ave. for 177 feet to the end of APN 205-320-21. The purpose of the easement is for ingress and egress to APNs 205-320-17 and 18. Overall, the property is 433 feet deep from the Main Street frontage, and 277 feet deep from the Russell Avenue frontage. Prior to 2012, the property, including the adjacent parcel where O'Reilly Auto Parts now sits, was occupied by America's Best Inns, which burned down in 2010. HSBC Bank currently owns the property.

*Exterior:* The backside of the Best Western Trailside Inn building lines the entire southeastern border of the property. It appears to be built right to the property line. There is a mobile home, fence and small out-building at the Russell Avenue frontage. Previous structures on the property have been demolished and removed. There is a line of mailboxes, some piles of refuse, and old fence line throughout the property. Some portions of an asphalt driveway and parking lot remain. The sidewalk on the Main Street frontage is in good condition, while there is no sidewalk at the Russell Avenue frontage. In terms of vegetation, there are three large trees near Russell Avenue. Otherwise, vegetation consists of wild bushes and weeds. The site topography is flat.

*Zoning:* The property is zoned C-2. Multi-family dwellings are permitted in this zoning district with a use permit. This zoning allows up to 20 residential units per acre with residential-only use buildings, or more than 20 units per acre with mixed use buildings as determined by the use permit. This feasibility analysis assumes that property can qualify as mixed use by incorporating services and nonprofit office space into the development. Development as residential only would allow 32 units, as opposed to 40 units or more with mixed uses. The standard height limit for the C-2 zone is 40 feet, although this can be exceeded with a use permit. Parking requirements for multi-family developments are 1.5 spaces per studio or one-bedroom unit, 2 spaces per two-bedroom unit or larger, one guest space per five total units, and one recreational vehicle space per 10 total units. State Housing Density Bonus Law (Government Code Section 65915) could be invoked to request a 35% housing density bonus, and up to three development standard concessions, including exceptions to parking requirements. Applying the density bonus to a residential only development, the number of allowable units could be increased from 32 to 43. It is likely that structures would need to be predominantly three stories in height to accommodate parking and setback requirements. A three-story building would in most cases meet the 40-foot maximum height requirement. The development proposal will require an architectural and site plan review by the Planning Commission.

*Environmental:* Development of the property does not have any significant environmental constraints, such as being located in a flood zone or endangered species habitat.



## Lassen County Housing Site Feasibility Study

Development will require a California Environmental Quality Act (CEQA) review for environmental impacts in order to secure entitlements.

*Neighborhood:* The property is located on the Main Street/Highway 36 commercial corridor, with a mix of retail services and motels. It is in the southwest part of Susanville in an area with a mix of new and old development. It is near the Main Street intersection with Russell Avenue. Next door to the northwest is the new O'Reilly Auto Parts store. Next door to the southeast is the older Best Western Trailside Inn and Lumberjack's restaurant. The adjacent properties are well maintained. Newer development in the immediate surrounding area includes AutoZone, Panda Express, Tractor Supply Co., Walgreen's, Walmart and Safeway.

### *Advantages*

- The property is an adequate size and is appropriately zoned to attract funding from a tax credit investor and commercial lender. This allows the City and County to use local funds to leverage a significant amount of funding from outside the community. In addition, there are no major physical constraints on the property, such as environmental restrictions or adverse topography.
- The property is located within walking distance of a number of amenities for residents, including Walmart, Safeway, Walgreens, Dollar General, and the library. This reduces traffic, automobile related costs for tenants, and increases the project's competitiveness in applying for a tax credit allocation.
- The property owner appears to be motivated to sell and has reduced the price over the past two years that it has been listed on the market.

### *Challenges*

- The property does have some constraints that will limit the project's buildable area. The buildings will likely need to step back from the Trailside Inn building that is built right on the property line with windows facing the 2755 Main Street property. The 20-foot wide easement described above further limits buildable area. Development of the property will require some flexibility from the City of Susanville in order to facilitate needed affordable housing. Fortunately, this flexibility is permitted in the Municipal Code and incentivized in State Housing Density Bonus law.
- Automobile access is constrained by limited street frontage width. In addition, CalTrans may not allow automobile access from Main Street, as has been the case for other properties on Main Street.

### *Recommended Next Steps*

If the County decides to pursue this option, below are recommended next steps prior to site acquisition.

1. Determine property owner's interest in selling and confirm asking price.
2. Commission an architect experienced in designing affordable housing to complete a massing study and conceptual design for the site, to better understand potential scope and constraints. Involve City of Susanville Planning Staff in this study.
3. Identify potential developers and service providers and conduct a Request for Proposals or Request for Qualifications, if necessary.



## Lassen County Housing Site Feasibility Study

4. Select a developer and enter into a Loan Agreement with the developer that includes a timeline for site investigation, property acquisition, construction, and lease-up, and conditions that must be met prior to disbursement.
5. Require that the developer conduct a third-party appraisal, secure preliminary title reports, and conduct all necessary environmental reviews for the property prior to acquisition, including a Phase I environmental analysis and any environmental assessments required by federal and state funding sources.



### New Construction or Rehabilitation within Lassen County

#### **455-473 Johnstonville Road (Pgs. 101-104)**

##### *Property Detail*

*Overall:* The property is approximately 3.2 acres on generally flat terrain. Improvements are concentrated on the north end of the lot, and consist of a two-story building with a former restaurant and five townhome apartments, a single-story house, a garage with second story apartment above it, and four small cottages. The cottage closest to the townhomes is currently occupied, while the other three cottages are currently uninhabitable. In total, currently occupied improvements are estimated to total about 6,433 square feet.

*Exterior:* There is a paved courtyard directly southeast of the former restaurant, bordered on the other side by the house. A gravel driveway accesses Johnstonville Road on the southeast boundary of the property next to the house, and leads to a parking lot located between the two-story restaurant/townhome building and the cottages. Another gravel driveway and parking lot accesses Johnstonville Road on the northwest boundary of the property next to the two-story restaurant and townhome building. An additional paved driveway accesses Johnstonville Road from the garage behind the home. South of the cottages is a small berm, with an undeveloped area further south of the berm and adjacent to Lassen Creek. The distance from the southernmost cottage to the creek is about 100 feet.

*Units:* The improvements were originally constructed in the 1940s, and the exteriors and interiors are currently in good condition (with the exception of three of the cottages). All of the buildings underwent a major renovation in 2005, including new roofs, plaster facades, and paint and interior improvements. The unit interiors include new kitchen and bathroom cabinets, countertops and appliances, and new windows. Additional electrical improvements were completed in 2009. Details about each of the buildings follow.

*Two-story structure with restaurant and townhomes—* consists of a former restaurant that includes a bar, commercial kitchen and dining areas. Above the restaurant is an office area that includes a bathroom. Attached to the restaurant, but accessed by separate exterior entrances, are five two-story townhomes. Each townhome has a similar floor plan, with a living room, kitchen, bathroom and front door entrance on the ground floor, and a bedroom on the second floor.

*Single-story house—* consists of three bedrooms, one bathroom, kitchen, dining room and living room. The ground well pump that supplies the entire property with water is adjacent to the home. Grass landscaping and a fence surrounds the house, and the back yard includes a gazebo.

*Garage and apartment—* A two-car garage with second-story apartment is located behind the single-story house described above. The apartment has one bedroom, one bathroom, and a kitchen, all on the second floor located directly above the garage. The garage interior is unfinished with exposed wood framing.

*Cottages—* The property includes four small cottages located adjacent to one another. Only the cottage closest to the townhomes has been renovated and occupied. It consists



## Lassen County Housing Site Feasibility Study

of a living area, kitchen and bathroom. The other three cottages are shells, without interiors or floors, and are currently uninhabitable.

*Utilities and Infrastructure:* The property is served by Johnstonville Road, which is a County road without sidewalk or gutter. Sewer service is provided by three septic tanks, located to the south of the improvements with an adjacent leech field on the vacant south side of the property. The current owner has had to clean out the septic tanks once over the last two years. Water service is provided by an onsite well, with a pump house located adjacent to the single-story house. The current owner has not experienced any water pump malfunctions over the last two years. The Lassen Municipal Utility District provides electricity. Heat is provided by onsite propane tanks. Each unit is separately metered for electric and propane, and each tenant pays their own heat and electricity. The property owner pays for water and sewer service.

*Zoning:* The property is zoned in the C-T Town Service District (Lassen County Code Chapter 18.34), as well as the F Floodplain Combining District (Lassen County Code Chapter 18.88) and the P-S-A Public Safety Airport Combining District (Lassen County Code Chapter 18.97). The C-T Zoning District allows Transitional housing and Supportive housing by right. Because the project will require building permits and is located in the P-S-A District, it will require review by the Airport Land Use Commission. The property is also within the F District since it is within the 100-year floodplain. The corresponding National Flood Hazard overlay classifies the property within the Approximate A Zone, which means that there is no base flood elevation established for the area by a prior study. Since the existing structures were built prior to requirements to conduct these studies, one does not exist for the property. If new structures were proposed, the developer would be required to have a flood elevation study conducted and elevate the buildings above the base flood elevation. Since no new structures are proposed, the improvements can be used as they currently stand.

*Environmental:* The portion of the property adjacent to Lassen Creek is within the National Wetlands Inventory. This includes a PEM1C zone to the southwest of the improvements, and a PSSC zone south of the improvements and directly adjacent to Lassen Creek. PEM1C is a Palustrine nontidal wetland characterized by seasonal flooding and erect, rooted, herbaceous hydrophytes, excluding mosses and lichens, and usually dominated by perennial plants. PSSC is a Palustrine nontidal wetland characterized by seasonal flooding and areas of woody vegetation less than 20 feet tall. None of the property's improvements are built within either of these zones. Use of County HOME funds will require compliance with the National Environmental Policy Act (NEPA) and completion of an environmental assessment that addresses proximity to the flood zone.

*Neighborhood:* The property is located in a rural area with no adjacent residential structures. Adjacent to the southeast of the property is a warehouse structure that appears to be used for automobile repair. The Walmart shopping area is three miles away at the southeast end of Susanville and offers the closest retail.

### Advantages

- The property features an ideal configuration for use as housing for individuals with special needs, offering an appropriate mix of unit types and common areas, including: seven one-bedroom units that can be rented to individuals capable of independent living; potential to rehab three additional one-bedroom cottages for independent living; a three-



## Lassen County Housing Site Feasibility Study

bedroom house that can be used for shared housing; and ample indoor and outdoor common areas for offices, supportive services and gatherings.

- Location of the project within the County's jurisdiction makes it eligible for use of County HOME funds, which have been set aside for the purpose of producing affordable housing. All funding for the project can be covered by County MHSA and HOME funds that have already been set aside for affordable housing. This advantage, combined with the fact that the project involves light rehabilitation instead of new construction, provides more certainty for successfully completing the project and bringing units on-line in a short timeframe.
- The units are well maintained and require minimal rehabilitation.

### *Challenges*

- The property's rural location is not convenient to amenities and services. The County and developer will need to explore transportation options, such as purchasing a van for the project.
- Location in a 100-year floodplain necessitates additional review and assessment to achieve NEPA compliance prior to property acquisition.
- Location in the P-S-A zoning district and in an airport clear zone requires an additional layer of review and approval from the County's Airport Land Use Commission.

### *Recommended Next Steps*

If the County decides to pursue this option, below are recommended next steps prior to site acquisition.

1. Determine property owner's interest in selling and confirm asking price.
2. Conduct an Environmental Assessment that meets NEPA requirements required by use of federal HOME funds, including an 8-step-decision-making process for the flood zone per 24 CFR 55.20 and in compliance with Executive Order 11988.
3. Identify potential developers and service providers and conduct a Request for Proposals or Request for Qualifications, if necessary.
4. Select a developer and enter into a Loan Agreement with the developer that includes a timeline for site investigation, property acquisition, rehabilitation, and lease-up, and conditions that must be met prior to disbursement.
5. Require that the developer secure the services of a reputable relocation consultant to ensure compliance that federal and state relocation law. The consultant will prepare a relocation plan in adherence with federal and state regulations that meets development needs.
6. Require that the developer commission a third-party Physical Needs Assessment of the property that identifies rehabilitation and replacement needs.
7. Require that the developer conduct a third-party appraisal, secure preliminary title reports, and conduct all necessary environmental reviews for the property prior to acquisition, including a Phase I environmental analysis, waste line and septic assessment, lead and asbestos tests, and any other environmental assessments required by federal and state funding sources.



### III. Site Analyses and Summaries

This Housing Site Feasibility Study categorizes development opportunities within the following three development types. These development types were identified due to the different funding and management approaches that would be required for each type.

- Master Lease within the City of Susanville;
- New Construction or Rehabilitation within the City of Susanville; and
- New Construction or Rehabilitation within the Lassen County Jurisdiction.

Within each of the three categories, all of the sites described in this study will be analyzed by the criteria below.

*Development Feasibility*— a narrative analysis of how well the location, size, physical features, and zoning of the site accommodate housing development. An additional major factor is seller motivation. Publicly owned and listed properties generally score more favorably than properties that are not listed on the market.

*Development Feasibility Score*—assigns a score of High, Medium, or Low for the Development Feasibility of the site, based on the narrative analysis.

*Financial Feasibility*— a narrative analysis of the financial feasibility of developing the property. This includes a breakdown of acquisition, construction, and soft costs. A major factor is the size of the project, as larger projects are more likely to receive interest and competitive pricing from tax credit investors and lenders. Projects that are able to leverage more funding from outside the community in the form of tax credit equity and loans require less local subsidy. For that reason, a number of the large new construction projects scored higher for Financial Feasibility than smaller acquisition rehab projects. It should be noted that the development cost figures used in this report are rough estimates that are used for comparative purposes. A more accurate development cost will require an itemized construction cost estimate that is generated from a more detailed architectural design and in-depth assessment of site characteristics.

*Financial Feasibility Score*— assigns a score of High, Medium or Low for the Financial Feasibility of developing housing on the site, based on the narrative analysis.

*Community Benefit*— a narrative analysis of the project's impact on the community in terms of number of units, unit type and affordability of housing provided.

*Community Benefit Score*— assigns a score of High, Medium or Low for the Community Benefit of the site, based on the narrative analysis.

*Advantages*— a summary listing of specific advantages that the site offers in terms of development feasibility, financial feasibility, and Community Benefit.

*Disadvantages*— a summary listing of specific disadvantages of developing the site in terms of development feasibility, financial feasibility, and Community Benefit.





### **Master Lease within the City of Susanville**

A master lease program is an arrangement in which an entity leases a variety of scattered sites from an owner/developer for use within a unified housing program, and then sub-leases units to its clients. The program is best arranged for a number of smaller properties that are in relative close proximity to one another, facilitating economical property management and case management of the clients. Master leasing is often used to assist individuals with high service needs that would not otherwise be met in conventional housing.

### **Scattered Site Master Lease**

*Description:* This report has described six small properties that could be acquired, and rehabilitated at low cost, for a master lease program. These properties are:

- 606 North Street— large house with two two-bedroom units, two one-bedroom units, and a garage in back. Asking price is \$325,000, or \$54,167 per bedroom.
- 1508 Third Street— duplex with two two-bedroom units. Asking price is \$239,000, or \$59,750 per bedroom.
- 456 Minckler Avenue— three-bedroom house; a two-bedroom unit, and two one-bedroom units. The price is estimated at about \$250,000, or \$35,714 per bedroom.
- 515 Limoneria Avenue— duplex with two two-bedroom units. The price is estimated at about \$175,000, or \$43,750 per bedroom.
- 545 Limoneria Avenue— two townhomes, each with two-bedrooms. Asking price is \$175,000, or \$43,750 per bedroom.
- 155 South Gay Street— two duplexes with two two-bedroom units in one and two one-bedroom units in the other. This property is in much worse condition than the others listed above. Asking price is \$165,000, or \$27,500 per bedroom.

Acquisition and lease of these six properties would provide a master lease program with 18 units and 31 bedrooms.

*Development Feasibility:* There would be limited development involved with this project since it would essentially be an acquisition of six properties with light rehabilitation for all but one of the properties after acquisition. As all three properties are residential. No new entitlements or rezones would be required.

*Development Feasibility Score:* High

*Financial Feasibility:* Acquisition of the six properties would cost about \$1,329,000. This would come out to about \$42,871 per bedroom. In addition, some amount of rehabilitation would be required. All of the properties, with the exception of 155 South Gay Street, appear to be in fairly





## Lassen County Housing Site Feasibility Study

good condition. Rehabilitation for these properties would likely not be extensive, but may involve some retrofitting to make the properties ADA accessible, and some replacement of older water heaters or HVAC systems. It is estimated that rehabilitation costs would be about \$5,000 per bedroom for these properties. Rehabilitation costs for 155 South Gay Street are estimated at about \$20,000 per bedroom. Total rehabilitation costs would be about \$275,000. Closing costs, master lease fees, legal fees and physical needs assessments are estimated to cost about \$60,000. Capitalized replacement reserves and operating reserves are estimated at \$1,000 per unit, or \$18,000 each. Total costs for all master lease units would be about \$1,700,000. About \$268,840 of these costs could be funded with County MHSA capital funds. The State No Place Like Home (NPLH) program is another potential source through their Scattered Site funding category, which could provide \$500,000 to the project through the Non-Competitive Allocation to Lassen County that is projected to be available in early 2018. Funding to cover the remaining costs of \$931,160 would need to come from local sources.

*Financial Feasibility Score:* Medium

*Feasible Housing Type and Scope:* The Scattered Site Project would be ideally suited for special needs populations, which could include individuals who are homeless or at-risk of homelessness, veterans, and/or persons with disabilities. The project would provide one three-bedroom unit, 11 two-bedroom units, and six one-bedroom units, with a total of 18 units and 31 bedrooms. Each bedroom could be shared by two individuals, or occupied by a single individual, depending on room size and program needs. There are no large common areas for meetings or gatherings at any of the properties, but living rooms, kitchens, and dining rooms could be used to deliver support services and for resident meetings and gatherings.

*Community Benefit:* The project would provide much needed housing and services to a population that has been severely underserved. The small scale of each site would minimize any potential negative impacts to the surrounding neighborhoods. The project would potentially provide housing and individualized supportive services for 31 to 62 Extremely Low Income individuals with special needs, at a total cost of about \$54,839 per bedroom. Public funding sources would require that the units remain affordable to these individuals for 55 years.

*Community Benefit Score:* Medium

*Recommended Partners:* This project would require a developer who has experience providing affordable housing in order to access the public subsidies necessary to finance it. Ideally the development team would include: a developer/owner that secures the financing, purchases and rehabilitates the properties, and leases the units to a program operator; a program operator that leases and manages the units; and a service provider that provides individualized supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. An alternative development team model would be for the program operator and primary service provider to be the same entity. While this is not ideal as property management and supportive services should have clearly separated roles for effective interaction with residents, it may be necessary due to the limited number of potential partners.

*Advantages—*

- Ideal for serving special needs populations.





## Lassen County Housing Site Feasibility Study

- Limited negative impact to surrounding neighborhoods due to small scale.
- Low overall cost.

### *Disadvantages—*

- Could not access County HOME funds, tax credits or a mortgage, requiring a larger local contribution.
- Older units that will have higher maintenance costs than new units.
- Small, scattered sites are generally less efficient to manage than larger projects with all units located on the same site.



## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- Scattered Site Master Lease</b>		
<b>Address:</b>	<b>606 North Street</b>		
<b>APN:</b>	103-293-02		
<b>Description:</b>	Large house with two two-bedroom units, two one-bedroom units, and a four-car garage in back. There appears to be one ADA accessible unit. The structures are in good condition and the property is well-maintained overall.		
<b>Price:</b>	\$325,000		
<b>Price per Bedroom:</b>	\$54,167		
<b>Lot Size:</b>	10,193 square feet		
<b>Size of Improvements:</b>	About 3,200 square feet		
<b>Topography:</b>	Flat		
<b>Access to Utilities:</b>	City sewer and water		
<b>Zoning:</b>	Zoned R-3A, which allows duplexes or triplexes. A four-plex or larger multifamily buildings are allowed with a use permit.		
<b>Neighborhood Characteristics:</b>	Located in a neighborhood with a mix of historic single-family and small multi-family residential uses. The property is two blocks from the northwest portion of the Main Street corridor.		
<b>Proximity to Services and Transit:</b>	Within a quarter-mile of Memorial Park; within a half-mile of Lassen High School and Susanville Supermarket IGA; and within a mile of Rite Aid Pharmacy and Lassen Library.		
<b>Funding Availability:</b>	The project could access local funds, County MHSA funds, and/or State No Place Like Home funds. The project would be too small for tax credits.		
<b>Potential Use:</b>	The property could provide four units and six bedrooms for affordable housing as part of a scattered site master lease program.		
<b>Community Benefit:</b>	Could house about six individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$30,037	<b>Development Feasibility Score:</b>	High
<b>Financial Feasibility Score:</b>	Medium	<b>Community Benefit Score:</b>	Medium



## 606 North Street





## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- Scattered Site Master Lease</b>		
<b>Address:</b>	<b>456 Minckler Avenue</b>		
<b>APN:</b>	107-073-08		
<b>Description:</b>	A three-bedroom house, a two-bedroom unit, and two one-bedroom units. The property is not currently listed for sale but owner might be interested in selling, as it was listed a couple years ago.		
<b>Price:</b>	Estimated at about \$250,000		
<b>Price per Bedroom:</b>	\$35,714		
<b>Lot Size:</b>	0.22 acre		
<b>Size of Improvements:</b>	2,502 square feet		
<b>Topography:</b>	Slopes slightly uphill toward the back of the property to the northwest.		
<b>Access to Utilities:</b>	City sewer and water		
<b>Zoning:</b>	R-1- would require a rezone for multi-family or group care home serving more than six persons.		
<b>Neighborhood Characteristics:</b>	Surrounding uses are single-family residential with some duplexes.		
<b>Proximity to Services and Transit:</b>	Less than a quarter-mile from the bus stop on Richmond Road; less than a half-mile from Riverside Park; and less than a mile from Grocery Outlet and Lassen Library.		
<b>Funding Availability:</b>	The project could access City of Susanville CDBG or HOME funds, County MHSA funds, and or State No Place Like Home funds. The project would be too small for tax credits.		
<b>Potential Use:</b>	The property could provide four units and seven bedrooms of affordable housing as part of a scattered site master lease program.		
<b>Community Benefit:</b>	Could house about seven individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$30,037	<b>Development Feasibility Score:</b>	High
<b>Financial Feasibility Score:</b>	Medium	<b>Community Benefit Score:</b>	Medium





## 456 Minckler Avenue





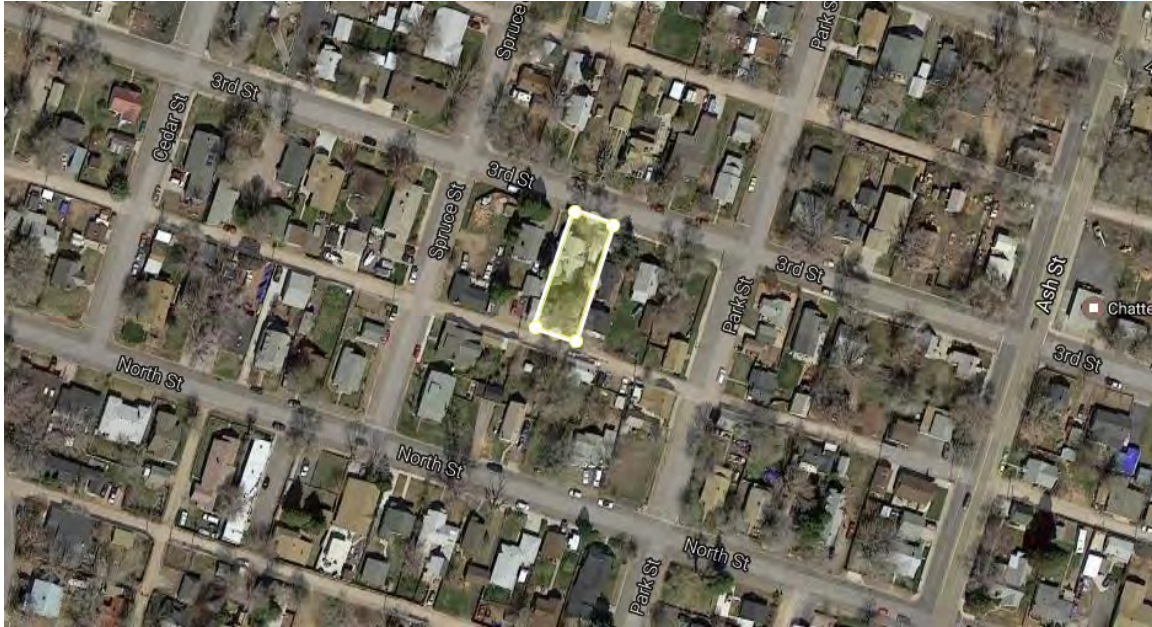
## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- Scattered Site Master Lease</b>		
<b>Address:</b>	<b>1508 Third Street</b>		
APN:	105-101-03		
Description:	Duplex with two two-bedroom units		
Price:	\$239,000		
Price per Bedroom:	\$59,750		
Lot Size:	0.16 acre		
Size of Improvements:	2,458 square feet		
Topography:	Flat		
Access to Utilities:	City sewer and water		
Zoning:	R-1- would require a rezone for multi-family or group care home serving more than six persons		
Neighborhood Characteristics:	Older single-family homes		
Proximity to Services and Transit:	Less than a quarter-mile from Memorial Park, Susanville Supermarket IGA, Grocery Outlet, and Lassen Library; less than a half-mile from McKinley Elementary School and Lassen High School.		
Funding Availability:	The project could access City of Susanville CDBG or HOME funds, County MHSA funds, and/or State No Place Like Home funds. The project would be too small for tax credits.		
Potential Use:	The property could provide two units and four bedrooms for affordable housing as part of a scattered site master lease program.		
Community Benefit:	Could house about four individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
Competitive State-Local Funds/Bedroom:	\$30,037	Development Feasibility Score:	High
Financial Feasibility Score:	Medium	Community Benefit Score:	Medium





## 1508 Third Street







## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- Scattered Site Master Lease</b>		
<b>Address:</b>	<b>515 Limoneria Ave.</b>		
APN:	107-155-41		
Description:	Single-story duplex with two two-bedroom, one-bath units. The improvements are in good condition and well maintained. Rent for each unit is currently \$600.		
Price:	\$175,000		
Price per Bedroom:	\$43,750		
Lot Size:	0.16 acre		
Size of Improvements:	1,704 square feet		
Topography:	Flat		
Access to Utilities:	City sewer and water		
Zoning:	R-2- Allows single-family and duplexes. Group care for more than 6 persons allowed with a use permit.		
Neighborhood Characteristics:	Older single-family homes and duplexes		
Proximity to Services and Transit:	Less than a quarter-mile from Riverside Park. Less than a half-mile from Grocery Outlet, Lassen High School. Less than three-quarters of a mile from Lassen Library, Rite Aid, and Susanville Supermarket IGA. Less than one mile from McKinley Elementary School.		
Funding Availability:	The project could access City of Susanville CDBG or HOME funds, County MHSA funds, and/or State No Place Like Home funds. The project would be too small for tax credits.		
Potential Use:	The property could provide two units and four bedrooms of affordable housing as part of a scattered site master lease program.		
Community Benefit:	Could house about four individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
Competitive State-Local Funds/Bedroom:	\$30,037	Development Feasibility Score:	High
Financial Feasibility Score:	Medium	Community Benefit Score:	Medium



## 515 Limoneria Ave.





## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- Scattered Site Master Lease</b>		
<b>Address:</b>	<b>545 Limoneria Ave.</b>		
<b>APN:</b>	107-155-38		
<b>Description:</b>	Two townhomes, each with two-bedrooms and one bath, one-car garage, fenced back yard. The improvements are in good condition and well maintained. Rent for each unit is currently \$600.		
<b>Price:</b>	\$175,000		
<b>Price per Bedroom:</b>	\$43,750		
<b>Lot Size:</b>	0.16 acre		
<b>Size of Improvements:</b>	1,920 square feet		
<b>Topography:</b>	Flat		
<b>Access to Utilities:</b>	City sewer and water		
<b>Zoning:</b>	R-2- Allows single-family and duplexes. Group care for more than 6 persons allowed with a use permit.		
<b>Neighborhood Characteristics:</b>	Older single-family homes and duplexes		
<b>Proximity to Services and Transit:</b>	Less than a quarter-mile from Riverside Park. Less than a half-mile from Grocery Outlet and Lassen High School. Less than three-quarters of a mile from Lassen Library, Rite Aid, and Susanville Supermarket IGA. Less than one mile from McKinley Elementary School.		
<b>Funding Availability:</b>	The project could access City of Susanville CDBG or HOME funds, County MHSA funds, and/or State No Place Like Home funds. The project would be too small for tax credits.		
<b>Potential Use:</b>	The property could provide two units and four bedrooms of affordable housing as part of a scattered site master lease program.		
<b>Community Benefit:</b>	Could house about four individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$30,037	<b>Development Feasibility Score:</b>	High
<b>Financial Feasibility Score:</b>	Medium	<b>Community Benefit Score:</b>	Medium





## 545 Limoneria Ave.





## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- Scattered Site Master Lease</b>		
<b>Address:</b>	<b>155 South Gay Street</b>		
<b>APN:</b>	103-324-01		
<b>Description:</b>	Two duplexes, one with two two-bedroom one-bath units, and one with two one-bedroom one-bath units. Total rental income is \$2,050 per month. The buildings are in need of new roofs and paint as the exteriors are in poor condition. The interiors are in fair condition.		
<b>Price:</b>	\$165,000		
<b>Price per Bedroom:</b>	\$27,500		
<b>Lot Size:</b>	0.34 acre		
<b>Size of Improvements:</b>	3,026 square feet		
<b>Topography:</b>	Flat		
<b>Access to Utilities:</b>	City sewer and water		
<b>Zoning:</b>	Zoned Uptown Business District (UBD). A use permit in UBD allows multifamily in mixed use developments with commercial or office uses or free-standing dwellings; the density for free-standing multifamily units shall not exceed twenty (20) dwelling units per acre; the density for mixed use developments shall be determined by the use permit.		
<b>Neighborhood Characteristics:</b>	Older single-family homes and duplexes		
<b>Proximity to Services and Transit:</b>	Less than a quarter-mile from Susan River Park and Lassen High School. Less than a half-mile from Susanville Supermarket IGA. Less than three-quarters of a mile from Rite Aid. Less than one mile from McKinley Elementary School.		
<b>Funding Availability:</b>	The project could access City of Susanville CDBG or HOME funds, County MHSA funds, and/or State No Place Like Home funds. The project would be too small for tax credits.		
<b>Potential Use:</b>	The property could provide four units and six bedrooms of affordable housing as part of a scattered site master lease program.		
<b>Community Benefit:</b>	Could house about six individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$30,037	<b>Development Feasibility Score:</b>	High
<b>Financial Feasibility Score:</b>	Medium	<b>Community Benefit Score:</b>	Medium





## 155 South Gay Street





### **New Construction or Rehabilitation within the City of Susanville**

The following projects are located within the City of Susanville. County HOME funds are not available for these projects, but County MHSA funds are available. For most of the projects analyzed in this section, a portion of funding would need to be provided by local funding sources. Larger projects, usually greater than 30 units, may also be funded by tax credits and a mortgage. The tax credit program is a competitive statewide affordable housing program with a Rural Set-Aside for which projects in Lassen County qualify. Smaller projects are not feasible for tax credit funding, requiring funding to be provided by State NPLH, County MHSA funds, and/or local sources.

#### **2755 Main Street**

*Description:* This property is 1.59 acres, consisting of three lots with frontage on Main Street and Russell Avenue. It is mostly vacant, with exception of a mobile home near Russell Avenue. It is located in the southeastern part of Main Street, next door to O'Reilly Auto Parts to the north and the Best Western Trailside Inn to the south, and within a quarter-mile of Wal-Mart, Walgreen's and Banner Lassen Medical Center. The property is listed on the market with an asking price of \$370,000 (\$232,704/acre).

*Development Feasibility:* The property is well located on a commercial corridor served by a bus line. A number of amenities are within close proximity, including a pharmacy and grocery store. The zoning is C-2, which allows multifamily in mixed-use developments with a density greater than 20 dwelling units per acre with a use permit, or separate residential buildings at 20 dwelling units per acre. The site could accommodate 40 units within the zoning, but would require that residential units are mixed with commercial or office uses. Access from two street frontages is ideal for ingress and egress of automobile traffic, although CalTrans may not allow access from Main Street. The topography of the site is flat.

*Development Feasibility Score:* Medium

*Financial Feasibility:* The property could be acquired for the asking price of \$370,000, or \$9,250 per developable unit. A rough estimate of construction costs based on similar 3-story wood-frame construction tax credit multifamily properties is about \$130 per square foot, and with 40,000 square feet estimated for the project, this would be about \$5,200,000. Soft costs, including permit and impact fees, construction loan interest, lender fees, architecture and engineering, developer fee, legal fees, and reserves, are estimated to be about \$3,160,000. Total development costs, including property acquisition, are roughly estimated to be about \$8,730,000, which would be about \$218,250 per unit for a 40-unit project with a mix of units averaging 1,000 square feet per unit. The largest source of funding for the project is 9% tax credits, which would cover roughly 76% of total development costs, or about \$6,600,000. A permanent loan would provide about \$1,100,000. The remaining \$1,030,000 of funding could be provided by a combination of County MHSA, State NPLH and City funds. (Comparable tax credit multifamily costs are drawn from the California Tax Credit Allocation Committee's 2014 California Affordable Housing Cost Study.) The contribution of the County's MHSA and NPLH allocation, and local funds, would be much less than what would be required for the Scattered Site Project, while producing more than twice as many units that are new construction.





*Financial Feasibility Score:* High

*Feasible Housing Type and Scope:* The property and zoning would accommodate new construction of 40 rental units. More units would be possible with a mix of smaller SRO, Studio and one-bedroom units. A portion of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities. The County's allocation of State NPLH funds require that assisted units, which must be less than half of the units, must house persons who are homeless. The site would also permit the location of on-site management and services offices, and common area for resident gatherings and meetings.

*Community Benefit:* The project would provide 40 new units of housing affordable to low-income households, benefitting an estimated 50-80 low-income individuals. A portion of the units could also assist special needs populations that have the greatest housing needs. The funding structure would be able to provide on-site supportive services for tenants, which may include individual case management, mental health counseling, financial planning counseling, and job training and placement. The funding sources would require that the units remain affordable to low income households for 55 years.

*Community Benefit Score:* High

*Recommended Partners:* This project would require a developer who has adequate experience in developing and owning tax credit projects to be competitive for the tax credit competition. Ideally the development team would include: a developer/owner that secures the financing, develops and owns the project; a property manager; and a service provider that provides individualized supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. The developer could be a partnership between a senior and junior partner, in which the junior partner is a local entity.

*Advantages—*

- Currently on the market and listed for sale.
- Location close to amenities, and a commercial corridor.
- Site layout with access from Main Street and Russell Avenue

*Disadvantages—*

- Smaller size compared to some of the other properties in this study.
- Cannot access County HOME funds due to its location in the City of Susanville.



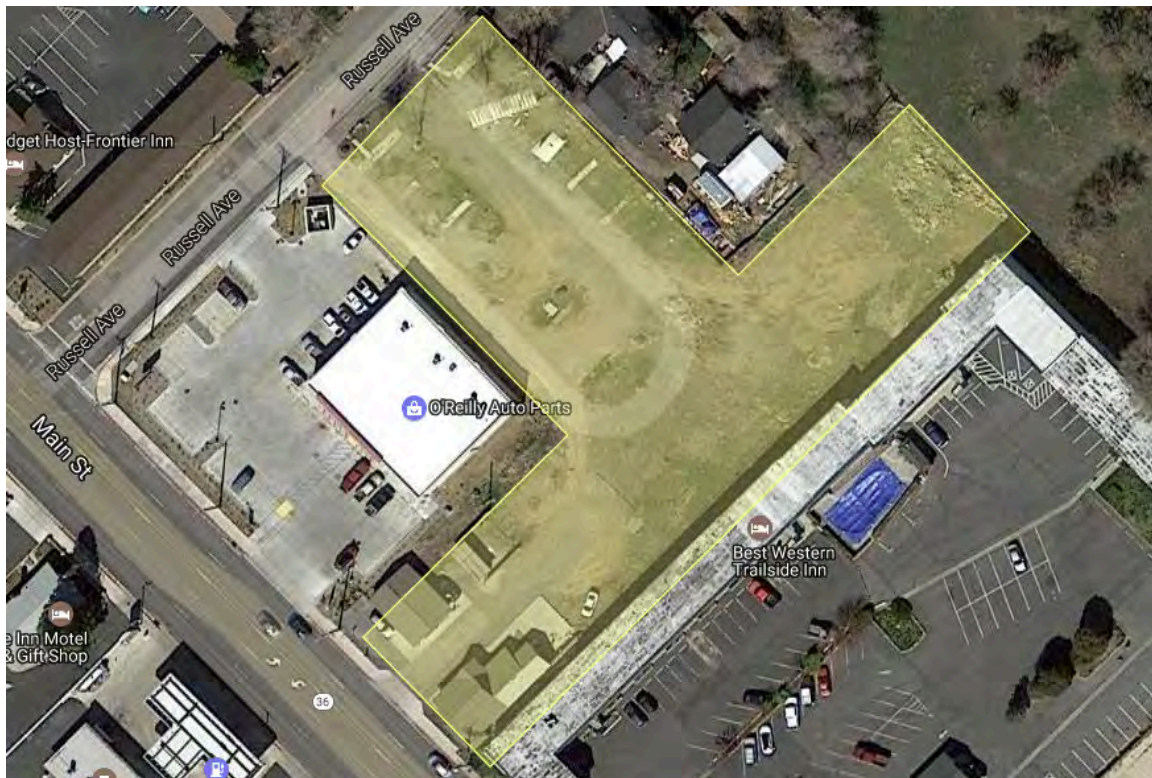
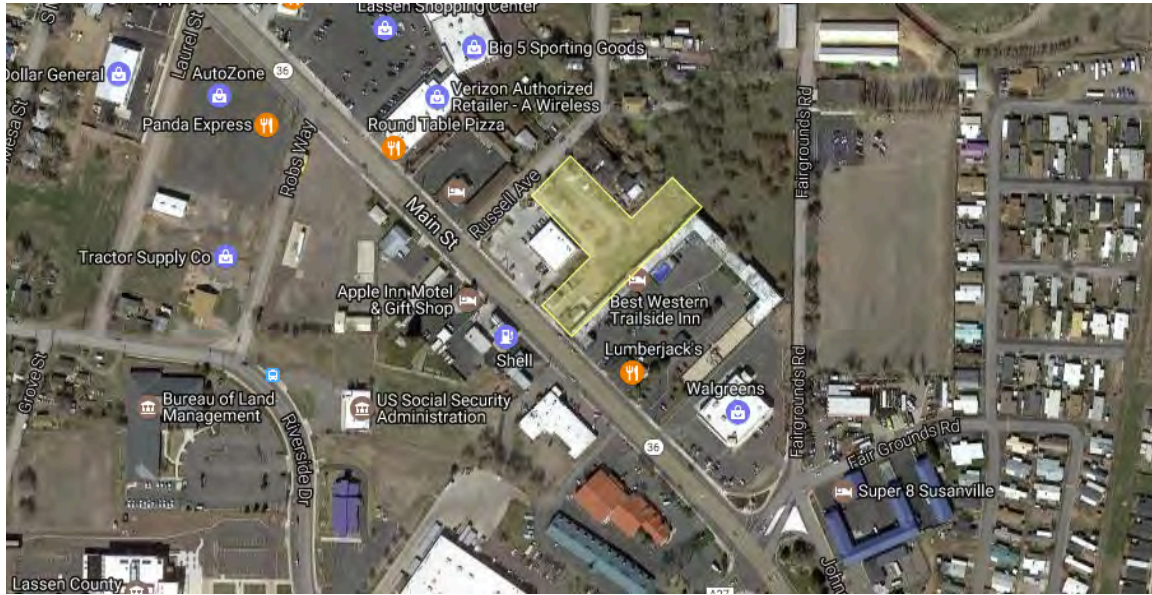


## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- New Construction</b>		
<b>Address:</b>	<b>2755 Main Street</b>		
<b>APN:</b>	105-320-17, 105-320-18, 105-320-21		
<b>Description:</b>	Three vacant lots with frontage on Main Street and Russell Ave		
<b>Price:</b>	\$370,000		
<b>Price per Bedroom:</b>	\$4,625 (80 Bedrooms)		
<b>Lot Size:</b>	1.59 acres		
<b>Size of Improvements:</b>	Vacant		
<b>Topography:</b>	Flat		
<b>Access to Utilities:</b>	City sewer and water		
<b>Zoning:</b>	Zoned C-2. With a use permit, C-2 allows multifamily in mixed use developments with commercial or office uses or free-standing dwellings; the density for free-standing multifamily units shall not exceed twenty (20) dwelling units per acre; the density for mixed use developments shall be determined by the use permit.		
<b>Neighborhood Characteristics:</b>	Located on the southeast portion of the Main Street commercial corridor; adjacent to O'Reilly Auto Parts to the north and the Best Western Trailside Inn to the south.		
<b>Proximity to Services and Transit:</b>	On bus line and next door to Walgreens pharmacy. Within a quarter-mile of Wal-Mart, and within one mile of Lassen Library, Lassen High School, and McKinley Elementary School.		
<b>Funding Availability:</b>	The property could potentially be developed with tax credit financing and City of Susanville CDBG or HOME funds, County MHSA funds, and/or State No Place Like Home funds.		
<b>Potential Use:</b>	The property could be developed with 30-50 apartments and on-site supportive services and common areas.		
<b>Community Benefit:</b>	Could house 50-80 low-income individuals in apartments, along with space for supportive services and common areas. A portion of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$3,265	<b>Development Feasibility Score:</b>	Medium
<b>Financial Feasibility Score:</b>	High	<b>Community Benefit Score:</b>	High



## 2755 Main Street





### **Corner of Skyline Road and Highway 139 (Portion of APN 101-270-10)**

*Description:* This property is a vacant 5.2-acre portion of a 62-acre property owned by the City of Susanville. It is located north of the intersection of Skyline Road and Highway 139, and is triangular in shape. It is just southwest of Lassen Community College.

*Development Feasibility:* The property is located on the north end of the city, is within a quarter-mile from the Lassen Community College bus stop, and is within 1.5 miles of a number of other amenities. The zoning is C-2, which allows multifamily in mixed-use developments with a density greater than 20 dwelling units per acre with a use permit, or separate residential buildings at 20 dwelling units per acre. The site could accommodate 80 units within the zoning, but would require that residential units are mixed with commercial or office uses. The topography slopes uphill to the north end at the corner of Skyline Road and Highway 139. There is a small berm on the east-central side of the property. The property is served by City water. City sewer is about 1,000 feet to the south of the property. City ownership provides flexibility in development timing and structuring financing.

*Development Feasibility Score:* Medium

*Financial Feasibility:* For purposes of assessing financial feasibility, an 80-unit project is projected for this property. It is assumed that the property would be contributed to the project by the City at no cost. This use of City land could also be structured as a no-cost or low-cost lease. A rough estimate of construction costs based on similar two two-story wood-frame construction tax credit multifamily properties is about \$130 per square foot, and with 80,000 square feet estimated for the project, this would be about \$10,400,000. Soft costs, including permit and impact fees, construction loan interest, lender fees, architecture and engineering, developer fee, legal fees, and reserves, are estimated to be about \$5,500,000. Total development costs are roughly estimated to be about \$15,900,000, which would be \$198,750 per unit for a 80-unit project with a mix of units averaging about 1,000 square feet per unit. The largest source of funding for the project is 9% tax credits, which would cover roughly 74% of total development costs, or about \$11,800,000. A permanent loan would provide about \$2,400,000. The remaining \$1,700,000 of funding could be provided by a combination of County MHSA, State NPLH and local funds. (Comparable tax credit multifamily costs are drawn from the California Tax Credit Allocation Committee's 2014 California Affordable Housing Cost Study.)

*Financial Feasibility Score:* High

*Feasible Housing Type and Scope:* The property and zoning would accommodate about 80 new rental units. A portion of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities. The County's allocation of State NPLH funds require that assisted units, which must be less than half of the units, must house persons who are homeless. The site would also permit the location of on-site management and services offices, and common area for resident gatherings and meetings.

*Community Benefit:* The project would provide about 80 new units of housing affordable to low-income households, benefitting an estimated 120-160 low-income individuals. A portion of the units could also assist special needs populations that have the greatest housing needs. The funding structure would be able to provide on-site supportive services for tenants, which may





## Lassen County Housing Site Feasibility Study

include individual case management, mental health counseling, financial planning counseling, and job training and placement. The funding sources would require that the units remain affordable to low income households for 55 years.

*Community Benefit Score:* High

*Recommended Partners:* This project would require a developer who has adequate experience in developing and owning tax credit projects to be competitive for the tax credit competition. Ideally the development team would include: a developer/owner that secures the financing, develops and owns the project; a property manager; and a service provider that provides individualized supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. The developer could be a partnership between a senior and junior partner, in which the junior partner is a local entity.

*Advantages—*

- City-owned property.
- Large site enhances financial feasibility.

*Disadvantages—*

- Further away from services in the central part of the city than properties on the Main Street corridor.
- Cannot access County HOME funds due to its location in the City of Susanville.



## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- New Construction</b>		
<b>Address:</b>	<b>Corner of Skyline Road and Highway 139</b>		
<b>APN:</b>	Portion of APN 101-270-10		
<b>Description:</b>	A 5.2-acre portion, zoned C-2, of a 62-acre city-owned property. The remaining portion of the parcel is zoned Open Space. The 4-acre portion is located to the north of the intersection of Skyline Road and Highway 139.		
<b>Price:</b>	Owned by the City		
<b>Price per Bedroom:</b>	Owned by the City		
<b>Lot Size:</b>	5.2 acres		
<b>Size of Improvements:</b>	Vacant		
<b>Topography:</b>	Slopes uphill to the north end of the property. There is a small berm on the east-central side of the property. A rough dirt road leads from the area of the berm to Highway 139.		
<b>Access to Utilities:</b>	City water is available to the property. City sewer is about 1,000 feet to the south of the property.		
<b>Zoning:</b>	Zoned C-2. With a use permit, C-2 allows multifamily in mixed use developments with commercial or office uses or free-standing dwellings; the density for free-standing multifamily units shall not exceed twenty (20) dwelling units per acre; the density for mixed use developments shall be determined by the use permit.		
<b>Neighborhood Characteristics:</b>	The property is predominantly surrounded by open space, and next to Lassen Community College to the northeast, and a mobile home park to the southwest.		
<b>Proximity to Services and Transit:</b>	The property is a quarter-mile from the Lassen Community College bus stop. It is 1.5 miles from Susanville Supermarket IGA, Rite Aid Pharmacy, Lassen Library and Lassen High School.		
<b>Funding Availability:</b>	The property could potentially be developed with tax credit financing and City of Susanville CDBG or HOME funds, County MHSA funds, and/or State No Place Like Home funds.		
<b>Potential Use:</b>	The property could be developed with up to 80 apartments and on-site supportive services and common areas.		
<b>Community Benefit:</b>	Could house about 150-200 low-income individuals in apartments, along with space for supportive services and common areas. A portion of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$5,820	<b>Development Feasibility Score:</b>	Medium
<b>Financial Feasibility Score:</b>	High	<b>Community Benefit Score:</b>	High



## Skyline Road and Highway 139





### **North Mesa Street (APNs 105-180-23 and 105-130-01)**

*Description:* This site consists of two contiguous, vacant lots owned by Lassen County, together totaling 6.4 acres. It is located east of North Mesa Street, just north of Main Street and just west of Russell Avenue. A Jehovah's Witnesses Meeting Hall is adjacent to the north, and multi-family apartments are adjacent to the south. Single-family homes are to the west of the site.

*Development Feasibility:* The property is located near a number of services on the Main Street corridor. Since the zoning is R-1, the project would require a rezone to R-4. The site could accommodate 80 units within the zoning. The site is generally flat. City water and sewer serve the property. County ownership provides flexibility in development timing and structuring financing.

*Development Feasibility Score:* Medium

*Financial Feasibility:* For purposes of assessing financial feasibility, an 80-unit project is projected for this property. It is assumed that the property would be contributed to the project by the County at no cost. This use of County land could also be structured as a no-cost or low-cost lease. A rough estimate of construction costs based on similar one-two story wood-frame construction tax credit multifamily properties is about \$130 per square foot, and with 80,000 square feet estimated for the project, this would be about \$10,400,000. Soft costs, including permit and impact fees, construction loan interest, lender fees, architecture and engineering, developer fee, legal fees, and reserves, are estimated to be about \$5,500,000. Total development costs are roughly estimated to be about \$15,900,000, which would be \$198,750 per unit for an 80-unit project with a mix of units averaging about 1,000 square feet per unit. The largest source of funding for the project is 9% tax credits, which would cover roughly 74% of total development costs, or about \$11,800,000. A permanent loan would provide about \$2,400,000. The remaining \$1,700,000 of funding could be provided by a combination of County MHSA, State NPLH and local funds. (Comparable tax credit multifamily costs are drawn from the California Tax Credit Allocation Committee's 2014 California Affordable Housing Cost Study.)

*Financial Feasibility Score:* High

*Feasible Housing Type and Scope:* The property and zoning would accommodate about 80 new rental units. A portion of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities. The County's allocation of State NPLH funds require that assisted units, which must be less than half of the units, must house persons who are homeless. The site would also permit the location of on-site management and services offices, and common area for resident gatherings and meetings.

*Community Benefit:* The project would provide about 80 new units of housing affordable to low-income households, benefitting an estimated 120-160 low-income individuals. A portion of the units could also assist special needs populations that have the greatest housing needs. The funding structure would be able to provide on-site supportive services for tenants, which may include individual case management, mental health counseling, financial planning counseling,





## Lassen County Housing Site Feasibility Study

and job training and placement. The funding sources would require that the units remain affordable to low income households for 55 years.

*Community Benefit Score:* High

*Recommended Partners:* This project would require a developer who has adequate experience in developing and owning tax credit projects to be competitive for the tax credit competition. Ideally the development team would include: a developer/owner that secures the financing, develops and owns the project; a property manager; and a service provider that provides individualized supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. The developer could be a partnership between a senior and junior partner, in which the junior partner is a local entity.

*Advantages—*

- County-owned property.
- Large site enhances financial feasibility.
- Located near amenities along the Main Street corridor.

*Disadvantages—*

- Not zoned for multi-family residential development.
- Cannot access County HOME funds due to its location in the City of Susanville.



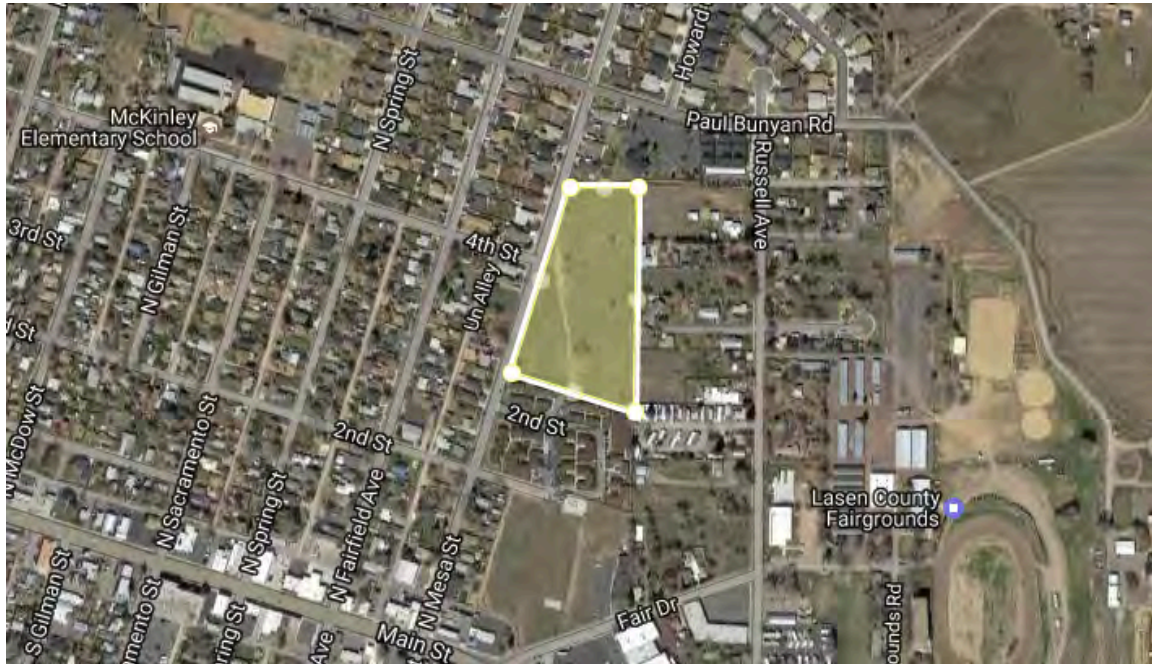


## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- New Construction</b>		
<b>Address:</b>	<b>North Mesa Street (APNs 105-180-23 and 105-130-01)</b>		
<b>APN:</b>	105-130-01 (4 acres) / 105-180-23 (2.4 acres)		
<b>Description:</b>	Contiguous vacant lots owned by the County. There are plans for a public park on part of the property. The properties are zoned R-1 but could be rezoned to multifamily.		
<b>Price:</b>	Owned by the County		
<b>Price per Bedroom:</b>	Owned by the County		
<b>Lot Size:</b>	6.4 acres		
<b>Size of Improvements:</b>	Vacant		
<b>Topography:</b>	Flat		
<b>Access to Utilities:</b>	City water and sewer runs along Mesa Street		
<b>Zoning:</b>	R-1 (Single-family); multifamily development would require a rezone.		
<b>Neighborhood Characteristics:</b>	The property is surrounded by single-family residential on the west, north and east of the property. The Jehovah's Witnesses Meeting Hall is also adjacent to the north. Adjacent to the south of the property are multi-family apartments.		
<b>Proximity to Services and Transit:</b>	The property is near Main Street, within a half-mile of a bus stop, park, library, McKinley Elementary School, Susanville Supermarket IGA, Wal-Mart, and Walgreen's Pharmacy. The property is within 1.5 miles of Lassen High School.		
<b>Funding Availability:</b>	The property could potentially be developed with tax credit financing and City of Susanville CDBG or HOME funds, County MHSA funds, and/or State No Place Like Home funds.		
<b>Potential Use:</b>	The property could be developed with up to 80 apartments and on-site supportive services and common areas.		
<b>Community Benefit:</b>	Could house about 120-160 low-income individuals in apartments, along with space for supportive services and common areas. A portion of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$5,820	<b>Development Feasibility Score:</b>	Medium
<b>Financial Feasibility Score:</b>	High	<b>Community Benefit Score:</b>	High



## North Mesa Street (APNs 105-180-23 and 105-130-01)





### **Laurel Street (APNs 105-240-19 and 105-301-06)**

*Description:* This property is vacant and 1.08 acres in size. It is located in between Main Street on the north and Riverside Drive on the south, on the west side of Laurel Street. It is just south of Dollar General, and is rectangular in shape. It consists of three blocks that are 50 feet by 143 feet, and four blocks that are 45 feet by 143 feet.

*Development Feasibility:* The property is near the Main Street commercial corridor and a number of amenities, including Walmart, Walgreens and other retail. The zoning is C-2, which allows multifamily in mixed-use developments with a density greater than 20 dwelling units per acre with a use permit, or separate residential buildings at 20 dwelling units per acre. The site could accommodate 30 units within the zoning, but would require that residential units are mixed with commercial or office uses. The topography is flat. The property is served by City water and sewer.

*Development Feasibility Score:* Medium

*Financial Feasibility:* For purposes of assessing financial feasibility, a 30-unit project is projected for this property. Property acquisition would be the listed price of \$160,000. A rough estimate of construction costs based on similar two-story wood-frame construction tax credit multifamily properties is about \$130 per square foot, and with 30,000 square feet estimated for the project, this would be about \$3,900,000. Soft costs, including permit and impact fees, construction loan interest, lender fees, architecture and engineering, developer fee, legal fees, and reserves, are estimated to be about \$2,600,000. Total development costs are roughly estimated to be about \$6,660,000, which would be \$222,000 per unit for a 30-unit project with a mix of units averaging about 1,000 square feet per unit. The largest source of funding for the project is 9% tax credits, which would cover roughly 77% of total development costs, or about \$4,800,000. However, it should be noted that it will be challenging to find a tax credit investor for a project of this size, and it is borderline infeasible for tax credit financing. For that reason, the proportion of costs funded by tax credits is lower than other new construction projects in this analysis, and the property receives a Financial Feasibility Score of Medium instead of High. A permanent loan would provide about \$650,000. The remaining \$1,210,000 of funding could be provided by a combination of County MHSA, State NPLH and local funds. (Comparable tax credit multifamily costs are drawn from the California Tax Credit Allocation Committee's 2014 California Affordable Housing Cost Study.)

*Financial Feasibility Score:* Medium

*Feasible Housing Type and Scope:* The property and zoning would accommodate about 30 new rental units. A portion of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities. The County's allocation of State NPLH funds require that assisted units, which must be less than half of the units, must house persons who are homeless. The site would also permit the location of on-site management and services offices, and common area for resident gatherings and meetings.

*Community Benefit:* The project would provide about 30 new units of housing affordable to low-income households, benefitting an estimated 60 low-income individuals. A portion of the units could also assist special needs populations that have the greatest housing needs. The funding



## Lassen County Housing Site Feasibility Study

structure would be able to provide on-site supportive services for tenants, which may include individual case management, mental health counseling, financial planning counseling, and job training and placement. The funding sources would require that the units remain affordable to low income households for 55 years.

*Community Benefit Score:* High

*Recommended Partners:* This project would require a developer who has adequate experience in developing and owning tax credit projects to be competitive for the tax credit competition. Ideally the development team would include: a developer/owner that secures the financing, develops and owns the project; a property manager; and a service provider that provides individualized supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. The developer could be a partnership between a senior and junior partner, in which the junior partner is a local entity.

*Advantages—*

- Property listed for sale.
- Well-located near amenities.

*Disadvantages—*

- Not zoned for high-density residential development.
- Cannot access County HOME funds due to its location in the City of Susanville.
- Small property size makes it challenging to finance with tax credits.

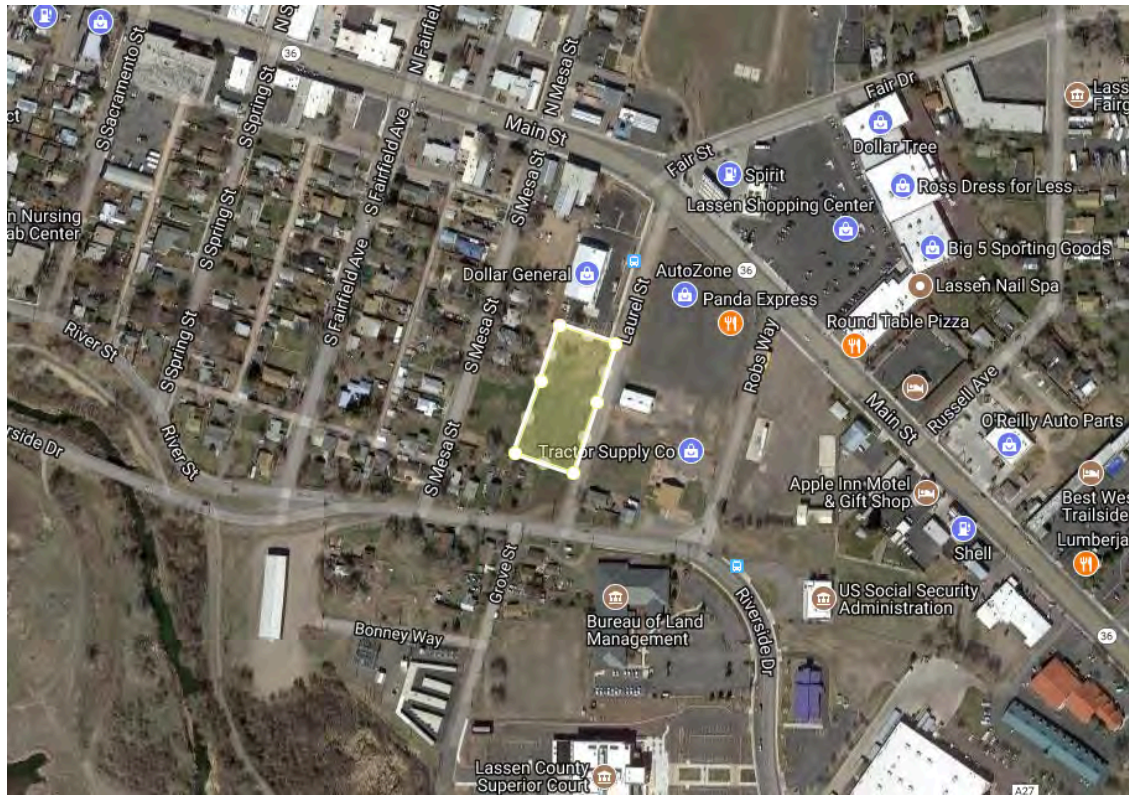




## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- New Construction</b>		
<b>Address:</b>	<b>Laurel Street (APNs 105-240-19 and 105-301-06)</b>		
<b>APN:</b>	105-301-06 and 105-240-19		
<b>Description:</b>	This is a vacant property located on the west side of Laurel Street between the intersection of Main Street and State Highway 36 on the north, and Riverside Drive on the south. It consists of three lots that are 50 feet by 143 feet (APN 105-240-19), and four lots that are 45 feet by 143 feet (APN 105-301-06).		
<b>Price:</b>	\$160,000		
<b>Price per Bedroom:</b>	\$2,667 (60 Bedrooms)		
<b>Lot Size:</b>	1.08 acres		
<b>Size of Improvements:</b>	Vacant		
<b>Topography:</b>	Flat		
<b>Access to Utilities:</b>	City sewer and water		
<b>Zoning:</b>	Zoned C-2. With a use permit, C-2 allows multifamily in mixed use developments with commercial or office uses or free-standing dwellings; the density for free-standing multifamily units shall not exceed twenty (20) dwelling units per acre; the density for mixed use developments shall be determined by the use permit.		
<b>Neighborhood Characteristics:</b>	Located just south of the Main Street commercial corridor, adjacent to Tractor Supply Co. to the east, AutoZone and Panda Express to the northeast, single-family residential to the west, and the Bureau of Land Management offices to the south.		
<b>Proximity to Services and Transit:</b>	A block away from bus lines on Riverside Drive and Main Street. Within a quarter-mile of Wal-Mart and Walgreens. Within a half-mile of Riverside Park, Lassen Library and McKinley Elementary School. Within a mile of Lassen High School.		
<b>Funding Availability:</b>	The property could potentially be developed with tax credit financing and City of Susanville CDBG or HOME funds, County MHSA funds, and/or State No Place Like Home funds.		
<b>Potential Use:</b>	The property could be developed with about 30 apartments and on-site supportive services and common areas.		
<b>Community Benefit:</b>	Could house about 60 low-income individuals in apartments, with space for supportive services and common areas. A portion of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$7,353	<b>Development Feasibility Score:</b>	Medium
<b>Financial Feasibility Score:</b>	Medium	<b>Community Benefit Score:</b>	High

## Laurel Street





### 2650 Main Street

*Description:* This property is located on the southeast Main Street commercial corridor and is 2.29 acres. It is on the south side of Main Street with Panda Express and Auto Zone adjacent to the north and the Apple Inn adjacent to the south. It is mostly vacant, with the exception of a structure at the Main Street frontage, and a structure on the back southeast corner of the lot. It is within a quarter-mile of Wal-Mart, Walgreen's and Banner Lassen Medical Center. The property is listed on the market with an asking price of \$1,050,000 (\$458,515/acre).

*Development Feasibility:* The property is well located on a commercial corridor served by a bus line. A number of amenities are within close proximity, including a pharmacy and grocery store. The zoning is C-2, which allows multifamily in mixed-use developments with a density greater than 20 dwelling units per acre with a use permit, or separate residential buildings at 20 dwelling units per acre. The site could accommodate 60 units within the zoning, but would require that residential units are mixed with commercial or office uses. The site topography is flat. The property is served by City water and sewer.

*Development Feasibility Score:* Medium

*Financial Feasibility:* The property could be acquired for the asking price of \$1,050,000, or \$17,500 per developable unit. A rough estimate of construction costs based on similar 2-3-story wood-frame construction tax credit multifamily properties is about \$130 per square foot, and with 60,000 square feet estimated for the project, this would be about \$7,800,000. Soft costs, including permit and impact fees, construction loan interest, lender fees, architecture and engineering, developer fee, legal fees, and reserves, are estimated to be about \$4,300,000. Total development costs, including property acquisition, are roughly estimated to be about \$13,150,000, which would be about \$219,167 per unit for a 60-unit project with a mix of units averaging 1,000 square feet per unit. The largest source of funding for the project is 9% tax credits, which would cover roughly 69% of total development costs, or about \$9,100,000. A permanent loan would provide about \$1,850,000. The remaining \$2,200,000 of funding could be provided by a combination of County MHSA, State NPLH and local funds. (Comparable tax credit multifamily costs are drawn from the California Tax Credit Allocation Committee's 2014 California Affordable Housing Cost Study.)

*Financial Feasibility Score:* Medium

*Feasible Housing Type and Scope:* The property and zoning would accommodate new construction of 60 rental units that one-three bedrooms in size. More units would be possible with a mix of smaller SRO, Studio and one-bedroom units. A portion of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities. The County's allocation of State NPLH funds require that assisted units, which must be less than half of the units, must house persons who are homeless. The site would also permit the location of on-site management and services offices, and common area for resident gatherings and meetings.

*Community Benefit:* The project would provide 60 new units of housing affordable to low-income households, benefitting an estimated 90-120 low-income individuals. A portion of the units could also assist special needs populations that have the greatest housing needs. The funding structure would be able to provide on-site supportive services for tenants, which may





## Lassen County Housing Site Feasibility Study

include individual case management, mental health counseling, financial planning counseling, and job training and placement. The funding sources would require that the units remain affordable to low income households for 55 years.

*Community Benefit Score:* High

*Recommended Partners:* This project would require a developer who has adequate experience in developing and owning tax credit projects to be competitive for the tax credit competition. Ideally the development team would include: a developer/owner that secures the financing, develops and owns the project; a property manager; and a service provider that provides individualized supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. The developer could be a partnership between a senior and junior partner, in which the junior partner is a local entity.

*Advantages—*

- Currently on the market and listed for sale.
- Location close to amenities, and a commercial corridor.
- Adequate size to attract tax credit equity and mortgage financing.

*Disadvantages—*

- Asking price is high relative to similar properties.
- Cannot access County HOME funds due to its location in the City of Susanville.

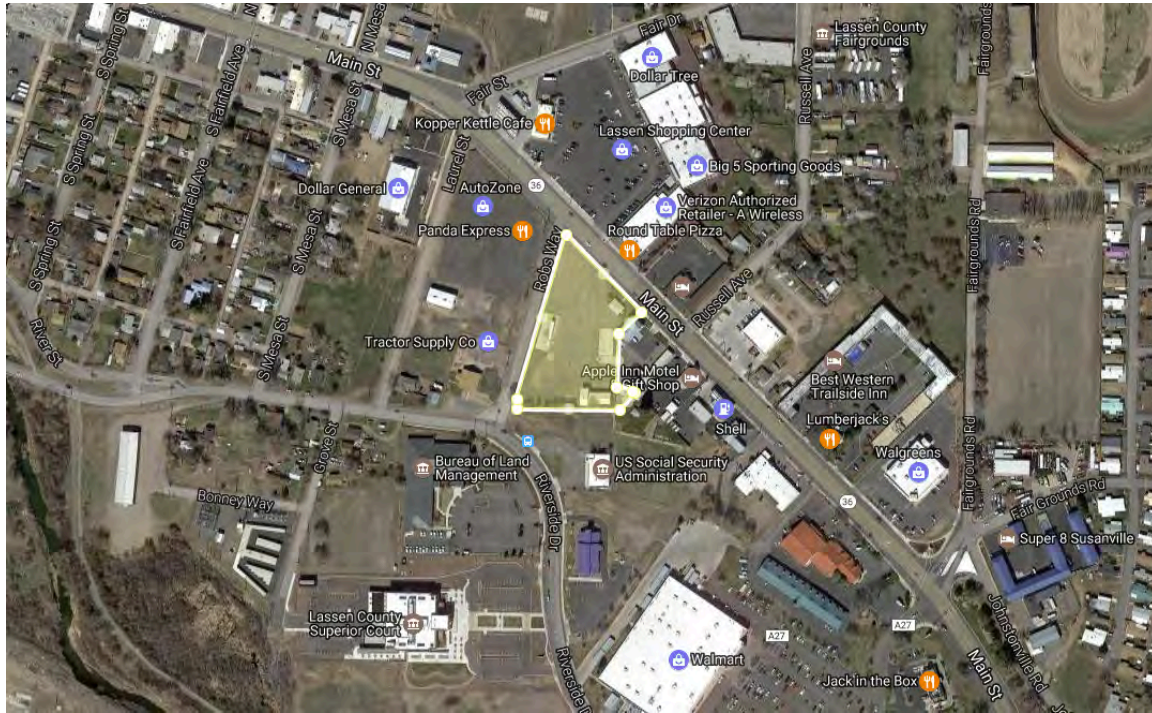


## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- New Construction</b>		
<b>Address:</b>	<b>2650 Main Street</b>		
<b>APN:</b>	105-320-22		
<b>Description:</b>	Lot with frontage on Main Street, adjacent to newly developed Panda Express and Auto Zone, and across the street from Ross. There are two small structures on site.		
<b>Price:</b>	\$1,050,000		
<b>Price per Bedroom:</b>	\$10,050 (100 Bedrooms)		
<b>Lot Size:</b>	2.29 acres		
<b>Size of Improvements:</b>	Vacant		
<b>Topography:</b>	Flat		
<b>Access to Utilities:</b>	City sewer and water		
<b>Zoning:</b>	Zoned C-2. With a use permit, C-2 allows multifamily in mixed use developments with commercial or office uses or free-standing dwellings; the density for free-standing multifamily units shall not exceed twenty (20) dwelling units per acre; the density for mixed use developments shall be determined by the use permit.		
<b>Neighborhood Characteristics:</b>	Located on the southeast portion of the Main Street commercial corridor; adjacent to Panda Express and Auto Zone to the north and the Apple Inn Motel to the south.		
<b>Proximity to Services and Transit:</b>	On bus line and within a quarter-mile of Walgreen's and Wal-Mart, and within one mile of Lassen Library, Lassen High School, and McKinley Elementary School.		
<b>Funding Availability:</b>	The property could potentially be developed with tax credit financing and City of Susanville CDBG or HOME funds, County MHSA funds, and/or State No Place Like Home funds.		
<b>Potential Use:</b>	The property could be developed with about 50-70 apartments and on-site supportive services and common areas.		
<b>Community Benefit:</b>	Could house 90-120 low-income individuals in apartments, along with space for supportive services and common areas. A portion of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$11,926	<b>Development Feasibility Score:</b>	Medium
<b>Financial Feasibility Score:</b>	Medium	<b>Community Benefit Score:</b>	High



## 2650 Main Street





### 25 and 103 Fair Drive

*Description:* This site consists of two contiguous, vacant lots owned by two different private parties, together totaling just under four acres. It is located just west of the Lassen County Fair Grounds, between 2<sup>nd</sup> Street on the north and Fair Street on the south. Single-family homes are to the west of the site.

*Development Feasibility:* The property is located near a number of services on the Main Street corridor. The zoning is C-2, which allows multifamily in mixed-use developments with a density greater than 20 dwelling units per acre with a use permit, or separate residential buildings at 20 dwelling units per acre. The site could accommodate 80 units within the zoning, but would require that residential units are mixed with commercial or office uses. Development of the site presents some unpredictability since each of the two lots has a different owner, the owners are not public entities, and neither of the two lots are listed for sale. The owner of 25 Fair Drive has not wanted to sell in the past. The site can be accessed from both 2<sup>nd</sup> Street on the north and Fair Drive on the south. However, both lots would probably need to be developed together as one project to ensure adequate street access. The site is generally flat, and is served by City water and sewer.

*Development Feasibility Score:* Low

*Financial Feasibility:* For purposes of assessing financial feasibility, an 80-unit project is projected for this property. Based on comparable properties in the area, it is estimated that the property would be purchased at just over \$150,000 per acre, or \$600,000. A rough estimate of construction costs based on similar one-two story wood-frame construction tax credit multifamily properties is about \$130 per square foot, and with 80,000 square feet estimated for the project, this would be about \$10,400,000. Soft costs, including permit and impact fees, construction loan interest, lender fees, architecture and engineering, developer fee, legal fees, and reserves, are estimated to be about \$5,300,000. Total development costs are roughly estimated to be about \$16,300,000, which would be \$203,750 per unit for a 80-unit project with a mix of units averaging about 1,000 square feet per unit. The largest source of funding for the project is 9% tax credits, which would cover roughly 74% of total development costs, or about \$12,200,000. A permanent loan would provide about \$2,400,000. The remaining \$1,900,000 of funding could be provided by a combination of County MHSA, State NPLH and local funds. (Comparable tax credit multifamily costs are drawn from the California Tax Credit Allocation Committee's 2014 California Affordable Housing Cost Study.)

*Financial Feasibility Score:* High

*Feasible Housing Type and Scope:* The property and zoning would accommodate about 80 new rental units. A portion of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities. The County's allocation of State NPLH funds require that assisted units, which must be less than half of the units, must house persons who are homeless. The site would also permit the location of on-site management and services offices, and common area for resident gatherings and meetings.

*Community Benefit:* The project would provide about 80 new units of housing affordable to low-income households, benefitting an estimated 120-160 low-income individuals. A portion of the





## Lassen County Housing Site Feasibility Study

units could also assist special needs populations that have the greatest housing needs. The funding structure would be able to provide on-site supportive services for tenants, which may include individual case management, mental health counseling, financial planning counseling, and job training and placement. The funding sources would require that the units remain affordable to low income households for 55 years.

*Community Benefit Score:* High

*Recommended Partners:* This project would require a developer who has adequate experience in developing and owning tax credit projects to be competitive for the tax credit competition. Ideally the development team would include: a developer/owner that secures the financing, develops and owns the project; a property manager; and a service provider that provides individualized supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. The developer could be a partnership between a senior and junior partner, in which the junior partner is a local entity.

*Advantages—*

- Large site enhances financial feasibility.
- Located near amenities along the Main Street corridor.

*Disadvantages—*

- Not publicly owned or listed for sale.
- Two properties owned by two separate entities.
- Not zoned for multi-family residential development.
- Cannot access County HOME funds due to its location in the City of Susanville.

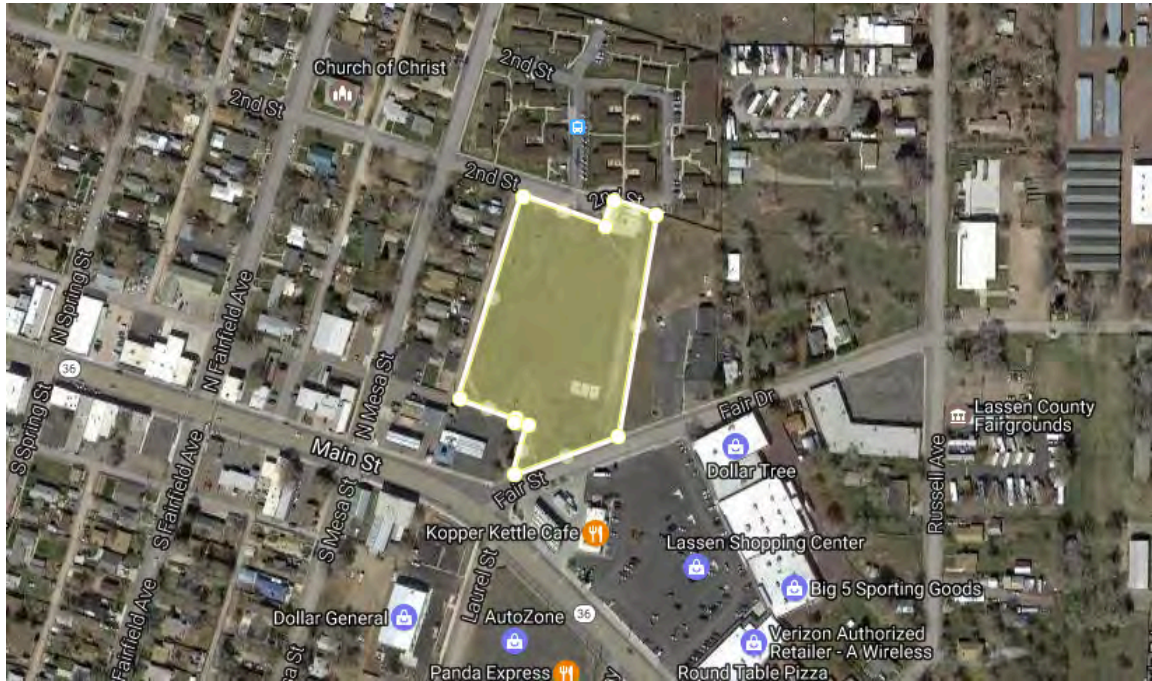


## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- New Construction</b>		
<b>Address:</b>	<b>25 and 103 Fair Drive</b>		
<b>APN:</b>	105-190-10 (2.19 acres) / 105-190-02 (1.72 acres)		
<b>Description:</b>	Contiguous vacant parcels accessible from 2 <sup>nd</sup> Street on the north and Fair Drive on the south. The owner of 25 Fair Drive has not wanted to sell in the past.		
<b>Price:</b>	Not listed for sale		
<b>Price per Bedroom:</b>	Not listed for sale		
<b>Lot Size:</b>	3.89 acres		
<b>Size of Improvements:</b>	Vacant		
<b>Topography:</b>	Flat		
<b>Access to Utilities:</b>	City water and sewer		
<b>Zoning:</b>	25 Fair Street is zoned C-2. With a use permit, C-2 allows multi-family in mixed-use developments, with a density not exceeding 20 units per acre for freestanding multifamily buildings, or density determined by use permit for mixed-use buildings. 155 North Mesa Street is zoned C-O, which allows multifamily up to 20 units per acre with a use permit.		
<b>Neighborhood Characteristics:</b>	The property is adjacent to commercial uses on Fair Drive and Main Street to the south, single-family residential to the west, multi-family residential to the north, and low-density residential and warehouses to the east.		
<b>Proximity to Services and Transit:</b>	The property is near Main Street, is within a half-mile of a bus stop, Lassen Library, Susanville Supermarket IGA, Wal-Mart, McKinley Elementary School, and Walgreen's and Rite Aid pharmacies. The property is within one mile of Riverside Park and 1.5 miles of Lassen High School.		
<b>Funding Availability:</b>	The property could potentially be developed with tax credit financing and City of Susanville CDBG or HOME funds, County MHSA funds, and/or State No Place Like Home funds.		
<b>Potential Use:</b>	The property could be developed with about 80 apartments and on-site supportive services and common areas.		
<b>Community Benefit:</b>	Could house about 100-200 low-income individuals in apartments, along with space for supportive services and common areas. A portion of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$7,070	<b>Development Feasibility Score:</b>	Low
<b>Financial Feasibility Score:</b>	High	<b>Community Benefit Score:</b>	High



## 25 and 103 Fair Drive





### 2685 Main Street (Budget Host Frontier Inn)

*Description:* This property is adjacent to north of 2755 Main Street, on the north side of Russell Avenue. It is one acre and improved with the Budget Host Frontier Inn. The motel has 37 rooms in two one-story buildings, one two-story building, and a three-bedroom, two-bathroom house. The property is currently in poor condition. It is listed on the market with an asking price of \$620,000.

*Development Feasibility:* The property is well located on a commercial corridor served by a bus line. A number of amenities are within close proximity, including a pharmacy and grocery store. The zoning is C-2, which allows multifamily in mixed-use developments with a density greater than 20 dwelling units per acre with a use permit, or separate residential buildings at 20 dwelling units per acre. If the City considers community spaces and offices in the development as a “mixed use”, the project would likely require a use permit. The property would need to be rehabilitated and retrofitted to permanent housing, converting the motel rooms to SRO or studio units. The new project would likely have about 30 units, which is fewer than the number of rooms that are currently on the property, as some rooms would need to be expanded to build in kitchens and/or meet ADA requirements. The topography of the site is flat. It is served by City water and sewer.

*Development Feasibility Score:* Medium

*Financial Feasibility:* The property could be acquired for the asking price of \$620,000, or \$20,667 per developable unit. As the buildings are in poor condition and would require retrofitting to permanent housing with kitchens, the rehabilitation scope would be fairly extensive, conservatively estimated at about \$70,000 per unit for the 30 project units for a total construction cost of \$2,100,000. Soft costs, including permit and impact fees, construction loan interest, lender fees, architecture and engineering, developer fee, legal fees, and reserves, are estimated to be about \$2,050,000. Total development costs, including property acquisition, are roughly estimated to be about \$4,770,000, which would be \$159,000 per unit for a 30-unit project with SROs or studios averaging 400 square feet per unit. The largest source of funding for the project is 9% tax credits, which would cover roughly 81% of total development costs, or about \$3,880,000. Tax credit financing may be difficult to secure given the small project size. Due to the limited income from a special needs project with small units, a mortgage would not be included in financing. The remaining \$890,000 of funding could be provided by a combination of County MHSA, State NPLH and local funds. (Comparable tax credit multifamily costs are drawn from the California Tax Credit Allocation Committee’s 2014 California Affordable Housing Cost Study.)

*Financial Feasibility Score:* Medium

*Feasible Housing Type and Scope:* The property would accommodate rehabilitation and retrofit to create about 30 studio or SRO rental units. All or a portion of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities. The number of units targeted to lower income special needs residents will depend on the availability of project-based Section 8 subsidies. The County’s allocation of State NPLH funds require that assisted units, which must be less than half of the units, must house persons who are homeless. The site would also permit the location





## Lassen County Housing Site Feasibility Study

of on-site management and services offices, and common area for resident gatherings and meetings, in the on-site house, or construction of a new space for these purposes.

*Community Benefit:* The project would provide about 30 small units of housing affordable to special needs households, benefitting an estimated 30 extremely low-income individuals. The funding structure would be able to provide a limited amount of funding for on-site supportive services for tenants, which may include individual case management, mental health counseling, financial planning counseling, and job training and placement. The funding sources would require that the units remain affordable to low income households for 55 years.

*Community Benefit Score:* Medium

*Recommended Partners:* This project would require a developer who has adequate experience in developing and owning tax credit projects to be competitive for the tax credit competition. Ideally the development team would include: a developer/owner that secures the financing, develops and owns the project; a property manager; and a service provider that provides individualized supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. The developer could be a partnership between a senior and junior partner, in which the junior partner is a local entity.

### *Advantages—*

- Currently on the market and listed for sale.
- Location close to amenities, and a commercial corridor.
- Existing improvements reduce construction costs, although details on the condition of the improvements are unknown at this time.
- Existing motel rooms could be converted to studios or SROs.

### *Disadvantages—*

- Improvements are most likely in poor condition based on exterior condition.
- Small project size may make tax credit financing infeasible.
- Cannot access County HOME funds due to its location in the City of Susanville.

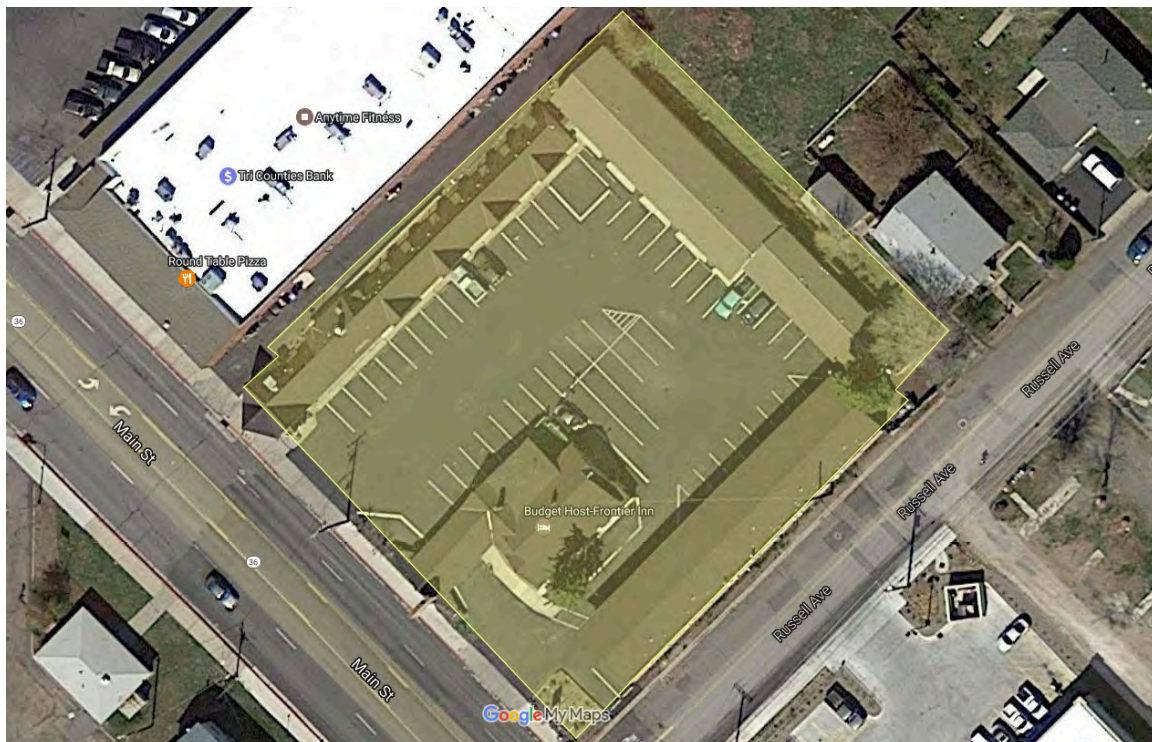


## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- Large Rehabilitation Project</b>		
<b>Address:</b>	<b>2685 Main Street (Budget Host Frontier Inn)</b>		
<b>APN:</b>	105-251-15		
<b>Description:</b>	Motel with 38 rooms and a three-bedroom, two-bathroom house. Behavioral Health leases some of the rooms. Many units are on a monthly lease. The property is in poor condition.		
<b>Price:</b>	\$620,000		
<b>Price per Bedroom:</b>	\$20,667		
<b>Lot Size:</b>	1.00 acre		
<b>Size of Improvements:</b>	12,954 square feet		
<b>Topography:</b>	Flat		
<b>Access to Utilities:</b>	City sewer and water		
<b>Zoning:</b>	Zoned C-2. With a use permit, C-2 allows multi-family in mixed-use developments, with a density not exceeding 20 units per acre for freestanding multifamily buildings, or density determined by use permit for mixed-use buildings.		
<b>Neighborhood Characteristics:</b>	Property is located in the southeast portion of the Main Street commercial corridor in a neighborhood surrounded by auto-oriented commercial uses, including motels. Just north of the Wal-Mart and Safeway shopping area.		
<b>Proximity to Services and Transit:</b>	On a bus line, within a quarter-mile of the Walgreens Pharmacy; within half-mile of McKinley Elementary; and within a mile of Susanville Supermarket IGA, Riverside Park, Lassen Library, and Lassen High School.		
<b>Funding Availability:</b>	The property could potentially be developed with tax credit financing and City of Susanville CDBG or HOME funds, County MHSA funds, and/or State No Place Like Home funds.		
<b>Potential Use:</b>	The property could be developed with 30 single-room occupancy units, and the house could be converted to offices and common areas.		
<b>Community Benefit:</b>	Could house about 30 low-income individuals in apartments, along with space for supportive services and common areas. All, or a portion, of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$4,372	<b>Development Feasibility Score:</b>	Medium
<b>Financial Feasibility Score:</b>	Medium	<b>Community Benefit Score:</b>	Medium



## 2685 Main Street (Budget Host Frontier Inn)







### **Paul Bunyan Road (APN 103-190-09)**

*Description:* This property is 10.45-acre property owned by the Susanville Indian Rancheria, to the west of Paul Bunyan Road stretching from a point parallel with Glenn Drive on the south to the southeast corner of the Diamond Mountain Casino parking lot on the north. The northern tip of the property is just south of the intersection of Paul Bunyan Road and Skyline Road. It is mostly vacant, with the exception of some dilapidated structures, abandoned vehicles and refuse.

*Development Feasibility:* While located on the northern end of the City, the property is still fairly close to amenities, including a bus stop at the Diamond Mountain Casino. The zoning is R-4, which accommodates high density multifamily development, with up to 12 dwelling units per structure allowed by right, and more than 12 dwellings per structure with a use permit. It is estimated that the site could accommodate 100 units. The site gently slopes uphill toward the northern end, with a rocky hill at the north end next to the casino. Geography and protected wetlands on part of the site limit its use. It is served by City water and sewer. The site would need to be purchased from the Susanville Indian Rancheria, and it is not listed for sale.

*Development Feasibility Score:* Low

*Financial Feasibility:* For purposes of assessing financial feasibility, a 100-unit project is projected for this property. It is assumed that the property could be acquired at about \$250,000 per acre, similar to other properties on the market zoned R-4, for a total cost of \$2,612,500. A rough estimate of construction costs based on similar one-story wood-frame construction tax credit multifamily properties is about \$120 per square foot, and with 100,000 square feet estimated for the project, this would be about \$12 million. Soft costs, including permit and impact fees, construction loan interest, lender fees, architecture and engineering, developer fee, legal fees, and reserves, are estimated to be about \$6 million. Total development costs are roughly estimated to be \$20,612,500, which would be \$206,125 per unit for a 100-unit project with a mix of units averaging about 1,000 square feet per unit. The largest source of funding for the project is 9% tax credits, which would cover roughly 75% of total development costs, or about \$15,500,000. A permanent loan would provide about \$3,100,000. The remaining \$2,012,500 of funding could be provided by a combination of County MHSA, State NPLH and local funds. (Comparable tax credit multifamily costs are drawn from the California Tax Credit Allocation Committee's 2014 California Affordable Housing Cost Study.) If there are inadequate local funds for a 100-unit project, the scope could be reduced as necessary.

*Financial Feasibility Score:* Medium

*Feasible Housing Type and Scope:* The property and zoning would accommodate about 100 new rental units. A portion of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities. The County's allocation of State NPLH funds require that assisted units, which must be less than half of the units, must house persons who are homeless. The site would also permit the location of on-site management and services offices, and common area for resident gatherings and meetings.





## Lassen County Housing Site Feasibility Study

*Community Benefit:* The project would provide about 100 new units of housing affordable to low-income households, benefitting an estimated 200 low-income individuals. A portion of the units could also assist special needs populations that have the greatest housing needs. The funding structure would be able to provide on-site supportive services for tenants, which may include individual case management, mental health counseling, financial planning counseling, and job training and placement. The funding sources would require that the units remain affordable to low income households for 55 years.

*Community Benefit Score:* High

*Recommended Partners:* This project would require a developer who has adequate experience in developing and owning tax credit projects to be competitive for the tax credit competition. Ideally the development team would include: a developer/owner that secures the financing, develops and owns the project; a property manager; and a service provider that provides individualized supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. The developer could be a partnership between a senior and junior partner, in which the junior partner is a local entity.

*Advantages—*

- Large size accommodates a wide range of development types.
- Zoned R4 Multifamily Residential.

*Disadvantages—*

- Further away from services in the central part of the city than properties on the Main Street corridor.
- Not listed for sale.
- Cannot access County HOME funds due to its location in the City of Susanville.



## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- New Construction</b>		
<b>Address:</b>	<b>Land next to casino on Paul Bunyan Road, near Skyline Road</b>		
<b>APN:</b>	103-190-09		
<b>Description:</b>	Vacant land located next to the Diamond Mountain Casino. Susanville Indian Rancheria owns this property. There are some older dilapidated structures on the property.		
<b>Price:</b>	Not listed for sale		
<b>Price per Bedroom:</b>	Not listed for sale		
<b>Lot Size:</b>	10.45 acres		
<b>Size of Improvements:</b>	Mostly vacant, with some dilapidated structures, abandoned vehicles and refuse.		
<b>Topography:</b>	Gently sloping uphill to the north. There is a rocky hill at the north end of the property next to the casino.		
<b>Access to Utilities:</b>	City water and sewer		
<b>Zoning:</b>	Zoned R-4, which allows multifamily with up to 12 dwellings per structure. With a use permit, R-4 allows multifamily with more than 12 dwellings per structure.		
<b>Neighborhood Characteristics:</b>	The property is bordered by Paul Bunyan Road on the east and north, the Diamond Mountain Casino on the northwest, residential and commercial development on the west, and vacant land and residential uses to the south. Beyond Paul Bunyan Road is open space to the north and east.		
<b>Proximity to Services and Transit:</b>	A bus stop is next door to the north of the property in front of Diamond Mountain Casino. Susanville Supermarket IGA and Lassen High School are within a mile of the site. The Lassen Library is within a mile and a half.		
<b>Funding Availability:</b>	The property could potentially be developed with tax credit financing and City of Susanville CDBG or HOME funds, County MHSA funds, and/or State No Place Like Home funds.		
<b>Potential Use:</b>	The property provides a great amount of flexibility with over 10 acres. City ownership also increases flexibility for development in timing and scale.		
<b>Community Benefit:</b>	Could house around 160 low-income individuals, with options for different housing types, including shared housing, permanent supportive housing, and mixed-income affordable apartments. Beneficiaries could include low-income individuals, persons who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$6,218	<b>Development Feasibility Score:</b>	Low
<b>Financial Feasibility Score:</b>	Medium	<b>Community Benefit Score:</b>	High



## Paul Bunyan Road and Skyline Road





### 995 and 1015 Paiute Lane

*Description:* This site consists of two privately owned contiguous, vacant lots bordered by Paiute Lane on the south and Skyline Road on the north. Diamond Mountain Casino is adjacent to the east. It is 2.4 acres in size.

*Development Feasibility:* The property is within a mile of a bus stop, Banner Lassen Medical Clinic, Susanville Supermarket IGA, and Lassen High School. The zoning is R-4, which allows multifamily with up to 12 dwellings per structure, or more than 12 dwellings per structure with a use permit. The site could accommodate 60 units within the zoning. The site presents some challenges to development due to the steep slope uphill from south to north, and the small hill at the northern end of the site. The properties are served by City water and sewer. The property is currently not listed for sale.

*Development Feasibility Score:* Low

*Financial Feasibility:* For purposes of assessing financial feasibility, a 60-unit project is projected for this property. Based on comparable properties in the area, it is estimated that the property would be purchased at \$300,000 per acre, or \$720,000. Accounting for additional costs for earthwork and foundation due to the slope, construction costs for a multi-story wood-frame construction tax credit multifamily properties is about \$140 per square foot, and with 60,000 square feet estimated for the project, this would be about \$8,400,000. Soft costs, including permit and impact fees, construction loan interest, lender fees, architecture and engineering, developer fee, legal fees, and reserves, are estimated to be about \$4,230,000. Total development costs, including property acquisition, construction, and soft costs are roughly estimated to be about \$13,350,000, which would be \$222,500 per unit for a 60-unit project with a mix of units averaging about 1,000 square feet per unit. The largest source of funding for the project is 9% tax credits, which would cover roughly 74% of total development costs, or about \$9,900,000. A permanent loan would provide about \$1,850,000. The remaining \$1,600,000 of funding could be provided by a combination of County MHSA, State NPLH and local funds. (Comparable tax credit multifamily costs are drawn from the California Tax Credit Allocation Committee's 2014 California Affordable Housing Cost Study.) Fewer units could be built to accommodate lower levels of local funding.

*Financial Feasibility Score:* Medium

*Feasible Housing Type and Scope:* The property and zoning would accommodate about 60 new rental units. A portion of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities. The County's allocation of State NPLH funds require that assisted units, which must be less than half of the units, must house persons who are homeless. The site would also permit the location of on-site management and services offices, and common area for resident gatherings and meetings.

*Community Benefit:* The project would provide about 60 new units of housing affordable to low-income households, benefitting an estimated 90-120 low-income individuals. A portion of the units could also assist special needs populations that have the greatest housing needs. The funding structure would be able to provide on-site supportive services for tenants, which may include individual case management, mental health counseling, financial planning counseling,





## Lassen County Housing Site Feasibility Study

and job training and placement. The funding sources would require that the units remain affordable to low income households for 55 years.

*Community Benefit Score:* High

*Recommended Partners:* This project would require a developer who has adequate experience in developing and owning tax credit projects to be competitive for the tax credit competition. Ideally the development team would include: a developer/owner that secures the financing, develops and owns the project; a property manager; and a service provider that provides individualized supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. The developer could be a partnership between a senior and junior partner, in which the junior partner is a local entity.

*Advantages—*

- Zoned R-4 for multifamily development.
- Adequate size to attract tax credits and a mortgage.

*Disadvantages—*

- Not publicly owned or listed for sale.
- Challenging slope for development
- Cannot access County HOME funds due to its location in the City of Susanville.

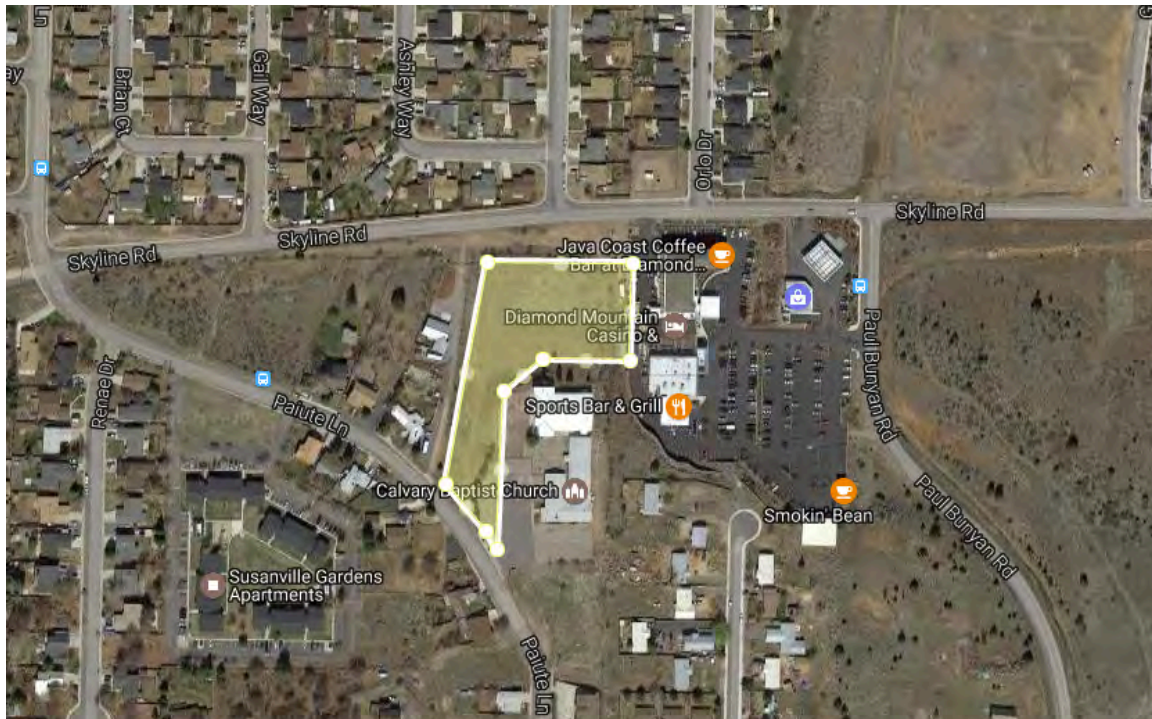


## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- New Construction</b>		
<b>Address:</b>	<b>995 and 1015 Paiute Lane</b>		
<b>APN:</b>	103-100-21, 103-100-18		
<b>Description:</b>	Vacant lot adjacent to subsidized apartment buildings (Susanville Garden Apartments) and Diamond Mountain Casino.		
<b>Price:</b>	Not listed for sale		
<b>Price per Bedroom:</b>	Not listed for sale		
<b>Lot Size:</b>	2.40 acres		
<b>Size of Improvements:</b>	Vacant		
<b>Topography:</b>	Sloping uphill to the north with a low ridge on the north side		
<b>Access to Utilities:</b>	City sewer and water		
<b>Zoning:</b>	Zoned R-4, which allows multifamily with up to 12 dwellings per structure. With a use permit, R-4 allows multifamily with more than 12 dwellings per structure.		
<b>Neighborhood Characteristics:</b>	Mostly residential with multifamily apartments to the south and the Diamond Mountain Casino and vacant land to the east.		
<b>Proximity to Services and Transit:</b>	On a bus line. Within one mile of a bus stop, Susanville Supermarket IGA, and Lassen High School; within 1.5 miles from Lassen Library and Rite Aid Pharmacy.		
<b>Funding Availability:</b>	The property could potentially be developed with tax credit financing and City of Susanville CDBG or HOME funds, County MHSA funds, and/or State No Place Like Home funds.		
<b>Potential Use:</b>	The property could be developed with 60 apartments and on-site supportive services and common areas. Some earthwork would be required to level the site for development.		
<b>Community Benefit:</b>	Could house 90-120 low-income individuals in apartments, along with space for supportive services and common areas. A portion of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$6,926	<b>Development Feasibility Score:</b>	Low
<b>Financial Feasibility Score:</b>	Medium	<b>Community Benefit Score:</b>	High



## 995 and 1015 Paiute Lane





### 1067 Main Street (Travel Inn)

*Description:* This property is central to Susanville, on Main Street across the street from Lassen High School, and adjacent to the south of Memorial Park. It is within walking distance of the bus stop, the high school, park, and Susanville Supermarket IGA, and is within a half-mile of Rite Aid pharmacy, and Lassen Library. It is improved with a three-story hotel called the Travel Inn, which has 44 rooms.

*Development Feasibility:* The property is well located in the center of the city on the Main Street commercial corridor. The zoning is C-2, which allows multi-family in mixed-use developments, with a density not exceeding 20 units per acre for freestanding multifamily buildings, or density determined by use permit for mixed-use buildings. If the City considers community spaces and offices in the development as a “mixed use”, the project would likely require a use permit. The property would need to be rehabilitated and retrofitted to permanent housing, converting the motel rooms to SRO or studio units. This unit type would be well suited for special needs residents. The new project would likely have about 36 units, which is fewer than the number of rooms that are currently on the property, as some rooms would need to be expanded to build in kitchens and/or meet ADA requirements. The upper stories are not served by an elevator, and the first story is only accessible from the parking lot by stairs. At least one elevator would need to be constructed and incorporated to make the units accessible to persons with disabilities. While the scale of the project is ideal as a small unit project serving persons with disabilities, the building arrangement is not ideal. The construction appears to be concrete, which may make it more expensive to make changes to the building envelope than a wood-frame building. The site slopes down from Main Street, so that the parking lot is at a lower level than the first floor, which is at street level along the Main Street frontage. The property is not currently listed for sale. It was purchased in 2015 for \$505,000. It is served by City water and sewer.

*Development Feasibility Score:* Low

*Financial Feasibility:* It is projected that the property could likely be acquired for about \$550,000, or \$15,278 per developable unit. As the project would require construction of at least one elevator, and any changes to the concrete building envelope to accommodate kitchens and ADA modifications would be expensive, the rehabilitation scope would be fairly extensive, conservatively estimated at about \$80,000 per unit for the 36 project units for a total construction cost of \$2,880,000. Soft costs, including permit and impact fees, construction loan interest, lender fees, architecture and engineering, developer fee, legal fees, and reserves, are estimated to be about \$2,070,000. Total development costs, including property acquisition, are roughly estimated to be about \$5,500,000, which would be \$152,778 per unit for a 36-unit project with SROs or studios averaging 400 square feet per unit. The largest source of funding for the project is 9% tax credits, which would cover roughly 81% of total development costs, or about \$4,450,000. Due to the limited income from a special needs project with small units, a mortgage would not be included in financing. The remaining \$1,050,000 of funding could be provided by a combination of County MHSA, State NPLH and local funds. (Comparable tax credit multifamily costs are drawn from the California Tax Credit Allocation Committee’s 2014 California Affordable Housing Cost Study.)

*Financial Feasibility Score:* Medium





## Lassen County Housing Site Feasibility Study

*Feasible Housing Type and Scope:* The property would accommodate rehabilitation and retrofit to create about 36 studio or SRO rental units. All or a portion of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities. The number of units targeted to lower income special needs residents will depend on the availability of project-based Section 8 subsidies. The County's allocation of State NPLH funds require that assisted units, which must be less than half of the units, must house persons who are homeless. The site would also permit the location of on-site management and services offices, and common area for resident gatherings and meetings, in the on-site house, or construction of a new space for these purposes.

*Community Benefit:* The project would provide about 36 small units of housing affordable to special needs households, benefitting an estimated 36 extremely low-income individuals. The funding structure would be able to provide a limited amount of funding for on-site supportive services for tenants, which may include individual case management, mental health counseling, financial planning counseling, and job training and placement. The funding sources would require that the units remain affordable to low income households for 55 years.

*Community Benefit Score:* Medium

*Recommended Partners:* This project would require a developer who has adequate experience in developing and owning tax credit projects to be competitive for the tax credit competition. Ideally the development team would include: a developer/owner that secures the financing, develops and owns the project; a property manager; and a service provider that provides individualized supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. The developer could be a partnership between a senior and junior partner, in which the junior partner is a local entity.

*Advantages—*

- Central location, close to amenities.
- Existing hotel rooms could be converted to studios or SROs.

*Disadvantages—*

- Retrofit of the existing building and addition of elevators is likely to be expensive.
- Cannot access County HOME funds due to its location in the City of Susanville.



## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- Large Rehabilitation Project</b>		
<b>Address:</b>	<b>1067 Main Street (Travel Inn)</b>		
<b>APN:</b>	103-340-10		
<b>Description:</b>	Three-story hotel with 44 rooms. It was recently repainted. Upper stories are not ADA accessible, with no elevator.		
<b>Price:</b>	Estimated price at \$550,000. (purchased for \$505,000 on 6/12/15; assessed for taxes at \$452,131)		
<b>Price per Bedroom:</b>	\$15,278		
<b>Lot Size:</b>	0.32 acre		
<b>Size of Improvements:</b>	12,390 square feet		
<b>Topography:</b>	Flat; parking lot is below grade and tuck-under		
<b>Access to Utilities:</b>	City sewer and water		
<b>Zoning:</b>	Zoned C-2. With a use permit, C-2 allows multi-family in mixed-use developments, with a density not exceeding 20 units per acre for freestanding multifamily buildings, or density determined by use permit for mixed-use buildings.		
<b>Neighborhood Characteristics:</b>	The property is located on the northwest part of the Main Street commercial corridor, across the street from Lassen High School. Behind the building to the northeast is Memorial Park.		
<b>Proximity to Services and Transit:</b>	On a bus line, across the street from Lassen High School, adjacent to Memorial Park, within a quarter-mile of Susanville Supermarket IGA, within a half-mile of Rite Aid pharmacy and Lassen Library, and within a mile of McKinley Elementary School.		
<b>Funding Availability:</b>	The property could potentially be developed with tax credit financing and City of Susanville CDBG or HOME funds, County MHSA funds, and/or State No Place Like Home funds.		
<b>Potential Use:</b>	The property could be developed with 36 single-room occupancy units. The project would require significant retrofitting and cost to add an elevator that would provide ADA accessibility to the units.		
<b>Community Benefit:</b>	Could house about 36 low-income individuals in apartments, along with space for supportive services and common areas. All, or a portion, of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$10,588	<b>Development Feasibility Score:</b>	Low
<b>Financial Feasibility Score:</b>	Medium	<b>Community Benefit Score:</b>	Medium



## 1067 Main Street (Travel Inn)







### 30 South Lassen Street (Hotel Mt. Lassen)

*Description:* This property is on the corner of Main Street and South Lassen Street, with good proximity to a number of amenities. It is improved with the Hotel Mt. Lassen, which has been vacant for several years. The building is estimated to have about 46,000 square feet. It requires an extensive rehabilitation.

*Development Feasibility:* The property is well located on the Main Street commercial corridor. The zoning is UBD, which allows multifamily in mixed-use developments with commercial or office uses, and residential density determined by use permit. After conversion to residential uses on the upper stories, the development could meet the zoning requirements with a use permit. The property would need to be rehabilitated and retrofitted to permanent housing, converting the hotel rooms to permanent housing. The new project would likely have about 50 Single Room Occupancy units. There are many unknowns with regard to the condition of the property, deferred maintenance and rehabilitation needs given that it has not been occupied for some time and it has been damaged by flooding. In addition, there may be specific requirements for historic restoration associated with the building. The owner is motivated to sell the property, but the asking price is unknown at this time. It was recently assessed for taxes at \$474,000. The property topography slopes slightly upward to the northwest along Main Street. It is served by City water and sewer.

*Development Feasibility Score:* Low

*Financial Feasibility:* It is projected that the property could likely be acquired for about \$550,000, or \$11,000 per unit. It is challenging to accurately estimate rehabilitation costs, given the size of the building and its interior condition. For purposes of an initial comparative analysis to other projects, it is conservatively estimated that it would cost about \$120,000 per unit, or \$130 per square foot, to rehabilitate and retrofit the hotel rooms to one-three bedroom apartments, including rehabilitation of the extensive non-residential space on the first floor. This comes out to a total construction cost of \$6,000,000. Soft costs, including permit and impact fees, construction loan interest, lender fees, architecture and engineering, developer fee, legal fees, and reserves, are estimated to be about \$3,050,000. Total development costs, including property acquisition, are roughly estimated to be about \$9,600,000, which would be \$192,000 per unit for a 50-unit SRO project. The largest source of funding for the project is 9% tax credits, which would cover roughly 81% of total development costs, or about \$7,800,000. A permanent loan would be underwritten at about \$500,000. The remaining \$1,300,000 of funding could be provided by a combination of County MHSA, State NPLH and local funds. Development costs could potentially be much higher, depending on the extent of rehabilitation needs. It is worth noting that the estimated total development costs per bedroom are similar to new construction projects.

*Financial Feasibility Score:* Medium

*Feasible Housing Type and Scope:* The property would be rehabilitated and retrofitted to create about 50 SRO units. A portion of the units could serve individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities. The site would also permit the location of on-site management and services offices, and community spaces for meetings and gatherings.





## Lassen County Housing Site Feasibility Study

*Community Benefit:* The project would provide 50 SRO apartments affordable to low-income households, benefitting an estimated 50 low-income individuals. The project would also provide a limited amount of funding for on-site supportive services for tenants, which may include individual case management, mental health counseling, financial planning counseling, and job training and placement. The funding sources would require that the units remain affordable to low income households for 55 years.

*Community Benefit Score:* Medium

*Recommended Partners:* This project would require a developer who has experience providing affordable housing in order to access the public subsidies necessary to finance it. Ideally the development team would include: a developer/owner that secures the financing, develops and owns the project; a property manager; and a service provider that provides individualized supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. An alternative development team model would be for the program operator and primary service provider to be the same entity. While this is not ideal as property management and supportive services should have clearly separated roles for effective interaction with residents, it may be necessary due to the limited number of potential partners.

### *Advantages—*

- Location on Main Street corridor, close to amenities.
- Opportunity to renovate a historic property and revitalize the historic downtown area.

### *Disadvantages—*

- High risk to development and financial feasibility due to the age of the building, deferred maintenance and unknown conditions.
- Cannot access County HOME funds due to its location in the City of Susanville.



## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- Large Rehabilitation Project</b>		
<b>Address:</b>	<b>30 South Lassen Street (Hotel Mt. Lassen)</b>		
<b>APN:</b>	103-303-07		
<b>Description:</b>	Three-story hotel, built in 1926 that is currently vacant. It has 50 SRO rooms. There are six retail spaces on first floor. The basement recently flooded. The elevator is not working. The building has water damage from a plumbing leak a few years ago, and roof damage. Electrical currently not functioning.		
<b>Price:</b>	The owner is motivated to sell the property but an asking price is unknown at this time.		
<b>Price per Bedroom:</b>	Not listed for sale		
<b>Lot Size:</b>	0.29 acre		
<b>Size of Improvements:</b>	About 46,000 square feet		
<b>Topography:</b>	Slight slope upward to the northwest along Main Street.		
<b>Access to Utilities:</b>	City sewer and water		
<b>Zoning:</b>	Zoned Uptown Business District (UBD). A use permit in UBD allows multifamily in mixed use developments with commercial or office uses or free-standing dwellings; the density for free-standing multifamily units shall not exceed twenty (20) dwelling units per acre; the density for mixed use developments shall be determined by the use permit.		
<b>Neighborhood Characteristics:</b>	The property is located on the northwest part of the Main Street commercial corridor in a neighborhood with a mix of government offices, churches, commercial uses, multi-family residential, and historic single-family residential.		
<b>Proximity to Services and Transit:</b>	The property is on a bus line; within a quarter-mile of Memorial Park; within a half-mile of Lassen High School and Susanville Supermarket IGA; and within a mile of Rite Aid Pharmacy, and Lassen Library.		
<b>Funding Availability:</b>	The property could potentially be developed with tax credit financing and City of Susanville CDBG or HOME funds, County MHSA funds, and/or State No Place Like Home funds.		
<b>Potential Use:</b>	The property would require an extensive rehabilitation that must include repairs from recent flooding. It could provide up to 50 SRO apartments within a historically restored building. Space could also be provided for offices, services, and common areas.		
<b>Community Benefit:</b>	Could house about 50 individuals in apartments, along with a management office at the street. A portion of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$10,623	<b>Development Feasibility Score:</b>	Low
<b>Financial Feasibility Score:</b>	Medium	<b>Community Benefit Score:</b>	Medium



### 30 South Lassen Street (Hotel Mt. Lassen)





### 1800 Main Street

*Description:* This property is on Main Street, across from the police station, and within walking distance of a number of amenities, including Grocery Outlet, Lassen Library, Rite Aid pharmacy, and Riverside Park. It is the former site of a school, known as the Lincoln Building, that has been retrofitted for market-rate apartments. Two units and a front office have been completed and more are in development.

*Development Feasibility:* The property is well located in the center of the city on the Main Street commercial corridor. The zoning is C-2, which allows multi-family in mixed-use developments, with a density not exceeding 20 units per acre for freestanding multifamily buildings, or density determined by use permit for mixed-use buildings. If the City considers community spaces and offices in the development as a “mixed use”, the project would likely require a use permit. The existing building could be rehabilitated with up to 16 one-three bedroom apartments. The property topography is flat. The property is not currently listed for sale. It was recently assessed for taxes at \$175,000. It is served by City water and sewer.

*Development Feasibility Score:* Low

*Financial Feasibility:* It is projected that the property could likely be acquired for about \$300,000, or \$18,750 per developable unit, since recent improvements have been made to the structure. Since most of the units are shells at this time, it is conservatively estimated that adding units would cost about \$80,000 per unit for the 16 project units for a total construction cost of \$1,280,000. Soft costs, including permit and impact fees, construction loan interest, lender fees, architecture and engineering, developer fee, legal fees, and reserves, are estimated to be about \$800,000. Total development costs, including property acquisition, are roughly estimated to be about \$2,380,000, which would be \$148,750 per unit for a 16-unit project with one-three bedroom apartments averaging 1,000 square feet per unit. The project is too small to feasibly fund with tax credits or a mortgage. Therefore, the major source of funding would likely need to be State NPLH. Since the non-competitive NPLH allocation to Lassen County is \$500,000, the project would also need to apply for a competitive allocation. Other funding could be provided by County MHSA and local funds. As a small development, this project presents challenges in generating adequate income to cover operating costs, unless Section 8 Project Based Vouchers, or other similar rental assistance can be secured.

*Financial Feasibility Score:* Medium

*Feasible Housing Type and Scope:* The property would accommodate rehabilitation and retrofit to create about 16 one, two and three-bedroom units. All or a portion of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities. The County’s allocation of State NPLH funds require that assisted units, which must be less than half of the units, must house persons who are homeless. The site would also permit the location of on-site management and services offices, and possibly a common area for resident gatherings and meetings.

*Community Benefit:* The project would provide about 16 units of housing affordable to special needs households, benefitting an estimated 32 extremely low-income individuals. The funding structure would be able to provide a limited amount of funding for on-site supportive services for tenants, which may include individual case management, mental health counseling, financial





## Lassen County Housing Site Feasibility Study

planning counseling, and job training and placement. The funding sources would require that the units remain affordable to low income households for 55 years.

*Community Benefit Score:* Low

*Recommended Partners:* This project would require a developer who has experience providing affordable housing in order to access the public subsidies necessary to finance it. Ideally the development team would include: a developer/owner that secures the financing, develops and owns the project; a property manager; and a service provider that provides individualized supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. An alternative development team model would be for the program operator and primary service provider to be the same entity. While this is not ideal as property management and supportive services should have clearly separated roles for effective interaction with residents, it may be necessary due to the limited number of potential partners.

*Advantages—*

- Central location, close to amenities.
- Rehabilitating existing apartment building reduces overall costs.

*Disadvantages—*

- Limited Community Benefit due to small property and building size.
- Cannot access tax credits or a mortgage due to small project size.
- Cannot access County HOME funds due to its location in the City of Susanville.



## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- Large Rehabilitation Project</b>		
<b>Address:</b>	<b>1800 Main Street</b>		
<b>APN:</b>	105-220-23		
<b>Description:</b>	Two-story former school that has been retrofitted for apartments. Two units and a front office have been completed and more are in development.		
<b>Price:</b>	Not listed for sale (assessed for taxes at \$175,000)		
<b>Price per Bedroom:</b>	Not listed for sale		
<b>Lot Size:</b>	0.43 acre		
<b>Size of Improvements:</b>	16,730 square feet		
<b>Topography:</b>	Flat		
<b>Access to Utilities:</b>	City water and sewer		
<b>Zoning:</b>	Zoned C-2. With a use permit, this zone allows multi-family in mixed-use developments, with a density not exceeding 20 units per acre for freestanding multifamily buildings, or density determined by use permit for mixed-use buildings.		
<b>Neighborhood Characteristics:</b>	Property is located on Main Street in the center of town, across the street from the police station. To the east and west are commercial uses along Main Street.		
<b>Proximity to Services and Transit:</b>	Located on a bus line, and within a quarter-mile of Grocery Outlet, Lassen Library, Rite Aid pharmacy; and within a half-mile of Riverside Park and Lassen High School.		
<b>Funding Availability:</b>	The property could potentially be developed with City of Susanville CDBG or HOME funds, County MHSA funds, and/or State No Place Like Home funds. The small size of the project would be challenging to fund with tax credits.		
<b>Potential Use:</b>	The existing building could be rehabilitated with up to 16 apartments and on-site supportive services and common areas.		
<b>Community Benefit:</b>	Could house about 16-32 low-income individuals in apartments, along with a management office at the street. All or a portion of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$11,911	<b>Development Feasibility Score:</b>	Low
<b>Financial Feasibility Score:</b>	Medium	<b>Community Benefit Score:</b>	Low



## 1800 Main Street





### 55 South Sacramento Street

*Description:* This property is on the corner of Main Street and Sacramento Street, with good proximity to a number of amenities. It is improved with a large 19,700 square foot office building that could potentially be converted to mixed uses with shared living on the second floor. The ground floor is currently leased by businesses. Behind the building is a large parking lot.

*Development Feasibility:* The property is well located in the center of the city on the Main Street commercial corridor. The zoning is C-2, which allows multi-family in mixed-use developments, with a density determined by use permit for mixed-use buildings. Keeping the existing commercial spaces would allow the project to be developed as “mixed use”, requiring a use permit instead of a re-zone. The second floor could be retrofitted to a shared housing arrangement, as conversion from offices to independent living units with individual kitchens and bathrooms would be prohibitively expensive for a project of this scope. It could potentially provide up to 20 beds, a kitchen, dining, common gathering areas, and a couple offices. Even with an end use of shared housing, the conversion from offices to housing would involve significant cost to bring in new plumbing and electrical that serves the kitchen and bathrooms. The property is not currently listed for sale, but the owner has been recently interested in selling. It was last listed at \$699,000. The property topography is flat.

*Development Feasibility Score:* Medium

*Financial Feasibility:* It is projected that the property could likely be acquired for about \$700,000, or \$35,000 per developable bedroom. It is estimated that it would cost about \$30,000 per bedroom, or \$61 per square foot (assuming 2<sup>nd</sup> Floor square footage only) to rehabilitate and retrofit the offices to shared housing. This comes out to a total construction cost of \$600,000. Soft costs, including permit and impact fees, construction loan interest, lender fees, architecture and engineering, developer fee, legal fees, and reserves, are estimated to be about \$400,000. Total development costs, including property acquisition, are roughly estimated to be about \$1,700,000, which would be \$85,000 per bedroom for a 20-bedroom shared housing project. The project is too small to feasibly fund with tax credits or a mortgage. State NPLH only funds independent living units with kitchens and bathrooms. Therefore, all funding would need to be provided by County MHSA and local funds. Part of the operating costs could be covered by the first floor commercial leases.

*Financial Feasibility Score:* Low

*Feasible Housing Type and Scope:* The property would be rehabilitated and retrofitted to create about 20 bedrooms in a shared housing arrangement. All of the bedrooms would serve individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities. The site would also permit the location of on-site management and services offices, and possibly a common area for resident gatherings and meetings.

*Community Benefit:* The project would provide about 20 bedrooms affordable to special needs households, benefitting an estimated 20-30 extremely low-income individuals. The project would also provide a limited amount of funding for on-site supportive services for tenants, which may include individual case management, mental health counseling, financial planning counseling,





## Lassen County Housing Site Feasibility Study

and job training and placement. The funding sources would require that the units remain affordable to low income households for 55 years.

*Community Benefit Score:* Low

*Recommended Partners:* This project would require a developer who has experience providing affordable housing in order to access the public subsidies necessary to finance it. Ideally the development team would include: a developer/owner that secures the financing, develops and owns the project; a property manager; and a service provider that provides individualized supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. An alternative development team model would be for the program operator and primary service provider to be the same entity. While this is not ideal as property management and supportive services should have clearly separated roles for effective interaction with residents, it may be necessary due to the limited number of potential partners.

*Advantages—*

- Central location, close to amenities.
- Could easily be converted to a mixed-use building, aligning with C-2 zoning.
- Offices on second floor can accommodate a shared housing arrangement for special needs residents.

*Disadvantages—*

- Cannot access tax credits or a mortgage due to small project size.
- Cannot access State NPLH for shared housing.
- Cannot access County HOME funds due to its location in the City of Susanville.
- Would require a conversion from office to residential use.

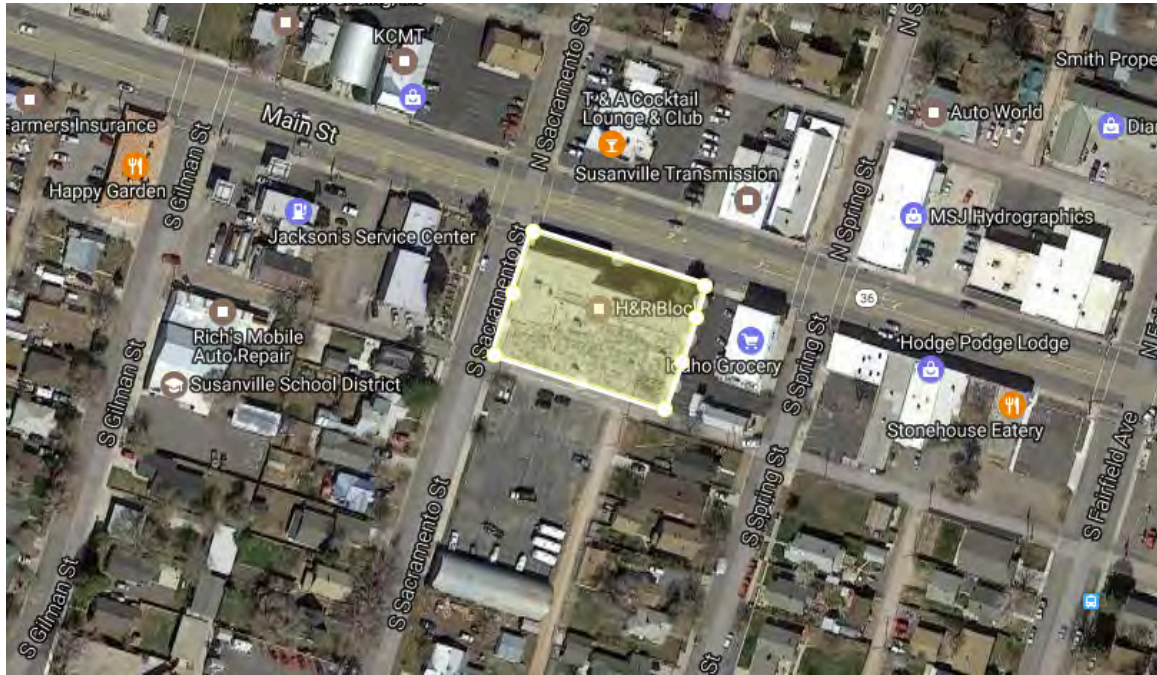


## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- Large Rehabilitation Project</b>		
<b>Address:</b>	<b>55 South Sacramento Street</b>		
<b>APN:</b>	105-231-01		
<b>Description:</b>	Two-story office building that is currently partially occupied; exterior in fairly good condition; includes 40 off-street parking spaces; is ADA compliant; renovation completed for offices in the late 1980s; elevator, sprinkler up to date; would need to be retrofitted from offices to residences.		
<b>Price:</b>	Estimated at \$700,000 (last listed for \$699,000)		
<b>Price per Bed:</b>	\$35,000		
<b>Lot Size:</b>	0.54 acre		
<b>Size of Improvements:</b>	19,700 square feet		
<b>Topography:</b>	Flat		
<b>Access to Utilities:</b>	City sewer and water		
<b>Zoning:</b>	Zoned C-2. With a use permit, C-2 allows multi-family in mixed-use developments, with a density not exceeding 20 units per acre for freestanding multifamily buildings, or density determined by use permit for mixed-use buildings. A group care home with more than six persons is also allowed with a use permit.		
<b>Neighborhood Characteristics:</b>	Property is located on the Main Street commercial corridor, just northwest of the intersection with Fair Drive. Small lot single-family residential is to the south of the property.		
<b>Proximity to Services and Transit:</b>	Located on a bus line; within a quarter-mile of Riverside Park ball fields; within one-third mile of Grocery Outlet, Lassen Library, and Rite Aid pharmacy; and within a mile of Lassen High School.		
<b>Funding Availability:</b>	The property could potentially be developed with local CDBG or HOME funds, County MHSA funds, and/or State No Place Like Home Funds. The small size of the project would be challenging to fund with tax credits.		
<b>Potential Use:</b>	Current layout would lend itself to a group home setting, with small office spaces for beds and larger common areas for kitchen, dining and gathering. Could potentially provide up to 20 beds, a kitchen, dining, common gathering areas, and a couple offices on the second floor. The first floor could continue to be used as commercial spaces to provide revenue for the project. The retrofit to residential uses from office uses could be potentially expensive.		
<b>Community Benefit:</b>	Could house about 20 individuals in a group home setting. Residents could be individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$71,558	<b>Development Feasibility Score:</b>	Medium
<b>Financial Feasibility Score:</b>	Low	<b>Community Benefit Score:</b>	Low



## 55 South Sacramento Street







### 830 Main Street (St. Francis Hotel)

Pages 31-32

*Description:* This property is on the corner of Main Street and South Union Street, with good proximity to a number of amenities. It is improved with the St. Francis Hotel, which is about 18,000 square feet. It is being used as a low-cost long-term residency hotel with 16 rooms and shared bathrooms.

*Development Feasibility:* The property is well located in Uptown Susanville on the Main Street commercial corridor. The zoning is UBD, which allows multifamily in mixed-use developments with commercial or office uses, and residential density determined by use permit. If the City considers community spaces and offices in the development as a “mixed use”, the project would likely require a use permit. The property would need to be rehabilitated and retrofitted to permanent housing, converting the motel rooms to SRO or studio units. This unit type would be well suited for special needs residents. The new project would likely have about 12 units, which is fewer than the number of rooms that are currently on the property, as some rooms would need to be expanded to build in kitchens and/or meet ADA requirements. Alternatively, the property could keep the current arrangement with 16 rooms used for shared housing. This is further discussed in the Financial Feasibility section below. The property is not currently listed for sale. It was recently assessed for taxes at \$525,000, which appears to be over-valued. The property topography is flat. It is served by City water and sewer.

*Development Feasibility Score:* Medium

*Financial Feasibility:* It is projected that the property could likely be acquired for about \$280,000, which is \$23,333 per unit. It is estimated that it would cost about \$60,000 per unit to rehabilitate and retrofit the hotel rooms to studio or SRO apartments with kitchens and bathrooms, for a total construction cost of \$720,000. Soft costs, including permit and impact fees, construction loan interest, lender fees, architecture and engineering, developer fee, legal fees, and reserves, are estimated to be about \$400,000. Total development costs, including property acquisition, are roughly estimated to be about \$1,400,000, which would be \$116,667 per unit for a 12-unit studio or SRO housing project. The project is too small to feasibly fund with tax credits or a mortgage. All funding would need to be provided by State NPLH, County MHSA and/or local funds. Since the non-competitive NPLH allocation to Lassen County is \$500,000, the project would also need to apply for a competitive allocation. Alternatively, the current hotel structure could be maintained with the building used as shared housing. While this would significantly save the project money in construction costs, it would not be able to access State NPLH, since these funds cannot be used for shared housing. It is roughly estimated that the total development costs in the shared housing model, including property acquisition, would be around \$1,000,000, which would need to be funded entirely by County MHSA and/or local funds. As a small development, this project presents challenges in generating adequate income to cover operating costs, unless project-based Section 8 Project Based Vouchers, or other similar rental assistance can be secured.

*Financial Feasibility Score:* Low

*Feasible Housing Type and Scope:* The property would be rehabilitated and retrofitted to create about 12 studio or SRO apartments. All of the units would serve individuals who are homeless





## Lassen County Housing Site Feasibility Study

or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities. The site would also permit the location of on-site management and services offices.

*Community Benefit:* The project would provide about 12 studio or SRO units affordable to special needs households, benefitting an estimated 12 extremely low-income individuals. The project would also provide a limited amount of funding for on-site supportive services for tenants, which may include individual case management, mental health counseling, financial planning counseling, and job training and placement. The funding sources would require that the units remain affordable to low income households for 55 years.

*Community Benefit Score:* Low

*Recommended Partners:* This project would require a developer who has experience providing affordable housing in order to access the public subsidies necessary to finance it. Ideally the development team would include: a developer/owner that secures the financing, develops and owns the project; a property manager; and a service provider that provides individualized supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. An alternative development team model would be for the program operator and primary service provider to be the same entity. While this is not ideal as property management and supportive services should have clearly separated roles for effective interaction with residents, it may be necessary due to the limited number of potential partners.

### *Advantages—*

- Central location, close to amenities.
- Could be converted to a small unit project for independent living, or a shared housing arrangement.

### *Disadvantages—*

- Cannot access tax credits or a mortgage due to small project size.
- Cannot access County HOME funds due to its location in the City of Susanville.
- Community benefit is limited to 12 extremely low-income individuals due to small project size.



## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- Large Rehabilitation Project</b>		
<b>Address:</b>	<b>830 Main Street (St. Francis Hotel)</b>		
<b>APN:</b>	103-323-06		
<b>Description:</b>	Historic single-room occupancy hotel with 16 rooms and shared bathrooms.		
<b>Price:</b>	Not listed for sale (assessed for taxes at \$525,000)		
<b>Price per Bedroom:</b>	Not listed for sale		
<b>Lot Size:</b>	0.22 acre		
<b>Size of Improvements:</b>	About 18,000 square feet		
<b>Topography:</b>	Slopped upward to the northwest along Main Street, and upward to the southwest along South Union Street.		
<b>Access to Utilities:</b>	City water and sewer		
<b>Zoning:</b>	Zoned Uptown Business District (UBD). A use permit in UBD allows multifamily in mixed use developments with commercial or office uses or free-standing dwellings; the density for free-standing multifamily units shall not exceed twenty (20) dwelling units per acre; the density for mixed use developments shall be determined by the use permit.		
<b>Neighborhood Characteristics:</b>	The property is located on the northwest part of the Main Street commercial corridor, across the street from the Sierra Theater. Behind the building to the southwest is a mix of office, multi-family, and single-family uses.		
<b>Proximity to Services and Transit:</b>	On a bus line, within a quarter-mile of Memorial Park and Lassen High School; within a half-mile of Susanville Supermarket IGA; and within a mile of Rite Aid and Lassen Library.		
<b>Funding Availability:</b>	The property could potentially be developed with City of Susanville CDBG or HOME funds, County MHSA funds, and/or State No Place Like Home funds. The small size of the project would be challenging to fund with tax credits.		
<b>Potential Use:</b>	Because the building is currently occupied, relocation of current residents may be involved, which would increase costs and the development timeline.		
<b>Community Benefit:</b>	The property could provide 12 single-room occupancy units for Extremely Low Income individuals. All or a portion of the units could be targeted to individuals that are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities. Street level spaces could be dedicated to property management and services.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$52,597	<b>Development Feasibility Score:</b>	Medium
<b>Financial Feasibility Score:</b>	Low	<b>Community Benefit Score:</b>	Low



## 830 Main Street (St. Francis Hotel)





### 720 Richmond Road

*Description:* This building is County-owned property improved with a two-story office building that is vacated. The property is owned by the County. The building is about 15,514 square feet, and it sits on a 1.72-acre lot. This project would involve an extensive retrofit of offices to 15 residential studios.

*Development Feasibility:* The property is located in an older part of the city in an area with a mix of residential, commercial and public facility uses. The zoning is Public Facilities. It could potentially provide up to 15 small studio units or SRO units. The conversion would require extensive work to retrofit offices to a residential use, requiring new mechanical systems for bathrooms and kitchens. There is a high risk of unforeseen cost escalation with this project due to the conversion from offices to residential use. The property topography is flat.

*Development Feasibility Score:* Low

*Financial Feasibility:* It is assumed for this analysis that the property would be acquired at no cost, or for a low cost lease, from the County. It is estimated that it would cost about \$120,000 per unit in construction costs, for a total of \$1,800,000. Soft costs, including permit and impact fees, construction loan interest, lender fees, architecture and engineering, developer fee, legal fees, and reserves, are estimated to be about \$450,000. Total development costs are roughly estimated to be about \$2,250,000, which would be \$150,000 per unit for a project with 15 studios or SROs. The project is too small to feasibly fund with tax credits or a mortgage. Therefore, all funding would need to be provided by State NPLH, County MHSA and/or local funds. The small scale of the project would make it challenging to cover operational costs without rental assistance from Section 8 Project Based Vouchers or a similar program.

*Financial Feasibility Score:* Low

*Feasible Housing Type and Scope:* The property would be rehabilitated and retrofitted to create about 15 studios or SROs in a shared housing arrangement. All of the bedrooms would serve individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities. The site would also permit the location of on-site management and services offices, and possibly a common area for resident gatherings and meetings.

*Community Benefit:* The project would provide about 15 units affordable to special needs households, benefitting an estimated 15 extremely low-income individuals. The project would also provide a limited amount of funding for on-site supportive services for tenants, which may include individual case management, mental health counseling, financial planning counseling, and job training and placement. The funding sources would require that the units remain affordable to low income households for 55 years.





*Community Benefit Score:* Low

*Recommended Partners:* This project would require a developer who has experience providing affordable housing in order to access the public subsidies necessary to finance it. Ideally the development team would include: a developer/owner that secures the financing, develops and owns the project; a property manager; and a service provider that provides individualized supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. An alternative development team model would be for the program operator and primary service provider to be the same entity. While this is not ideal as property management and supportive services should have clearly separated roles for effective interaction with residents, it may be necessary due to the limited number of potential partners.

*Advantages—*

- County-owned property.

*Disadvantages—*

- High risk of unforeseen escalating costs associated with retrofitting an office building to residential uses.
- Cannot access tax credits or a mortgage due to small project size.
- Cannot access County HOME funds due to its location in the City of Susanville.



## Lassen County Housing Site Feasibility Study

<b>Address:</b>	<b>720 Richmond Road</b>		
<b>APN:</b>	107-160-15		
<b>Description:</b>	This is a County-owned property improved with a two-story office building that is vacated. It is owned by the County. Most of the site is covered by a parking lot. It is adjacent to the Honey Lake Valley Community Pool and the City of Susanville Public Works offices.		
<b>Price:</b>	Not listed for sale.		
<b>Price per Bedroom:</b>	Not listed for sale.		
<b>Lot Size:</b>	1.72 acres		
<b>Size of Improvements:</b>	15,514 in a two-story office building		
<b>Topography:</b>	Flat		
<b>Access to Utilities:</b>	City sewer and water		
<b>Zoning:</b>	Zoned Public Facilities.		
<b>Neighborhood Characteristics:</b>	The surrounding neighborhood consists of a mix of public facilities, low-density residential uses. It is adjacent to properties used by City of Susanville Public Works and is just north of Diamond View Middle School.		
<b>Proximity to Services and Transit:</b>	Half-mile from Riverside Park; and within a mile from Grocery Outlet, Lassen High School and Rite Aid.		
<b>Funding Availability:</b>	The project could access City of Susanville CDBG or HOME funds, County MHSA funds, and/or State No Place Like Home funds. The project would be too small for tax credits.		
<b>Potential Use:</b>	The building could be retrofitted and rehabilitated for about 15 studio or single-room occupancy units along with management offices and meeting space. It is anticipated that this would require an extensive gut rehabilitation. However, the property could be transferred by the County at no cost or leased at low cost.		
<b>Community Benefit:</b>	The property could provide housing and supportive services for 15 individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$98,744	<b>Development Feasibility Score:</b>	Low
<b>Financial Feasibility Score:</b>	Low	<b>Community Benefit Score:</b>	Low



## 720 Richmond Road





### 707 Nevada Street

*Description:* This building is owned by the County and is currently used for County offices, but the County plans to relocate its offices in the future. The building is about 25,400 square feet, and it occupies the entire 0.362-acre lot. This project would involve an extensive retrofit to residential uses for 20 studios or SROs.

*Development Feasibility:* The property is well located near commercial and government services in the historic area of the city. The zoning is UBD, which allows multifamily in mixed-use developments with commercial or office uses, and residential density determined by use permit. It could potentially provide up to 20 small units with a couple offices and a common gathering area. The conversion would require extensive work to bring in residential mechanical systems, in addition to upgrading an older property. There is a high risk of unforeseen cost escalation with this project due to the conversion from offices to residential use. The property topography is flat.

*Development Feasibility Score:* Low

*Financial Feasibility:* It is assumed for this analysis that the property would be acquired at no cost, or for a low cost lease, from the County. It is estimated that it would cost about \$120,000 per unit in construction costs to convert the building to residential units, for a total of \$2,400,000. Soft costs, including permit and impact fees, construction loan interest, lender fees, architecture and engineering, developer fee, legal fees, and reserves, are estimated to be about \$600,000. Total development costs are roughly estimated to be about \$3,000,000, which would be \$150,000 per unit for a project with 20 studios or SROs. The project is too small to feasibly fund with tax credits or a mortgage. Therefore, all funding would need to be provided by State NPLH, County MHSA and/or local funds. The small scale of the project would make it challenging to cover operational costs without rental assistance from Section 8 Project Based Vouchers or a similar program.

*Financial Feasibility Score:* Low

*Feasible Housing Type and Scope:* The property would be rehabilitated and retrofitted to create about 20 studios or SROs in a shared housing arrangement. All of the bedrooms would serve individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities. The site would also permit the location of on-site management and services offices, and possibly a common area for resident gatherings and meetings.

*Community Benefit:* The project would provide about 20 units affordable to special needs households, benefitting an estimated 20 extremely low-income individuals. The project would also provide a limited amount of funding for on-site supportive services for tenants, which may include individual case management, mental health counseling, financial planning counseling, and job training and placement. The funding sources would require that the units remain affordable to low income households for 55 years.





*Community Benefit Score:* Low

*Recommended Partners:* This project would require a developer who has experience providing affordable housing in order to access the public subsidies necessary to finance it. Ideally the development team would include: a developer/owner that secures the financing, develops and owns the project; a property manager; and a service provider that provides individualized supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. An alternative development team model would be for the program operator and primary service provider to be the same entity. While this is not ideal as property management and supportive services should have clearly separated roles for effective interaction with residents, it may be necessary due to the limited number of potential partners.

*Advantages—*

- Central location, close to amenities.

*Disadvantages—*

- High risk of unforeseen escalating costs associated with a major conversion to residential uses.
- Cannot access tax credits or a mortgage due to small project size.
- Cannot access County HOME funds due to its location in the City of Susanville.

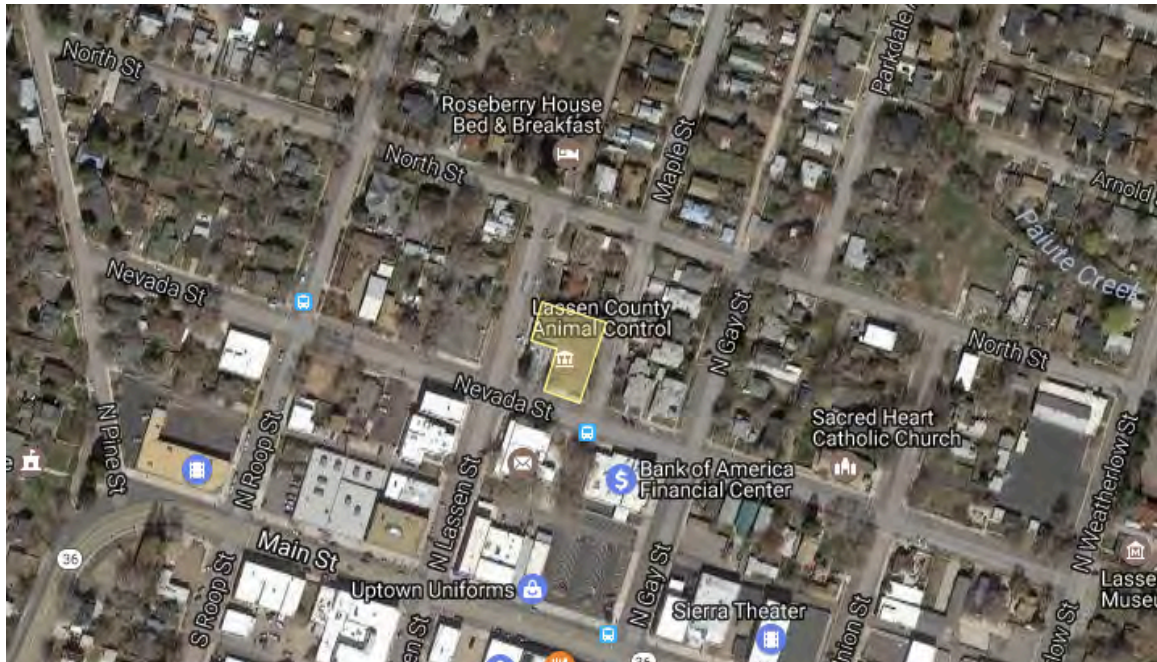


## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- Small Rehabilitation Project</b>		
<b>Address:</b>	<b>707 Nevada Street</b>		
<b>APN:</b>	103-311-08		
<b>Description:</b>	Building is currently being used for County offices but the offices are planned to move to another location. Use for residential purposes would require extensive retrofitting and rehabilitation.		
<b>Price:</b>	Not listed for sale		
<b>Price per Bedroom:</b>	Not listed for sale		
<b>Lot Size:</b>	0.362 acre		
<b>Size of Improvements:</b>	25,400 square feet		
<b>Topography:</b>	Flat		
<b>Access to Utilities:</b>	City sewer and water		
<b>Zoning:</b>	Zoned UBD. With a use permit, UBD allows multifamily in mixed use developments with commercial or office uses or free-standing dwellings; the density for free-standing multifamily units shall not exceed twenty (20) dwelling units per acre; the density for mixed use developments shall be determined by the use permit.		
<b>Neighborhood Characteristics:</b>	Mix of residential multifamily and single-family uses, offices and commercial uses in the City's historic core.		
<b>Proximity to Services and Transit:</b>	Within a quarter-mile of a bus stop on North Roop St. and Memorial Park, within a half-mile of Lassen High School and Susanville Supermarket IGA, and within a mile of Grocery Outlet, and Lassen Library.		
<b>Funding Availability:</b>	The project could access City of Susanville CDBG or HOME funds, County MHSA funds, and/or State No Place Like Home funds. The project would be too small for tax credits.		
<b>Potential Use:</b>	The building could be retrofitted and rehabilitated for 15-20 studio or single-room occupancy units along with management offices and meeting space. It is anticipated that this would require an extensive gut rehabilitation. However, the property could be transferred by the County at no cost or leased at low cost.		
<b>Community Benefit:</b>	The property could provide housing and supportive services for 15-20 individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$111,558	<b>Development Feasibility Score:</b>	Low
<b>Financial Feasibility Score:</b>	Low	<b>Community Benefit Score:</b>	Low



## 707 Nevada Street





### **308, 312, and 320 Richmond Road**

*Description:* This property is located in the southwest part of the city, just south of Susan River Park. It is a state government funded project that is in default. The improvements are severely dilapidated, and include 5 studios, one two-bedroom unit, and one three-bedroom unit, and are 4,312 square feet. The property is 0.54 acre in size.

*Development Feasibility:* The property zoning is R-2, which allows single-family and duplex residential units. The property would require extensive rehabilitation or razing and replacing the structures. However, replacing the structures would be financially infeasible given the small size of the property and the zoning. The rehabilitated project would have seven units. The property is not currently listed for sale. It was recently assessed for taxes at \$90,000. The property topography slopes slightly upward to the northwest along Richmond Road. The topography is generally flat. It is served by City water and sewer.

*Development Feasibility Score:* Low

*Financial Feasibility:* It is projected that the property could be transferred to the developer at no cost under agreement with the State agency and any other lenders, provided that the project rents are restricted to low income households. Rehabilitation costs would be expensive given the current condition of the structures, estimated at \$120,000 per unit, or \$195 per square foot. This comes out to a total construction cost of \$840,000. Soft costs, including permit and impact fees, construction loan interest, lender fees, architecture and engineering, developer fee, legal fees, and reserves, are estimated to be about \$450,000. Total development costs, including property acquisition, are roughly estimated to be about \$1,290,000, which would be \$184,286 per unit for a 7-unit project with a total of 4,312 square feet. The project is too small to feasibly fund with tax credits or a mortgage. All funding would need to be provided by State NPLH, County MHSA and/or local funds. Since the non-competitive NPLH allocation to Lassen County is \$500,000, the project would also need to apply for a competitive allocation. The small project scope would make it extremely difficult for rents to cover operating costs, unless Section 8 Project Based Vouchers were secured for all the units.

*Financial Feasibility Score:* Low

*Feasible Housing Type and Scope:* The property would be rehabilitated and retrofitted to create 5 studios, one two-bedroom apartment, and one three-bedroom apartment. All, or a portion of the units, could serve individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities. The project's small scope would make it difficult to fund supportive services or provide offices and common areas.

*Community Benefit:* The project would provide seven apartments affordable to low-income households, benefitting an estimated 10 low-income individuals. The funding sources would require that the units remain affordable to low income households for 55 years.

*Community Benefit Score:* Low

*Recommended Partners:* This project would require a developer who has experience providing affordable housing in order to access the public subsidies necessary to finance it. Ideally the development team would include: a developer/owner that secures the financing, develops and





## Lassen County Housing Site Feasibility Study

owns the project; a property manager; and a service provider that provides individualized supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. An alternative development team model would be for the program operator and primary service provider to be the same entity. While this is not ideal as property management and supportive services should have clearly separated roles for effective interaction with residents, it may be necessary due to the limited number of potential partners.

### *Advantages—*

- Opportunity to renovate a dilapidated property and revitalize the surrounding area.

### *Disadvantages—*

- Small project scope limits funding options and financial feasibility.
- Cannot access tax credits or a mortgage due to the size of the project.
- Cannot access County HOME funds due to its location in the City of Susanville.



## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>City of Susanville Jurisdiction- Small Rehabilitation Project</b>		
<b>Address:</b>	<b>308, 312 and 320 Richmond Road</b>		
<b>APN:</b>	103-414-07		
<b>Description:</b>	State government funded project that is currently in default and dilapidated. It includes 5 studios, 1 two-bedroom unit, and 1 three-bedroom unit.		
<b>Price:</b>	Not listed for sale (assessed for taxes at \$90,000)		
<b>Price per Bedroom:</b>	Not listed for sale		
<b>Lot Size:</b>	0.54 acre		
<b>Size of Improvements:</b>	4,312 square feet		
<b>Topography:</b>	Flat		
<b>Access to Utilities:</b>	City sewer and water		
<b>Zoning:</b>	R-2- Allows single-family and duplexes. Group care for more than 6 persons allowed with a use permit.		
<b>Neighborhood Characteristics:</b>	Older single-family homes and multi-family residential		
<b>Proximity to Services and Transit:</b>	Less than a quarter-mile from Lassen High School, Susan River Park, and bus stop on Cottage Street; less than a half-mile from Susanville Supermarket IGA; and less than a mile from Grocery Outlet, Lassen Library, and Rite Aid Pharmacy.		
<b>Funding Availability:</b>	The project could access City of Susanville CDBG or HOME funds, County MHSA funds, and/or State No Place Like Home funds. The project would be too small for tax credits. As the project is in default, it could be available at little to no cost.		
<b>Potential Use:</b>	At a minimum, the units will require a gut rehabilitation, and may need to be torn down and rebuilt entirely. The property could provide 7 units and 10 bedrooms for affordable housing.		
<b>Community Benefit:</b>	Could house about 10 individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$52,116	<b>Development Feasibility Score:</b>	Low
<b>Financial Feasibility Score:</b>	Low	<b>Community Benefit Score:</b>	Low



## 308, 312, and 320 Richmond Road





### 476 Alexander Avenue

*Description:* This building is owned by the County and is currently used for storage, as it is inhabitable currently. The building is about 4,356 square feet, and it occupies a little less than half of the 0.10 acre lot. The building includes four bedrooms, a kitchen, two bathrooms, and a living area downstairs, and nine bedrooms and two bathrooms upstairs. The building walls are buckling and the windows are broken. This project would involve an extensive gut rehabilitation, or tear-down and rebuild, to 7 studios due to the current poor condition of the property.

*Development Feasibility:* The property is located in an older part of the city in an area with a mix of residential, commercial and public facility uses. The zoning is C-1. It could potentially provide up to four bedrooms in a shared housing facility. The conversion would require extensive work to upgrade an older, dilapidated property. There is a high risk of unforeseen cost escalation with this project. The property topography slopes steeply to the west, which limits the feasibility of building on the vacant portion of the property.

*Development Feasibility Score:* Low

*Financial Feasibility:* It is assumed for this analysis that the property would be acquired at no cost, or for a low cost lease, from the County. It is estimated that it would cost about \$120,000 per unit in construction costs, for a total of \$840,000. Soft costs, including permit and impact fees, construction loan interest, lender fees, architecture and engineering, developer fee, legal fees, and reserves, are estimated to be about \$220,000. Total development costs are roughly estimated to be about \$1,060,000, which would be \$151,429 per bedroom for a project with 7 studios. The project is too small to feasibly fund with tax credits or a mortgage. State NPLH only funds independent living units with kitchens and bathrooms. Therefore, all funding would need to be provided by County MHSA and local funds. The small scale of the project would make it challenging to cover operational costs without rental assistance from Section 8 Project Based Vouchers or a similar program.

*Financial Feasibility Score:* Low

*Feasible Housing Type and Scope:* The property would be rehabilitated and retrofitted to create about 7 bedrooms. All of the bedrooms would serve individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.

*Community Benefit:* The project would provide about seven bedrooms affordable to special needs households, benefitting an estimated seven extremely low-income individuals. The funding sources would require that the units remain affordable to low income households for 55 years.





*Community Benefit Score:* Low

*Recommended Partners:* This project would require a developer who has experience providing affordable housing in order to access the public subsidies necessary to finance it. Ideally the development team would include: a developer/owner that secures the financing, develops and owns the project; a property manager; and a service provider that provides individualized supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. An alternative development team model would be for the program operator and primary service provider to be the same entity. While this is not ideal as property management and supportive services should have clearly separated roles for effective interaction with residents, it may be necessary due to the limited number of potential partners.

*Advantages—*

- County-owned property.

*Disadvantages—*

- High risk of unforeseen escalating costs associated with rehabilitating a dilapidated structure.
- Cannot access tax credits or a mortgage due to small project size.
- Cannot access State NPLH funds since it is not an independent living housing development.
- Cannot access County HOME funds due to its location in the City of Susanville.

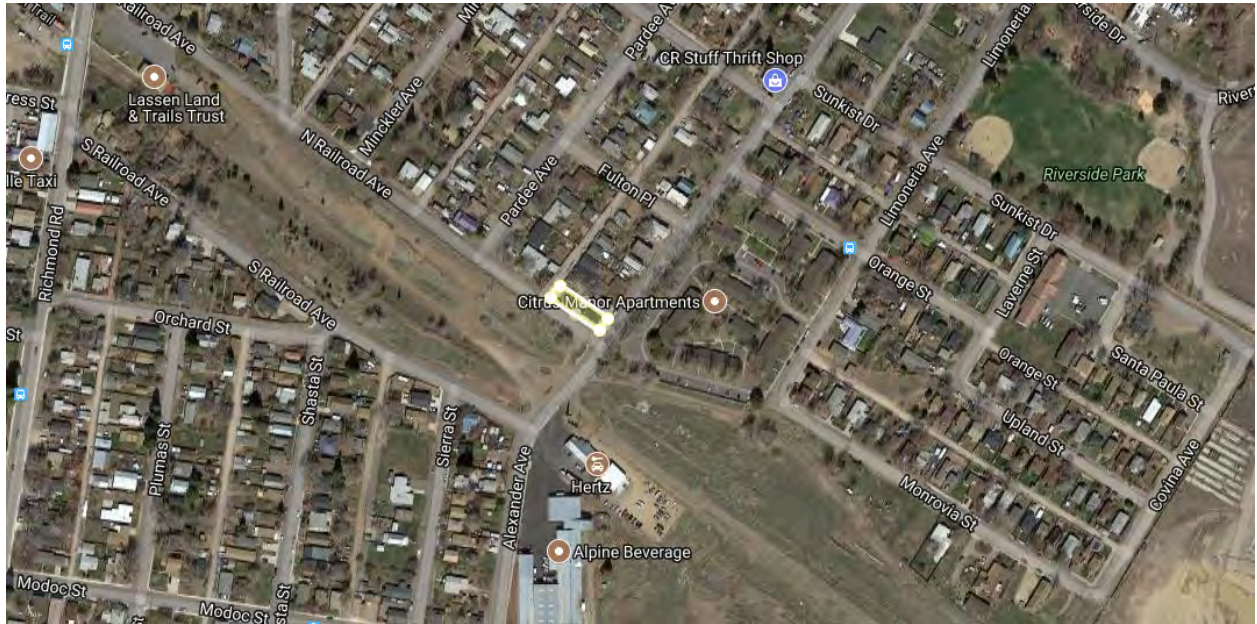


## Lassen County Housing Site Feasibility Study

<b>Address:</b>	<b>476 Alexander Avenue</b>		
<b>APN:</b>	107-143-11-11		
<b>Description:</b>	Located at the northwest corner of Alexander Avenue and North Railroad Avenue, this property is owned by Lassen County. This property is improved with a two-story apartment building that occupies a little less than half of the lot. The building includes four rooms, a kitchen, two bathrooms, and a living area downstairs, and nine rooms and two bathrooms upstairs. It is currently being used for storage, as it is uninhabitable. The building walls are buckling and the windows are broken. The rest of the lot behind the apartment building to the west is vacant where it slopes steeply uphill.		
<b>Price:</b>	Not listed for sale		
<b>Price per Bedroom:</b>	Not listed for sale		
<b>Lot Size:</b>	0.10 acre		
<b>Size of Improvements:</b>	4,356 square feet in a two-story building		
<b>Topography:</b>	Site slopes steeply toward the west side. There is a small yard lot behind the apartment building with a retaining wall along the west side.		
<b>Access to Utilities:</b>	City sewer and water		
<b>Zoning:</b>	Zoned C-1 Neighborhood Commercial. Currently being used as a public facility as a conforming use.		
<b>Neighborhood Characteristics:</b>	Mix of single-family and multi-family residential, and commercial, uses in an older neighborhood. Citrus Manor Apartments is across the street.		
<b>Proximity to Services and Transit:</b>	Quarter mile from Riverside Park; half-mile from Grocery Outlet and Lassen High School; and just over a half-mile from Rite Aid.		
<b>Funding Availability:</b>	The project could access local funds or County MHSA funds. State No Place Like Home funds would not be accessible since the project would not provide independent living units with separate bathrooms and kitchens. The project would be too small for tax credits.		
<b>Potential Use:</b>	The building could be retrofitted and rehabilitated for seven studio or single-room occupancy units. It is anticipated that this would require an extensive gut rehabilitation, as well as structural improvements. Depending on an assessment of conditions, it may need to be torn down and rebuilt. Due to the steep slope on the vacant portion of the property, and its small size, it would probably be prohibitively expensive to build new units there. However, the property could be transferred by the County at no cost, or leased at low cost.		
<b>Community Benefit:</b>	The property could provide housing and supportive services for 7 individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$113,023	<b>Development Feasibility Score:</b>	Low
<b>Financial Feasibility Score:</b>	Low	<b>Community Benefit Score:</b>	Low



## 476 Alexander Avenue







### **New Construction or Rehabilitation within the Lassen County Jurisdiction**

Projects outside of the City of Susanville and within the Lassen County jurisdiction have access to Lassen County HOME and CDBG funds. CDBG cannot be used for constructing permanent housing, but it can be used for predevelopment and site costs, and for construction costs to build transitional shared housing projects. Projects in Lassen County will not have access to City of Susanville funds. Projects in this category also have access to State NPLH and County MHSA. Larger projects within the County jurisdiction also have access to tax credits, under the Rural Set-aside.

#### **473-455 Johnstonville Road (The Gables)**

*Description:* Housing Tools completed a detailed feasibility study for this property in December 2014. The property, called “The Gables” was formerly used as a restaurant. It is currently used as rental housing. The site consists of eight small units: 5 one-bedroom row-houses; 1 one-bedroom cabin; a three-bedroom house; and a one-bedroom apartment over the garage behind the house. The former restaurant is attached to the row houses. The property is partially occupied by tenants. It is 3.23 acres in size.

*Development Feasibility:* The property is not ideally located near services, as it is about three miles southeast of Susanville. The zoning is C-T, F and PSA, which allows residential development with a use permit. The building arrangement is ideal for a mix of permanent independent living units in the row-houses, cabin, and apartment over the garage, and shared housing in the three-bedroom house. The buildings are located near the Susan River, requiring an environmental review of flood zone impacts. The property topography is mostly flat, and slopes slightly to the south toward the Susan River on the southern portion. At the time Housing Tools conducted their feasibility study of the property, it was estimated that the property value was about \$400,000.

*Development Feasibility Score:* High

*Financial Feasibility:* The property cost is assumed at \$500,000, or \$50,000 per developable bedroom. It is estimated that it would cost about \$37,000 per bedroom, or \$45 per square foot, to complete the rehabilitation, for a total construction cost of \$370,000. Soft costs, including permit and impact fees, construction loan interest, lender fees, architecture and engineering, developer fee, relocation costs, legal fees, and reserves, are estimated to be about \$480,000. Total development costs, including property acquisition, are roughly estimated to be about \$1,350,000, which is \$135,000 per bedroom. The project could be funded by County HOME, at about \$1,086,000, and County MHSA, at \$268,840. County MHSA would also provide a \$144,760 capitalized operating subsidy. This structure depends on reliable local funds instead of application for competitive state or federal funds.

*Financial Feasibility Score:* High

*Feasible Housing Type and Scope:* The property would be rehabilitated to provide independent living for low-income and/or special needs populations in seven one-bedroom apartments, and shared housing for special needs populations in the three-bedroom house. There is an option of rehabilitating two more severely dilapidated one-bedroom cabins that are on site as well,





although these are not included in the financial feasibility analysis. All, or a portion of the bedrooms, could serve individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities. The site would also permit the location of on-site management and services offices, and a large common area for resident gatherings and meetings in the former restaurant, as well as ample outdoor common space in the courtyard in front of the restaurant and the yard surrounding the house.

*Community Benefit:* The project would provide seven bedrooms of affordable housing in one-bedroom apartments, and three bedrooms for shared housing in the house. All, or a portion of the bedrooms could be targeted to special needs households. In all, the project could provide housing for 10 extremely low-income individuals with special needs. The project would also provide on-site supportive services for tenants, which may include individual case management, mental health counseling, financial planning counseling, and job training and placement.

*Community Benefit Score:* Low

*Recommended Partners:* This project would require a developer who has experience providing affordable housing in order to access the public subsidies necessary to finance it. Ideally the development team would include: a developer/owner that secures the financing, develops and owns the project; a property manager; and a service provider that provides individualized supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. An alternative development team model would be for the program operator and primary service provider to be the same entity. While this is not ideal as property management and supportive services should have clearly separated roles for effective interaction with residents, it may be necessary due to the limited number of potential partners.

*Advantages—*

- Can be entirely funded by County HOME and MHSA, which is not dependent on competitive applications or funding cycles.
- The existing building arrangement is ideally situated to accommodate both independent living and shared housing, as well as space for offices and community gatherings.

*Disadvantages—*

- Not located near services (Wal-Mart shopping center is 3 miles away).



## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>Lassen County Jurisdiction- Rehabilitation</b>		
<b>Address:</b>	<b>473-455 Johnstonville Road</b>		
<b>APN:</b>	116-100-08		
<b>Description:</b>	Housing Tools completed a complete feasibility study for this property. The property, called "The Gables" was formerly used as a restaurant and is currently used for residential rentals. The property consists of eight small units: 5 one-bedroom row houses; 1 one-bedroom cabin; a three-bedroom house; and a one-bedroom apartment over the garage behind the house. Also includes a former restaurant attached to the row houses. The property is partially occupied by tenants.		
<b>Price:</b>	Estimated at \$500,000 (recently sold for \$499,000)		
<b>Price per Bedroom:</b>	\$50,000		
<b>Lot Size:</b>	3.23 acres		
<b>Size of Improvements:</b>	6,433 square feet		
<b>Topography:</b>	Flat; slopes slightly to the south toward the adjacent Susan River		
<b>Access to Utilities:</b>	Water well and septic on site		
<b>Zoning:</b>	Zoned C-T, F, PSA. Site could be developed for residential uses with a use permit.		
<b>Neighborhood Characteristics:</b>	Mix of agricultural and industrial uses; auto repair business to the south is the only immediate neighbor.		
<b>Proximity to Services and Transit:</b>	Not near services; 3 miles from Wal-Mart shopping center in Susanville.		
<b>Funding Availability:</b>	County HOME funds could be accessed for this property since it is located within the County's jurisdiction. Potential funding sources would be County HOME, CDBG and MSHA, as well as State No Place Like Home funds.		
<b>Potential Use:</b>	This property could be rehabilitated to provide 10 bedrooms in 8 units, with space for on-site common areas and services delivery, including offices. Also includes common outdoor space. Ideal setup for a group home arrangement in the house, and independent living in row houses and the cabin.		
<b>Community Benefit:</b>	Could house 10-17 individuals in a combination group home and independent living arrangement, with space for on-site services and common areas. Beneficiaries could be individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$0	<b>Development Feasibility Score:</b>	High
<b>Financial Feasibility Score:</b>	High	<b>Community Benefit Score:</b>	Low



## 473-455 Johnstonville Road





### **Riverside Drive (APN 107-280-09)**

*Description:* This property is a vacant lot adjacent to the south of the Susan River, and east of Susanville River Apartments. It is in the County jurisdiction. The west property border is the dividing line between the City and County. The lot is a portion of a larger parcel owned by Sierra Pacific Industries. The portion identified for this analysis is 7 acres in size, although it is assumed that about three acres would not be buildable due to its proximity to Susan River.

*Development Feasibility:* The property is within walking distance of Riverside Park, a bus stop on Riverside Drive, Rite Aid pharmacy, Grocery Outlet Market, and Lassen Library. The zoning is M-2, which would require a re-zone to residential use. It is recommended that the property is rezoned to R-4 and 20 units per acre. The property topography is generally flat, sloping slightly downward toward Susan River on the northern portion. The property is not listed for sale. The County has approached the owner about selling in the past but the owner is not interested.

*Development Feasibility Score:* Low

*Financial Feasibility:* Based on comparable properties listed for sale in the area, the property cost is estimated at \$50,000 per acre, or \$350,000 (\$4,375 per developable unit). It is estimated that it would cost about \$130,000 per unit, or \$130 per square foot for construction, which at 80,000 square feet would be \$10,400,000. Soft costs, including permit and impact fees, construction loan interest, lender fees, architecture and engineering, developer fee, legal fees, and reserves, are estimated to be about \$5,500,000. Total development costs, including property acquisition, are roughly estimated to be about \$16,250,000, which is \$203,125 per unit, for 80 units in a mix of one, two and three-bedroom apartments averaging 1,000 square feet per unit. The project could be funded by tax credits at about \$12,000,000, which is 74% of total funding. A permanent loan could be secured for about \$2,400,000. The remaining \$1,850,000 would come from County HOME, County MHSA, and/or State NPLH.

*Financial Feasibility Score:* High

*Feasible Housing Type and Scope:* The property could provide up to 80 units of affordable housing in a mix of one, two and three-bedroom apartments. A portion of the units could be set-aside for special needs populations. There is adequate space and funding for on-site offices, common areas, and shared outdoor spaces.

*Community Benefit:* The project would provide about 80 units of housing, serving about 120-160 low-income individuals. A portion of the units could be set aside for special needs households, including individuals who are homeless or at risk of homelessness, veterans, and/or persons with disabilities. The project would also provide funding for on-site supportive services for tenants, which may include individual case management, mental health counseling, financial planning counseling, and job training and placement.

*Community Benefit Score:* High

*Recommended Partners:* This project would require a developer who has experience providing affordable housing in order to access the public subsidies necessary to finance it. Ideally the development team would include: a developer/owner that secures the financing, develops and owns the project; a property manager; and a service provider that provides individualized





## Lassen County Housing Site Feasibility Study

supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. An alternative development team model would be for the program operator and primary service provider to be the same entity. While this is not ideal as property management and supportive services should have clearly separated roles for effective interaction with residents, it may be necessary due to the limited number of potential partners.

### *Advantages—*

- Large site enhances financial feasibility.
- Because the property is within the County jurisdiction, the project would have access to County HOME funds.

### *Disadvantages—*

- Property is not listed for sale and owner may not be interested in selling.
- Would require a re-zone.

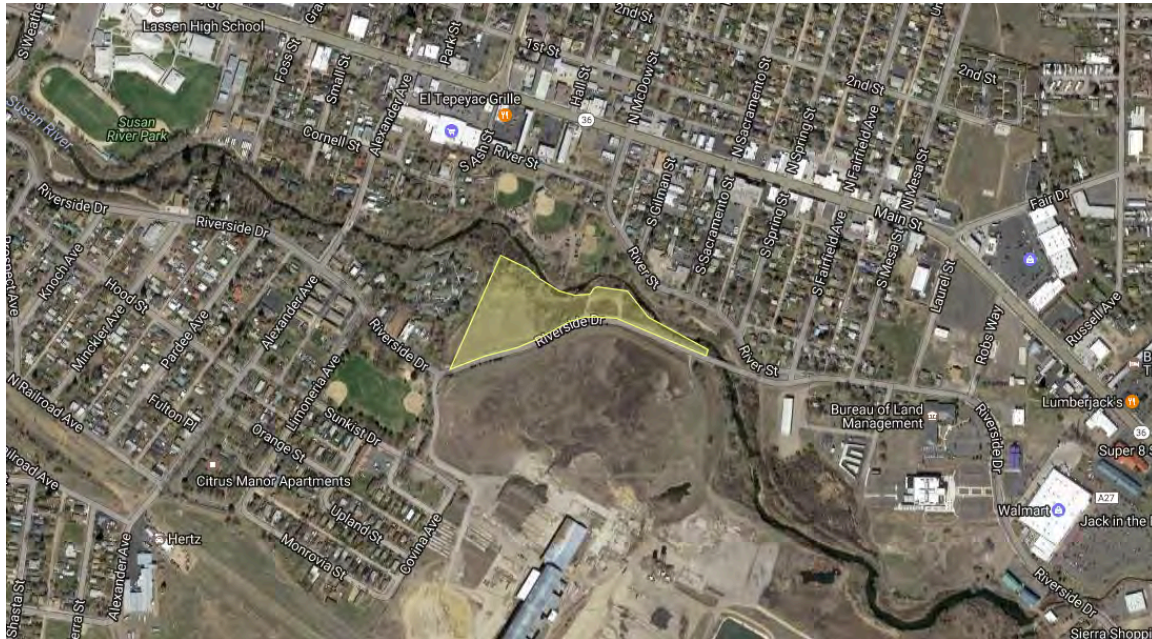


## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>Lassen County Jurisdiction- New Construction</b>		
<b>Address:</b>	<b>APN 107-280-09 (Adjacent to the east of 1625 Riverside Dr.)</b>		
<b>APN:</b>	107-280-09		
<b>Description:</b>	Vacant lot adjacent to the east of Susanville River Apartments, on south bank of Susan River. In County jurisdiction; border between County and City is lot's west boundary. It is a portion of the lot identified as APN 107-280-09. Owned by Sierra Pacific Industries. Recently cleaned up by the City.		
<b>Price:</b>	Not listed for sale		
<b>Price per Bedroom:</b>	Not listed for sale		
<b>Lot Size:</b>	7 acres		
<b>Size of Improvements:</b>	Vacant		
<b>Topography:</b>	Generally flat, sloping slightly toward Susan River		
<b>Access to Utilities:</b>	No utilities		
<b>Zoning:</b>	Zoned M-2. Residential use would require a rezone.		
<b>Neighborhood Characteristics:</b>	Susan River Apartments adjacent to the west; Susan River and Susanville to the north; vacant and Lassen County Courthouse to the east; vacant and industrial to the south.		
<b>Proximity to Services and Transit:</b>	Across the street from Riverside Park; within a quarter mile of a bus stop on Riverside Drive, Rite Aid pharmacy, Grocery Outlet Market, and Lassen Library; a half-mile from Lassen High School, and Susanville Supermarket IGA.		
<b>Funding Availability:</b>	The property could potentially be developed with tax credit financing, along with County HOME, CDBG and MHSA funds, as well as State No Place Like Home funds. Due to its proximity to amenities, and its location within the County jurisdiction, this property has the best funding feasibility of any of the properties analyzed in this report.		
<b>Potential Use:</b>	The property could be developed with 60-80 apartments and on-site supportive services and common areas.		
<b>Community Benefit:</b>	Could house 100-160 low-income individuals in apartments, along with space for supportive services and common areas. A portion of units could be targeted to individuals who are homeless or at-risk of homelessness, and/or other special needs groups such as veterans or persons with disabilities.		
<b>Competitive State-Local Funds/Bedroom:</b>	\$0	<b>Development Feasibility Score:</b>	Low
<b>Financial Feasibility Score:</b>	High	<b>Community Benefit Score:</b>	High



APN 107-280-09





### 702-040 Johnstonville Road

*Description:* This property is located about 2.6 miles southeast of Susanville, in an area surrounded by a mix of agricultural and industrial uses. It is improved with a 4,000 square-foot building with six rooms, plus a large room with a kitchen, three bathrooms, and reception area. A small parking lot is in front of the building. The property is just under an acre.

*Development Feasibility:* The property is not well located near services. The zoning is M-2, which would require a re-zone to residential use. The building space is ideal for conversion to shared housing with six bedrooms and a common room with kitchen, while utilizing the three existing bathrooms and reception area. The property topography is flat. The property is currently listed for sale at \$400,000.

*Development Feasibility Score:* Medium

*Financial Feasibility:* The property cost is estimated at \$400,000, or \$66,667 per developable bedroom. It is estimated that it would cost about \$20,000 per bedroom, or \$35 per square foot, to rehabilitate and retrofit the offices to shared housing, for a total construction cost of \$120,000. Soft costs, including permit and impact fees, construction loan interest, lender fees, architecture and engineering, developer fee, legal fees, and reserves, are estimated to be about \$100,000. Total development costs, including property acquisition, are roughly estimated to be about \$620,000, which is \$103,333 per bedroom for a six-bedroom shared housing project. The project is too small to feasibly fund with tax credits or a mortgage. HOME funds can only fund permanent housing. Therefore, all funding would need to be provided by County MHSA and/or CDBG funds. There are less County CDBG funds available than County HOME funds.

*Financial Feasibility Score:* Medium

*Feasible Housing Type and Scope:* The property could be rehabilitated to provide a shared housing facility with six bedrooms, a common kitchen and gathering space, and reception area.

*Community Benefit:* The project would provide about six bedrooms affordable to special needs households, benefitting an estimated six extremely low-income individuals. The project would also provide a limited amount of funding for on-site supportive services for tenants, which may include individual case management, mental health counseling, financial planning counseling, and job training and placement.

*Community Benefit Score:* Low

*Recommended Partners:* This project would require a developer who has experience providing affordable housing in order to access the public subsidies necessary to finance it. Ideally the development team would include: a developer/owner that secures the financing, develops and owns the project; a property manager; and a service provider that provides individualized supportive services to each resident, and provides referral to other community-based services. The purpose of the supportive services should be to promote self-sufficiency and mitigate demand for more expensive levels of care in the health and public safety sectors. An alternative development team model would be for the program operator and primary service provider to be the same entity. While this is not ideal as property management and supportive services should





## Lassen County Housing Site Feasibility Study

have clearly separated roles for effective interaction with residents, it may be necessary due to the limited number of potential partners.

### *Advantages—*

- Relatively low cost to put the project in service.
- Can be completely financed with County funds.
- The existing building is ideally situated to accommodate shared housing for special needs residents.

### *Disadvantages—*

- Not located near services (Wal-Mart shopping center is 2.6 miles away).
- Would require a re-zone.
- Cannot access tax credits or a mortgage due to small project size.
- Cannot access State NPLH for shared housing.
- Cannot access County HOME funds for shared housing.
- Would require a conversion from office to residential use.



## Lassen County Housing Site Feasibility Study

<b>Development Type:</b>	<b>Lassen County Jurisdiction- Rehabilitation</b>		
<b>Address:</b>	<b>702-040 Johnstonville Road</b>		
<b>APN:</b>	116-050-77		
<b>Description:</b>	4,000 square-foot building with six rooms plus large room with kitchen, 3 bathrooms, and reception area. Recently repaired metal roof; would need to make entry accessible. Parking in front of the building.		
<b>Price:</b>	Listed at \$400,000		
<b>Price per Bedroom:</b>	\$66,667		
<b>Lot Size:</b>	0.95 Acre		
<b>Size of Improvements:</b>	4,000 square feet		
<b>Topography:</b>	Flat		
<b>Access to Utilities:</b>	Water well and septic on site		
<b>Zoning:</b>	M-2 / Residential Use would require a rezone		
<b>Neighborhood Characteristics:</b>	Light development; mix of agricultural and industrial uses in the surrounding area.		
<b>Proximity to Services and Transit:</b>	Not near services; 2.6 miles from Wal-Mart shopping center in Susanville.		
<b>Funding Availability:</b>	County HOME funds could be accessed for this property since it is located within the County's jurisdiction. Potential funding sources would be County MHSA and CDBG.		
<b>Potential Use:</b>	This property could be rehabilitated to house up to 12 individuals in six rooms in a group home arrangement, with common dining/activity room and kitchen. Could be purchased, or leased at about \$3,000 per month.		
<b>Community Benefit:</b>	Could house up to 12 individuals in 6 bedrooms with high service needs in a group home arrangement. Residents could be individuals who are homeless or at-risk of homelessness, and/or other special needs groups, such as veterans or persons with disabilities.		
<b>Competitive State /Local Funds per Bedroom:</b>	\$0	<b>Development Feasibility Score:</b>	Medium
<b>Financial Feasibility Score:</b>	Low	<b>Community Benefit Score:</b>	Low



## 702-040 Johnstonville Road





### **IV. Site Ranking by Category**

After assessing each site for development feasibility, financial feasibility, and community benefit, the sites described in this report have been ranked by category. Below is the ranking with accompanying explanations.

#### **Master Lease within the City of Susanville**

*606 North Street, 1508 Third Street, 456 Minckler Avenue, 515 and 545 Limoneria Ave., 155 South Gay Street*

There was just one master lease project analyzed in this report, comprising six properties with 18 units and 31 bedrooms. The property acquisition price on a per unit and per bedroom basis would be high relative to the other properties analyzed. However, the project would have the advantage of easily integrating into existing neighborhoods. This project could be funded by County MHSA, State NPLH, and/or local funds. A portion of the financing could be provided by programs that already have a dedication of funds for affordable housing, which would include \$268,840 of County MHSA and \$500,000 of State NPLH allocated non-competitively to the County. The remaining estimated \$931,160 would need to come from local funding sources. Scattered site projects of 1-4 units are not eligible for the competitive State NPLH program. Competitive State or local funds required per developable bedroom is \$30,037, which is about the average of all properties analyzed in this report.

#### **New Construction or Rehabilitation within the City of Susanville**

##### *1. 2755 Main Street*

The 2755 Main Street property has the size and zoning capacity to develop about 40 units and 80 bedrooms. The property's size and zoning positions it to be able to secure tax credits and underwrite a mortgage. The property's listed sale price of \$370,000 is a good value for an C2 zoned site on Main Street, at just \$4,625 per developable bedroom. It requires an estimated \$1,050,000 in local funds, which is just a little more than the master lease project. Of the \$1,030,000 local funds required, \$768,840 could be provided by programs that already have funds dedicated locally for affordable housing. The remaining \$261,160 would need to come from local sources or the competitive NPLH application process, which makes it the lowest amount of local or competitive state funding required per developable bedroom of the City of Susanville New Construction or Rehab properties, at \$3,265 per bedroom. 2755 Main Street is listed for sale on the market and the asking price has recently been reduced, which further increases its development feasibility.

##### *2. Skyline Road and Highway 139*

This property is 4 acres and owned by the City, with a C-2 zoning. It was ranked behind 2755 Main Street because it is located further away from amenities, and slightly higher local costs on a per bedroom basis. Its second place ranking assumes that the City can donate or lease the land at low or no cost. If this occurs, it would require roughly \$1.7 million in local funds to develop 80 units and 160 bedrooms, at \$10,625 per developable bedroom, which is tied for the





second lowest of all the properties. Of the local funds, \$931,160 would need to come from sources that do not already have funds dedicated locally to affordable housing, which would likely be the competitive NPLH application process and/or local sources. An estimated \$5,820 per developable bedroom would need to come from these sources, which is tied for the third lowest amount of the City of Susanville New Construction or Rehab properties.

### *3. North Mesa Street (APNs 105-180-23 and 105-130-01)*

This property is owned by the County and is 6.4 acres in size. Because there are plans for a public park on part of the property, 4 acres were assumed as developable with housing. It is well located near Main Street and amenities. Because it is zoned R-1 for low density residential, and not high density residential or commercial, it is ranked as less feasible for development than the higher ranked properties above. It is assumed for this analysis that half of the property would be dedicated to affordable housing through a donation or long-term lease from the City. If this occurs, it would require roughly \$1.7 million in local funds to develop 80 units and 160 bedrooms. Of the local funds, \$931,160 would need to come from sources that do not already have funds dedicated locally to affordable housing, which would likely be the competitive NPLH application process and/or local sources. An estimated \$5,820 per developable bedroom would need to come from these sources, which is tied for the third lowest amount of the City of Susanville New Construction or Rehab properties.

### *4. Laurel Street (APNs 105-240-19 and 105-301-06)*

This property is listed on the market for \$160,000 and is just over an acre in size. It is zoned C-2, which can be developed with multi-family housing. It is well located near the Main Street corridor and a number of amenities. It would require roughly \$1,210,000 in local funds to develop 30 units and 60 bedrooms. Of the local funds, \$441,160 would need to come from sources that do not already have funds dedicated locally to affordable housing, which would likely be the competitive NPLH application process and/or local sources. An estimated \$7,353 per developable bedroom would need to come from these sources, which is the ninth lowest amount of the City of Susanville New Construction or Rehab properties. The project is ranked below the properties above it due to its smaller scale, which makes it less attractive to tax credit investors and lenders.

### *5. 2650 Main Street*

This property is mostly vacant and on the Main Street commercial corridor. It is 2.29 acres in size and zoned C-2. It is currently listed on the market, which increases its development feasibility. However, the asking price, at \$1,050,000, is less attractive than other properties reviewed here, including those on or near the Main Street/State Highway 36 corridor. It would require an estimated \$2.2 million in local funds to develop 60 units and 120 bedrooms, at \$18,333 per bedroom. Of the local funds, \$1,431,160 would need to come from sources that do not already have funds dedicated locally to affordable housing, which would likely be the competitive NPLH application process and/or local sources. An estimated \$11,926 per developable bedroom would need to come from these sources, which is higher than most of the similarly ranked properties. This property is ranked higher than some other properties with fewer funds per developable unit coming from competitive State or local funds because it has a larger scale and provides more affordable units, and it is listed on the market for sale. The potential size of the project increases its financial feasibility and its capacity to attract funds from outside the county in tax credit equity and mortgage financing.



### 6. 25 and 103 Fair Drive

These properties are well located just off of Main Street, and are 3.89 acres in size. They are zoned C-2 and C-O. While the parcels are contiguous, they have two different property owners and the properties are not listed for sale. It would require roughly \$1.9 million in local funds to develop 80 units and 160 bedrooms, at \$11,875 per developable bedroom. Of the local funds, \$1,131,160 would need to come from sources that do not already have funds dedicated locally to affordable housing, which would likely be the competitive NPLH application process and/or local sources. An estimated \$7,070 per developable bedroom would need to come from these sources, which is the eighth lowest of the City of Susanville New Construction or Rehab properties. This property is ranked lower than other similar properties because the properties are separately owned and neither is listed on the market.

### 7. 2685 Main Street (Budget Host Frontier Inn)

This is a motel that is listed for sale at \$620,000. It would require roughly \$890,000 in local funds to develop 30 studio or SRO units, at \$29,667 per developable unit. Of the local funds, \$121,160 would need to come from sources that do not already have funds dedicated locally to affordable housing, which would likely be the competitive NPLH application process and/or local sources. An estimated \$4,039 per developable bedroom would need to come from these sources, which is the second lowest of the City of Susanville New Construction or Rehab properties. This property is ranked lower than other properties with higher per-bedroom local costs because of its smaller scale and lower impact, as well as the unpredictability involved with rehabilitating structures that appear to be in poor condition. In addition, while it is assumed that tax credit financing could be secured for this project, there is a risk that it could not be secured due to the small project size.

### 8. APN 103-190-06 (Vacant Land on Paul Bunyan Road, near Skyline Road)

This property on Paul Bunyan Road, just south of the intersection with Skyline Road, is 18 acres in size and is zoned R4. It is owned by the Susanville Indian Rancheria. It is assumed for this analysis that half of the property would be developed, due to geographical and wetlands constraints. The project would yield about 100 units and 200 bedrooms. The property's size and zoning positions it to be able secure tax credits and underwrite a sizable mortgage. It was projected for the cost analysis that the property price would be \$2,612,500. The amount of local funds required per developable bedroom is the lowest of all the properties, at \$10,063 per bedroom. Of the \$2,012,500 local funds required, \$768,840 could be provided by programs that already have funds dedicated locally for affordable housing. The remaining \$1,243,660 would need to come from local sources or the competitive NPLH application process, which is the fifth lowest of the City of Susanville New Construction or Rehab properties, at \$6,218 per bedroom. Despite its local cost efficiency, zoning and large size, this property is ranked lower than some properties with higher local costs per bedroom because it is not listed on the market for sale and site topography and wetlands present development constraints.

### 9. 995 and 1015 Paiute Lane

This property is privately owned and not listed for sale. Its topography presents some challenges for development as well. These development feasibility factors rank this property lower than the others above it. The local funds required per developable bedroom are lower than the average of all the other properties.



### 10. 1067 Main Street (Travel Inn)

This existing hotel property has local fund requirements that are below the average of all properties. However, it was ranked below other properties because of its smaller scale, and risk involved with retrofitting the structure from a hotel to permanent housing with full accessibility.

### 11. 30 South Lassen Street (Hotel Mt. Lassen)

This property has a relatively high estimated development cost per bedroom and local funds cost per bedroom. It also carries a greater risk than most of the other properties due to the unknown rehabilitation costs associated with the current condition of the building, and its size, including a extensive non-residential space on the first floor. Therefore, there is a possibility that development costs could increase to amounts greater than what has been projected.

### 12. 1800 Main Street (Lincoln Building)

This property was ranked below the properties above because of its smaller scale that makes it unlikely to attract tax credit equity and debt financing. As a result, all funding would need to come from local sources. On the positive side, the property has a low total development cost per bedroom, at \$9,375.

### 13. 55 South Sacramento Street

This property presents some potential for use as shared housing on the upper story with commercial uses on the ground floor. However, tax credits, debt financing and State NPLH would not be available for funding due to the scale and shared housing use. As a result, the amount of local funds required per developable bedroom that are not already dedicated locally to affordable housing is higher than all but three of the City of Susanville New Construction or Rehab properties. The requirement to retrofit offices to residential uses also presents some risk and unpredictability to the rehabilitation cost estimates.

### 14. 830 Main Street (St. Francis Hotel)

While this hotel has some potential to be converted to a permanent residential use, its small scale reduces its financial feasibility, as it has one of the highest total development cost and local funding cost per bedroom of the properties analyzed.

### 15. 720 Richmond Road

This project cannot access tax credits or mortgage financing due to its scale, but it also has high construction costs because it would require conversion from office to residential use. The local funds per bedroom that are not already dedicated locally to affordable housing is the third highest of all the properties.

### 16. 707 Nevada Street

This project cannot access tax credits or mortgage financing due to its scale, but it also has high construction costs due to the extensive conversion of an older building that would be required. The local funds per bedroom that are not already dedicated locally to affordable housing is also the second highest of all the properties.

### 17. 308, 312, and 320 Richmond Road

While this property was formerly used as affordable housing and its rehabilitation would help revitalize the surrounding neighborhood, its small scale and poor condition give it a low financial feasibility. It has one of the highest total development cost and local funding cost per bedroom of all the properties.



### 18. 476 Alexander Avenue

This project cannot access tax credits or mortgage financing due to its scale, but it also has high construction costs due to the current poor condition of the improvements. The local funds per bedroom that are not already dedicated locally to affordable housing is the highest of all properties. The improvements are currently uninhabitable and may require a tear-down and rebuild, which was not estimated in the cost assessment.

## New Construction or Rehabilitation within Lassen County

### 1. 473-455 Johnstonville Road (*The Gables*)

This property has an ideal arrangement to be used for a mix of independent living and shared housing. It is listed for sale at \$500,000 and this price may be negotiated lower. While it is not optimally located near services, it is within the County jurisdiction, which gives it access to County HOME funds. The local funding cost per bedroom is the highest of all the properties. However, all funding can likely be provided by programs with locally dedicated funding for affordable housing. This greatly increases the financial feasibility of the project, as it is not dependent on statewide competitive application processes, or other local funds that are not already dedicated to affordable housing.

### 2. APN 107-280-09 (*Adjacent to the east of 1625 Riverside Drive*)

Like the Gables property, this property could be developed without local funds or competitive State NPLH. However, it would require application for a competitive tax credit allocation. While it has a lower total development cost per bedroom than the Gables property, it is not listed for sale and the property owner has not been interested in selling in the past. Development will require a rezone from M-2 to residential.

### 3. 702-040 Johnstonville Road

This building has an ideal arrangement for shared housing. Because shared housing is not an eligible use of the NPLH or HOME program, it would require that all of its funding would come from County MHSA and CDBG. The local funds required per developable bedroom is higher than the other two properties within the Lassen County jurisdiction. Development will require a rezone from M-2 to residential.



## Appendix Housing Site Feasibility Study

Property	Category	Zoning	Potential Number of Units	Potential Number of Bedrooms	Acquisition Price	Price Per Developable Unit	Price Per Developable Bedroom	Total Development Cost	Total Development Cost Per Unit	Total Development Cost Per Bdrm	Competitive State or Local Funds Required per Developable Bedroom (1)	Development Feasibility Score	Financial Feasibility Score	Community Impact Score
Scattered Site Master Lease	Master Lease within the City of Susanville	R-1	18	31	\$1,329,000	\$73,833	\$42,871	\$1,700,000	\$94,444	\$54,839	\$30,037	High	Medium	Medium
2755 Main Street	City of Susanville	C-2	40	80	\$370,000	\$9,250	\$4,625	\$8,730,000	\$218,250	\$109,125	\$3,265	Medium	High	High
Skyline Road and Highway 139	City of Susanville	C-2	80	160	\$0	\$0	\$0	\$15,900,000	\$198,750	\$99,375	\$5,820	Medium	High	High
N Mesa Street (APNs 105-180-23, 105-13)	City of Susanville	R-1	80	160	\$0	\$0	\$0	\$15,900,000	\$198,750	\$99,375	\$5,820	Medium	High	High
Laurel Street (APN 105-240-19)	City of Susanville	C-2	30	60	\$160,000	\$5,333	\$2,667	\$6,660,000	\$222,000	\$111,000	\$7,353	Medium	Medium	High
2650 Main Street	City of Susanville	C-2	60	120	\$1,050,000	\$17,500	\$10,050	\$13,150,000	\$219,167	\$109,583	\$11,926	Medium	Medium	High
25 and 103 Fair Drive	City of Susanville	C-2	80	160	\$600,000	\$7,500	\$3,750	\$16,300,000	\$203,750	\$101,875	\$7,070	Low	Medium	High
2685 Main St (Budget Host Frontier Inn)	City of Susanville	C-2	30	30	\$620,000	\$20,667	\$20,667	\$4,770,000	\$159,000	\$159,000	\$4,372	Medium	Medium	Medium
Paul Bunyan Road (APN 103-190-09)	City of Susanville	R-4	100	200	\$2,612,500	\$26,125	\$13,063	\$20,612,500	\$206,125	\$103,063	\$6,218	Low	Medium	High
995 and 1015 Paiute Lane	City of Susanville	R-4	60	120	\$720,000	\$12,000	\$6,000	\$13,350,000	\$222,500	\$111,250	\$6,926	Low	Medium	High
1067 Main Street (Travel Inn)	City of Susanville	C-2	36	36	\$550,000	\$15,278	\$15,278	\$5,500,000	\$152,778	\$152,778	\$10,588	Low	Medium	Medium
30 South Lassen Way (Hotel Mt. Lassen)	City of Susanville	UBD	50	50	\$550,000	\$11,000	\$11,000	\$9,600,000	\$192,000	\$192,000	\$10,623	Low	Medium	Medium
1800 Main Street (Lincoln Building)	City of Susanville	C-2	16	32	\$300,000	\$18,750	\$9,375	\$2,380,000	\$148,750	\$74,375	\$11,911	Low	Medium	Low
55 South Sacramento Street	City of Susanville	C-2	20	20	\$700,000		\$35,000	\$1,700,000		\$85,000	\$71,558	Medium	Low	Low
830 Main Street (St. Francis Hotel)	City of Susanville	UBD	12	12	\$280,000	\$23,333	\$23,333	\$1,400,000	\$116,667	\$116,667	\$52,597	Medium	Low	Low
720 Richmond Road	City of Susanville	PF	15	15	\$0	\$0	\$0	\$2,250,000	\$150,000	\$150,000	\$98,744	Low	Low	Low
707 Nevada Street	City of Susanville	UBD	20	20	\$0	\$0	\$0	\$3,000,000	\$150,000	\$150,000	\$111,558	Low	Low	Low
308, 312, and 320 Richmond Road	City of Susanville	R-2	7	10	\$0	\$0	\$0	\$1,290,000	\$184,286	\$129,000	\$52,116	Low	Low	Low
476 Alexander Avenue	City of Susanville	C-1		7	\$0	\$0	\$0	\$1,060,000	\$151,429	\$151,429	\$113,023	Low	Low	Low
473-455 Johnstonville Road	Lassen County	C-T	8	10	\$500,000	\$62,500	\$50,000	\$1,350,000	\$168,750	\$135,000		High	High	Low
Riverside Dr. (APN 107-280-09)	Lassen County	M-2	80	160	\$350,000	\$4,375	\$2,188	\$16,250,000	\$203,125	\$101,563		Low	High	High
702-040 Johnstonville Road	Lassen County	M-2		6	\$400,000		\$66,667	\$620,000		\$103,333		Medium	Low	Low
Average			43	68	\$504,159	\$15,372	\$14,388	\$7,430,568	\$178,026	\$118,165	\$32,712			

Note: The total development cost figures used in this report, and summarized in this table, are rough estimates that are used for comparative purposes. A more accurate development cost will require an itemized construction cost estimate that is generated from a more detailed architectural design and in-depth assessment of site characteristics.

(1) This column includes funding required from competitive State NPLH and/or local sources that are not already dedicated to affordable housing.