

**A MARKET CONDITIONS AND
PROJECT EVALUATION SUMMARY
OF:
DALLAS MANOR
APARTMENTS**

A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF: DALLAS MANOR APARTMENTS

350 Paulding Lane
Dallas, GA 30132

Effective Date: June 22, 2020
Report Date: July 9, 2020

Prepared for:
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July 9, 2020

Mike Rodgers
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Re: Application Market Study for Dallas Manor, located in Dallas, Paulding County, Georgia

Dear Mr. Rodgers:

At your request, Novogradac Consulting LLP performed a study of the multifamily rental market in the Dallas, Paulding County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project. We are concurrently preparing an appraisal on the Subject property.

The purpose of this market study is to assess the viability of the LIHTC renovation of Dallas Manor (Subject), an existing 40-unit Section 8 affordable apartment property. Following renovation using the LIHTC program, all 40 units will be restricted to households earning 60 percent of the AMI, or less. Further, all units will continue to operate with project-based subsidy with a Section 8 Housing Assistance Payment (HAP) contract that expires in May 2032, and tenants will continue to pay 30 percent of their income towards rent. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

The scope of this report meets the requirements of Georgia Department of Community Affairs (DCA), including the following:

- Inspecting the site of the Subject and the general location.
- Analyzing appropriateness of the proposed unit mix, rent levels, available amenities and site.
- Estimating market rent, absorption and stabilized occupancy level for the market area.
- Investigating the health and conditions of the multifamily market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area in relation to the to-be-renovated project.
- Establishing the Subject Primary and Secondary Market Area(s) if applicable.
- Surveying competing projects, Low-Income Housing Tax Credit (LIHTC) and market rate.

Novogradac Consulting LLP adheres to the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA).

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and market analyses including conclusions. The depth of discussion contained in the report is specific to the needs of the client.

MIKE RODGERS
LHP DEVELOPMENT, LLC
JULY 9, 2020

Information included in this report is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market. This report is completed in accordance with DCA market study guidelines. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

The Stated Purpose of this assignment is for tax credit application. You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages or losses that we may incur as the result of your use of the Report for other than the Stated Purpose. Without limiting the general applicability of this paragraph, under no circumstances may the Report be used in advertisements, solicitations and/or any form of securities offering.

In the wake of the COVID-19 pandemic there has been significant turmoil and uncertainty. Governments across the globe are taking dramatic efforts reduce the strain on health care systems. These efforts result in extensive impacts to economic activity. However, governments are also implementing significant economic stimulus packages to help with this economic disruption. At this point is it unclear how long it will be before the emergency restrictions are lifted or loosened or how effectively the stimulus packages will blunt the impact from the emergency measures. Further it is unclear as to how these measures will impact the specific housing market surrounding the Subject. However, some trends are clear:

- 1) *Clients and market participants throughout the country report April, May, and June collections that were better than expected for all types of multifamily properties. Particularly for affordable and senior housing.*
- 2) *Based upon various conversations with market participants and published articles and webinars many believe that multifamily real estate will be impacted but significantly less so than other sectors. Further, the impact is expected be shorter lived. Many view multifamily as a safer haven during this period of uncertainty. The Subject will likely avoid impact as it is subsidized housing, which is somewhat insulated from economic volatility. The Subject will not be completed until November 2021, at which point the market is expected to be stabilized or have less uncertainty.*
- 3) *Novogradac maintains a proprietary database of operating results from our surveys of affordable and market rate properties. The database was implemented in 2005 and contains over 100,000 individual properties. The national occupancy rate for two-bedroom, 60 percent LIHTC properties dipped slightly during the Great Recession, but began a rebound after 2009. In 2008, the occupancy rate was at 96.3 percent and it dropped less than one percentage point during the slowdown, dropping to 95.4 percent in 2009 before beginning a gradual increase that slowed between 2016 and 2018 but continued through 2019. While this recession will undoubtedly be different than the last this performance supports the points made above and illustrates the resilience in the affordable housing sector.*
- 4) *States are starting to plan the reopening over the next several weeks to months and the state of Georgia has already begun loosening restrictions on businesses including eat-in restaurants and barber shops. This will open up various job segments creating more stability and demand in the local economy. Further, the Subject is scheduled to be complete in November 2021, which is considered outside the primary window of the pandemic.*
- 5) *Finally, there have been transactions that were started prior to shut-down that have recently closed without adjustment.*

All of the comparable properties were interviewed since May 2020. Property managers reported that market demand has not softened as a result of the COVID-19 pandemic and state and local stay-at-home orders. Local employment and unemployment data is not yet available that reflects the effects of these orders; however, we expect significant employment losses will result in the market, particularly in volatile industries including retail trade and accommodation/food services. Overall, we did not experience significant barriers to

MIKE RODGERS
LHP DEVELOPMENT, LLC
JULY 9, 2020

local data collection as a result of the pandemic and we believe the quality of data collected in this report supports the credibility of our conclusions.

The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners. Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac Consulting LLP can be of further assistance. It has been our pleasure to assist you with this project.

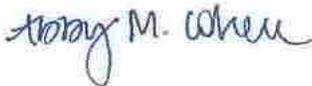
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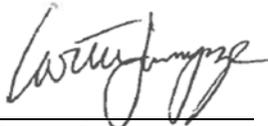
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Addendum

B. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. Project Description

Dallas Manor is an existing affordable property located at 350 Paulding Lane in Dallas, Paulding County, Georgia 30132, which consists of 40 two-bedroom units in three, two-story residential buildings and one, one-story community building. The Subject was constructed in 1979 and post-renovation all 40 units will continue to operate with project-based subsidy.

The following table illustrates the proposed unit mix and contract rent.

PROPOSED RENTS							
Unit Type	Unit Size (SF)	Number of Units	Projected Contract Rent	Utility Allowance (1)	Gross Rent	2019 LIHTC Maximum Allowable Gross Rent	2020 HUD Fair Market Rents
@60% (Section 8)							
2BR / 1BA	841	40	\$1,270	\$92	\$1,362	\$1,077	\$1,167

Notes (1) Source of Utility Allowance provided by the Developer.

The Subject’s proposed contract rents are set above the 2020 maximum allowable level at 60 percent AMI. Thus, if the Subject were to lose the rental subsidies, the proposed rents for these units would have to be lowered to comply with the LIHTC program requirements. Upon renovation, the Subject will offer slightly superior in-unit amenities in comparison to the LIHTC comparable properties and slightly inferior to inferior property amenities. The Subject will offer washer/dryer appliances, which many comparables lack. However, the Subject will not offer an exercise facility and swimming pool, which is offered at several of the comparable developments. Nonetheless, we believe that the proposed amenities will allow the Subject to effectively compete in the market, given the subsidies in place.

2. Site Description/Evaluation

The Subject site is located along the north side of Paulding Lane, which is a local street in the city of Dallas. Surrounding the Subject are a mix of commercial and residential uses in average condition. Based on our inspection of the larger neighborhood, retail appeared to be approximately 90 percent occupied. However, there are no retail uses in the Subject’s immediate neighborhood. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 38 out of 100. The Subject site is located in a mixed-use neighborhood. The Subject has good proximity to locational amenities, most of which are within one mile of the Subject.

3. Market Area Definition

The PMA is defined by Braswell Mountain Road, Cartersville Highway, and Highway 382 to the north, Highway 92, Highway 6 to the east Hiram Sudie Road, Scoggins Road, and Highway 120 to the south, and Rockmart Highway, Willow Springs Road, McPherson Church Road, Braswell Mountain Road, to the west. This area includes Dallas, Wood Valley, and portions of Hiram. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

- North: 7.1 miles
- East: 5.0 miles
- South: 3.0 miles
- West: 4.0 miles

The PMA is defined based on interviews with the local housing authority and property managers at comparable properties. Many property managers indicated that a significant portion of their tenants come from outside of

the county. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2020 market study guidelines, we do not account for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 7.1 miles. The MSA is defined as Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area which consists of 29 counties in northwest Georgia and encompasses 8,376 square miles.

4. Community Demographic Data

The population in the PMA increased by 83.6 percent between 2000 and 2019, compared to the 41.2 percent increase in the regional MSA and 18.2 percent increase across the overall nation. The current population of the PMA is 65,073 and is expected to be 68,444 in 2021. The current number of households in the PMA is 22,303 and is expected to be 23,461 in 2024. The percentage of renter households in the PMA decreased slightly between 2010 and 2019, and is estimated to be 22.3 percent as of 2019. This is less than the estimated 33 percent of renter households across the overall nation. Renter households are concentrated in the lowest income cohorts, with 50.3 percent of renters in the PMA earning less than \$40,000 annually. The Subject will target households earning between \$0 and \$44,700 for its units as proposed and \$36,583 and \$44,700 absent subsidy; therefore, the Subject should be well positioned to service this market. Overall, strong growth in the PMA and the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

According to *RealtyTrac* statistics, one in every 15,443 housing units nationwide was in some stage of foreclosure as of June 2020. The city of Dallas is experiencing a foreclosure rate of one in every 6,967 homes, while Paulding County is experiencing foreclosure rate of one in every 7,514 homes and Georgia experienced one foreclosure in every 12,473 housing units. Overall, Dallas is experiencing a higher foreclosure rate than the nation, and slightly higher than Paulding County as a whole. The Subject's neighborhood does not have a significant amount of abandoned or vacant structures that would impact the marketability of the Subject. Due to the CARES Act passed in April 2020 in response to the COVID-19 pandemic, lenders are prohibited from foreclosing on homes with federally backed mortgages.

5. Economic Data

Employment in the PMA is concentrated in the retail trade, healthcare/social assistance, and educational services industries, which collectively comprise 36.3 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. The effects of the 2007-2009 recession were more pronounced in the MSA, which experienced a 6.9 percent employment contraction, compared to only 4.9 percent across the overall nation. Employment in the MSA recovered and surpassed pre-recessionary levels in 2015, a year after the overall nation. Total employment in the MSA increased at an annual rate of 0.9 percent over the March 2019 to March 2020 period, greater than the 0.8 percent decline for the nation as a whole.

Beginning in March 2020, the international pandemic caused by the COVID-19 coronavirus resulted in governments across the globe taking dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. Consequently, over the past three months there has been a sharp and dramatic increase in layoffs due to the economic restrictions related to the emergency response. However, governments have passed significant economic stimulus packages to help in offsetting the economic impact. Local governments have begun to lift or loosen restrictions and the stimulus passed thus far has blunted some of the impact from the emergency measures. It remains unclear as to how these measures will impact the housing market long term. However, based on the data available through two months, which indicates some multifamily real estate transactions have continued to close without repricing and rent collection losses during this period have declined less than projected, the governmental response has offset a significant portion of the economic losses presented by the emergency.

6. Project-Specific Affordability and Demand Analysis

The following table illustrates the demand and capture rates for the Subject’s units.

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Proposed Rents*
2BR @ 60% (As Proposed)	\$0	\$44,700	40	410	0	410	9.8%	\$1,270
2BR @ 60% (Absent Subsidy)	\$36,583	\$44,700	40	70	0	70	57.1%	\$975

*Proposed rent in the absent subsidy scenario is the achievable LIHTC rent.

We believe these calculated capture rates are reasonable, particularly as these calculations do not consider demand from outside the PMA or standard rental household turnover. The capture rate for the Subject, as proposed, is within Georgia DCA thresholds. It should be noted that while the Subject’s absent subsidy scenario capture rates are elevated and above this threshold, this analysis is purely hypothetical. Therefore, we believe there is adequate demand for the Subject.

7. Competitive Rental Analysis

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes nine “true” comparable properties containing 1,052 units.

The availability of LIHTC data is considered average. We included one LIHTC and three mixed-income comparables in our analysis. The LIHTC and mixed-income properties target families, and two are located within the PMA. Due to the low number of comparable LIHTC properties in the PMA, we extended our search to Polk County to the west. These comparables are located between 1.1 and 25.9 miles of the Subject, and were built between 1992 and 2003.

The availability of market rate data is considered average. The Subject is located in Dallas and there are several market-rate properties in the area. We include five conventional properties in our analysis of the competitive market. All of the market rate properties are located in the PMA, between 0.6 and 2.0 miles from the Subject. These comparables were built between 1968 and 2001 and some have been renovated over time. There are no known recently constructed market-rate properties in the area. Overall, we believe the market rate properties used in our analysis are the most comparable. Other market rate properties are excluded based on their senior tenancy.

All of the comparable properties were interviewed since late May 2020. The majority of property managers reported that market demand has not softened as a result of the COVID-19 pandemic and state and local stay-at-home orders.

When comparing the Subject’s rents to the average comparable rent, we do not include surveyed rents at lower AMI levels given that this artificially lowers the average surveyed rent. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers rents at the 50 and 60 percent of AMI levels, and there is a distinct difference at comparable properties between rents at the two AMI levels, we do not include the 50 percent of AMI rents in the average comparable rent for the 60 percent of AMI comparison.

The overall average and the maximum and minimum adjusted rents for the comparable properties surveyed are illustrated in the table below in comparison with net rents for the Subject.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject Achievable LIHTC Rent	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
2BR @ 60%*	\$975	\$481	\$1,300	\$946	-3%

* Achievable rent assuming no subsidy

The Subject’s achievable 60 percent AMI rent, absent rental subsidy, is slightly above the surveyed average of the comparables, both LIHTC and market rate. It is noted that the 60 percent rents at the LIHTC properties in Polk County are very low, which skews the overall average downward. The Subject’s restricted rent absent subsidy is slightly higher than the surveyed average of the comparable rents.

Harris Bridge Overlook, which was constructed in 2001 and is in average condition. This property has a similar location in Dallas. This property has slightly inferior in-unit amenities as it offers washer/dryer connections, but not appliances. Further, it lacks landlord-paid cable/internet. However, Harris Bridge Overlook has extensive property amenities as it offers an exercise facility, swimming pool, and tennis courts. Further, its two-bedroom unit is larger in size and has two full baths. Accordingly, we believe the Subject’s achievable market rent is well below this property.

Crowne Ridge Townhomes is a market rate property that was built in 1983. It is in average condition, slightly inferior to the Subject’s condition upon renovation. This property is located two miles from the Subject in a similar location. Crowne Ridge offers slightly inferior in-unit amenities as it lacks washer/dryer appliances and landlord-paid cable/internet. Its property amenities are inferior as well as Crowne Ridge only offers a playground and off-site parking. This property offers larger unit sizes in comparison to the Subject. Further, Crowne Ridge has a desirable townhouse design and one and one-half baths in its two-bedroom units. The two-bedroom unrestricted rents at Crowne Ridge Townhomes is approximately eight percent higher than the Subject’s two-bedroom achievable rents at 60 percent AMI, absent subsidy.

8. Absorption/Stabilization Estimate

The following table details regional absorption data in the area. It should be noted that none of the comparables were able to provide recent absorption data, and thus, we extended our search to other properties throughout the greater Atlanta region.

ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Aspire Westside	LIHTC	Family	2020	167	10
Wisteria Place Of Mableton	LIHTC	Senior	2019	104	30
Solstice Morningside	Market	Family	2019	239	33
Entra West End	Market	Family	2019	187	20
Brentwood Senior Apartments	LIHTC	Senior	2019	70	11
Adair Court	LIHTC	Senior	2019	91	91
Platform Apartments	Market	Family	2018	324	17
Overture Barrett	Market	Senior	2018	172	8
Burrell Square	LIHTC	Family	2017	84	21
The Meridian At Redwine	Market	Family	2016	258	17
Station R Apartments	Market	Family	2016	285	14
Reynoldstown Senior Apartments	LIHTC	Senior	2016	70	70
Pad On Harvard	Market	Family	2016	109	13
Glenwood At Grant Park	Market	Family	2016	216	8
675 Highland	Market	Family	2016	125	16

Per DCA guidelines, we calculated the absorption to 93 percent occupancy. The properties experienced absorption rates ranging from eight to 91 units per month. Burrell Square is a family LIHTC development located in Rome, which is 35 miles northwest of the Subject site. Rome is also an exurban area to the northwest of Atlanta. This property offers 84 units and was fully-occupied within four months. Burrell Square is currently 99 percent occupied and maintains a waiting list. Other properties reported lower absorption rates, while the overall average is approximately 25 units per month. We considered all of the properties but given greatest weight to Burrell Square as it has a generally similar location. The Subject is currently 98 percent occupied and has a waiting list of 30 households. Post-renovation, all units at the Subject will continue to operate with rental subsidies and tenants will continue to pay 30 percent of their income towards rent. Therefore, it is likely there will be minimal turnover post-renovation. Based on the information above, we believe the Subject would be able to absorb approximately 15 to 20 units per month, for an absorption period of two to three months if it were hypothetically vacant.

9. Overall Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The stabilized LIHTC comparables are experiencing a weighted average vacancy rate of 1.9 percent, which is considered low. The majority of vacant units at Magnolia Creste are preleased to new tenants. Further, three of the four properties report waiting lists for their LIHTC units and all of the property managers at the LIHTC comparables report strong demand for affordable housing in the area. Property managers have not reported a notable change in the market as a result of the COVID-19 pandemic. Post-renovation, the Subject will offer washer/dryer appliances, which are not offered at all comparable properties. Although the Subject will not offer an extensive property amenity package, it is still expected to compete well in this market, given the subsidies in place. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered similar to slightly superior in terms of condition to the majority of the comparable properties. Given the Subject’s anticipated similar to slightly superior condition relative to the competition and the demand for affordable housing evidenced by low vacancy at LIHTC comparable properties, we believe that the Subject is feasible and will perform well.

DALLAS MANOR APARTMENTS – DALLAS, GEORGIA – MARKET STUDY

Summary Table:

(must be completed by the analyst and included in the executive summary)

Development Name:	Dallas Manor	Total # Units:	40
Location:	350 Paulding Lane Dallas, GA 30132	# LIHTC Units:	40
PMA Boundary:	North: Braswell Mountain Road, Cartersville Highway, and Highway 382; East: Highway 6 and 92; South: Hiram Sudie Road, Scoggins Road, and Highway 120; West: Rockmart Highway, Willow Springs Road, McPherson Church Road, and Braswell Mountain Road		
	Farthest Boundary Distance to Subject:		7.1 miles

Rental Housing Stock (found on page 59)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	12	1,561	26	98.3%
Market-Rate Housing	7	916	26	97.2%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	1	157	NA	N/A
LIHTC	4	488	7	98.6%
Stabilized Comps	12	1,561	26	98.3%
Properties in Construction & Lease Up	N/A	N/A	N/A	N/A

*Only includes properties in PMA

Subject Development					Average Market Rent*			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
40	2BR at 60% AMI	1	841	\$975	\$946	\$1.12	-3%	\$1,300	\$1.86

Capture Rates (found on page 57)

Targeted Population	@60% As Proposed	@60% Absent Subsidy	-	-	-	-
Capture Rate:	9.8%	57.1%	-	-	-	-

*Includes LIHTC and unrestricted (when applicable)

**Not adjusted for demand by bedroom-type.

C. PROJECT DESCRIPTION

PROJECT DESCRIPTION

1. **Project Address and Development Location:** The Subject is located at 350 Paulding Lane, Dallas, GA 30132.
2. **Construction Type:** The Subject contains three, two-story residential buildings and one, one-story community building. The Subject consists of a proposed renovation of an existing property.
3. **Occupancy Type:** Families.
4. **Special Population Target:** None.
5. **Number of Units by Bedroom Type and AMI Level:** See following property profile.
6. **Unit Size, Number of Bedrooms and Structure Type:** See following property profile.
7. **Rents and Utility Allowances:** See following property profile.
8. **Existing or Proposed Project-Based Rental Assistance:** See following property profile.
9. **Proposed Development Amenities:** See following property profile.

Dallas Manor

Location 350 Paulding Lane
 Dallas, GA 30132
 Paulding County

Units 40

Vacant Units 1

Vacancy Rate 2.50%

Type Garden
 (2 stories)

Year Built / Renovated 1979 / 2021



Utilities

A/C	not included – central	Other Electric	not included
Cooking	not included – electric	Water	included
Water Heat	not included – electric	Sewer	included
Heat	not included – electric	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
2	1	Garden	40	841	\$1,270	\$0	@60% (Section 8)	Yes	1	2.50%	N/A

Amenities

In-Unit	Blinds	Property	Clubhouse/Meeting Room/Community Room Central Laundry Off-Street Parking On-Site Management Picnic Area Playground
	Carpeting		
	Central A/C		
	Coat Closet		
	Dishwasher		
	Microwave		
	Oven		
	Refrigerator		
	Walk-In Closet		
	Washer/Dryer		
Washer/Dryer hookup			
Security	Patrol	Premium	none
	Video Surveillance		
Services	none	Other	none

Comments

The Subject is an existing 40-unit Section 8 development offering two-bedroom units contained in three, two-story garden-style residential buildings. All units benefit by a Section 8 HAP contract. The Subject's current HAP contract expires in 2032.

10. Scope of Renovations:

The Subject is proposed for renovation with low income housing tax credits (LIHTC). Hard costs of renovations are estimated to be \$2,388,550 or \$59,713 per unit. The scope of renovations will include, but not be limited to the following:

- Installation of new fenced playground with benches
- Replacement of walkway and stair rails
- Replacement of exterior accent siding
- Replacement of interior and exterior doors
- Replacement of interior floor coverings
- Replacement of kitchen appliances; add dishwasher and microwave
- Install stackable in-unit washers and dryers for all units
- Replacement of mailbox and kiosk
- Replacement of kitchen cabinets and countertops
- Replacement of blinds
- Replacement of bathroom fixtures
- Replacement of HVAC systems
- Repaving of the parking lot
- New video surveillance

Current Rents:

According to information provided by the client, the current HAP contract rent for all units at the Subject is \$845. Tenants pay 30 percent of their income as rent.

Current Occupancy:

The Subject is currently 97.5 percent occupied and has one vacant unit as of the rent roll dated May 27, 2020. The Subject operates as a subsidized property and has a waiting list of 30 households.

Current Tenant Income:

Average income of the Subject's current tenants is not available. However, all tenants are likely to be income-qualified under the LIHTC program at the 60 percent of AMI level.

11. Placed in Service Date:

The Subject was originally built in 1979. Renovations will occur with tenants in place. Therefore, units will be placed back in service on a rolling basis. Renovations are scheduled to begin in December 2020 and be completed in November 2021. We will utilize 2021 as the market entry year for demographic purposes according to the DCA Market Study Manual.

Conclusion:

Upon renovation, the Subject will be a good-quality garden-style apartment property, comparable to most of the multifamily inventory in the area. As a renovated development, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical deterioration.

D.SITE EVALUATION

1. **Date of Site Visit and Name of Inspector:** Brian Neukam visited the site on June 22, 2020.

2. **Physical Features of the Site:** The following illustrates the physical features of the site.

Frontage: The Subject site has frontage along the north side of Paulding Lane.

Visibility/Views: The Subject is located in a mixed-use neighborhood in Dallas, Georgia. Views consist of vacant land to the north, commercial buildings to the east, and the Paulding Lane Homes public housing development to the south and west. Overall, the Subject site has average views and visibility.

Surrounding Uses: The following map illustrates the surrounding land uses.



Source: Google Earth, June 2020

The Subject site is located on the north side of Paulding Lane. Adjacent north of the Subject site is vacant land following by an active railroad track. According to data provided by the Federal Railroad Administration, approximately 25 trains pass through this vicinity on a daily basis 24 hours a day. Train speeds are no more than 50 miles

per hour according to this data, and horns are used. Nonetheless, we do not believe that passing trains are a detrimental influence as the Subject has operated successfully in the past as a subsidized property. To the east of the Subject, along Academy Drive, are smaller scale commercial buildings in average condition. To the south and west of the Subject is the Paulding Lane Homes public housing complex, which is in average condition. Based on our inspection of the larger neighborhood, retail appeared to be 90 percent occupied. However, there are no retail uses in the Subject's immediate neighborhood. The Subject site is considered "Car-Dependent" by Walkscore with a rating of 38 out of 100. The Subject site has good proximity to locational amenities, most of which are within one mile of the Subject.

Positive/Negative Attributes of Site:

The Subject's close proximity to locational amenities, as well as its surrounding uses, which are in average condition, are considered positive attributes. A negative attribute is the active railroad track to the north, however has not negatively impacted the Subjects historic operations or marketability in the past as a subsidized property.

3. Physical Proximity to Locational Amenities:

The Subject is located within 4.5 miles of all locational amenities, and most are within one mile.

4. Pictures of Site and Adjacent Uses:

The following are pictures of the Subject site and adjacent uses.



View of Subject



View of Subject



View west on Paulding Lane



View east on Paulding Lane



View of Subject



Subject community building



Leasing office at Subject property



Community room at Subject property



Typical bedroom at Subject property



Typical bedroom at Subject property



Typical bathroom at Subject property



Typical bathroom at Subject property



Typical kitchen at Subject Property



Typical kitchen at Subject property



Typical closet at Subject Property



Typical closet at Subject property



Typical living room at Subject Property



Typical living room at Subject Property



Typical stairwell at Subject Property



Parking area at Subject Property



Mailbox at Subject Property



Playground at Subject Property



Central Laundry room at Subject property



Leasing office bathroom at Subject property



Single-family home in Subject neighborhood



Public housing west of Subject



Single-family home in Subject neighborhood



Single-family home in Subject neighborhood



Single-family home in Subjects neighborhood



Single-family home in Subjects neighborhood



Warehouse south of Subject



Dallas Elementary School south of Subject



Technical College east of Subject



Technical College east of Subject



Grocery store southeast of Subject



Commercial use southeast of Subject

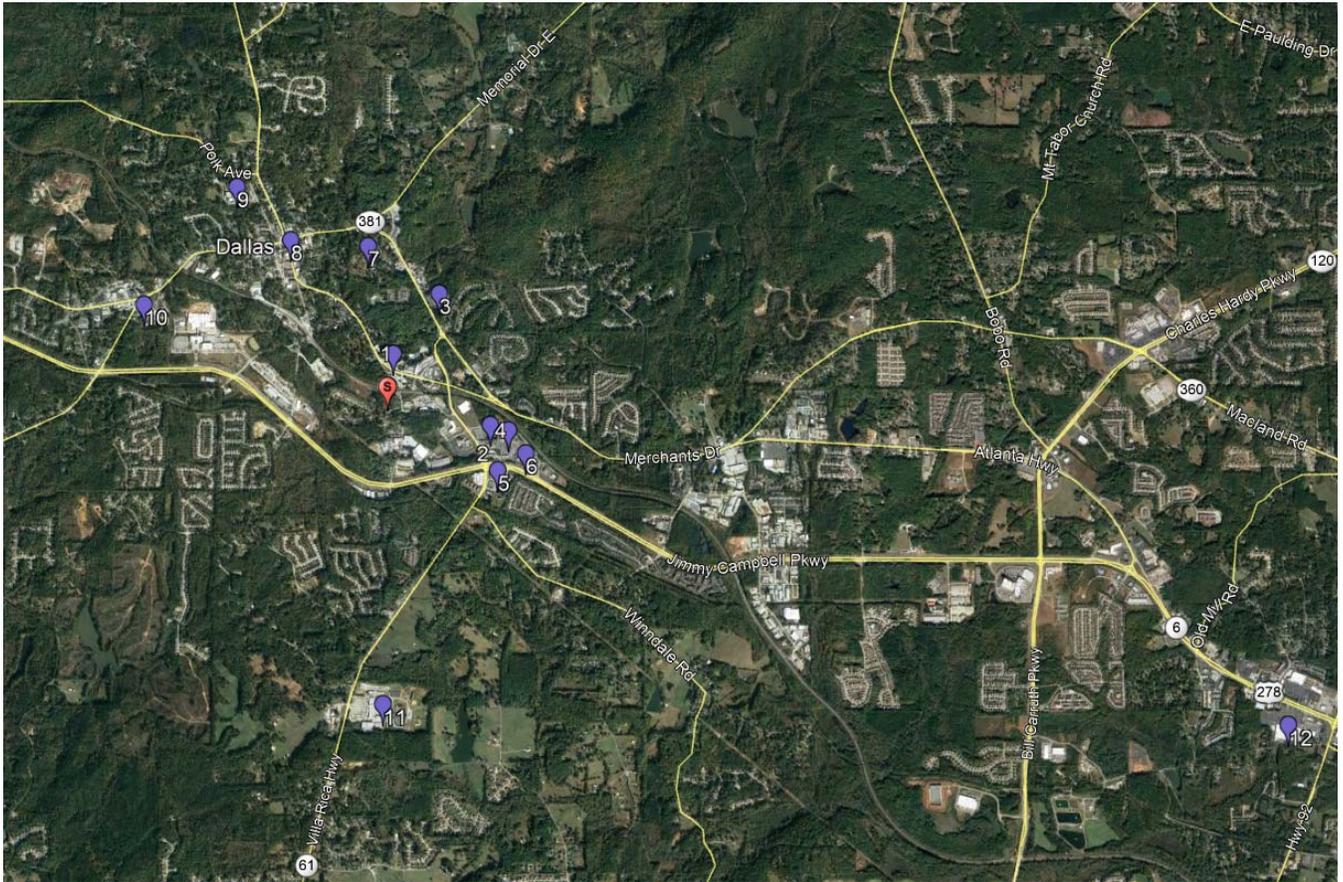


Pharmacy southeast of Subject



Commercial use southeast of Subject

5. Proximity to Locational Amenities:



Source: Google Earth, June 2020

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (Crow)
1	Dallas Elementary School	0.2 miles
2	Paulding County Fire Station	0.5 miles
3	United States Postal Service	0.6 miles
4	Kroger	0.6 miles
5	Walgreens	0.6 miles
6	Wells Fargo Bank	0.7 miles
7	Dallas City Park	0.8 miles
8	Dallas Police Department	0.9 miles
9	Herschel Jones Middle School	1.3 miles
10	Wellstar Paulding Hospital	1.3 miles
11	Paulding County High School	1.4 miles
12	Walmart Supercenter	4.5 miles

6. Description of Land Uses

The Subject site is located north side of Paulding Lane. Adjacent north of the Subject site is vacant land following by active railroad tracks. Farther north are commercial uses. To the east, along Academy Drive, are smaller scale commercial buildings in average condition. Southeast is a house of worship and the Chattahoochee Technical College. To the south and west is the Paulding Lane Homes, a 157-unit public housing property in average condition, which has been excluded as a comparable for the purposes of this report due to its subsidized nature. Based on our inspection of the larger neighborhood, retail appeared to be 90 percent occupied. However, there are no retail uses in the Subject’s immediate neighborhood. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 38 out of 100. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, most of which are within one mile of the Subject site.

7. Crime:

The following table illustrates crime statistics in the Subject’s PMA compared to the MSA.

2019 CRIME INDICES

	PMA	Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area
Total Crime*	49	139
Personal Crime*	31	130
Murder	26	155
Rape	48	88
Robbery	25	163
Assault	32	118
Property Crime*	51	140
Burglary	55	147
Larceny	50	134
Motor Vehicle Theft	55	178

Source: Esri Demographics 2019, Novogradac Consulting LLP, July 2020

*Unweighted aggregations

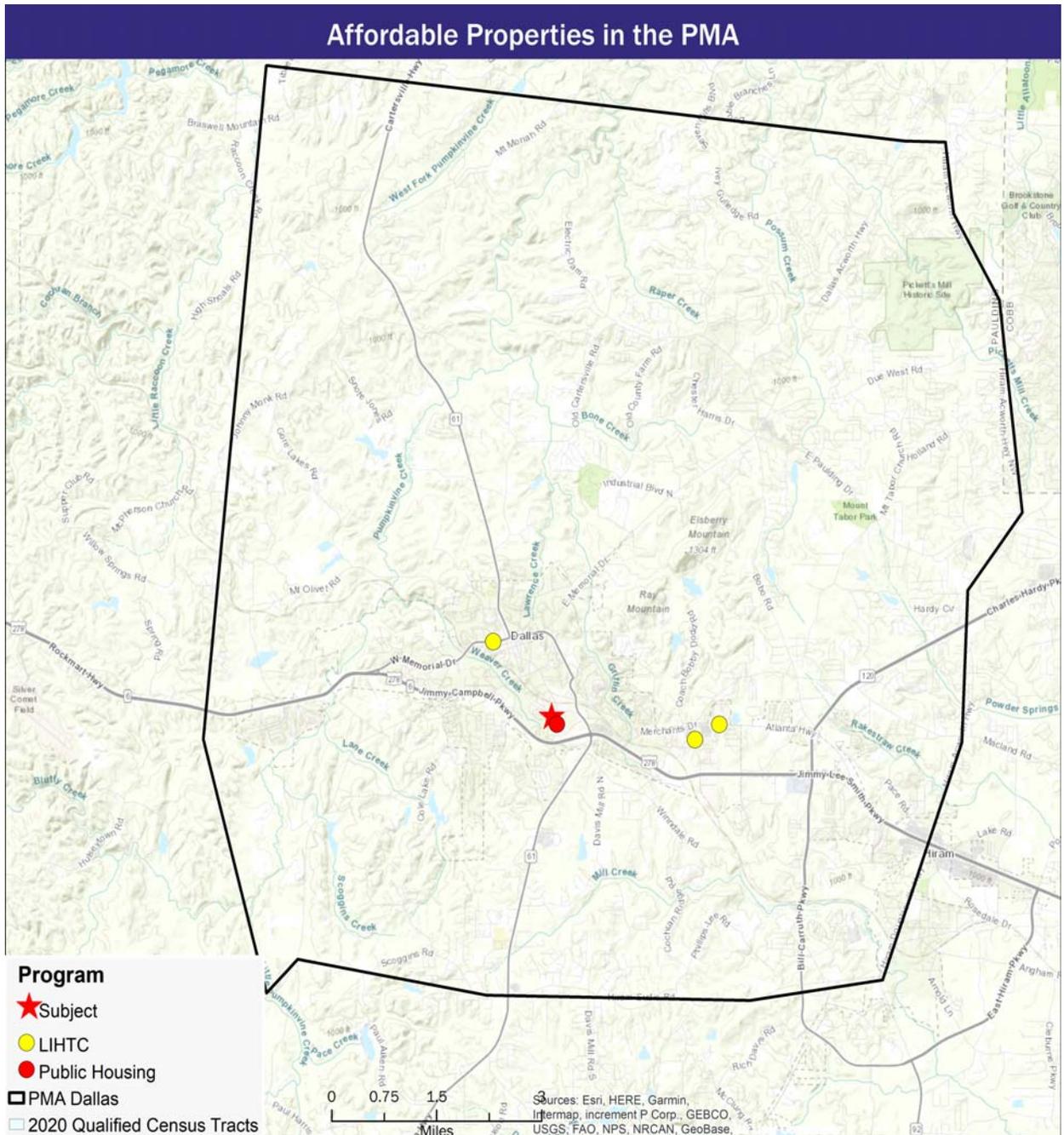
Total crime risk indices in the PMA are well-below the national average and below the MSA. Post-renovation, the Subject will offer surveillance cameras and a security patrol. The majority of rent comparables do not have security features.

8. Existing Assisted Rental Housing Property Map:

The following map and list identifies all assisted rental housing properties in the PMA.

AFFORDABLE PROPERTIES IN THE PMA

Property Name	Program	Location	Tenancy	# of Units	Distance from Subject	Map Color
Dallas Manor	LIHTC/Section 8	Dallas	Family	40	-	Star
Campbell Creek	LIHTC/Market	Dallas	Family	80	1.1 miles	Yellow
Creekstone Apartments	LIHTC	Dallas	Senior	108	2.6 miles	Yellow
Magnolia Creste Apartments	LIHTC	Dallas	Family	177	2.3 miles	Yellow
Paulding Lane Homes	Public Housing	Dallas	Family	157	0.5 miles	Red



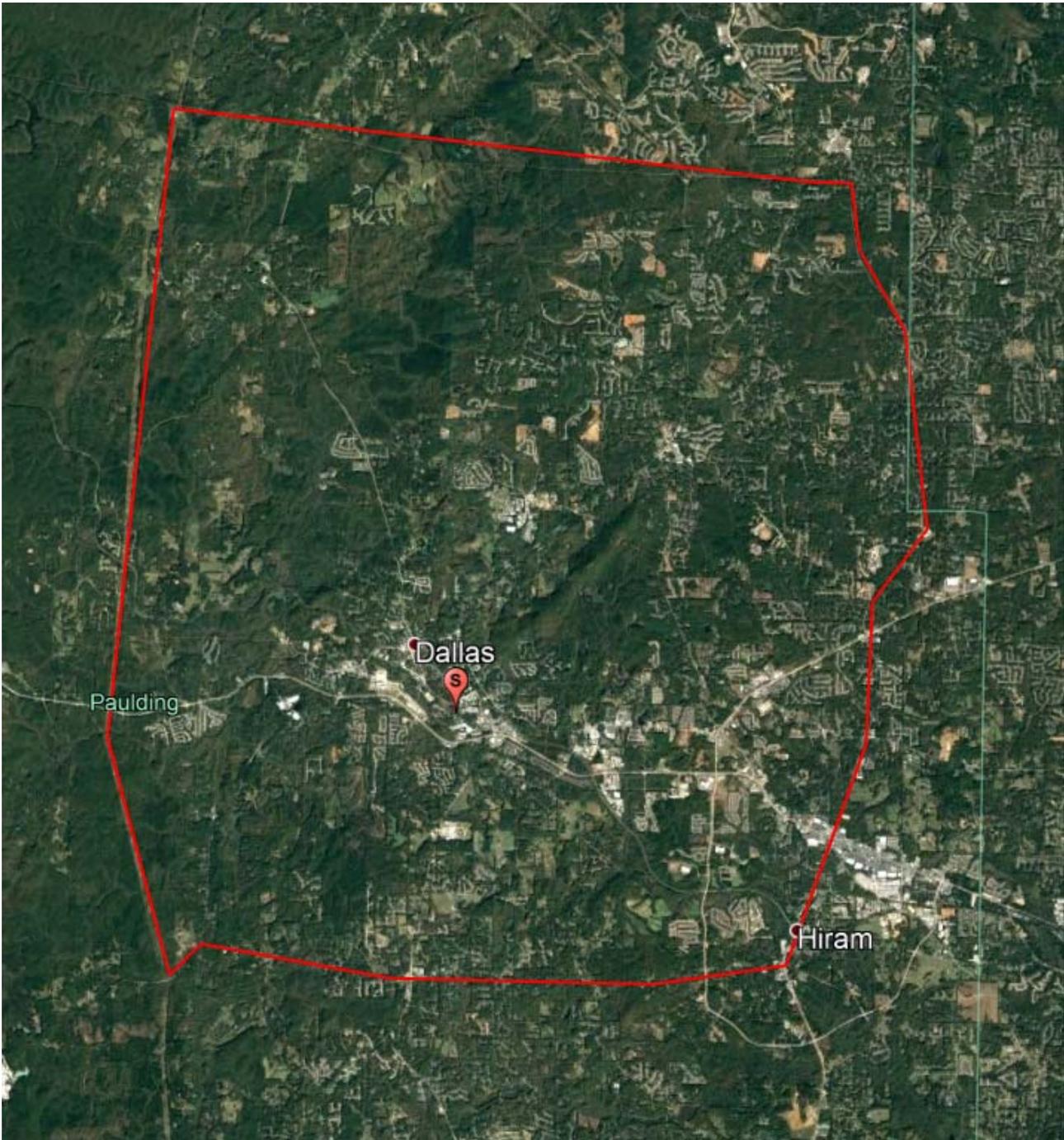
- 9. Road, Infrastructure or Proposed Improvements:** We did not witness any road, infrastructure or proposed improvements during our field work.
- 10. Access, Ingress-Egress and Visibility of Site:** The Subject site is accessible from Paulding Lane, which is a lightly trafficked two-lane street that traverses east/west and connects to Academy Drive approximately 0.1 miles to the east of the Subject. Academy Drive provides access to Highway 278, approximately 0.3 miles to the south. Highway 278 is a major highway that provides convenient access to other employment centers in the region including the Atlanta area to the east. Overall, access and traffic flow are considered good.
- 11. Conclusion:** The Subject site is located on the north side of Paulding Lane and is located in a mixed-use neighborhood. Nearby uses include a public housing complex and commercial uses. Based on our inspection of the larger neighborhood, retail uses appeared to be 90 percent occupied. The Subject site is considered a desirable building site for rental housing. The Subject’s location has a Walk Score of 38 and is considered “Car Dependent.” The Subject site has good proximity to locational amenities, most of which are within one mile.

E. MARKET AREA

PRIMARY MARKET AREA

For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

Primary Market Area Map



Source: Google Earth, June 2020

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Primary Market Area (PMA) and the as Atlanta-Sandy Springs-Roswell, GA MSA are areas of growth or contraction.

The PMA is defined by Braswell Mountain Road, Cartersville Highway, and Highway 382 to the north, Highway 92, Highway 6 to the east, Hiram Sudie Road, Scoggins Road, and Highway 120 to the south, and Rockmart Highway, Willow Springs Road, McPherson Church Road, Braswell Mountain Road, to the west. This area includes Dallas, Wood Valley, and portions of Hiram. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 7.1 miles
East: 5.0 miles
South: 3.0 miles
West: 4.0 miles

The PMA is defined based on interviews with the local housing authority and property managers at comparable properties. Many property managers indicated that a significant portion of their tenants come from outside of the county. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2020 market study guidelines, we do not account for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 7.1 miles. The MSA is defined as Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area which consists of 29 counties in northwest Georgia and encompasses 8,376 square miles.

F. COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and MSA are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and MSA. The Subject’s expected completion date is in November 2021.

1. Population Trends

The following tables illustrate (a) Total Population and (b) Population by Age Group within the population in the MSA, the PMA and nationally from 2000 through 2024.

1a. Total Population

The following table illustrates the total population within the PMA, MSA and nation from 2000 through 2024.

Year	PMA		Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	35,436	-	4,240,804	-	281,250,431	-
2010	53,546	5.1%	5,286,728	2.5%	308,745,538	1.0%
2019	65,073	2.3%	5,986,262	1.4%	332,417,793	0.8%
Projected Mkt Entry November 2021	68,444	2.2%	6,196,184	1.5%	338,517,037	0.8%
2024	72,296	2.2%	6,436,095	1.5%	345,487,602	0.8%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

Historical population growth in the PMA exceeded the MSA between 2000 and 2010. Both geographic areas experienced population growth greater than the overall nation during the same time period. Population growth in the PMA slowed significantly between 2010 and 2019; however, it still increased at a faster rate than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 2.2 percent through 2024, which is above projected growth in the MSA and nation.

1b. Total Population by Age Group

The following table illustrates the total population within the PMA and MSA and nation from 2000 to 2024.

POPULATION BY AGE GROUP

Age Cohort	PMA			Projected Mkt	2024
	2000	2010	2019	Entry November 2021	
0-4	3,068	4,306	4,762	5,016	5,306
5-9	3,114	4,499	4,845	5,068	5,323
10-14	2,859	4,370	4,747	4,996	5,281
15-19	2,343	3,997	4,421	4,590	4,784
20-24	2,158	3,133	4,095	4,173	4,263
25-29	2,983	3,675	5,093	5,212	5,349
30-34	3,404	4,137	4,729	5,417	6,203
35-39	3,467	4,562	4,731	5,002	5,312
40-44	2,912	4,522	4,568	4,705	4,861
45-49	2,116	4,053	4,740	4,629	4,502
50-54	1,913	3,326	4,468	4,548	4,639
55-59	1,411	2,520	3,967	4,107	4,266
60-64	1,072	2,208	3,198	3,509	3,864
65-69	841	1,554	2,473	2,741	3,047
70-74	683	986	1,871	2,015	2,180
75-79	517	747	1,142	1,345	1,576
80-84	308	519	658	770	898
85+	270	432	563	599	641
Total	35,439	53,546	65,071	68,442	72,295

Source: Esri Demographics 2019, Novogradac Consulting LLP, July 2020

POPULATION BY AGE GROUP

Age Cohort	Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area				
	2000	2010	2019	Projected Mkt	2024
				Entry November 2021	
0-4	316,900	380,735	385,594	399,972	416,403
5-9	324,231	394,306	399,707	407,575	416,566
10-14	312,353	390,992	411,242	418,909	427,671
15-19	289,356	378,372	395,799	405,119	415,770
20-24	289,793	341,650	393,640	398,019	403,023
25-29	362,507	377,057	459,751	458,336	456,719
30-34	379,658	386,120	430,822	469,429	513,551
35-39	394,076	417,987	424,488	445,515	469,545
40-44	357,821	415,233	402,125	418,012	436,169
45-49	305,207	411,635	419,005	409,689	399,042
50-54	265,159	364,330	398,245	403,381	409,251
55-59	185,162	301,331	389,800	387,267	384,373
60-64	130,306	252,453	334,576	353,083	374,234
65-69	101,281	170,690	272,622	292,719	315,688
70-74	82,781	114,130	203,614	223,032	245,224
75-79	65,290	81,144	124,334	148,323	175,739
80-84	42,487	57,082	72,799	84,797	98,510
85+	36,415	51,481	68,099	73,007	78,617
Total	4,240,783	5,286,728	5,986,262	6,196,184	6,436,095

Source: Esri Demographics 2019, Novogradac Consulting LLP, July 2020

The largest age cohorts in the PMA at the time of market entry are between 25 and 34, which indicates the presence of families. Further, population in most age cohorts is expected to grow through 2024.

2. Household Trends

The following tables illustrate (a) Total Households and Average Household Size, (b) Household Tenure, (c) Households by Income, (d) Renter Households by Size, within the population in the MSA, the PMA and nationally from 2000 through 2024.

2a. Total Number of Households and Average Household Size

The following tables illustrate the total number of households and average household size within the PMA, MSA, and nation from 2000 through 2024.

HOUSEHOLDS

Year	PMA		Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	12,519	-	1,551,771	-	105,409,439	-
2010	18,548	4.8%	1,943,884	2.5%	116,716,296	1.1%
2019	22,303	2.2%	2,195,127	1.4%	125,168,557	0.8%
Projected Mkt Entry November 2021	23,465	2.2%	2,270,855	1.5%	127,231,693	0.7%
2024	24,792	2.2%	2,357,402	1.5%	129,589,563	0.7%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

AVERAGE HOUSEHOLD SIZE

Year	PMA		Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.81	-	2.68	-	2.59	-
2010	2.86	0.2%	2.67	0.0%	2.58	-0.1%
2019	2.90	0.2%	2.69	0.1%	2.59	0.1%
Projected Mkt Entry November 2021	2.90	0.0%	2.69	0.0%	2.60	0.1%
2024	2.90	0.0%	2.69	0.0%	2.60	0.1%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

Historical household growth in the PMA exceeded the MSA between 2000 and 2010. Both geographic areas experienced household growth greater than the overall nation during the same time period. Household growth in the PMA slowed significantly between 2010 and 2019, however, increased at a faster rate than the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 2.2 percent through 2024, which is above projected growth in the MSA and nation.

The average household size in the PMA is larger than that of the MSA and the nation. According to ESRI demographic projections, household sizes in the PMA will remain stable along with the MSA and the nation through 2024.

2b. Households by Tenure

The table below depicts household growth by tenure from 2000 through 2024.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	10,008	79.9%	2,511	20.1%
2019	17,322	77.7%	4,981	22.3%
Projected Mkt Entry November 2021	18,400	78.4%	5,064	21.6%
2024	19,633	79.2%	5,159	20.8%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

As the table illustrates, households within the PMA reside mostly in owner-occupied residences. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, there is a smaller percentage of renters in the PMA than the nation. This percentage is projected to decrease slightly over the next five years, but the number of renter-occupied units is projected to increase.

2c. Household Income

The following table depicts renter household income in the PMA in 2019, market entry, and 2024.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2019		Projected Mkt Entry November 2021		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	527	10.6%	515	10.2%	501	9.7%
\$10,000-19,999	604	12.1%	583	11.5%	560	10.9%
\$20,000-29,999	781	15.7%	758	15.0%	731	14.2%
\$30,000-39,999	593	11.9%	567	11.2%	538	10.4%
\$40,000-49,999	475	9.5%	505	10.0%	539	10.4%
\$50,000-59,999	423	8.5%	409	8.1%	392	7.6%
\$60,000-74,999	572	11.5%	590	11.6%	610	11.8%
\$75,000-99,999	584	11.7%	601	11.9%	620	12.0%
\$100,000-124,999	172	3.5%	200	3.9%	232	4.5%
\$125,000-149,999	37	0.7%	61	1.2%	89	1.7%
\$150,000-199,999	160	3.2%	186	3.7%	216	4.2%
\$200,000+	53	1.1%	89	1.8%	131	2.5%
Total	4,981	100.0%	5,064	100.0%	5,159	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, June 2020

RENTER HOUSEHOLD INCOME DISTRIBUTION - Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area

Income Cohort	2019		Projected Mkt Entry November 2021		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	94,956	12.1%	94,100	11.7%	93,121	11.4%
\$10,000-19,999	112,094	14.3%	109,948	13.7%	107,496	13.1%
\$20,000-29,999	109,706	14.0%	108,636	13.5%	107,414	13.1%
\$30,000-39,999	99,854	12.7%	99,587	12.4%	99,281	12.1%
\$40,000-49,999	82,057	10.4%	82,703	10.3%	83,442	10.2%
\$50,000-59,999	63,585	8.1%	65,321	8.1%	67,305	8.2%
\$60,000-74,999	70,002	8.9%	72,656	9.1%	75,689	9.2%
\$75,000-99,999	64,648	8.2%	68,789	8.6%	73,521	9.0%
\$100,000-124,999	35,249	4.5%	38,457	4.8%	42,124	5.1%
\$125,000-149,999	18,802	2.4%	21,259	2.7%	24,068	2.9%
\$150,000-199,999	17,905	2.3%	20,329	2.5%	23,099	2.8%
\$200,000+	16,753	2.1%	20,080	2.5%	23,882	2.9%
Total	785,611	100.0%	801,865	100.0%	820,442	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, July 2020

The Subject will target tenants earning between \$0 and \$44,700 as proposed and between \$36,583 and \$44,700 absent subsidy. As the table above depicts, approximately 50.3 percent of renter households in the PMA and 53.0 percent in the MSA are earning incomes between \$0 and \$39,999. For the projected market entry date of November 2021, this percentage is projected to slightly decrease to 47.9 percent and 51.4 percent in the PMA and MSA, respectively.

2d. Renter Households by Number of Persons in the Household

The following table illustrates household size for all households in 2019, 2021 and 2024. To determine the number of renter households by number of persons per household, the total number of households is adjusted by the percentage of renter households.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

Household Size	2019		Projected Mkt Entry November 2021		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	1,597	32.1%	1,639	32.4%	1,686	32.7%
2 Persons	1,048	21.0%	1,051	20.8%	1,054	20.4%
3 Persons	932	18.7%	937	18.5%	943	18.3%
4 Persons	717	14.4%	732	14.5%	750	14.5%
5+ Persons	687	13.8%	705	13.9%	726	14.1%
Total Households	4,981	100%	5,064	100%	5,159	100%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, July 2020

The majority of renter households in the PMA are one to three-person households. This bodes well for the Subject as it offers two-bedroom units.

Conclusion

The population in the PMA increased by 83.6 percent between 2000 and 2019, compared to the 41.2 percent increase in the regional MSA and 18.2 percent increase across the overall nation. The current population of the PMA is 65,073 and is expected to be 68,444 in 2021. The current number of households in the PMA is 22,303 and is expected to be 23,461 in 2024. The percentage of renter households in the PMA decreased

slightly between 2010 and 2019, and is estimated to be 22.3 percent as of 2019. This is less than the estimated 33 percent of renter households across the overall nation. Renter households are concentrated in the lowest income cohorts, with 50.3 percent of renters in the PMA earning less than \$40,000 annually. The Subject will target households earning between \$0 and \$44,700 for its units as proposed and \$36,583 and \$44,700 absent subsidy; therefore, the Subject should be well positioned to service this market. Overall, strong growth in the PMA and the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

G. EMPLOYMENT TRENDS

Employment Trends

The PMA and Paulding County are economically reliant on the healthcare/social assistance, retail trade, and educational services sectors. While the retail trade sector is volatile in times of economic downturn, the healthcare/social assistance sector is traditionally more stable. The local economy appears to be diverse and low paying jobs in the healthcare/social assistance, educational services, and retail trade sectors are expected to generate demand for affordable housing in the PMA.

1. Covered Employment

The following table illustrates the total jobs (also known as “covered employment”) in Paulding County. Note that the data below is the most recent data available.

COVERED EMPLOYMENT
Paulding County, Georgia

Year	Total Employment	% Change
2008	64,420	-
2009	61,065	-5.5%
2010	66,352	8.0%
2011	67,219	1.3%
2012	68,282	1.6%
2013	69,166	1.3%
2014	70,045	1.3%
2015	72,166	2.9%
2016	75,983	5.0%
2017	79,427	4.3%
2018	80,981	1.9%
2019 YTD Average	81,719	2.8%
Dec-18	80,851	-
Dec-19	83,219	2.8%

Source: U.S. Bureau of Labor Statistics
YTD as of Mar 2019

As illustrated in the table above, Paulding County exhibited consistent employment growth from 2010 through 2019. However, it is important to note that the above data is dated and does not reflect the impact from the COVID-19 pandemic, which is discussed and analyzed in further detail following this section. Georgia has begun to reopen several businesses in the state as of April 2020, but a return to full economic potential is unlikely while the global health crisis continues.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Paulding County as of the second quarter of 2018.

TOTAL JOBS BY INDUSTRY
Paulding County, Georgia - Q2 2018

	Number	Percent
Total, all industries	18,449	-
Goods-producing	3,178	-
Natural resources and mining	33	0.2%
Construction	2,069	11.2%
Manufacturing	1,076	5.8%
Service-providing	15,271	-
Trade, transportation, and utilities	5,292	28.7%
Information	170	0.9%
Financial activities	641	3.5%
Professional and business services	1,803	9.8%
Education and health services	3,178	17.2%
Leisure and hospitality	3,466	18.8%
Other services	618	3.3%
Unclassified	103	0.6%

Source: Bureau of Labor Statistics, 2019

Trade, transportation, and utilities is the largest industry in Paulding County, followed by education and health services. Trade and transportation industries are particularly vulnerable in economic downturns and are historically volatile industries. Health services are more stable during recessionary periods. The following table illustrates employment by industry for the PMA as of 2019 (most recent year available). Health services are

historically stable during recessionary periods. The following table illustrates employment by industry for the PMA as of 2019 (most recent year available).

2019 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Retail Trade	4,458	14.2%	17,127,172	10.7%
Healthcare/Social Assistance	3,867	12.3%	22,612,482	14.1%
Educational Services	3,092	9.8%	14,565,802	9.1%
Construction	2,985	9.5%	11,245,975	7.0%
Manufacturing	2,936	9.3%	16,057,876	10.0%
Accommodation/Food Services	1,986	6.3%	11,738,765	7.3%
Transportation/Warehousing	1,835	5.8%	7,876,848	4.9%
Prof/Scientific/Tech Services	1,719	5.5%	11,744,228	7.3%
Other Services	1,676	5.3%	8,141,078	5.1%
Admin/Support/Waste Mgmt Svcs	1,622	5.2%	6,106,184	3.8%
Finance/Insurance	1,285	4.1%	7,377,311	4.6%
Public Administration	929	3.0%	7,828,907	4.9%
Information	758	2.4%	3,157,650	2.0%
Wholesale Trade	732	2.3%	4,183,931	2.6%
Arts/Entertainment/Recreation	567	1.8%	3,332,132	2.1%
Real Estate/Rental/Leasing	539	1.7%	3,204,043	2.0%
Utilities	334	1.1%	1,276,400	0.8%
Mgmt of Companies/Enterprises	84	0.3%	237,307	0.1%
Agric/Forestry/Fishing/Hunting	19	0.1%	1,915,709	1.2%
Mining	8	0.0%	819,151	0.5%
Total Employment	31,431	100.0%	160,548,951	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

Employment in the PMA is concentrated in the retail trade, healthcare/social assistance, and educational services industries, which collectively comprise 36.3 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. Further, this sector has been adversely affected by the COVID-19 pandemic. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the retail trade, construction, and administrative/support/waste management services industries. Conversely, the PMA is underrepresented in the public administration, professional/scientific/tech services, and agricultural/forestry/fishing/hunting industries.

3. Major Employers

The table below shows the largest employers in Paulding County. It is worth noting the number of employees at each employer was not available.

MAJOR EMPLOYERS

Paulding County, Georgia

#	Employer Name	Industry
1	Chick-Fil-A	Restaurants
2	Learning Bridge	Educational Services
3	Metromont	Manufacturing
4	Immediate Care	Healthcare
5	Publix Super Markets	Grocery
6	Target	Retail
7	The Kroger Co.	Grocery
8	Visiting Angels	Healthcare
9	Walmart	Retail
10	Wellstar Health	Healthcare

Source: Georgia Department of Labor, Retrieved June 2020

The county is relatively diversified and the effects of the economic downturn associated with the COVID-19 pandemic have been no worse than the nation as a whole. In addition, the healthcare industry, which is among the top employers in the MSA, is a historically stable sector.

Expansions/Contractions

The following table illustrates the layoffs and closures of significance that occurred or were announced since January 1, 2018 in Paulding County according to the Georgia Department of Labor.

WARN LISTINGS

Paulding County, GA

Company	Industry	Employees Affected	Layoff Date
Southern Exposure Technical Services	Manufacturing	4	4/27/2020
Vision Works	Retail	7	4/4/2020
Total		11	

Source: Georgia Department of Labor, Retrieved June 2020

As illustrated in the above table, there have been only eleven employees in the area impacted by layoffs or closures since 2018. However, beginning in March 2020, the international pandemic caused by the COVID-19 coronavirus resulted in governments across the globe taking dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. Consequently, over the past two months there has been a sharp and dramatic increase in layoffs due to the economic restrictions related to the emergency response. However, governments have passed significant economic stimulus packages to help in offsetting the economic impact. Local governments have begun to lift or loosen restrictions and the stimulus passed thus far has blunted some of the impact from the emergency measures. It remains unclear as to how these measures will impact the housing market long term. However, based on the data available through two months, which indicates some multifamily real estate transactions have continued to close without repricing and rent collection losses during this period have declined less than projected, the governmental response

has offset a significant portion of the economic losses presented by the emergency. There is evidence that, despite the significant level of recent layoffs, many other area employers are hiring. Overall, we anticipate that the elevated layoff pace will subside now that economic restrictions have been loosened in the Subject's market area.

We attempted to contact the Dallas Chamber of Commerce. As of the date of this report, our calls have yet to be returned. We conducted our own research and were able to determine that there has not been any notable business expansions in recent years.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area from 2004 to March 2020.

EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)						
	Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area			USA		
	Total Employment	% Change	Differential from peak	Total Employment	% Change	Differential from peak
2004	2,382,163	-	-20.3%	139,252,000	-	-11.6%
2005	2,445,674	2.7%	-18.2%	141,730,000	1.8%	-10.0%
2006	2,538,141	3.8%	-15.1%	144,427,000	1.9%	-8.3%
2007	2,618,825	3.2%	-12.4%	146,047,000	1.1%	-7.3%
2008	2,606,822	-0.5%	-12.8%	145,363,000	-0.5%	-7.7%
2009	2,452,057	-5.9%	-18.0%	139,878,000	-3.8%	-11.2%
2010	2,440,037	-0.5%	-18.4%	139,064,000	-0.6%	-11.7%
2011	2,486,895	1.9%	-16.8%	139,869,000	0.6%	-11.2%
2012	2,545,474	2.4%	-14.9%	142,469,000	1.9%	-9.6%
2013	2,572,589	1.1%	-14.0%	143,929,000	1.0%	-8.6%
2014	2,611,988	1.5%	-12.6%	146,305,000	1.7%	-7.1%
2015	2,672,682	2.3%	-10.6%	148,833,000	1.7%	-5.5%
2016	2,786,479	4.3%	-6.8%	151,436,000	1.7%	-3.9%
2017	2,892,848	3.8%	-3.2%	153,337,000	1.3%	-2.7%
2018	2,941,061	1.7%	-1.6%	155,761,000	1.6%	-1.1%
2019	2,989,672	1.7%	0.0%	157,538,000	1.1%	0.0%
2020 YTD Average*	3,017,349	0.9%	-	150,876,000	-4.2%	-
Mar-2019	2,969,957	-	-	156,441,000	-	-
Mar-2020	2,995,413	0.9%	-	155,167,000	-0.8%	-

Source: U.S. Bureau of Labor Statistics, June 2020

UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area			USA		
	Unemployment Rate	Change	Differential from peak	Unemployment Rate	Change	Differential from peak
2004	4.8%	-	1.5%	5.5%	-	1.9%
2005	5.4%	0.6%	2.1%	5.1%	-0.5%	1.4%
2006	4.7%	-0.7%	1.4%	4.6%	-0.5%	1.0%
2007	4.4%	-0.2%	1.2%	4.6%	0.0%	1.0%
2008	6.2%	1.7%	2.9%	5.8%	1.2%	2.1%
2009	9.9%	3.8%	6.7%	9.3%	3.5%	5.6%
2010	10.3%	0.4%	7.0%	9.6%	0.3%	6.0%
2011	9.9%	-0.4%	6.6%	9.0%	-0.7%	5.3%
2012	8.8%	-1.1%	5.6%	8.1%	-0.9%	4.4%
2013	7.8%	-1.0%	4.5%	7.4%	-0.7%	3.7%
2014	6.7%	-1.1%	3.5%	6.2%	-1.2%	2.5%
2015	5.7%	-1.0%	2.5%	5.3%	-0.9%	1.6%
2016	5.1%	-0.6%	1.9%	4.9%	-0.4%	1.2%
2017	4.5%	-0.6%	1.3%	4.4%	-0.5%	0.7%
2018	3.8%	-0.7%	0.5%	3.9%	-0.4%	0.2%
2019	3.3%	-0.5%	0.0%	3.7%	-0.2%	0.0%
2020 YTD Average*	3.6%	0.3%	-	6.7%	3.0%	-
Mar-2019	3.5%	-	-	3.9%	-	-
Mar-2020	4.2%	0.7%	-	4.5%	0.6%	-

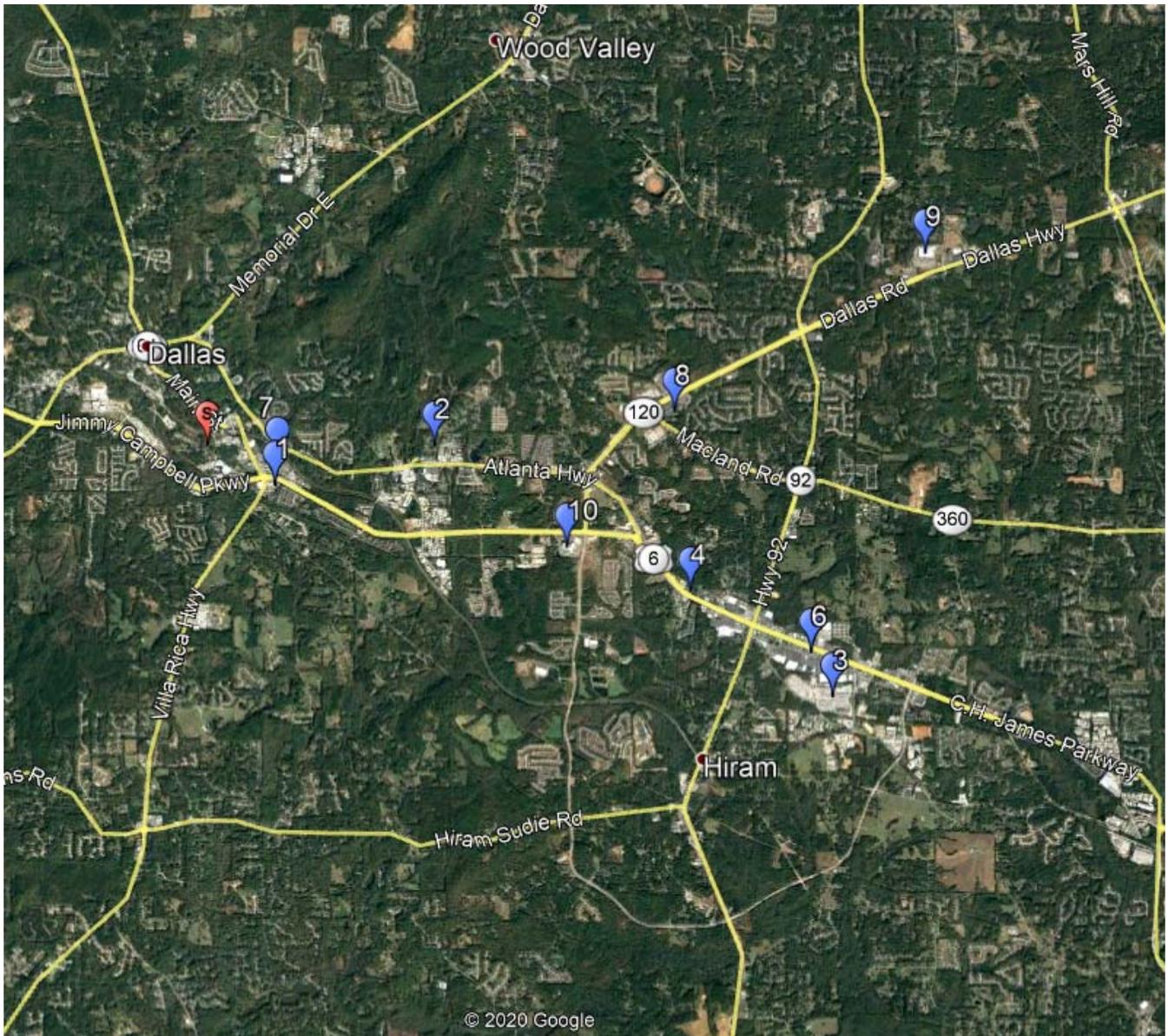
Source: U.S. Bureau of Labor Statistics, June 2020

Prior to the 2007-2009 national recession, average employment growth in the MSA generally exceeded the nation. Annual job growth in the MSA outpaced the nation in four of the five years between 2003 and 2007. The effects of that recession were particularly pronounced in the MSA, which experienced a 6.9 percent contraction in employment growth (2007-2010), well above the 4.9 percent contraction reported by the nation as a whole (2007-2010). Employment in the MSA recovered and surpassed pre-recessionary levels in 2015, a year after the overall nation. The nation entered into a recession in February 2020 due to the COVID-19 pandemic, which dramatically affected the overall economy. Total employment in the MSA increased at a 0.9 percent over the March 2019 to March 2020 period, greater than the 0.8 percent decline for the nation as a whole.

The MSA experienced a lower average unemployment rate relative to the overall nation during the years preceding the 2007-2009 recession. Unemployment in the MSA reached a historic low in 2007, before increasing as a result of the recession. Since 2012, the MSA generally experienced a similar unemployment rate compared to the overall nation. As a result of the COVID-19 pandemic and subsequent stay-at-home orders, record national unemployment claims began in March 2020 and elevated rates will likely continue in the near future. According to the most recent labor statistics, the unemployment rate in the MSA was 4.2 percent in March 2020, slightly lower than the national unemployment rate of 4.5 percent. It is unclear how temporary in nature this increase in unemployment will be for the MSA and the nation as whole.

5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in Paulding County, Georgia.



Source: Google Earth, June 2020

MAJOR EMPLOYERS

Paulding County, Georgia

#	Employer Name	Industry
1	Chick-Fil-A	Restaurants
2	Learning Bridge	Educational Services
3	Metromont	Manufacturing
4	Immediate Care	Healthcare
5	Publix Super Markets	Grocery
6	Target	Retail
7	The Kroger Co.	Grocery
8	Visiting Angels	Healthcare
9	Walmart	Retail
10	Wellstar Health	Healthcare

Source: Georgia Department of Labor, Retrieved June 2020

6. Conclusion

Employment in the PMA is concentrated in the retail trade, healthcare/social assistance, and educational services industries, which collectively comprise 36.3 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. The effects of the 2007-2009 recession were more pronounced in the MSA, which experienced a 6.9 percent employment contraction, compared to only 4.9 percent across the overall nation. Employment in the MSA recovered and surpassed pre-recessionary levels in 2015, a year after the overall nation. Total employment in the MSA increased at 0.9 percent over the March 2019 to March 2020 period, greater than the 0.8 percent decline for the nation as a whole.

Beginning in March 2020, the international pandemic caused by the COVID-19 coronavirus resulted in governments across the globe taking dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. Consequently, over the past three months there has been a sharp and dramatic increase in layoffs due to the economic restrictions related to the emergency response. However, governments have passed significant economic stimulus packages to help in offsetting the economic impact. Local governments have begun to lift or loosen restrictions and the stimulus passed thus far has blunted some of the impact from the emergency measures. It remains unclear as to how these measures will impact the housing market long term. However, based on the data available through two months, which indicates some multifamily real estate transactions have continued to close without repricing and rent collection losses during this period have declined less than projected, the governmental response has offset a significant portion of the economic losses presented by the emergency. Overall, we anticipate that the elevated layoff pace will subside now that economic restrictions have been loosened in the Subject's market area. We believe that the Subject's subsidized operation will make it more likely to weather the current economic challenges due to COVID-19 better than average (as compared with other multifamily developments).

H. PROJECT-SPECIFIC AFFORDABILITY AND DEMAND ANALYSIS

The following demand analysis evaluates the potential amount of qualified households, which the Subject would have a fair chance at capturing. The structure of the analysis is based on the guidelines provided by DCA.

1. Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income (“AMI”), adjusted for household size and utilities. The Georgia Department of Community Affairs (“DCA”) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a household will pay is 35 percent of its household income at the appropriate AMI level.

According to DCA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom). For income determination purposes, the maximum income is assumed to be 1.5 persons per bedroom rounded up to the nearest whole number. For example, maximum income for a one-bedroom unit is based on an assumed household size of two persons (1.5 persons per bedroom, rounded up). However, very few senior households have more than two persons. Therefore, we assume a maximum household size of two persons in our analysis for age restricted properties.

To assess the likely number of tenants in the market area eligible to live in the Subject, we use Census information as provided by ESRI Information Systems, to estimate the number of potential tenants who would qualify to occupy the Subject as a LIHTC project.

The maximum income levels are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the DCA website.

2. Affordability

As discussed above, the maximum income is set by DCA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. DCA guidelines utilize 35 percent for families and 40 percent for seniors. We will use these guidelines to set the minimum income levels for the demand analysis. We conducted a demand analysis for the Subject assuming both a subsidy and absent a subsidy. In the absent subsidy scenario, the minimum income limit was based on the achievable LIHTC rents for the Subject’s units.

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@60% (Section 8)	
2BR	\$0	\$44,700

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@60%	
2BR	\$36,583	\$44,700

3. Demand

The demand for the Subject will be derived from three sources: new households, existing households and elderly homeowners likely to convert to rentership. These calculations are illustrated in the following tables.

Demand from New Households

The number of new households entering the market is the first level of demand calculated. We utilized 2021, the anticipated date of market entry, as the base year for the analysis. Therefore, 2019 household population estimates are inflated to 2021 by interpolation of the difference between 2019 estimates and 2024 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2021. This number takes the overall growth from 2019 to 2021 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

Demand from Existing Households

Demand for existing households is estimated by summing two sources of potential tenants. The first source is tenants who are rent overburdened. These are households who are paying over 35 percent for family households and 40 percent for senior households of their income in housing costs. This data is interpolated using ACS data based on appropriate income levels.

The second source is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. In general, we will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject.

Demand from Elderly Homeowners likely to Convert to Rentership

An additional source of demand is also seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. It should be noted that per DCA guidelines, we lower demand from seniors who convert to homeownership to be at or below 2.0 percent of total demand.

3d. Other

Per the 2020 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we do not account for leakage from outside the PMA boundaries in our demand analysis.

DCA does not consider household turnover to be a source of market demand. Therefore, we do not account for household turnover in our demand analysis.

We calculated all of our capture rates based on household size. DCA guidelines indicate that properties with over 20 percent of their proposed units in three and four-bedroom units need to be adjusted to considered larger household sizes. Our capture rates incorporate household size adjustments for all of the Subject's units.

Net Demand

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed or placed in service from 2017 to the present.

Additions to Supply

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of DCA guidelines, we deduct the following units from the demand analysis.

- Comparable/competitive LIHTC and bond units (vacant or occupied) that were funded, are under construction, or are in properties that have not yet reached stabilized occupancy
- Comparable/competitive conventional or market rate units that are proposed, are under construction, or are in properties that have not yet reached stabilized occupancy. As the following discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

Per GA DCA guidelines, competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the Subject development.

We attempted to contact the city of Dallas Planning Department for information regarding proposed or planned multifamily developments in the Subject’s PMA. However, as of the date of this report, our calls have not been returned. Therefore, we utilized LIHTC allocation lists published by Georgia Department of Community Affairs and referenced CoStar, a national real estate research firm that analyzes apartment markets. According to these sources, there are no known planned or under construction multifamily properties in the Subject’s PMA. Further, there have been no competitive LIHTC developments awarded and/or constructed or placed in service from 2017 to the present.

The following table illustrates the total number of units removed based on existing properties as well as new properties to the market area that have been allocated or are not yet stabilized. Note that this table may illustrate non-competitive units and competitive properties that are not deducted from our demand analysis.

ADDITIONS TO SUPPLY		
Unit Type	60% AMI	Overall
2BR	0	0
Total	0	0

Rehab Developments and PBRA

For any properties that are rehab developments, the capture rates will be based on those units that are vacant, or whose tenants will be rent burdened or over income as listed on the Tenant Relocation Spreadsheet.

Units that are subsidized with PBRA or whose rents are more than 20 percent lower than the rent for other units of the same bedroom size in the same AMI band and comprise less than 10 percent of total units in the same AMI band will not be used in determining project demand. In addition, any units, if priced 30 percent lower than the average market rent for the bedroom type in any income segment, will be assumed to be leasable in the market and deducted from the total number of units in the project for determining capture rates.

Capture Rates

The above calculations and derived capture rates are illustrated in the following tables. Note that the demographic data used in the following tables, including tenure patterns, household size and income distribution through the projected market entry date of 2021 are illustrated in the previous section of this report.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2019		Projected Mkt Entry November 2021		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	527	10.6%	515	10.2%	501	9.7%
\$10,000-19,999	604	12.1%	583	11.5%	560	10.9%
\$20,000-29,999	781	15.7%	758	15.0%	731	14.2%
\$30,000-39,999	593	11.9%	567	11.2%	538	10.4%
\$40,000-49,999	475	9.5%	505	10.0%	539	10.4%
\$50,000-59,999	423	8.5%	409	8.1%	392	7.6%
\$60,000-74,999	572	11.5%	590	11.6%	610	11.8%
\$75,000-99,999	584	11.7%	601	11.9%	620	12.0%
\$100,000-124,999	172	3.5%	200	3.9%	232	4.5%
\$125,000-149,999	37	0.7%	61	1.2%	89	1.7%
\$150,000-199,999	160	3.2%	186	3.7%	216	4.2%
\$200,000+	53	1.1%	89	1.8%	131	2.5%
Total	4,981	100.0%	5,064	100.0%	5,159	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, July 2020

60% AMI (As Proposed)

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$0		Maximum Income Limit		\$44,700	
Income Category	New Renter Households - Total Change		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	in Households PMA 2019 to Prj Mrkt Entry November 2021						
\$0-9,999	-12	-14.6%	\$9,999	100.0%	-12		
\$10,000-19,999	-21	-24.7%	\$9,999	100.0%	-21		
\$20,000-29,999	-23	-28.1%	\$9,999	100.0%	-23		
\$30,000-39,999	-26	-30.9%	\$9,999	100.0%	-26		
\$40,000-49,999	30	36.0%	\$4,700	47.0%	14		
\$50,000-59,999	-14	-17.4%	\$0	0.0%	0		
\$60,000-74,999	18	21.3%	\$0	0.0%	0		
\$75,000-99,999	17	20.2%	\$0	0.0%	0		
\$100,000-124,999	28	33.7%	\$0	0.0%	0		
\$125,000-149,999	24	29.2%	\$0	0.0%	0		
\$150,000-199,999	26	31.5%	\$0	0.0%	0		
\$200,000+	36	43.8%	\$0	0.0%	0		
Total	83	100.0%		-81.4%	-68		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$0		Maximum Income Limit		\$44,700	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	527	10.6%	\$9,999	100.0%	527		
\$10,000-19,999	604	12.1%	\$9,999	100.0%	604		
\$20,000-29,999	781	15.7%	\$9,999	100.0%	781		
\$30,000-39,999	593	11.9%	\$9,999	100.0%	593		
\$40,000-49,999	475	9.5%	\$4,700	47.0%	223		
\$50,000-59,999	423	8.5%	\$0	0.0%	0		
\$60,000-74,999	572	11.5%	\$0	0.0%	0		
\$75,000-99,999	584	11.7%	\$0	0.0%	0		
\$100,000-124,999	172	3.5%	\$0	0.0%	0		
\$125,000-149,999	37	0.7%	\$0	0.0%	0		
\$150,000-199,999	160	3.2%	\$0	0.0%	0		
\$200,000+	53	1.1%	\$0	0.0%	0		
Total	4,981	100.0%		54.8%	2,728		

ASSUMPTIONS - @60%

Tenancy		Family		% of Income towards Housing		35%	
Rural/Urban		Urban		Maximum # of Occupants		4	
Persons in Household	OBR	1BR	2BR	3BR	4BR+		
1	0%	80%	20%	0%	0%		
2	0%	20%	80%	0%	0%		
3	0%	0%	60%	40%	0%		
4	0%	0%	30%	40%	30%		
5+	0%	0%	0%	50%	50%		

Demand from New Renter Households 2019 to November 2021

Income Target Population	@60%
New Renter Households PMA	83
Percent Income Qualified	-81.4%
New Renter Income Qualified Households	-68

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	@60%
Total Existing Demand	4,981
Income Qualified	54.8%
Income Qualified Renter Households	2,728
Percent Rent Overburdened Prj Mrkt Entry November 2021	39.1%
Rent Overburdened Households	1,068

Demand from Living in Substandard Housing

Income Qualified Renter Households	2,728
Percent Living in Substandard Housing	2.3%
Households Living in Substandard Housing	63

Senior Households Converting from Homeownership

Income Target Population	@60%
Total Senior Homeowners	0
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	1,132
Total New Demand	-68
Total Demand (New Plus Existing Households)	1,064

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	32.4%	344
Two Persons	20.8%	221
Three Persons	18.5%	197
Four Persons	14.5%	154
Five Persons	13.9%	148
Total	100.0%	1,064

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	80%	275
Of two-person households in 1BR units	20%	44
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	20%	69
Of two-person households in 2BR units	80%	177
Of three-person households in 2BR units	60%	118
Of four-person households in 2BR units	30%	46
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	79
Of four-person households in 3BR units	40%	62
Of five-person households in 3BR units	50%	74
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	46
Of five-person households in 4BR units	50%	74
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		1,064

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	-	-	-	=	-
2 BR	410	-	0	=	410
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	410		0		410

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	-	/	-	=	-
2 BR	40	/	410	=	9.8%
3 BR	-	/	-	=	-
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	40		410		9.8%

60% AMI (Absent Subsidy)

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT --

Minimum Income Limit		\$36,583		Maximum Income Limit		\$44,700	
Income Category	New Renter Households - Total Change in Households PMA 2019 to Prj Mrkt Entry November 2021		Income Brackets	Percent within Cohort	Renter Households within Bracket		
	\$0-9,999	-12			-14.6%	\$0	0.0%
\$10,000-19,999	-21	-24.7%	\$0	0.0%	0		
\$20,000-29,999	-23	-28.1%	\$0	0.0%	0		
\$30,000-39,999	-26	-30.9%	\$3,416	34.2%	-9		
\$40,000-49,999	30	36.0%	\$4,700	47.0%	14		
\$50,000-59,999	-14	-17.4%	\$0	0.0%	0		
\$60,000-74,999	18	21.3%	\$0	0.0%	0		
\$75,000-99,999	17	20.2%	\$0	0.0%	0		
\$100,000-124,999	28	33.7%	\$0	0.0%	0		
\$125,000-149,999	24	29.2%	\$0	0.0%	0		
\$150,000-199,999	26	31.5%	\$0	0.0%	0		
\$200,000+	36	43.8%	\$0	0.0%	0		
Total	83	100.0%		6.3%	5		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT --

Minimum Income Limit		\$36,583		Maximum Income Limit		\$44,700	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket		
	\$0-9,999	527			10.6%	\$0	0.0%
\$10,000-19,999	604	12.1%	\$0	0.0%	0		
\$20,000-29,999	781	15.7%	\$0	0.0%	0		
\$30,000-39,999	593	11.9%	\$3,416	34.2%	203		
\$40,000-49,999	475	9.5%	\$4,700	47.0%	223		
\$50,000-59,999	423	8.5%	\$0	0.0%	0		
\$60,000-74,999	572	11.5%	\$0	0.0%	0		
\$75,000-99,999	584	11.7%	\$0	0.0%	0		
\$100,000-124,999	172	3.5%	\$0	0.0%	0		
\$125,000-149,999	37	0.7%	\$0	0.0%	0		
\$150,000-199,999	160	3.2%	\$0	0.0%	0		
\$200,000+	53	1.1%	\$0	0.0%	0		
Total	4,981	100.0%		8.5%	426		

ASSUMPTIONS --

Tenancy	Family	% of Income towards Housing				35%
Rural/Urban	Urban	Maximum # of Occupants				0
Persons in Household	0BR	1BR	2BR	3BR	4BR+	
1	0%	80%	20%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	60%	40%	0%	
4	0%	0%	30%	40%	30%	
5+	0%	0%	0%	50%	50%	

Demand from New Renter Households 2019 to November 2021

Income Target Population	@60% Absent Subsidy
New Renter Households PMA	83
Percent Income Qualified	6.3%
New Renter Income Qualified Households	5

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	@60% Absent Subsidy
Total Existing Demand	4,981
Income Qualified	8.5%
Income Qualified Renter Households	426
Percent Rent Overburdened Prj Mrkt Entry November 2021	39.1%
Rent Overburdened Households	167

Demand from Living in Substandard Housing

Income Qualified Renter Households	426
Percent Living in Substandard Housing	2.3%
Households Living in Substandard Housing	10

Senior Households Converting from Homeownership

Income Target Population	@60% Absent Subsidy
Total Senior Homeowners	0
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	177
Total New Demand	5
Total Demand (New Plus Existing Households)	182

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	32.4%	59
Two Persons	20.8%	38
Three Persons	18.5%	34
Four Persons	14.5%	26
Five Persons	13.9%	25
Total	100.0%	182

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	80%	47
Of two-person households in 1BR units	20%	8
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	20%	12
Of two-person households in 2BR units	80%	30
Of three-person households in 2BR units	60%	20
Of four-person households in 2BR units	30%	8
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	13
Of four-person households in 3BR units	40%	11
Of five-person households in 3BR units	50%	13
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	30%	8
Of five-person households in 4BR units	50%	13
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		182

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	-	-	-	=	-
2 BR	70	-	0	=	70
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	70		0		70

	Developer's Unit Mix		Net Demand	Capture Rate	
0 BR	-	/	-	=	-
1 BR	-	/	-	=	-
2 BR	40	/	70	=	57.1%
3 BR	-	/	-	=	-
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	40		70		57.1%

4. Capture Rate Analysis Chart

Our demand analysis is used to determine a base of demand for the Subject as a tax credit property. Several factors affect the indicated capture rates and are discussed following.

- The number of households in the PMA is expected to increase 2.2 percent annually between 2021 and 2024.
- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

The following table illustrates demand and net demand for the Subject’s units. Note that these capture rates are not based on appropriate bedroom types, as calculated previously.

DEMAND AND NET DEMAND

	HH at @60% AMI (\$0 to \$44,700)	HH @ 60% AMI (\$36,583 to \$44,700)
Demand from New Households (age and income appropriate)	-68	5
PLUS	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	1,068	167
PLUS	+	+
Demand from Existing Renter Households - Substandard Housing	63	10
=	=	=
Sub Total	1,064	182
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	0	0
Equals Total Demand	1,064	182
Less	-	-
New Supply	0	0
Equals Net Demand	1,064	182

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents*
2BR @ 60% (As Proposed)	\$0	\$44,700	40	410	0	410	9.8%	\$946	\$481	\$1,300	\$1,270
2BR @ 60% (Absent Subsidy)	\$36,583	\$44,700	40	70	0	70	57.1%	\$946	\$481	\$1,300	\$975

*Proposed rent in the absent subsidy scenario is the achievable LIHTC rent.

As the analysis illustrates, the Subject’s capture rate at the 60 percent AMI level, as proposed, is 9.8 percent. The Subject’s capture rate at the 60 percent AMI level, absent subsidy is 57.1 percent. The capture rate for the Subject, as proposed, is within Georgia DCA threshold. It should be noted that while the Subject’s absent subsidy scenario capture rates are elevated and beyond this threshold, this analysis is purely hypothetical. Therefore, we believe there is adequate demand for the Subject.

I. COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes nine “true” comparable properties containing 1,052 units.

The availability of LIHTC data is considered average. We included one LIHTC and three mixed-income comparables in our analysis. The LIHTC and mixed-income properties target families, and two are located within the PMA. Due to the low number of comparable LIHTC properties in the PMA, we extended our search to Polk County to the west. These comparables are located between 1.1 and 25.9 miles of the Subject, and were built between 1992 and 2003.

The availability of market rate data is considered average. The Subject is located in Dallas and there are several market-rate properties in the area. We include five conventional properties in our analysis of the competitive market. All of the market rate properties are located in the PMA, between 0.6 and 2.0 miles from the Subject. These comparables were built between 1968 and 2001 and some have been renovated over time. There are no known recently constructed market-rate properties in the area. Overall, we believe the market rate properties used in our analysis are the most comparable. Other market rate properties are excluded based on their senior tenancy.

All of the comparable properties were interviewed since late May 2020. The majority of property managers reported that market demand has not softened as a result of the COVID-19 pandemic and state and local stay-at-home orders.

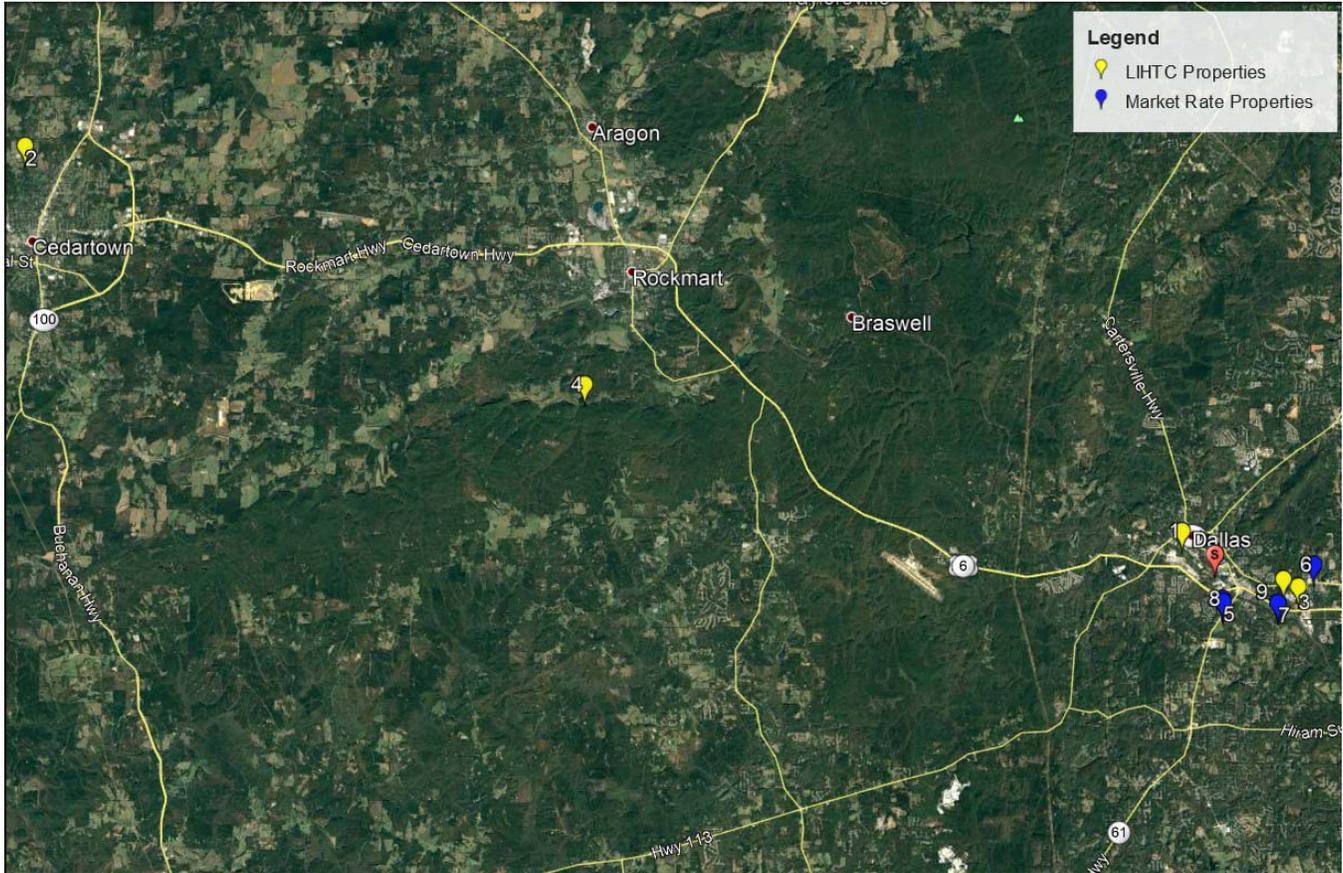
A detailed matrix describing the individual competitive properties as well as the to-be-renovated Subject is provided on the following pages. A map illustrating the location of the Subject in relation to comparable properties is also provided on the following pages. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

Excluded Properties

The following table illustrates properties within the PMA that are excluded from our analysis along with their reason for exclusion.

EXCLUDED PROPERTIES					
Property Name	Rent Structure	Location	Tenancy	# of Units	Reason for Exclusion
Creekstone Apartments	LIHTC	Dallas	Senior	80	Senior tenancy
Legacy at Walton Mill	LIHTC	Hiram	Senior	105	Senior tenancy
Paulding Lane Homes	Public Housing	Dallas	Family	157	All units have subsidy
Amberly Apartments	Market	Dallas	Senior	168	Senior tenancy
Foster Place	Market	Dallas	Senior	64	Senior tenancy

Comparable Rental Property Map



Source: Google Earth, June 2020

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Distance to Subject
S	Dallas Manor	Dallas	LIHTC/Section 8	-
1	Campbell Creek	Dallas	LIHTC/Market	1.1 miles
2	Evergreen Village*	Cedartown	LIHTC	25.9 miles
3	Magnolia Creste Apartments	Dallas	LIHTC	1.7 miles
4	Park Place Apartments*	Rockmart	LIHTC/Market	13.5 miles
5	Country Garden	Dallas	Market	0.6 miles
6	Crowne Ridge Townhomes	Dallas	Market	2.0 miles
7	Harris Bridge Overlook	Dallas	Market	1.4 miles
8	Saddlebrook Cove	Dallas	Market	0.6 miles
9	Ten 60 West	Dallas	Market	1.4 miles

*Located outside PMA

DALLAS MANOR APARTMENTS – DALLAS, GEORGIA – MARKET STUDY

The following tables illustrate detailed information in a comparable framework for the Subject and the comparable properties.

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Dallas Manor 350 Paulding Lane Dallas, GA 30132 Paulding County	-	Garden 2-stories 1979 / 2021 Family	Section 8	2BR / 1BA	40	100.0%	841	@60% (Section 8)	\$1,270	N/A	Yes	1	2.5%
						<u>40</u>							<u>1</u>	<u>2.5%</u>
1	Campbell Creek 351 W. Memorial Drive Dallas, GA 30157 Paulding County	1.1 miles	Garden 2-stories 1992 / 2008 Family	@30%, @50%, @60%, Market	2BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 1BA	8 34 22 16	10.0% 42.5% 27.5% 20.0%	894 894 894 894	@30% @50% @60% Market	\$396 \$749 \$948 \$1,000	Yes Yes Yes N/A	Yes Yes Yes Yes	N/A N/A N/A N/A	N/A N/A N/A N/A
						<u>80</u>							<u>0</u>	<u>0.0%</u>
2	Evergreen Village 110 Evergreen Lane Cedartown, GA 30125 Polk County	25.9 miles	Garden 2-stories 1999 / n/a Family	@50%, @60%	1BR / 1BA 1BR / 1BA 2BR / 1BA 2BR / 1BA 3BR / 2BA 3BR / 2BA	8 8 10 10 10 10	14.3% 14.3% 17.9% 17.9% 17.9% 17.9%	756 756 915 915 1,136 1,136	@50% @60% @50% @60% @50% @60%	\$394 \$399 \$461 \$498 \$517 \$537	No No No No No No	Yes Yes Yes Yes Yes Yes	N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A
						<u>56</u>							<u>16</u>	<u>28.6%</u>
3	Magnolia Creste Apartments 201 Butler Industrial Drive Dallas, GA 30132 Paulding County	1.7 miles	Garden 2-stories 2002 / n/a Family	LIHTC	1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA 3BR / 2BA	7 19 6 25 75 21 5 14 5	4.0% 10.7% 3.4% 14.1% 42.4% 11.9% 2.8% 7.9% 2.8%	975 975 975 1,150 1,150 1,150 1,350 1,350 1,350	@50% @60% Market @50% @60% Market @50% @60% Market	\$676 \$835 \$1,078 \$811 \$1,003 \$1,217 \$926 \$1,146 \$1,407	Yes Yes No Yes Yes N/A Yes Yes No	No No None No No No No No No	N/A N/A N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A N/A N/A
						<u>177</u>							<u>7</u>	<u>4.0%</u>
4	Park Place Apartments 800 Park Place Circle Rockmart, GA 30153 Polk County	13.5 miles	Garden 3-stories 2003 / n/a Family	@50%, @60%, Market	1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 1BA 3BR / 2BA 3BR / 2BA 3BR / 2BA	8 2 2 14 5 5 14 5 5	13.3% 3.3% 3.3% 23.3% 8.3% 8.3% 23.3% 8.3% 8.3%	677 677 677 883 883 883 1,100 1,100 1,100	@50% @60% Market @50% @60% Market @50% @60% Market	\$400 \$411 \$505 \$466 \$481 \$610 \$525 \$581 \$654	No No No No No No No No No	Yes Yes Yes Yes Yes Yes Yes Yes Yes	N/A N/A N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A N/A N/A
						<u>60</u>							<u>0</u>	<u>0.0%</u>
5	Country Garden 13 Peaceful Path Dallas, GA 30157 Paulding County	0.6 miles	Garden 2-stories 1968 / n/a Family	Market	2BR / 1BA	56	100.0%	900	Market	\$750	N/A	No	0	0.0%
						<u>56</u>							<u>0</u>	<u>0.0%</u>
6	Crowne Ridge Townhomes 400 Wl Parkway Dallas, GA 30132 Paulding County	2.0 miles	Townhouse 2-stories 1983 / n/a Family	Market	2BR / 1.5BA	45	100.0%	1,000	Market	\$1,050	N/A	No	N/A	N/A
						<u>45</u>							<u>1</u>	<u>2.2%</u>
7	Harris Bridge Overlook 1175 Old Harris Road Dallas, GA 30157 Paulding County	1.4 miles	Garden 3-stories 2001 / n/a Family	Market	1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA	N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A	660 912 1,048 1,173 1,366 1,439	Market Market Market Market Market Market	\$1,037 \$1,309 \$1,127 \$1,298 \$1,336 \$1,375	N/A N/A N/A N/A N/A N/A	No No No No No No	N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A
						<u>332</u>							<u>19</u>	<u>5.7%</u>
8	Saddlebrook Cove 237 Vernoy Aiken Road Dallas, GA 30157 Paulding County	0.6 miles	Various 2-stories 1996 / 2018 Family	Market	2BR / 1.5BA 2BR / 2BA 3BR / 2BA	20 31 3	37.0% 57.4% 5.6%	1,225 1,165 1,300	Market Market Market	\$900 \$1,000 \$1,100	N/A N/A N/A	No No No	0 0 0	0.0% 0.0% 0.0%
						<u>54</u>							<u>0</u>	<u>0.0%</u>
9	Ten 60 West 1068 Merchants Drive Dallas, GA 30132 Paulding County	1.4 miles	Garden 3-stories 1998 / 2018 Family	Market	2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA	40 56 40 56	20.8% 29.2% 20.8% 29.2%	1,200 1,200 1,400 1,400	Market Market Market Market	\$1,050 \$1,250 \$1,150 \$1,350	N/A N/A No No	No No No No	N/A N/A N/A N/A	N/A N/A N/A N/A
						<u>192</u>							<u>6</u>	<u>3.1%</u>

DALLAS MANOR APARTMENTS – DALLAS, GEORGIA – MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and		
	Units Surveyed:	1,052
	Market Rate	679
	Tax Credit	373
Two Bedroom One Bath		
	Property	Average
RENT	Harris Bridge Overlook (Market)(2BA)	\$1,298
	Dallas Manor (@60%)	\$1,270
	Ten 60 West (Market)(2BA)	\$1,250
	Magnolia Creste Apartments (Market)(2BA)	\$1,217
	Harris Bridge Overlook (Market)(2BA)	\$1,127
	Crowne Ridge Townhomes (Market)(1.5BA)	\$1,050
	Ten 60 West (Market)(2BA)	\$1,050
	Magnolia Creste Apartments (@60%)(2BA)	\$1,003
	Saddlebrook Cove (Market)(2BA)	\$1,000
	Campbell Creek (Market)	\$1,000
	Campbell Creek (@60%)	\$948
	Saddlebrook Cove (Market)(1.5BA)	\$900
	Magnolia Creste Apartments (@50%)(2BA)	\$811
	Country Garden (Market)	\$750
	Campbell Creek (@50%)	\$749
	Park Place Apartments (Market)	\$610
	Evergreen Village (@60%)	\$498
	Park Place Apartments (@60%)	\$481
	Park Place Apartments (@50%)	\$466
	Evergreen Village (@50%)	\$461
Campbell Creek (@30%)	\$396	
SQUARE FOOTAGE	Saddlebrook Cove (Market)(1.5BA)	1,225
	Ten 60 West (Market)(2BA)	1,200
	Ten 60 West (Market)(2BA)	1,200
	Harris Bridge Overlook (Market)(2BA)	1,173
	Saddlebrook Cove (Market)(2BA)	1,165
	Magnolia Creste Apartments (@60%)(2BA)	1,150
	Magnolia Creste Apartments (@50%)(2BA)	1,150
	Magnolia Creste Apartments (Market)(2BA)	1,150
	Harris Bridge Overlook (Market)(2BA)	1,048
	Crowne Ridge Townhomes (Market)(1.5BA)	1,000
	Evergreen Village (@60%)	915
	Evergreen Village (@50%)	915
	Country Garden (Market)	900
	Campbell Creek (Market)	894
	Campbell Creek (@60%)	894
	Campbell Creek (@30%)	894
	Campbell Creek (@50%)	894
	Park Place Apartments (@50%)	883
	Park Place Apartments (@60%)	883
	Park Place Apartments (Market)	883
	Dallas Manor (@60%)	841

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and		
	Units Surveyed:	1,052
	Market Rate	679
	Tax Credit	373
Two Bedroom One Bath		
Property		Average
RENT PER SQUARE FOOT	Dallas Manor (@60%)	\$1.51
	Campbell Creek (Market)	\$1.12
	Harris Bridge Overlook (Market)(2BA)	\$1.11
	Harris Bridge Overlook (Market)(2BA)	\$1.08
	Campbell Creek (@60%)	\$1.06
	Magnolia Creste Apartments (Market)(2BA)	\$1.06
	Crowne Ridge Townhomes (Market)(1.5BA)	\$1.05
	Ten 60 West (Market)(2BA)	\$1.04
	Ten 60 West (Market)(2BA)	\$0.88
	Magnolia Creste Apartments (@60%)(2BA)	\$0.87
	Saddlebrook Cove (Market)(2BA)	\$0.86
	Campbell Creek (@50%)	\$0.84
	Country Garden (Market)	\$0.83
	Saddlebrook Cove (Market)(1.5BA)	\$0.73
	Magnolia Creste Apartments (@50%)(2BA)	\$0.71
	Park Place Apartments (Market)	\$0.69
	Park Place Apartments (@60%)	\$0.54
	Evergreen Village (@60%)	\$0.54
	Park Place Apartments (@50%)	\$0.53
	Evergreen Village (@50%)	\$0.50
Campbell Creek (@30%)	\$0.44	

PROPERTY PROFILE REPORT

Campbell Creek

Effective Rent Date	6/10/2020
Location	351 W. Memorial Drive Dallas, GA 30157 Paulding County
Distance	1.1 miles
Units	80
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1992 / 2008
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None but Merchant Court is nearby
Tenant Characteristics	A mix of seniors, working singles, single mothers, and small families.
Contact Name	Anita
Phone	(770) 443-9060



Market Information

Program	@30%, @50%, @60%, Market
Annual Turnover Rate	45%
Units/Month Absorbed	N/A
HCV Tenants	3%
Leasing Pace	Preleased
Annual Chg. in Rent	Increase of three to nine percent
Concession	None
Waiting List	Yes, 200 households

Utilities

A/C	not included – central
Cooking	not included – electric
Water Heat	not included – electric
Heat	not included – electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	8	894	\$396	\$0	@30%	Yes	N/A	N/A	yes	None
2	1	Garden (2 stories)	34	894	\$749	\$0	@50%	Yes	N/A	N/A	yes	None
2	1	Garden (2 stories)	22	894	\$948	\$0	@60%	Yes	N/A	N/A	yes	None
2	1	Garden (2 stories)	16	894	\$1,000	\$0	Market	Yes	N/A	N/A	N/A	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$396	\$0	\$396	\$0	\$396	2BR / 1BA	\$749	\$0	\$749	\$0	\$749
@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$948	\$0	\$948	\$0	\$948	2BR / 1BA	\$1,000	\$0	\$1,000	\$0	\$1,000

Campbell Creek, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Microwave
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Garbage Disposal
Oven
Walk-In Closet

Security

None

Services

None

Property

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Clubhouse/Meeting Room/Community
Central Laundry
On-Site Management
Playground

Premium

None

Other

None

Comments

The contact reported no vacancies with a waiting list of 200 households. The contact stated there is a dire need for affordable housing in the area, with people calling continuously needing to move-in immediately. Due to the COVID-19 pandemic the property is experiencing a 20 percent increase in delinquencies. The contact stated tenants are taking advantage of the CARES Act but several are not paying rent. The property is achieving 2019 maximum allowable rents. Whether rents will be increased to 2020 maximum allowable levels is not yet known.

Photos



PROPERTY PROFILE REPORT

Evergreen Village

Effective Rent Date	5/13/2020
Location	110 Evergreen Lane Cedartown, GA 30125 Polk County
Distance	25.9 miles
Units	56
Vacant Units	16
Vacancy Rate	28.6%
Type	Garden (2 stories)
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Park Place
Tenant Characteristics	Majority of tenants are from Rome and Floyd County
Contact Name	Lane Sanders
Phone	770-749-9333



Market Information

Program	@50%, @60%
Annual Turnover Rate	7%
Units/Month Absorbed	N/A
HCV Tenants	7%
Leasing Pace	Within one week
Annual Chg. in Rent	None reported
Concession	None
Waiting List	Yes, 21 households

Utilities

A/C	not included – central
Cooking	not included – electric
Water Heat	not included – electric
Heat	not included – electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	8	756	\$394	\$0	@50%	Yes	N/A	N/A	no	None
1	1	Garden (2 stories)	8	756	\$399	\$0	@60%	Yes	N/A	N/A	no	None
2	1	Garden (2 stories)	10	915	\$461	\$0	@50%	Yes	N/A	N/A	no	None
2	1	Garden (2 stories)	10	915	\$498	\$0	@60%	Yes	N/A	N/A	no	None
3	2	Garden (2 stories)	10	1,136	\$517	\$0	@50%	Yes	N/A	N/A	no	None
3	2	Garden (2 stories)	10	1,136	\$537	\$0	@60%	Yes	N/A	N/A	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$394	\$0	\$394	\$0	\$394	1BR / 1BA	\$399	\$0	\$399	\$0	\$399
2BR / 1BA	\$461	\$0	\$461	\$0	\$461	2BR / 1BA	\$498	\$0	\$498	\$0	\$498
3BR / 2BA	\$517	\$0	\$517	\$0	\$517	3BR / 2BA	\$537	\$0	\$537	\$0	\$537

Evergreen Village, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Ceiling Fan
Oven
Washer/Dryer

Security

None

Services

None

Property

Basketball Court
Exercise Facility
Off-Street Parking
Picnic Area

Clubhouse/Meeting Room/Community
Central Laundry
On-Site Management
Playground

Premium

None

Other

None

Comments

The owner is planning to renovate the property with new LIHTC equity. It was allocated tax credits in 2018 and construction is expected to begin by the end of 2020. The 16 vacant units are not being marketed due to the upcoming renovation. The property is renovating units in three phases, with phase one including the 16 vacant units. Renovations will include new windows, doors, staircases, wood plank flooring, kitchen cabinets and countertops, new appliances, light fixtures, updated common areas, and a new gazebo. Rents are deliberately held below maximum allowable levels. Previous to the planned renovation, the manager indicated that the property was typically 100 percent occupied with a waiting list. Because of job losses due to the COVID-19 pandemic, two tenants have been unable to pay rent. According to the contact, due to the lack of affordable housing in the area, this property has not seen a decrease in traffic and there has been no effect on demand.

Photos



PROPERTY PROFILE REPORT

Magnolia Creste Apartments

Effective Rent Date	6/22/2020
Location	201 Butler Industrial Drive Dallas, GA 30132 Paulding County
Distance	1.7 miles
Units	177
Vacant Units	7
Vacancy Rate	4.0%
Type	Garden (2 stories)
Year Built/Renovated	2002 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Merchant, Campbell Creek
Tenant Characteristics	Residents originate from immediate Dallas area, very few from metro Atlanta
Contact Name	Stephanie
Phone	(770) 443-4099



Market Information

Program	LIHTC
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	20%
Leasing Pace	Two weeks
Annual Chg. in Rent	Increase of six to eight percent
Concession	None
Waiting List	None

Utilities

A/C	not included – central
Cooking	not included – electric
Water Heat	not included – electric
Heat	not included – electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	7	975	\$676	\$0	@50%	No	N/A	N/A	yes	None
1	1	Garden (2 stories)	19	975	\$835	\$0	@60%	No	N/A	N/A	yes	None
1	1	Garden (2 stories)	6	975	\$1,078	\$0	Market	None	N/A	N/A	N/A	None
2	2	Garden (2 stories)	25	1,150	\$811	\$0	@50%	No	N/A	N/A	yes	None
2	2	Garden (2 stories)	75	1,150	\$1,003	\$0	@60%	No	N/A	N/A	yes	None
2	2	Garden (2 stories)	21	1,150	\$1,217	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (2 stories)	5	1,350	\$926	\$0	@50%	No	N/A	N/A	yes	None
3	2	Garden (2 stories)	14	1,350	\$1,146	\$0	@60%	No	N/A	N/A	yes	None
3	2	Garden (2 stories)	5	1,350	\$1,407	\$0	Market	No	N/A	N/A	N/A	None

Magnolia Creste Apartments, continued

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$676	\$0	\$676	\$0	\$676	1BR / 1BA	\$835	\$0	\$835	\$0	\$835
2BR / 2BA	\$811	\$0	\$811	\$0	\$811	2BR / 2BA	\$1,003	\$0	\$1,003	\$0	\$1,003
3BR / 2BA	\$926	\$0	\$926	\$0	\$926	3BR / 2BA	\$1,146	\$0	\$1,146	\$0	\$1,146

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,078	\$0	\$1,078	\$0	\$1,078
2BR / 2BA	\$1,217	\$0	\$1,217	\$0	\$1,217
3BR / 2BA	\$1,407	\$0	\$1,407	\$0	\$1,407

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Ceiling Fan
Oven
Washer/Dryer

Blinds
Central A/C
Exterior Storage
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Security

Limited Access
Perimeter Fencing

Services

None

Property

Basketball Court
Car Wash
Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Business Center/Computer Lab
Clubhouse/Meeting Room/Community
Central Laundry
On-Site Management
Playground
Tennis Court

Premium

None

Other

None

Comments

The contact reported seven vacancies, six of which are pre-leased. The contact reported a minor number of delinquencies due to the impact of the COVID-19 pandemic. A majority of departing tenants purchase homes. Rents were reported to be at the maximum allowable levels at the 2019 AMI. A waiting list is not maintained and units are leased on a first come, first served basis.

PROPERTY PROFILE REPORT

Park Place Apartments

Effective Rent Date	1/21/2020
Location	800 Park Place Circle Rockmart, GA 30153 Polk County
Distance	13.5 miles
Units	60
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Edward Management Co.; Privately owned properties
Tenant Characteristics	Singles, couples, families from Polk County
Contact Name	Holly
Phone	678-757-0070



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	15%
Units/Month Absorbed	5
HCV Tenants	8%
Leasing Pace	Immediate
Annual Chg. in Rent	None
Concession	None
Waiting List	Yes, 11 households

Utilities

A/C	not included – central
Cooking	not included – electric
Water Heat	not included – electric
Heat	not included – electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	8	677	\$400	\$0	@50%	Yes	N/A	N/A	no	None
1	1	Garden (3 stories)	2	677	\$411	\$0	@60%	Yes	N/A	N/A	no	None
1	1	Garden (3 stories)	2	677	\$505	\$0	Market	Yes	N/A	N/A	N/A	None
2	1	Garden (3 stories)	14	883	\$466	\$0	@50%	Yes	N/A	N/A	no	None
2	1	Garden (3 stories)	5	883	\$481	\$0	@60%	Yes	N/A	N/A	no	None
2	1	Garden (3 stories)	5	883	\$610	\$0	Market	Yes	N/A	N/A	N/A	None
3	2	Garden (3 stories)	14	1,100	\$525	\$0	@50%	Yes	N/A	N/A	no	None
3	2	Garden (3 stories)	5	1,100	\$581	\$0	@60%	Yes	N/A	N/A	no	None
3	2	Garden (3 stories)	5	1,100	\$654	\$0	Market	Yes	N/A	N/A	N/A	None

Photos



Country Garden, continued

Comments

The contact reported no vacancies at the property. The property does not maintain a waiting list as units are leased on a first come, first served basis. The property receives approximately 20 inquires a day from prospective tenants. The property accepts Housing Choice Vouchers, but only one tenant has a voucher. The contact stated there was no impact on operations from the COVID-19 pandemic.

Photos



PROPERTY PROFILE REPORT

Crowne Ridge Townhomes

Effective Rent Date	6/22/2020
Location	400 WI Parkway Dallas, GA 30132 Paulding County
Distance	2 miles
Units	45
Vacant Units	1
Vacancy Rate	2.2%
Type	Townhouse (2 stories)
Year Built/Renovated	1983 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Mixed Community
Contact Name	Property Manager
Phone	(770) 505-6000



Market Information

Program	Market
Annual Turnover Rate	44%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	No change
Concession	None
Waiting List	None

Utilities

A/C	not included – central
Cooking	not included – electric
Water Heat	not included – electric
Heat	not included – electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Townhouse (2 stories)	45	1,000	\$1,050	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1.5BA	\$1,050	\$0	\$1,050	\$0	\$1,050

Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Carpeting		
Coat Closet		
Ceiling Fan		
Oven		
Washer/Dryer hookup		
Blinds		
Central A/C		
Dishwasher		
Microwave		
Refrigerator		
Property	Premium	Other
Off-Street Parking	None	None
Playground		

Comments

The property reported one vacancy, which is pre-leased. The contact reported elevated turnover due to management issues and a majority of departing tenants purchase a home. The contact reported a slight increase in delinquencies due to the COVID-19 pandemic, but could not be more specific.

Photos



PROPERTY PROFILE REPORT

Harris Bridge Overlook

Effective Rent Date	6/05/2020
Location	1175 Old Harris Road Dallas, GA 30157 Paulding County
Distance	1.4 miles
Units	332
Vacant Units	19
Vacancy Rate	5.7%
Type	Garden (3 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Evergreen at Magnolia, Evergreen at Lost Mtn
Tenant Characteristics	Not disclosed
Contact Name	Ian
Phone	(678) 363-7333



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increase of five to 10 percent
Concession	None
Waiting List	None

Utilities

A/C	not included – central
Cooking	not included – electric
Water Heat	not included – electric
Heat	not included – electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	660	\$994	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	N/A	912	\$1,266	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,048	\$1,077	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,173	\$1,248	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,366	\$1,274	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,439	\$1,313	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$994 - \$1,266	\$0	\$994 - \$1,266	\$45	\$1,039 - \$1,311
2BR / 2BA	\$1,077 - \$1,248	\$0	\$1,077 - \$1,248	\$52	\$1,129 - \$1,300
3BR / 2BA	\$1,274 - \$1,313	\$0	\$1,274 - \$1,313	\$65	\$1,339 - \$1,378

Harris Bridge Overlook, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Oven
Walk-In Closet

Blinds
Central A/C
Garbage Disposal
Refrigerator
Washer/Dryer hookup

Security

In-Unit Alarm

Services

None

Property

Clubhouse/Meeting Room/Community
Garage(\$80.00)
Off-Street Parking
Swimming Pool

Exercise Facility
Central Laundry
On-Site Management
Tennis Court

Premium

None

Other

None

Comments

The contact reported 19 vacancies, nine of which are pre-leased. The property stated there has been a ten percent increase in delinquencies due to the COVID-19 pandemic.

Photos



PROPERTY PROFILE REPORT

Saddlebrook Cove

Effective Rent Date	6/10/2020
Location	237 Vernoy Aiken Road Dallas, GA 30157 Paulding County
Distance	0.6 miles
Units	54
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	1996 / 2018
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None noted
Tenant Characteristics	None identified
Contact Name	Connie
Phone	(770) 445-8381



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Preleased to one week
Annual Chg. in Rent	Increase of one to two percent
Concession	None
Waiting List	None

Utilities

A/C	not included – central
Cooking	not included – electric
Water Heat	not included – electric
Heat	not included – electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Garden (2 stories)	20	1,225	\$900	\$0	Market	No	0	0.0%	N/A	None
2	2	Townhouse (2 stories)	31	1,165	\$1,000	\$0	Market	No	0	0.0%	N/A	None
3	2	Townhouse (2 stories)	3	1,300	\$1,100	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1.5BA	\$900	\$0	\$900	\$0	\$900
2BR / 2BA	\$1,000	\$0	\$1,000	\$0	\$1,000
3BR / 2BA	\$1,100	\$0	\$1,100	\$0	\$1,100

Saddlebrook Cove, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Oven
Washer/Dryer hookup

Blinds
Central A/C
Microwave
Refrigerator

Security

Limited Access
Video Surveillance

Services

None

Property

Clubhouse/Meeting Room/Community
On-Site Management

Off-Street Parking
Swimming Pool

Premium

None

Other

None

Comments

The contact reported no vacancies, stating that vacant units are typically preleased within one week. The contact reported the property was sold in 2017 and underwent renovations after the sale, but was unable to provide the renovation scope. Three-bedroom units include a garage.

Photos



PROPERTY PROFILE REPORT

Ten 60 West

Effective Rent Date	6/06/2020
Location	1068 Merchants Drive Dallas, GA 30132 Paulding County
Distance	1.4 miles
Units	192
Vacant Units	6
Vacancy Rate	3.1%
Type	Garden (3 stories)
Year Built/Renovated	1998 / 2018
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Magnolia Creste
Tenant Characteristics	Majority originate from Paulding County.
Contact Name	Michelle
Phone	(678) 363-0965



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	N/A
Annual Chg. in Rent	N/A
Concession	None
Waiting List	None

Utilities

A/C	not included – central
Cooking	not included – electric
Water Heat	not included – electric
Heat	not included – electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	40	1,200	\$1,050	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	56	1,200	\$1,250	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	40	1,400	\$1,150	\$0	Market	No	N/A	N/A	no	None
3	2	Garden (3 stories)	56	1,400	\$1,350	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$1,050 - \$1,250	\$0	\$1,050 - \$1,250	\$0	\$1,050 - \$1,250
3BR / 2BA	\$1,150 - \$1,350	\$0	\$1,150 - \$1,350	\$0	\$1,150 - \$1,350

Ten 60 West, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Refrigerator

Blinds
Central A/C
Exterior Storage
Oven
Washer/Dryer hookup

Security

Patrol

Services

None

Property

Basketball Court
Clubhouse/Meeting Room/Community
Central Laundry
On-Site Management
Playground
Swimming Pool

Business Center/Computer Lab
Exercise Facility
Off-Street Parking
Picnic Area
Sport Court
Tennis Court

Premium

None

Other

None

Comments

The contact reported six vacancies, two of which are pre-leased. In 2018, the property converted from a LIHTC property to a market rate property. At the time of conversion, the property spent \$3 million on external renovations and added a new fitness center, upgraded the swimming pool, added sport courts, a grilling area, and a yoga room. Units are being renovated as they turnover. Renovated units feature stainless steel kitchen appliances among other upgrades. Renovated units have a \$200 rent premium. Washer/dryer appliances are available for lease at \$50 per month. The contact stated they have seen little impact from the COVID-19 pandemic, with only a three percent increase in delinquencies.

Photos



1. Housing Choice Vouchers

We were able to speak with Ms. Mary de la Vaux, Special Assistant, of the Georgia Department of Community Affairs regarding the Housing Choice Voucher program. According to Ms. de la Vaux, the Georgia Departments of Community Affairs allots 16,500 statewide, of which 14,000 are currently in use. Ms. de la Vaux also stated that there are 189 families utilizing these Housing Choice Vouchers in Paulding County. According to the Georgia DCA website, the waiting list for vouchers was open for one week, from February 1 to 7, 2016, and is currently closed. There are currently approximately 9,000 households on the waiting list. The following table illustrates voucher usage at the comparables.

TENANTS WITH VOUCHERS		
Property Name	Rent Structure	Housing Choice Voucher Tenants
Campbell Creek	LIHTC/ Market	3%
Evergreen Village*	LIHTC	7%
Magnolia Creste Apartments	LIHTC	20%
Park Place Apartments*	LIHTC/ Market	8%
Country Garden	Market	2%
Crowne Ridge Townhomes	Market	0%
Harris Bridge Overlook	Market	0%
Saddlebrook Cove	Market	0%
Ten 60 West	Market	0%

*Located outside of the PMA

Housing Choice Voucher usage in this market ranges from three to 20 percent at the LIHTC/mixed income properties. Overall, the affordable properties report a low to moderate reliance on tenants with vouchers. Thus, it appears that the Subject will not need to rely solely on voucher residents in order to maintain a high occupancy level. We believe the Subject would maintain voucher usage of approximately 20 percent or less were it to operate without a subsidy.

2. Phased Developments

The Subject is not part of a multi-phase development.

Lease Up History

The following table details regional absorption data in the area. It should be noted that none of the comparables were able to provide recent absorption data, and thus, we extended our search to other properties throughout the greater Atlanta region.

ABSORPTION

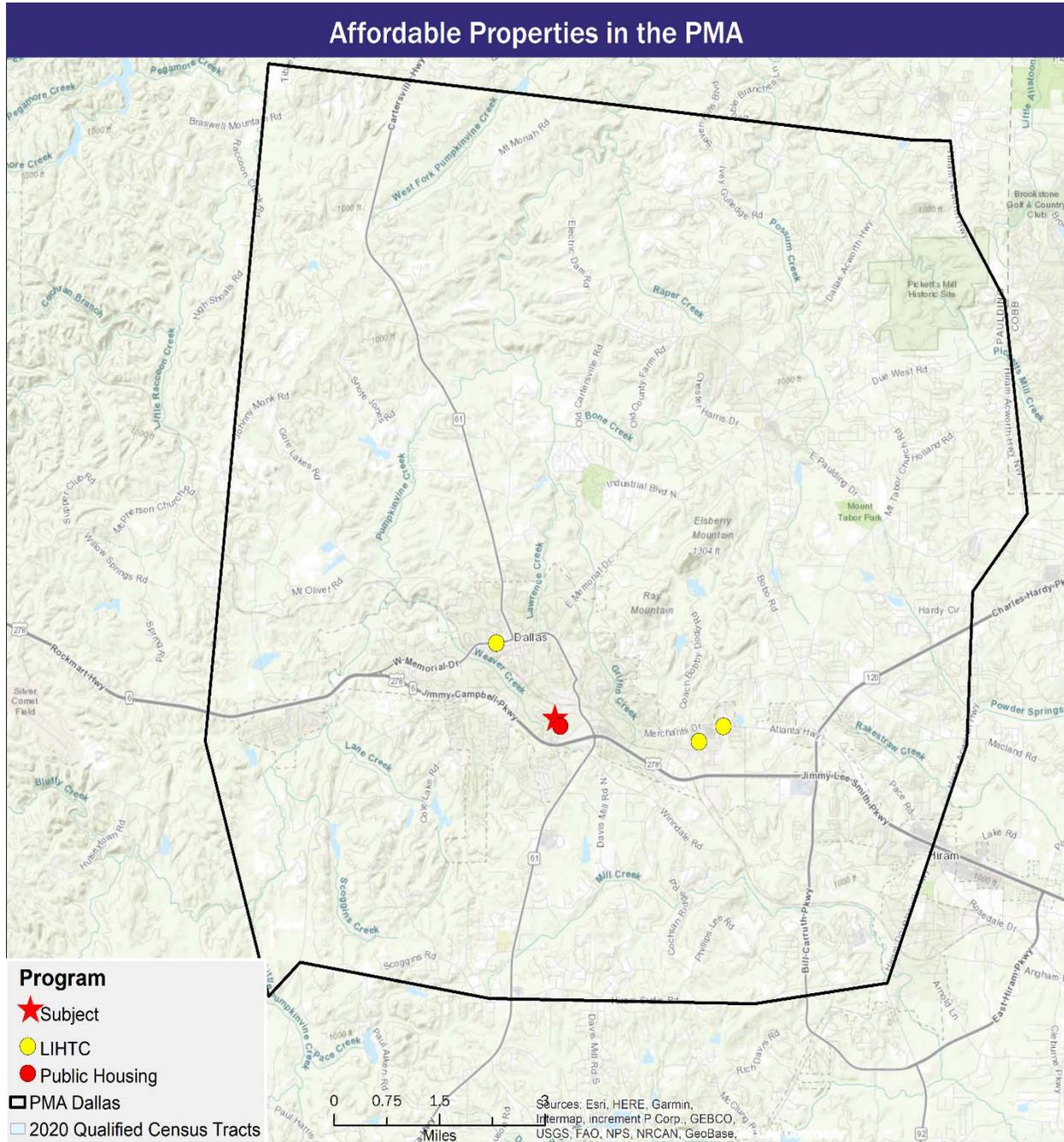
Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Aspire Westside	LIHTC	Family	2020	167	10
Wisteria Place Of Mableton	LIHTC	Senior	2019	104	30
Solstice Morningside	Market	Family	2019	239	33
Entra West End	Market	Family	2019	187	20
Brentwood Senior Apartments	LIHTC	Senior	2019	70	11
Adair Court	LIHTC	Senior	2019	91	91
Platform Apartments	Market	Family	2018	324	17
Overture Barrett	Market	Senior	2018	172	8
Burrell Square	LIHTC	Family	2017	84	21
The Meridian At Redwine	Market	Family	2016	258	17
Station R Apartments	Market	Family	2016	285	14
Reynoldstown Senior Apartments	LIHTC	Senior	2016	70	70
Pad On Harvard	Market	Family	2016	109	13
Glenwood At Grant Park	Market	Family	2016	216	8
675 Highland	Market	Family	2016	125	16

Per DCA guidelines, we calculated the absorption to 93 percent occupancy. The properties experienced absorption rates ranging from eight to 91 units per month. Burrell Square is a family LIHTC development located in Rome, which is 35 miles northwest of the Subject site. Rome is also an exurban area to the northwest of Atlanta. This property offers 84 units and was fully-occupied within four months. Burrell Square is currently 99 percent occupied and maintains a waiting list. Other properties reported lower absorption rates, while the overall average is approximately 25 units per month. We considered all of the properties but given greatest weight to Burrell Square as it has a generally similar location. The Subject is currently 98 percent occupied and has a waiting list of 30 households. Post-renovation, all units at the Subject will continue to operate with rental subsidies and tenants will continue to pay 30 percent of their income towards rent. Therefore, it is likely there will be minimal turnover post-renovation. Based on the information above, we believe the Subject would be able to absorb approximately 15 to 20 units per month, for an absorption period of two to three months if it were hypothetically vacant.

Competitive Project Map

AFFORDABLE PROPERTIES IN THE PMA

Property Name	Program	Location	Tenancy	# of Units	Distance from Subject	Map Color
Dallas Manor	LIHTC/Section 8	Dallas	Family	40	-	Star
Campbell Creek	LIHTC/Market	Dallas	Family	80	1.1 miles	Yellow
Creekstone Apartments	LIHTC	Dallas	Senior	108	2.6 miles	Yellow
Magnolia Creste Apartments	LIHTC	Dallas	Family	177	2.3 miles	Yellow
Paulding Lane Homes	Public Housing	Dallas	Family	157	0.5 miles	Red



Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix below.

AMENITY MATRIX										
	Subject	Campbell Creek	Evergreen Village	Magnolia Creste Apartments	Park Place Apartments	Country Garden	Crowne Ridge Townhomes	Harris Bridge Overlook	Saddlebrook Cove	Ten 60 West
Rent Structure	Section 8	LIHTC/Market	LIHTC	LIHTC	LIHTC/Market	Market	Market	Market	Market	Market
Building										
Property Type	Garden	Garden	Garden	Garden	Garden	Garden	Townhouse	Garden	Various	Garden
# of Stories	2-stories	2-stories	2-stories	2-stories	3-stories	2-stories	2-stories	3-stories	2-stories	3-stories
Year Built	1979	1992	1999	2002	2003	1968	1983	2001	1996	1998
Year Renovated	2021	2008	n/a	n/a	n/a	n/a	n/a	n/a	2018	2018
Unit Amenities										
Balcony/Patio	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Internet	yes	no	no	no	no	no	no	no	no	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	no	no	yes	yes	no	yes	yes	no	no	no
Coat Closet	yes	no	yes	no	yes	no	yes	no	no	no
Exterior Storage	no	no	yes	yes	no	no	no	no	no	yes
Walk-In Closet	yes	yes	no	no	yes	no	no	yes	no	no
Washer/Dryer	yes	no	yes	yes	no	no	no	no	no	no
W/D Hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Kitchen										
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	no	yes	yes	yes	yes	no	no	yes	no	yes
Microwave	yes	yes	no	no	no	no	yes	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community										
Business Center	no	yes	no	yes	no	no	no	no	no	yes
Community Room	yes	yes	yes	yes	yes	no	no	yes	yes	yes
Central Laundry	yes	yes	yes	yes	yes	yes	no	yes	no	yes
On-Site Mgmt	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Recreation										
Basketball Court	no	no	yes	yes	yes	no	no	no	no	yes
Exercise Facility	no	yes	yes	yes	no	no	no	yes	no	yes
Playground	yes	yes	yes	yes	yes	no	yes	no	no	yes
Swimming Pool	no	yes	no	yes	no	no	no	yes	yes	yes
Picnic Area	no	yes	yes	yes	yes	no	no	no	no	yes
Sport Court	no	no	no	no	no	no	no	no	no	yes
Tennis Court	no	no	no	yes	no	no	no	yes	no	yes
Security										
In-Unit Alarm	no	no	no	no	no	no	no	yes	no	no
Limited Access	no	no	no	yes	no	no	no	no	yes	no
Patrol	yes	no	no	no	no	no	no	no	no	yes
Perimeter Fencing	no	no	no	yes	no	no	no	no	no	no
Video Surveillance	yes	no	no	no	no	no	no	no	yes	no
Garage	no	no	no	no	no	no	no	yes	no	no
Garage Fee	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$80	n/a	n/a
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

The Subject will offer slightly superior to superior in-unit amenities in comparison to the LIHTC comparable properties and slightly inferior to inferior property amenities. The Subject's renovation scope will add a dishwasher, microwave, and in-unit washer/dryer to each unit. In addition, the Subject will have landlord-paid cable/internet and resident services. The resident services are to include social activities and educational classes among others. The Subject will offer washer/dryer appliances, which many comparables lack. However, the Subject will not offer an exercise facility, swimming pool, and picnic area, which is offered at several of the comparable developments. Nonetheless, we believe that the proposed amenities will allow the Subject to effectively compete in the market, given the subsidies in place.

3. Comparable Tenancy

The Subject will target families. All of the comparable LIHTC properties also target families.

Vacancy

The following table illustrates the vacancy rates in the market. Excluded from this table is one LIHTC comparable, Evergreen Village. This property has 16 of its 56 total units off-line for renovations. Prior to renovation, this property was typically 100 percent occupied with a waiting list.

OVERALL VACANCY				
Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Campbell Creek	LIHTC/ Market	80	0	0.0%
Magnolia Creste Apartments	LIHTC	177	7	4.0%
Park Place Apartments*	LIHTC/ Market	60	0	0.0%
Country Garden	Market	56	0	0.0%
Crowne Ridge Townhomes	Market	45	1	2.2%
Harris Bridge Overlook	Market	332	19	5.7%
Saddlebrook Cove	Market	54	0	0.0%
Ten 60 West	Market	192	6	3.1%
Total LIHTC		373	7	1.9%
Total Market Rate		679	26	3.8%
Overall Total		1,052	33	3.1%

*Located outside of the PMA

Overall vacancy in the market is low at 3.1 percent and overall LIHTC vacancy is lower, at 1.9 percent. Magnolia Creste Apartments, a mixed income property, reports seven vacant units, although six units are preleased to new tenants. None of the remaining stabilized LIHTC/mixed income comparables report any vacancy. Further, three of the four properties report waiting lists for their LIHTC units and all of the property managers at the LIHTC comparables report strong demand for affordable housing in the area. Of the market rate properties, Harris Bridge Overlook reported that nine of its 19 vacant units are preleased. Overall, this market is supply-constrained for affordable product and generally balanced for market rate product. The Subject will exhibit slightly superior condition to all of the LIHTC comparables upon completion. Therefore, we believe there is adequate demand for the Subject as proposed.

Over the 2017 to 2019 period, the Subject reported a vacancy and collection loss of 0.8 percent to 2.1 percent. As a newly renovated property with a competitive amenity package with subsidies in place for all units, we anticipate that the Subject would perform with a vacancy rate of three percent or less. Based on these factors, we believe that there is sufficient demand for affordable housing in the market. Since the Subject is an existing property with subsidy on all units, we do not believe it will impact the performance of the existing affordable properties if allocated.

4. Properties Under Construction and Proposed

There are no known apartment properties currently planned, proposed or under construction in the Subject's PMA at this time.

5. Rental Advantage

The following table illustrates the Subject's similarity to the comparable properties. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

SIMILARITY MATRIX

#	Property Name	Program	Tenancy	Property Amenities	Unit Features	Location	Age / Condition	Unit Sizes	Overall Comparison
1	Campbell Creek	LIHTC/Market	Family	Superior	Slightly Inferior	Similar	Slightly Inferior	Slightly Superior	5
2	Evergreen Village	LIHTC	Family	Superior	Slightly Superior	Inferior	Slightly Inferior	Superior	10
3	Magnolia Creste	LIHTC	Family	Superior	Inferior	Similar	Slightly Inferior	Slightly Superior	0
4	Park Place Apartments	LIHTC/Market	Family	Superior	Slightly Inferior	Inferior	Slightly Inferior	Slightly Superior	-5
5	Country Garden	Market	Family	Slightly Inferior	Slightly Inferior	Similar	Inferior	Superior	-10
6	Crowne Ridge	Market	Family	Inferior	Slightly Inferior	Similar	Inferior	Superior	-15
7	Harris Bridge Overlook	Market	Family	Superior	Superior	Similar	Slightly Inferior	Superior	25
8	Saddlebrook Cove	Market	Family	Similar	Slightly Superior	Similar	Similar	Superior	15
9	Ten 60 West	Market	Family	Superior	Slightly Superior	Similar	Similar	Superior	25

*Inferior=-10, slightly inferior=-5, similar=0, slightly superior=5, superior=10.

The rental rates at the LIHTC properties are compared to the Subject’s proposed 60 percent AMI rents in the following table.

LIHTC RENT COMPARISON @60%

Property Name	County	2BR	Rents at Max?
Dallas Manor (Contract Rent)*	Paulding	\$1,270	N/A
LIHTC Maximum Rent (Net)	Paulding	\$985	
LIHTC Maximum Rent (Net)	Polk	\$727	
Campbell Creek	Paulding	\$948	Yes
Evergreen Village	Polk	\$498	No
Magnolia Creste Apartments	Paulding	\$1,003	Yes
Park Place Apartments	Polk	\$481	No
Average		\$733	
Achievable LIHTC Rent		\$975	No

*Proposed contract rent where tenants will pay 30 percent of their income towards rent.

The Subject’s proposed 60 percent AMI contract rents are set above the 2020 maximum allowable levels. Thus, if the Subject were to lose the rental subsidies, the proposed rents for these units would not have to be lowered to comply with the LIHTC program requirements. The AMI in Paulding County reached its peak in 2020; therefore, all LIHTC comparables in Paulding County are held to the same maximum rent levels.

It is noted that we include two LIHTC comparables in our survey located in Polk County to the west. Both of these properties, Evergreen Village and Park Place Apartments, deliberately hold rents below maximum allowable levels. Further, they are less competitive with the Subject due to their location to the west of Paulding County. Therefore, we do not heavily rely on these comparables in this analysis. We focus on two LIHTC/mixed comparables located in the immediate Dallas area, Campbell Creek and Magnolia Creste Apartments.

Both Campbell Creek and Magnolia Creste Apartments report achieving rents at the maximum allowable levels for their 60 percent two-bedroom units at the 2019 AMI. However, the rents at these properties appear to be above or below maximum allowable levels. This is most likely due to differences in these properties utility allowances. The stabilized LIHTC/mixed income comparables demonstrate an average vacancy of 1.9 percent,

which is considered very low. The low vacancy rates among the LIHTC and mixed income comparables indicates maximum allowable rents are achievable in the area for selected properties.

Campbell Creek is located 1.1 miles from the Subject and offers a similar location. This property is achieving maximum allowable LIHTC rents for its two-bedroom units at 60 percent AMI. This property was constructed in 1992 and renovated in 2008. It exhibits average condition, which is considered slightly inferior to the anticipated good condition of the Subject upon completion of renovations. Campbell Creek offers slightly inferior in-unit amenities compared to the Subject as it lacks in-unit washers and dryers, which the Subject will offer. However, the Subject will include landlord-paid cable/internet service. This comparable has superior property amenities as it features an exercise room, swimming pool, and business center. The two-bedroom unit sizes at Campbell Creek are slightly larger than the Subject's. Overall, Campbell Creek is considered slightly superior to the Subject post-renovation.

Magnolia Creste Apartments is 1.7 miles from the Subject and is similar in regards to location. This property offers two-bedroom units at 60 percent AMI and is achieving maximum allowable rents. Magnolia Creste was constructed in 2002 and is in average condition, slightly inferior to the Subject upon renovation. This property has similar in-unit amenities as it features a balcony/patio and exterior storage, although it lacks landlord-paid cable/internet. Property amenities are superior at Magnolia Creste as it features an exercise room, business center, swimming pool, and tennis court among others. The two-bedroom unit size at this comparable is much larger than the Subject's and the unit has two full baths. In summary, Magnolia Creste is slightly superior to the Subject.

The Subject's proposed 60 percent AMI contract rents are set above the maximum allowable levels. Thus, if the Subject were to lose the rental subsidies, the proposed rents for these units would have to be lowered to comply with the LIHTC program requirements. As previously noted, the two most competitive LIHTC/mixed income properties Campbell Creek and Magnolia Creste Apartments, are slightly superior to the Subject. Thus, we believe the Subject could achieve rents slightly below these two properties and slightly below maximum allowable levels at 60 percent AMI post renovation, primarily because of its smaller unit size. Our estimated LIHTC rent is \$975, which is below the maximum allowable level.

Analysis of "Market Rents"

Per DCA's market study guidelines, "average market rent is to be a reflection of rents that are achieved in the market. In other words, the rents the competitive properties are currently receiving. Average market rent is not 'Achievable unrestricted market rent.'" In an urban market with many tax credit comps, the average market rent might be the weighted average of those tax credit comps. In cases where there are few tax credit comps, but many market-rate comps with similar unit designs and amenity packages, then the average market rent might be the weighted average of those market-rate comps. In a small rural market there may be neither tax credit comps nor market-rate comps with similar positioning as the subject. In a case like that the average market rent would be a weighted average of whatever rents were present in the market.

When comparing the Subject's rents to the average comparable rent, we do not include surveyed rents at lower AMI levels given that this artificially lowers the average surveyed rent. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers rents at the 50 and 60 percent of AMI levels, and there is a distinct difference at comparable properties between rents at the two AMI levels, we do not include the 50 percent of AMI rents in the average comparable rent for the 60 percent of AMI comparison.

The overall average and the maximum and minimum adjusted rents for the comparable properties surveyed are illustrated in the table below in comparison with net rents for the Subject.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject Achievable LIHTC Rent	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
2BR @ 60%*	\$975	\$481	\$1,300	\$946	-3%

* Achievable rent assuming no subsidy

The Subject’s achievable 60 percent AMI rent, absent rental subsidy, is slightly above the surveyed average of the comparables, both LIHTC and market rate. It is noted that the 60 percent rents at the LIHTC properties in Polk County are very low, which skews the overall average downward. The Subject’s restricted rent absent subsidy is slightly higher than the surveyed average of the comparable rents.

Harris Bridge Overlook, which was constructed in 2001 and is in average condition. This property has a similar location in Dallas. This property has slightly inferior in-unit amenities as it offers washer/dryer connections, but not appliances. Further, it lacks landlord-paid cable/internet. However, Harris Bridge Overlook has extensive property amenities as it offers an exercise facility, swimming pool, and tennis courts. Further, its two-bedroom unit is larger in size and has two full baths. Accordingly, we believe the Subject’s achievable market rent is well below this property.

Crowne Ridge Townhomes is a market rate property that was built in 1983. It is in average condition, slightly inferior to the Subject’s condition upon renovation. This property is located two miles from the Subject in a similar location. Crowne Ridge offers slightly inferior in-unit amenities as it lacks washer/dryer appliances and landlord-paid cable/internet. Its property amenities are inferior as well as Crowne Ridge only offers a playground and off-site parking. This property offers larger unit sizes in comparison to the Subject. Further, Crowne Ridge has a desirable townhouse design and one and one-half baths in its two-bedroom units. The two-bedroom unrestricted rents at Crowne Ridge Townhomes is approximately eight percent higher than the Subject’s two-bedroom achievable rents at 60 percent AMI, absent subsidy.

6. LIHTC Competition – DCA Funded Properties within the PMA

Capture rates for the Subject are considered low for the two-bedroom types and 60 percent AMI level. If allocated, the Subject will be slightly inferior to inferior to the majority of the existing LIHTC housing stock, primarily because of its smaller unit sizes and modest property amenities. The average LIHTC vacancy rate is low at 1.9 percent for stabilized properties. The mixed income Magnolia Creste Apartments reports that six of its seven vacant units are preleased. Further, three of the four properties report waiting lists for their LIHTC units and all of the property managers at the LIHTC comparables report strong demand for affordable housing in the area. The Subject will exhibit slightly superior condition to all of the LIHTC comparables upon completion. Therefore, we believe there is adequate demand for the Subject as proposed.

There are two surveyed family-oriented LIHTC properties in the PMA. Both of these properties reported low vacancy rates and three report waiting lists. Campbell Creek reported a waiting list of 200 households while units at Magnolia Creste are leased on a first come, first served basis. Further, the Subject’s achievable rents without subsidy will be below the rents at these properties. As such, we believe the Subject will offer a discount to these comparables. The Subject has an existing tenant base, the vast majority of which are expected to remain at the property post-renovation. Therefore, we do not believe the Subject will detract tenants from existing LIHTC properties given low vacancy rates and waiting lists. Further, household growth in the PMA is expected to continue. Therefore, we do not believe the renovation of the Subject will negatively impact the existing properties in the market as its HAP contract will continue post-renovation.

7. Rental Trends in the PMA

The table below depicts household growth by tenure from 2000 through 2024.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	10,008	79.9%	2,511	20.1%
2019	17,322	77.7%	4,981	22.3%
Projected Mkt Entry November 2021	18,400	78.4%	5,064	21.6%
2024	19,633	79.2%	5,159	20.8%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

As the table illustrates, households within the PMA reside mostly in owner-occupied residences. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, there is a smaller percentage of renters in the PMA than the nation. This percentage is projected to decrease slightly over the next five years, but the number of renter-occupied units is projected to increase.

Historical Vacancy

The following table details historical vacancy levels for the properties included as comparables.

HISTORICAL VACANCY						
Property Name	Program	Total Units	2017 Q2	2019 Q2	2019 Q3	2020 Q2
Dallas Manor	Section 8	40	N/A	N/A	N/A	5.0%
Campbell Creek	LIHTC/ Market	80	N/A	N/A	N/A	0.0%
Evergreen Village	LIHTC	56	3.6%	5.4%	12.5%	28.6%
Magnolia Creste Apartments	LIHTC	177	N/A	N/A	N/A	4.0%
Park Place Apartments	LIHTC/ Market	60	3.3%	5.0%	6.7%	0.0%
Country Garden	Market	56	N/A	N/A	N/A	0.0%
Crowne Ridge Townhomes	Market	45	N/A	N/A	N/A	2.2%
Harris Bridge Overlook	Market	332	N/A	N/A	N/A	5.7%
Saddlebrook Cove	Market	54	N/A	N/A	N/A	0.0%
Ten 60 West	Market	192	N/A	N/A	N/A	3.1%

It is noted that historical vacancy data at the majority of the comparable properties is not available. None of the comparables in Paulding County have been surveyed within the past five years. Historical vacancy rate information for the two LIHTC properties in Polk County are presented. The vacancy rate at one of these properties, Evergreen Village, has increased as units are not being marketed because of a renovation. Vacancy rates at the other property in Polk County, Park Place Apartments, have decreased since our previous surveys. Overall, we believe that the current performance of the LIHTC comparable properties, as well as their historically low to moderate vacancy rates and the presence of waiting lists at three of the four LIHTC properties, indicate demand for affordable rental housing in the Subject’s market. Additionally, the COVID-19 pandemic has not resulted in an increase in vacancy rates among the LIHTC or market rate properties.

Change in Rental Rates

The following table illustrates rental rate increases as reported by the comparable properties.

RENT GROWTH

Property Name	Rent Structure	Rent Growth
Campbell Creek	LIHTC/ Market	Increase of three to nine percent
Evergreen Village*	LIHTC	None
Magnolia Creste Apartments	LIHTC	Increase of six to eight percent
Park Place Apartments*	LIHTC/ Market	None
Country Garden	Market	Increase three percent
Crowne Ridge Townhomes	Market	None
Harris Bridge Overlook	Market	Increase of five to 10 percent
Saddlebrook Cove	Market	Increase of one to two percent
Ten 60 West	Market	NA

*Located outside of the PMA

Half of the LIHTC properties reported increasing rents. Selected market rate properties reported recent rent growth as well. We anticipate that the Subject will be able to achieve moderate rent growth in the future as a LIHTC property. However, with Section 8 subsidy in place at the Subject, rent increases at the property should not directly impact residents, as they will continue to pay 30 percent of their income toward rent.

8. Impact of Foreclosed, Abandoned and Vacant Structures

According to *RealtyTrac* statistics, one in every 15,443 housing units nationwide was in some stage of foreclosure as of June 2020. The City of Dallas is experiencing a foreclosure rate of one in every 6,967 homes, while Paulding County is experiencing foreclosure rate of one in every 7,514 homes and Georgia experienced one foreclosure in every 12,473 housing units. Overall, Dallas is experiencing a higher foreclosure rate than the nation, and slightly higher than Paulding County as a whole. The Subject’s neighborhood does not have a significant amount of abandoned or vacant structures that would impact the marketability of the Subject. Due to the CARES Act passed in April 2020 in response to the COVID-19 pandemic, lenders are prohibited from foreclosing on homes with federally backed mortgages.

9. Effect of Subject on Other Affordable Units in Market

As previously noted, there are two surveyed family-oriented LIHTC properties in the PMA. Both of these properties reported low vacancy rates and three report waiting lists. Campbell Creek reported a waiting list of 200 households while units at Magnolia Creste are leased on a first come, first served basis. Further, the Subject’s achievable rents without subsidy will be below the rents at these properties. As such, we believe the Subject will offer a discount to these comparables. The Subject has an existing tenant base, the majority of which are expected to remain at the property post-renovation. Therefore, we do not believe the Subject will detract tenants from existing LIHTC properties given low vacancy rates and waiting lists. Further, household growth in the PMA is expected to continue. Therefore, we do not believe the renovation of the Subject will negatively impact the existing properties in the market as its HAP contract will continue post-renovation.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The stabilized LIHTC comparables are experiencing a weighted average vacancy rate of 1.9 percent, which is considered low. The majority of vacant units at Magnolia Creste are preleased to new tenants. Further, three of the four properties report waiting lists for their LIHTC units and all of the property managers at the LIHTC comparables report strong demand for affordable housing in the area. Property managers have not reported a notable change in the market as a result of the COVID-19 pandemic. Post-renovation, the Subject will offer washer/dryer appliances, which are not offered at all comparable properties. Although the Subject will not offer an extensive property amenity package, it is still expected to compete well in this market, given the subsidies in place. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered similar to

slightly superior in terms of condition to the majority of the comparable properties. Given the Subject's anticipated similar to slightly superior condition relative to the competition and the demand for affordable housing evidenced by low vacancy at LIHTC comparable properties, we believe that the Subject is feasible and will perform well. Further, we believe that the Subject's subsidized operation will make it more likely to weather the current economic challenges due to COVID-19 better than average (as compared with other multifamily developments). The timing of the Subject's construction will further insulate it from the current COVID-19 pandemic.

J. ABSORPTION AND STABILIZATION RATES

ABSORPTION AND STABILIZATION RATES

The following table details regional absorption data in the area. It should be noted that none of the comparables were able to provide recent absorption data, and thus, we extended our search to other properties throughout the greater Atlanta region.

ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Aspire Westside	LIHTC	Family	2020	167	10
Wisteria Place Of Mableton	LIHTC	Senior	2019	104	30
Solstice Morningside	Market	Family	2019	239	33
Entra West End	Market	Family	2019	187	20
Brentwood Senior Apartments	LIHTC	Senior	2019	70	11
Adair Court	LIHTC	Senior	2019	91	91
Platform Apartments	Market	Family	2018	324	17
Overture Barrett	Market	Senior	2018	172	8
Burrell Square	LIHTC	Family	2017	84	21
The Meridian At Redwine	Market	Family	2016	258	17
Station R Apartments	Market	Family	2016	285	14
Reynoldstown Senior Apartments	LIHTC	Senior	2016	70	70
Pad On Harvard	Market	Family	2016	109	13
Glenwood At Grant Park	Market	Family	2016	216	8
675 Highland	Market	Family	2016	125	16

Per DCA guidelines, we calculated the absorption to 93 percent occupancy. The properties experienced absorption rates ranging from eight to 91 units per month. Burrell Square is a family LIHTC development located in Rome, which is 35 miles northwest of the Subject site. Rome is also an exurban area to the northwest of Atlanta. This property offers 84 units and was fully-occupied within four months. Burrell Square is currently 99 percent occupied and maintains a waiting list. Other properties reported lower absorption rates, while the overall average is approximately 25 units per month. We considered all of the properties but given greatest weight to Burrell Square as it has a generally similar location. The Subject is currently 98 percent occupied and has a waiting list of 30 households. Post-renovation, all units at the Subject will continue to operate with rental subsidies and tenants will continue to pay 30 percent of their income towards rent. Therefore, it is likely there will be minimal turnover post-renovation. Based on the information above, we believe the Subject would be able to absorb approximately 15 to 20 units per month, for an absorption period of two to three months if it were hypothetically vacant.

K. INTERVIEWS

Georgia Department of Community Affairs

We were able to speak with Ms. Mary de la Vaux, Special Assistant, of the Georgia Department of Community Affairs regarding the Housing Choice Voucher program. According to Ms. de la Vaux, the Georgia Departments of Community Affairs allots 16,500 statewide, of which 14,000 are currently in use. Ms. de la Vaux also stated that there are 189 families utilizing these Housing Choice Vouchers in Paulding County. According to the Georgia DCA website, the waiting list for vouchers was open for one week, from February 1 to 7, 2016, and is currently closed. There are currently approximately 9,000 households on the waiting list. The two-bedroom payment standard for Paulding County is listed below.

PAYMENT STANDARDS	
Unit Type	Standard
Two-Bedroom	\$793

Source: Georgia Department of Community Affairs, effective January 2020

The Subject’s achievable LIHTC rent (absent subsidy) is above the current payment standard. Therefore, tenants with Housing Choice Vouchers would pay out of pocket for rent. However, all of the Subject’s units benefit from a Section 8 contract; as such, tenants will not need to utilize vouchers.

Planning

We attempted to contact the city of Dallas Planning Department for information regarding proposed or planned multifamily developments in the Subject’s PMA. However, as of the date of this report, our calls have not been returned. Therefore, we utilized LIHTC allocation lists published by Georgia Department of Community Affairs and referenced CoStar, a national real estate research firm that analyzes apartment markets. According to these sources, there are no known planned or under construction multifamily properties in the Subject’s PMA. Further, there have been no competitive LIHTC developments awarded and/or constructed or placed in service from 2015 to the present.

Dallas Chamber of Commerce

We attempted to contact the Dallas Chamber of Commerce. As of the date of this report, our calls have yet to be returned. We conducted our own research and were able to determine that there has not been any notable business expansions in recent years.

L. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Demographics

The population in the PMA increased by 83.6 percent between 2000 and 2019, compared to the 41.2 percent increase in the regional MSA and 18.2 percent increase across the overall nation. The current population of the PMA is 65,073 and is expected to be 68,444 in 2021. The current number of households in the PMA is 22,303 and is expected to be 23,461 in 2024. The percentage of renter households in the PMA decreased slightly between 2010 and 2019, and is estimated to be 22.3 percent as of 2019. This is less than the estimated 33 percent of renter households across the overall nation. Renter households are concentrated in the lowest income cohorts, with 50.3 percent of renters in the PMA earning less than \$40,000 annually. The Subject will target households earning between \$0 and \$44,700 for its units as proposed and \$36,583 and \$44,700 absent subsidy; therefore, the Subject should be well positioned to service this market. Overall, strong growth in the PMA and the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

Employment Trends

Employment in the PMA is concentrated in the retail trade, healthcare/social assistance, and educational services industries, which collectively comprise 36.3 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. The effects of the 2007-2009 recession were more pronounced in the MSA, which experienced a 6.9 percent employment contraction, compared to only 4.9 percent across the overall nation. Employment in the MSA recovered and surpassed pre-recessionary levels in 2015, a year after the overall nation. Total employment in the MSA increased at an annual rate of 0.9 percent over the March 2019 to March 2020 period, greater than the 0.8 percent decline for the nation as a whole.

Capture Rates

The following table illustrates the demand and capture rates for the Subject’s proposed units.

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Proposed Rents*
2BR @ 60% (As Proposed)	\$0	\$44,700	40	410	0	410	9.8%	\$1,270
2BR @ 60% (Absent Subsidy)	\$36,583	\$44,700	40	70	0	70	57.1%	\$975

*Proposed rent in the absent subsidy scenario is the achievable LIHTC rent.

We believe these calculated capture rates are reasonable, particularly as these calculations do not consider demand from outside the PMA or standard rental household turnover. The capture rate for the Subject, as proposed, is within Georgia DCA thresholds. It should be noted that while the Subject’s absent subsidy scenario capture rates are elevated and above this threshold, this analysis is purely hypothetical. Therefore, we believe there is adequate demand for the Subject.

Absorption

The following table details regional absorption data in the area. It should be noted that none of the comparables were able to provide recent absorption data, and thus, we extended our search to other properties throughout the greater Atlanta region.

ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Aspire Westside	LIHTC	Family	2020	167	10
Wisteria Place Of Mableton	LIHTC	Senior	2019	104	30
Solstice Morningside	Market	Family	2019	239	33
Entra West End	Market	Family	2019	187	20
Brentwood Senior Apartments	LIHTC	Senior	2019	70	11
Adair Court	LIHTC	Senior	2019	91	91
Platform Apartments	Market	Family	2018	324	17
Overture Barrett	Market	Senior	2018	172	8
Burrell Square	LIHTC	Family	2017	84	21
The Meridian At Redwine	Market	Family	2016	258	17
Station R Apartments	Market	Family	2016	285	14
Reynoldstown Senior Apartments	LIHTC	Senior	2016	70	70
Pad On Harvard	Market	Family	2016	109	13
Glenwood At Grant Park	Market	Family	2016	216	8
675 Highland	Market	Family	2016	125	16

Per DCA guidelines, we calculated the absorption to 93 percent occupancy. The properties experienced absorption rates ranging from eight to 91 units per month. Burrell Square is a family LIHTC development located in Rome, which is 35 miles northwest of the Subject site. Rome is also an exurban area to the northwest of Atlanta. This property offers 84 units and was fully-occupied within four months. Burrell Square is currently 99 percent occupied and maintains a waiting list. Other properties reported lower absorption rates, while the overall average is approximately 25 units per month. We considered all of the properties but given greatest weight to Burrell Square as it has a generally similar location. The Subject is currently 98 percent occupied and has a waiting list of 30 households. Post-renovation, all units at the Subject will continue to operate with rental subsidies and tenants will continue to pay 30 percent of their income towards rent. Therefore, it is likely there will be minimal turnover post-renovation. Based on the information above, we believe the Subject would be able to absorb approximately 15 to 20 units per month, for an absorption period of two to three months if it were hypothetically vacant.

Vacancy Trends

The following table illustrates the vacancy rates in the market. Excluded from this table is one LIHTC comparable, Evergreen Village. This property has 16 of its 56 total units off-line for renovations. Prior to renovation, this property was typically 100 percent occupied with a waiting list.

OVERALL VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Campbell Creek	LIHTC/ Market	80	0	0.0%
Magnolia Creste Apartments	LIHTC	177	7	4.0%
Park Place Apartments*	LIHTC/ Market	60	0	0.0%
Country Garden	Market	56	0	0.0%
Crowne Ridge Townhomes	Market	45	1	2.2%
Harris Bridge Overlook	Market	332	19	5.7%
Saddlebrook Cove	Market	54	0	0.0%
Ten 60 West	Market	192	6	3.1%
Total LIHTC		373	7	1.9%
Total Market Rate		679	26	3.8%
Overall Total		1,052	33	3.1%

*Located outside of the PMA

Overall vacancy in the market is low at 3.1 percent and overall LIHTC vacancy is lower, at 1.9 percent. Magnolia Creste Apartments, a mixed income property, reports seven vacant units, although six units are preleased to new tenants. None of the remaining stabilized LIHTC/mixed income comparables report any vacancy. Further, three of the four properties report waiting lists for their LIHTC units and all of the property managers at the LIHTC comparables report strong demand for affordable housing in the area. Of the market rate properties, Harris Bridge Overlook reported that nine of its 19 vacant units are preleased. Overall, this market is supply-constrained for affordable product and generally balanced for market rate product. The Subject will exhibit slightly superior condition to all of the LIHTC comparables upon completion. Therefore, we believe there is adequate demand for the Subject as proposed.

Over the 2017 to 2019 period, the Subject reported a vacancy and collection loss of 0.8 percent to 2.1 percent. As a newly renovated property with a competitive amenity package with subsidies in place for all units, we anticipate that the Subject would perform with a vacancy rate of three percent or less. Based on these factors, we believe that there is sufficient demand for affordable housing in the market. Since the Subject is an existing property with subsidy on all units, we do not believe it will impact the performance of the existing affordable properties if allocated.

Strengths of the Subject

Upon completion of renovations, the Subject will be in good condition and will be considered slightly superior in terms of condition to the majority of the comparable properties. As the demand analysis indicated, there is adequate demand for the Subject with a subsidy in place. Further, the Subject is 97.5 percent occupied and the one vacant unit is pre-leased from the waiting list, which consists of 30 households. Additionally, the Section 8 HAP contract will continue post-renovation, with the current 20-year contract expiring in 2032. As such, qualifying tenants will pay only 30 percent of their household income on rent. All of the current tenants are anticipated to income-qualify for the Subject post-renovation. Further, the existing Subject will not add any units to this market. Overall, we believe that the Subject, as renovated, will effectively compete in this market, given the subsidies in place.

Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The stabilized LIHTC comparables are experiencing a weighted average vacancy rate of 1.9 percent, which is low. Of the stabilized LIHTC properties, only the mixed income Magnolia Creste Apartments reports any vacancy, and six of its seven vacant units are preleased. Further, three of the four affordable properties report waiting lists for their LIHTC units and all of the property managers at the LIHTC comparables report strong demand for affordable housing in the area. The Subject will offer slightly superior in-unit amenities in comparison to the LIHTC comparable properties and slightly inferior to inferior property amenities. The Subject will offer washer/dryer appliances, which many comparables lack. However, the Subject will not offer an exercise facility, swimming pool, and picnic area, which is offered at several of the comparable developments. Nonetheless, we believe that the proposed amenities will allow the Subject to effectively compete in the market, given the subsidies in place. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered slightly superior in terms of condition to the majority of the comparable properties. Given the Subject's anticipated slightly superior condition relative to the competition and the demand for affordable housing evidenced by low vacancy at stabilized LIHTC comparable properties, we believe that the Subject is feasible and will perform well. Further, we believe that the Subject's subsidized operation will make it more likely to weather the current economic challenges due to COVID-19 better than average (as compared with other multifamily developments). The timing of the Subject's construction will further insulate it from the current COVID-19 pandemic.

Recommendations

We recommend the Subject as proposed.

M. SIGNED STATEMENT REQUIREMENTS

I affirm that I (or one of the persons signing below) made a physical inspection of the market area and the Subject property and that information has been used in the full study of the need and demand for the proposed units. The report is written according to DCA's market study requirements, the information included is accurate and the report can be relied upon by DCA as a true assessment of the low-income housing rental market.

To the best of my knowledge, the market can support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.

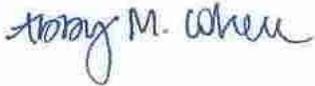
DCA may rely on the representation made in the market study. The document is assignable to other lenders.



H. Blair Kincer, MAI
Partner
Blair.Kincer@novoco.com



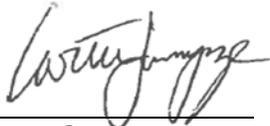
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Abby.Cohen@novoco.com



Robert Edwards
Senior Analyst
Bob.Edwards@novoco.com



Carter Swayze
Junior Analyst
Carter.Swayze@novoco.com

June 22, 2020

ADDENDUM A
Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the market analyst has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the market analyst did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or market study and are invalid if so used.
11. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the market analyst. Nor shall the market analyst, firm, or professional organizations of which the market analyst is a member be identified without written consent of the market analyst.

12. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional organization with which the market analyst is affiliated.
13. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
14. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
15. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
16. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the market study report.
17. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
18. On all studies, Subject to satisfactory completion, repairs, or alterations, the report and conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time.
19. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums, except as reported to the market analyst and contained in this report.
20. The party for whom this report is prepared has reported to the market analyst there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
21. Unless stated otherwise, no percolation tests have been performed on this property. In making the market study, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use.
22. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The market analyst does not warrant the condition or adequacy of such systems.
23. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the property. The market analyst reserves the right to review and/or modify this market study if said insulation exists on the Subject property.
24. Estimates presented in this report are assignable to parties to the development's financial structure.

ADDENDUM B
Subject and Neighborhood Photographs

Photographs of Subject Site and Surrounding Uses



View of Subject



View of Subject



View west on Paulding Lane



View east on Paulding Lane



View of Subject



View of Subject



View of Subject



Subject community building



Leasing office at Subject property



Community room at Subject property



Typical bedroom at Subject property



Typical bedroom at Subject property



Typical bathroom at Subject property



Typical bathroom at Subject property



Typical kitchen at Subject property



Typical kitchen at Subject property



Typical closet at Subject Property



Typical closet at Subject property



Typical living room at Subject Property



Typical living room at Subject Property



Typical stairwell at Subject Property



Parking lot at Subject Property



Mailbox at Subject Property



Playground at Subject Property



Central Laundry room at Subject property



Leasing office bathroom at Subject property



Single-family home in Subject's neighborhood



Public housing west of Subject



Typical single-family home in Subject neighborhood



Typical single-family home in Subject neighborhood



Typical single-family home in Subject neighborhood



Typical single-family home in Subject neighborhood



Warehouse south of Subject



Dallas Elementary School south of Subject



Technical College east of Subject



Technical College east of Subject



Grocery store southeast of Subject



Commercial use southeast of Subject



Pharmacy southeast of Subject



Commercial use southeast of Subject

ADDENDUM C
Qualifications

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

Duquesne University, Pittsburgh, Pennsylvania
Masters in Business Administration
Graduated Summa Cum Laude

West Virginia University, Morgantown, West Virginia
Bachelor of Science in Business Administration
Graduated Magna Cum Laude

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Member, The Counselors of Real Estate (CRE)
LEED Green Associate
Member, National Council of Housing Market Analysts (NCHMA)
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. GA12288 – District of Columbia
Certified General Real Estate Appraiser, No CG1694 – State of Maine
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. 103789 – State of Massachusetts
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia

III. Professional Experience

Partner, Novogradac & Company LLP
Vice President/Owner, Capital Realty Advisors, Inc.
Vice President - Acquisitions, The Community Partners Development Group, LLC
Commercial Loan Officer/Work-Out Specialist, First Federal Savings Bank of Western MD
Manager - Real Estate Valuation Services, Ernst & Young LLP
Senior Associate, Joseph J. Blake and Associates, Inc.
Senior Appraiser, Chevy Chase, F.S.B.
Senior Consultant, Pannell Kerr Forster

IV. Professional Training

Have presented at and attended various industry conferences regarding the HTC, RETC, NMTC and LIHTC and various market analysis and valuation issues.

Obtained the MAI designation in 1998, maintaining continuing education requirements since. Registered as completing additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings: Commercial
- 3) Valuation of Sustainable Buildings: Residential

V. Real Estate Assignments – Examples

In general, have managed and conducted numerous market analyses and appraisals for all types of commercial real estate since 1988.

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered

(LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.

- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

ABBY M. COHEN

I. Education

The Pennsylvania State University, University Park, PA
Bachelor of Arts

II. Licensing and Professional Affiliation

Certified General Appraiser, FL License #RZ4143
Certified General Appraiser, MD License #40032823
Certified General Appraiser, NC License #A8127
Certified General Appraiser, NJ License #42RG00255000
Certified General Appraiser, SC License #7487

Designated Member of the National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network

III. Professional Experience

Novogradac & Company LLP, Partner
Novogradac & Company LLP, Principal
Novogradac & Company LLP, Manager
Novogradac & Company LLP, Senior Real Estate Analyst

IV. Professional Training

7-Hour National USPAP Update for 2020-2021, February 2020
Appraisal of Fast Food Facilities, February 2020
Appraisal of Self-Storage Facilities, February 2020
The Odd Side of Appraisal, February 2020
Basic Hotel Appraising – Limited Service Hotels, October 2019
Advanced Hotel Appraising – Full Service Hotels, October 2019
Appraisal of REO and Foreclosure Properties, October 2019
Appraisal of Land Subject to Ground Leases, December 2017
Business Practices and Ethics, January 2017
General Appraiser Report Writing and Case Studies, February 2015
General Appraiser Sales Comparison Approach, February 2015
General Appraiser Site Valuation and Cost Approach, February 2015
Expert Witness for Commercial Appraisers, January 2015
Commercial Appraisal Review, January 2015
Real Estate Finance Statistics and Valuation Modeling, December 2014
General Appraiser Income Approach Part II, December 2014
General Appraiser Income Approach Part I, November 2014
General Appraiser Market Analysis and Highest & Best Use, November 2014
IRS Valuation Summit, October 2014
15-Hour National USPAP Equivalent, April 2013
Basic Appraisal Procedures, March 2013
Basic Appraisal Principles, January 2013

V. Publications

Co-authored “Post Rev. Proc. 2014-12 Trend Emerges: Developer Fee Reasonableness Opinions,” Novogradac Journal of Tax Credits, March 2016

VI. Real Estate Assignments

A representative sample of Asset Management, Due Diligence, and Valuation Engagements includes:

- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of deferred maintenance and property condition, security issues, signage, marketing strategy, condition of units upon turnover and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assessed how the property compares to competition. Analyzed operating expense results.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies and appraisals for projects under the HUD Multifamily Accelerated Processing program.
- Prepared Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Completed numerous reasonableness opinions related to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall master lease terms.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRIAN NEUKAM**

EDUCATION

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No.329471

State of North Carolina Certified General Appraiser No. 8284

State of South Carolina Certified General Appraiser No. 7493

State of Illinois Certified General Appraiser No. 553.002704

PROFESSIONAL TRAINING

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

EXPERIENCE

Novogradac & Company LLP, Manager, December 2016-present

Novogradac & Company LLP, Senior Real Estate Analyst, September 2015- December 2016

J Lawson & Associates, Associate Appraiser, October 2013- September 2015

Carr, Lawson, Cantrell, & Associates, Associate Appraiser, July 2007-October 2013

REAL ESTATE ASSIGNMENTS

A representative sample of due diligence, consulting or valuation assignments includes:

- Prepare market studies and appraisals throughout the U.S. for proposed and existing family and senior Low-Income Housing Tax Credit (LIHTC), market rate, HOME financed, USDA Rural Development, and HUD subsidized properties. Appraisal assignments involve determining the as is, as if complete, and as if complete and stabilized values.
- Conduct physical inspections of subject properties and comparables to determine condition and evaluate independent physical condition assessments.
- Performed valuations of a variety of commercial properties throughout the Southeast which included hotels, gas stations and convenience stores, churches, funeral homes, full service and fast-food restaurants, stand-alone retail, strip shopping centers, distribution warehouse and manufacturing facilities, cold storage facilities, residential and commercial zoned land, and residential subdivision lots. Intended uses included first mortgage, refinance, foreclosure/repossession (REO), and divorce.
- Employed discounted cash flow analysis (utilizing Argus or Excel) to value income-producing properties and prepare or analyze cash flow forecasts.
- Reviewed and analyzed real estate leases, including identifying critical lease data such as commencement/expiration dates, various lease option types, rent and other income, repair and maintenance obligations, Common Area Maintenance (CAM), taxes, insurance, and other important lease clauses.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Robert C. Edwards

I. Education

George Washington University
Master of Business Administration, Finance and Investments

St. Bonaventure University
Bachelor of Science, Economics

II. Licensure

District of Columbia Certified General Appraiser, License Number GA12355
Kentucky Certified General Real Property Appraiser, License Number 5235
Maryland Certified General Real Property Appraiser, License Number 40033019
Michigan Certified General Appraiser, License Number 1201075824
New York Certified Real Estate General Appraiser, License Number 46000052142
Ohio Certified General Appraiser, License Number ACGO.2018000555
Pennsylvania Certified General Appraiser, License Number GA004299
Virginia Certified General Appraiser, License Number 4001017477

III. Professional Experience

Senior Real Estate Analyst, Novogradac & Company LLP, Bethesda, MD
Senior Associate, Associated Real Estate Advisors, Bethesda, MD
Review Appraiser, PNC Bank, Pittsburgh, PA
Project Director, Delta Associates, Alexandria, VA

IV. Real Estate Assignments

- Provided appraisal assistance on a wide variety of properties including multifamily developments, office, industrial, retail, vacant land, special-use, and proposed new construction. Performed site inspections, and conducted in-depth property, economic and market data research, expense analyses, and revenue projections. Have also reviewed appraisals by others for compliance.
- Performed market studies on over 350 multifamily properties in 47 states, specializing with the Low-Income Housing Tax Credit program. Have also performed analyses on multifamily properties that are HUD subsidized or operated under the USDA Rural Development program. Specialized housing types such as single-room-occupancy, disabled, veterans, and Native American housing, have also been analyzed. Also have provided assistance on over 200 appraisals and over 40 rent comparability studies of multifamily properties.

V. Professional Training

15-Hour National USPAP Equivalent, 2015
Basic Appraisal Procedures, 2015
Basic Appraisal Principals, 2015
General Appraiser Market Analysis Highest and Best Use, 2016
Real Estate Statistics and Valuation Modeling, 2016
General Appraiser Report Writing and Case Studies, 2016
General Appraiser Sales Comparison Approach, 2016
General Appraiser Site Valuation and Cost Approach, 2016
General Appraiser Income Approach, 2016

STATEMENT OF PROFESSIONAL QUALIFICATIONS

CARTER S. SWAYZE

I. Education

University of Mississippi - (Ole Miss)
Bachelor in Business Administration, Managerial Finance
Bachelor in Business Administration, Banking Finance
Cum Laude

II. Professional Experience

Junior Analyst, *Novogradac & Company LLP* – February 2020 - Present
Analyst – Equities Trading, *UBS Investment Bank* – June 2018 – December 2019
Investment Banking Summer Analyst, *Marlin & Associates* – May 2017 – August 2017

III. Research Assignments

A representative sample of work on various types of projects:

- Assist in performing and writing markets studies of proposed and existing Low-Income Housing Tax Credit (LIHTC) properties.
- Research web-based rent reasonableness systems and contact local housing authorities for utility allowance schedules, payment standards, and Housing Choice Voucher information.
- Assisted numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.

ADDENDUM D
Summary Matrix

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Dallas Manor 350 Paulding Lane Dallas, GA 30132 Paulding County	-	Garden 2-stories 1979 / 2021 Family	Section 8	2BR / 1BA	40	100.0%	841	@60% (Section 8)	\$1,270	N/A	Yes	1	2.5%
1	Campbell Creek 351 W. Memorial Drive Dallas, GA 30157 Paulding County	1.1 miles	Garden 2-stories 1992 / 2008 Family	@30%, @50%, @60%, Market	2BR / 1BA	8	10.0%	894	@30%	\$396	Yes	Yes	N/A	N/A
					2BR / 1BA	34	42.5%	894	@50%	\$749	Yes	Yes	N/A	N/A
					2BR / 1BA	22	27.5%	894	@60%	\$948	Yes	Yes	N/A	N/A
					2BR / 1BA	16	20.0%	894	Market	\$1,000	N/A	Yes	N/A	N/A
						80							0	0.0%
2	Evergreen Village 110 Evergreen Lane Cedartown, GA 30125 Polk County	25.9 miles	Garden 2-stories 1999 / n/a Family	@50%, @60%	1BR / 1BA	8	14.3%	756	@50%	\$394	No	Yes	N/A	N/A
					1BR / 1BA	8	14.3%	756	@60%	\$399	No	Yes	N/A	N/A
					2BR / 1BA	10	17.9%	915	@50%	\$461	No	Yes	N/A	N/A
					2BR / 1BA	10	17.9%	915	@60%	\$498	No	Yes	N/A	N/A
					3BR / 2BA	10	17.9%	1,136	@50%	\$517	No	Yes	N/A	N/A
					3BR / 2BA	10	17.9%	1,136	@60%	\$537	No	Yes	N/A	N/A
						56							16	28.6%
3	Magnolia Creste Apartments 201 Butler Industrial Drive Dallas, GA 30132 Paulding County	1.7 miles	Garden 2-stories 2002 / n/a Family	LIHTC	1BR / 1BA	7	4.0%	975	@50%	\$676	Yes	No	N/A	N/A
					1BR / 1BA	19	10.7%	975	@60%	\$835	Yes	No	N/A	N/A
					1BR / 1BA	6	3.4%	975	Market	\$1,078	N/A	None	N/A	N/A
					2BR / 2BA	25	14.1%	1,150	@50%	\$811	Yes	No	N/A	N/A
					2BR / 2BA	75	42.4%	1,150	@60%	\$1,003	Yes	No	N/A	N/A
					2BR / 2BA	21	11.9%	1,150	Market	\$1,217	N/A	No	N/A	N/A
					3BR / 2BA	5	2.8%	1,350	@50%	\$926	Yes	No	N/A	N/A
					3BR / 2BA	14	7.9%	1,350	@60%	\$1,146	Yes	No	N/A	N/A
					3BR / 2BA	5	2.8%	1,350	Market	\$1,407	N/A	No	N/A	N/A
						177							7	4.0%
4	Park Place Apartments 800 Park Place Circle Rockmart, GA 30153 Polk County	13.5 miles	Garden 3-stories 2003 / n/a Family	@50%, @60%, Market	1BR / 1BA	8	13.3%	677	@50%	\$400	No	Yes	N/A	N/A
					1BR / 1BA	2	3.3%	677	@60%	\$411	No	Yes	N/A	N/A
					1BR / 1BA	2	3.3%	677	Market	\$505	N/A	Yes	N/A	N/A
					2BR / 1BA	14	23.3%	883	@50%	\$466	No	Yes	N/A	N/A
					2BR / 1BA	5	8.3%	883	@60%	\$481	No	Yes	N/A	N/A
					2BR / 1BA	5	8.3%	883	Market	\$610	N/A	Yes	N/A	N/A
					3BR / 2BA	14	23.3%	1,100	@50%	\$525	No	Yes	N/A	N/A
					3BR / 2BA	5	8.3%	1,100	@60%	\$581	No	Yes	N/A	N/A
					3BR / 2BA	5	8.3%	1,100	Market	\$654	N/A	Yes	N/A	N/A
						60							0	0.0%
5	Country Garden 13 Peaceful Path Dallas, GA 30157 Paulding County	0.6 miles	Garden 2-stories 1968 / n/a Family	Market	2BR / 1BA	56	100.0%	900	Market	\$750	N/A	No	0	0.0%
						56							0	0.0%
6	Crowne Ridge Townhomes 400 Wl Parkway Dallas, GA 30132 Paulding County	2.0 miles	Townhouse 2-stories 1983 / n/a Family	Market	2BR / 1.5BA	45	100.0%	1,000	Market	\$1,050	N/A	No	N/A	N/A
						45							1	2.2%
7	Harris Bridge Overlook 1175 Old Harris Road Dallas, GA 30157 Paulding County	1.4 miles	Garden 3-stories 2001 / n/a Family	Market	1BR / 1BA	N/A	N/A	660	Market	\$1,037	N/A	No	N/A	N/A
					1BR / 1BA	N/A	N/A	912	Market	\$1,309	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,048	Market	\$1,127	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,173	Market	\$1,298	N/A	No	N/A	N/A
					3BR / 2BA	N/A	N/A	1,366	Market	\$1,336	N/A	No	N/A	N/A
					3BR / 2BA	N/A	N/A	1,439	Market	\$1,375	N/A	No	N/A	N/A
						332							19	5.7%
8	Saddlebrook Cove 237 Vernoy Aiken Road Dallas, GA 30157 Paulding County	0.6 miles	Various 2-stories 1996 / 2018 Family	Market	2BR / 1.5BA	20	37.0%	1,225	Market	\$900	N/A	No	0	0.0%
					2BR / 2BA	31	57.4%	1,165	Market	\$1,000	N/A	No	0	0.0%
					3BR / 2BA	3	5.6%	1,300	Market	\$1,100	N/A	No	0	0.0%
						54							0	0.0%
9	Ten 60 West 1068 Merchants Drive Dallas, GA 30132 Paulding County	1.4 miles	Garden 3-stories 1998 / 2018 Family	Market	2BR / 2BA	40	20.8%	1,200	Market	\$1,050	N/A	No	N/A	N/A
					2BR / 2BA	56	29.2%	1,200	Market	\$1,250	N/A	No	N/A	N/A
					3BR / 2BA	40	20.8%	1,400	Market	\$1,150	No	No	N/A	N/A
					3BR / 2BA	56	29.2%	1,400	Market	\$1,350	N/A	No	N/A	N/A
						192							6	3.1%

ADDENDUM E
Subject Floor Plans

