

**A MARKET CONDITIONS AND
PROJECT EVALUATION SUMMARY
OF:
COUNTRY
GROVE**

A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF: COUNTRY GROVE

686 Plaza Trace
Monroe, Walton County, Georgia 30655

Effective Date: October 29, 2020
Report Date: November 10, 2020

Prepared for:
Mr. Steve Johnson
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Valdosta, GA 31601

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November 10, 2020

Mr. Steve Johnson
TISHCO Development, LLC
314 N Patterson Street
Valdosta, GA 31601

Re: Application Market Study for Country Grove, located in Monroe, Walton County, Georgia

Dear Mr. Johnson:

At your request, Novogradac Consulting LLP performed a study of the multifamily rental market in the Monroe, Walton County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project.

The purpose of this market study is to assess the viability of the LIHTC rehabilitation of Country Grove (Subject), an existing 48-unit family USDA Rural Development (RD) property. The Subject offers 48 revenue generating one and two-bedroom units. Following renovation using the LIHTC program, all of the units at the property will be restricted to households earning 60 percent of the Area Median Income (AMI), or less. Further, all of the revenue generating units will continue to operate with rental subsidies and tenants will continue to pay 30 percent of their income towards rent, not to exceed LIHTC maximum allowable levels. It should be noted that we previously completed an application market study on the Subject in October 2019. 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 proposed 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 proposed 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. 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 to reduce the strain on health care systems. These efforts result in extensive impacts on economic activity. However, governments are also implementing significant economic stimulus packages to help with the economic impact. At this point is it unclear how long it will be before the emergency restrictions are further loosened or lifted altogether or how the stimulus packages will blunt the impact from the emergency measures. Further it is unclear as to how these measures will impact the housing market. However, some trends are clear:

- Clients and market participants throughout the country report April through October collections that were better than expected for all types of multifamily properties. According to a report from the National Multifamily Housing Council, October 2020 rent collections were only down by 2.4 percentage points year over-year from October 2019. According to Apartment List's housing payment survey, 69 percent of renters made an on-time rent payment in the first week of October, the third straight month showing minor improvement and the highest on-time payment rate since April. Although one-in-three renters did not pay their rent in the first week of the month, the majority of these missed payments are made up with late payments by the end of the month. A significant change in the market is not yet discernible and we continue to be relatively optimistic about the market's ability to weather the current economic storm.
- Based upon various conversations with market participants and published articles and webinars many believe that multi-family real estate will be impacted but significantly less so than other sectors. Further, the impact is expected be shorter lived. Many view multi-family as a safer haven during this period of uncertainty.
- 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. We do not suggest this prior recession will be the same as the current economic situation but this data supports the point made above and illustrates the resilience in the affordable housing sector.
- States are starting to plan the reopening over the next several weeks to a month. As of May 5, Georgia has loosened stay at home restrictions with the exception of those 65 and older and other at-risk individuals and has allowed many non-essential businesses to re-open. That should open various job segments creating more stability and demand.

STEVE JOHNSON
TISHCO DEVELOPMENT, LLC
NOVEMBER 10, 2020

- The Subject will likely avoid impact as it is affordable housing, which is somewhat insulated from economic drop. Additionally, construction on the Subject is not anticipated to be completed until December 2021, which is considered outside of the primary window from the pandemic.

Of note, despite the challenges in interviewing property managers in-person due to the office restrictions related to COVID-19, we were able to personally interview all of the comparables utilized in this report over the phone. Two of the nine surveyed 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. Two of the nine surveyed property managers did not comment on the effect of the COVID-19 pandemic.

Alexander Crossing, Skyline Trace, The Exchange, Ashton Pointe, and Villas At Loganville reported a slight decrease in collections during the COVID-19 pandemic, and no impact to occupancy or phone call traffic. Additionally, the contacts noted a strong demand for rental housing in the area.

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.

Respectfully submitted,
Novogradac Consulting LLP



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Addendum

B. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. Project Description

Country Grove is an existing family property located at 686 Plaza Trace in Monroe, Walton County, Georgia 30655, which consists of eight, one and two-story, garden and townhouse-style residential buildings.

The following table illustrates the proposed unit mix.

PROPOSED RENTS							
Unit Type	Unit Size (SF)	Number of Units	Contract Rent*	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	2020 HUD Fair Market Rents
@60% (Rural Rental Assistance Program - RRAP)							
1BR / 1BA	503	16	\$656	\$157	\$813	\$930	\$1,025
2BR / 1.5BA	710	32	\$747	\$195	\$942	\$1,117	\$1,167
		48					

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

*Contract rent where tenants will pay 30 percent of their income towards rent, not to exceed LIHTC maximum allowable levels.

The Subject’s proposed contract rents are set below 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 Subject will offer similar in-unit amenities in comparison to the LIHTC comparable properties and inferior property amenities. The Subject will offer pull cords, which many of the comparables lack. It should be noted that pull cords are not typically offered at family properties and do not offer a significant competitive advantage. However, the Subject will not offer a business center, community room, central laundry, on-site management, exercise facility, playground, or swimming pool, which is offered at several of the comparable developments. Overall, 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 is located on the north side of Plaza Trace. Adjacent south and east of the Subject site is wooded land. To the north and west is Arnold Pointe, a market rate development that has been included as a comparable for the purposes of this report. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. However, there are a limited number of retail uses in the Subject’s immediate neighborhood. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 33 out of 100. The Subject site is considered a desirable building site for rental housing. The Subject site is located in a mixed-use neighborhood. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, most of which are within 1.0 mile of the Subject site.

3. Market Area Definition

The PMA is defined by the Barrow County line to the north, the Gwinnett and Rockdale County lines to the west, the Newton and Morgan County lines to the south and the Oconee County line to the east. This area includes the Cities of Monroe, Loganville, Social Circle, Walnut Grove, and Good Hope. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

- North: 10 miles
- East: 13 miles
- South: 14 miles
- West: 15 miles

The PMA is defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject’s property manager. Many property managers indicated that a significant portion

of their tenants come from within the Atlanta area though some come from out of state. 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 15 miles. The SMA is defined as the Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area (MSA), which consists of 30 counties in northwest Georgia and encompasses 8,726 square miles.

4. Community Demographic Data

The population in the PMA increased by 4.6 percent between 2010 and 2019, compared to the 2.5 percent increase in the regional MSA and 1.0 percent increase across the overall nation. The current population of the PMA is 95,604 and is expected to be 100,049 in 2022. The current number of households in the PMA is 33,343 and is expected to be 34,820 in 2022. The percentage of households in the PMA grew at a rate of 1.4 percent per year between 2010 and 2019, which was similar to the MSA and higher than the nation during the same time period. Over the next five years, the household growth in the PMA and MSA is expected to exceed the national household growth. Renter households are concentrated in the lowest income cohorts, with 68.1 percent of renters in the PMA earning less than \$49,999 annually. The Subject's LIHTC units, with subsidy, will target tenants earning between \$0 and \$44,700. Absent subsidy, the Subject would target tenants earning between \$27,874 and \$43,080. Overall, the projected growth in the population and households along with the high 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 13,947 housing units nationwide was in some stage of foreclosure as of September 2020. Georgia experienced one foreclosure in every 10,302 housing units. *RealtyTrac* did not provide foreclosure data for the City of Monroe and Walton County. However, the Subject's neighborhood does not have a significant amount of abandoned or vacant structures that would impact the marketability of the Subject.

5. Economic Data

Employment in the PMA is concentrated in the retail trade, manufacturing, and construction industries, which collectively comprise 37.0 percent of local employment. The large share of PMA employment in retail trade, manufacturing, and construction is notable as these industries are historically volatile, and prone to contraction during recessionary periods. This has been evident during the COVID-19 pandemic. The manufacturing industry has experienced a negative impact on demand, production, and revenues over the past several months. Many manufacturing jobs are on-site and cannot be carried out remotely. Additionally, slowed economic activity as a result of the shutdown has reduced demand for industrial products in the United States and globally. Due to the COVID-19 pandemic, retail spending has decreased significantly and a majority of retailers are suffering as a result of the shutdown. Initially, construction activity slowed or halted as supply chains were disrupted by a shortage of subcontractors and materials, and public agencies and administrations terminated contracts to control expenses. However, as states began to loosen restrictions, the construction industry has already begun to rebound, and most economic analysts believe the decline will be short-lived and expect the housing and construction industry will lead the way during the economic recovery. It should be noted that 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 manufacturing industries. Conversely, the PMA is underrepresented in the healthcare/social assistance, professional/scientific/technology services, and agriculture/forestry/fishing/ hunting industries.

Prior to the national recession, average employment growth in the MSA generally exceeded the nation. Annual job growth in the MSA outpaced the nation in every year between 2004 and 2007. The effects of the recession were particularly pronounced in the MSA, which experienced a 6.9 percent contraction in employment growth (2008-2010), well above the 4.9 percent contraction reported by the nation as a whole

(2008-2010). Employment in the MSA recovered and surpassed pre-recessionary levels in 2015, a year after the overall nation. Since 2012, job growth in the MSA generally exceeded the nation. Due to the COVID-19 pandemic, employment totals in the 12-month period prior to August 2020 saw a significant decrease of 6.5 percent, compared to a decrease of 6.7 percent experienced by the nation over the same length of time. Employment growth is expected to be limited in the coming months as a result of the COVID-19 pandemic. Georgia has begun to re-open its restaurants, gyms, and other indoor venues as of April 2020, however, return to full economic potential is unlikely while the global health crisis continues.

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 seven 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 seven 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 believe that the Subject’s affordable and 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).

6. Project-Specific Affordability and Demand Analysis

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
1BR @60%	\$0	\$39,720	16	870	0	870	1.8%	\$656
1BR @60% (Absent Subsidy)	\$27,874	\$39,720	16	268	0	268	6.0%	\$656
2BR @60%	\$0	\$44,700	32	1,028	0	1,028	3.1%	\$747
2BR @60% (Absent Subsidy)	\$32,297	\$44,700	32	316	0	316	10.1%	\$747
Overall	\$0	\$44,700	48	1,898	0	1,898	2.5%	-
Overall (Absent Subsidy)	\$27,874	\$44,700	48	584	0	584	8.2%	-

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. All capture rates are within DCA thresholds.

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 995 units.

The availability of LIHTC data is considered average. We included two LIHTC and three mixed-income comparables in our analysis. The LIHTC and mixed-income comparables are located 0.1 to 10.6 miles of the Subject. Farmington Hills Phase I, Farmington Hills Phase II, and The Exchange are located outside of the PMA in Winder. Winder is a slightly superior location to Monroe with respect to median rents. These

properties are reasonable proxies as they are among the most proximate non-subsidized family LIHTC properties that offer a similar unit mix to the Subject that agreed to participate in our survey. The comparables were built or renovated between 2010 and 2018.

The availability of market rate data is considered good. The Subject is located in Monroe and there are several market-rate properties in the area. We include four conventional properties in our analysis of the competitive market, three of which are located in the PMA, between 0.1 and 1.9 miles from the Subject. Villas At Loganville is located outside of the PMA, 14.0 miles from the Subject. Loganville is a slightly superior location to Monroe with respect to median gross rents. This is a reasonable proxy as it is among the most proximate market rate properties that offer a similar unit mix to the Subject that agreed to participate in our survey. These comparables were built or renovated between 1982 and 2020. Overall, we believe the market rate properties used in our analysis are the most comparable. Other market rate properties are excluded based on proximity and unit types.

Of note, despite the challenges in interviewing property managers in-person due to the office restrictions related to COVID-19, we were able to personally interview all of the comparables utilized in this report over the phone. Two of the nine surveyed 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. Two of the nine surveyed property managers did not comment on the effect of the COVID-19 pandemic.

Alexander Crossing, Skyline Trace, The Exchange, Ashton Pointe, and Villas At Loganville reported a slight decrease in collections during the COVID-19 pandemic, and no impact to occupancy or phone call traffic. Additionally, the contacts noted a strong demand for rental housing in the area.

A detailed matrix describing the individual competitive properties as well as the proposed 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.

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
1BR @60%	\$656	\$550	\$1,400	\$874	33%
2BR @60%	\$747	\$700	\$1,544	\$1,035	39%

The Subject’s proposed 60 percent AMI rents, absent rental subsidies, are below the average of the surveyed comparables.

Villas At Loganville is achieving the highest one and two-bedroom unrestricted rents in the market. The proposed Subject will be inferior to Villas At Loganville as a market-rate property upon completion of renovations. Villas At Loganville was built in 2008 and exhibits good condition, which is similar to the anticipated good condition of the Subject upon completion of renovations. Villas At Loganville is located 14.0 miles from the Subject and offers a slightly superior location. Villas At Loganville offers superior property amenities compared to the proposed Subject as it offers a business center, community room, central laundry, on-site management, exercise facility, and swimming pool, which the proposed Subject will not offer. This property offers similar in-unit amenities and slightly superior unit sizes in comparison to the Subject. The lowest one and two-bedroom unrestricted rents at Villas At Loganville are approximately 84 and 95 percent higher than the Subject’s one and two-bedroom rents at 60 percent AMI, absent rental assistance.

8. Absorption/Stabilization Estimate

The following table details absorption data from three of the comparables.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
The Exchange	LIHTC	Family	2018	130	22
Farmington Hills Phase II	LIHTC	Family	2014	72	14
Farmington Hills Phase I	LIHTC	Family	2012	72	10

Per DCA guidelines, we calculated the absorption to 93 percent occupancy. The properties experienced absorption rates ranging from ten to 22 units per month. The Exchange is the most recently constructed property reporting absorption data. This property is located 9.9 miles from the Subject. This property experienced an absorption rate of 22 units per month during 2018 and was fully occupied within approximately six months. The Subject is currently fully-occupied. Post-renovations, 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 20 units per month, for an absorption period of two to three months if it were hypothetically vacant. It should be noted that rehabilitation on the Subject is not anticipated to be completed until December 2021, which is considered outside of the primary window from the COVID-19 pandemic.

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 LIHTC comparables are experiencing a weighted average vacancy rate of 0.7 percent, which is considered very low. Skyline Trace and Farmington Hills Phase I are the only LIHTC properties reporting vacant units. Our contacts at Skyline Trace and Farmington Hills Phase I both reported that the vacant units are pre-leased from the waiting lists. Skyline Trace’s waiting list consists of over 50 households, while Farmington Hills Phase I’s waiting list consists of 230 households and is shared with Farmington Hills Phase II. Two of the remaining three LIHTC and mixed-income comparables also maintain waiting lists. The current performance of the LIHTC and mixed-income comparables indicates strong demand for affordable housing in the area. The Subject will offer similar in-unit amenities in comparison to the LIHTC comparable properties and inferior property amenities. The Subject will offer pull cords, which many of the comparables lack. It should be noted that pull cords are not typically offered at family properties and do not offer a significant competitive advantage. However, the Subject will not offer a business center, community room, central laundry, on-site management, exercise facility, playground, or swimming pool, which is offered at several of the comparable developments. Overall, 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 inferior to similar in terms of condition to the majority of the comparable properties. Given the Subject's strong current performance, its anticipated good condition upon completion of renovations, 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.

Summary Table: (must be completed by the analyst and included in the executive summary)										
Development Name:		Country Grove - As Proposed						Total # Units:		48
Location:		686 Plaza Trce Monroe, GA 30655						# LIHTC Units:		48
PMA Boundary:		North: Barrow County line; South: Newton and Morgan County lines; East: Oconee County line; West: Gwinnett and Rockdale County lines						Farthest Boundary Distance to Subject:		15 miles
Rental Housing Stock (found on page 61)										
Type	# Properties*	Total Units	Vacant Units	Average Occupancy						
All Rental Housing	36	1,479	14	99.1%						
Market-Rate Housing	13	657	3	99.5%						
Assisted/Subsidized Housing not to include LIHTC	18	574	8	98.6%						
LIHTC	5	322	3	99.1%						
Stabilized Comps	36	1,479	14	99.1%						
Properties in Construction & Lease Up	1	74	N/Ap	N/Ap						
*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	
16	1BR at 60% AMI	1	503	\$656	\$874	\$1.74	33%	\$1,400	\$1.57	
32	2BR at 60% AMI	1.5	710	\$747	\$1,035	\$1.46	39%	\$1,544	\$0.96	
Capture Rates (found on page 59)										
Targeted Population				@60%	@60% Absent Subsidy	-	-	-	-	
Capture Rate:				2.5%	8.2%	-	-	-	-	

*Includes LIHTC and unrestricted (when applicable)

**Achievable LIHTC rents assuming no rental assistance

C. PROJECT DESCRIPTION

PROJECT DESCRIPTION

1. **Project Address and Development Location:** The Subject is located at 686 Plaza Trace in Monroe, Walton County, Georgia 30655.
2. **Construction Type:** The Subject consists of eight, one and two-story, garden and townhouse-style residential buildings. The Subject will be a rehabilitation of an existing property.
3. **Occupancy Type:** Family.
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.

COUNTRY GROVE – MONROE, GEORGIA – MARKET STUDY

Country Grove - As Proposed												
Location	686 Plaza Trce Monroe, GA 30655 Walton County											
Units	48											
Vacant Units	0											
Vacancy Rate	0.00%											
Type	Various											
Year Built / Renovated	1988 / n/a											
Market												
Program	@60% (Rural Rental Assistance Program - RRAP)						Leasing Pace	n/a				
Annual Turnover Rate	n/a						Change in Rent (Past Year)	n/a				
Units/Month Absorbed	n/a						Concession	n/a				
Section 8 Tenants	n/a											
Utilities												
A/C	not included – central						Other Electric	not included				
Cooking	not included – electric						Water	not included				
Water Heat	not included – electric						Sewer	not included				
Heat	not included – electric						Trash Collection	not included				
Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
1	1	Garden	16	503	\$656	\$0	@60% (Rural Rental Assistance Program - RRAP)	n/a	0	0.00%	n/a	
2	1.5	Townhouse (2 stories)	32	710	\$747	\$0	@60% (Rural Rental Assistance Program - RRAP)	n/a	0	0.00%	n/a	
Amenities												
In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Exterior Storage Ceiling Fan Microwave Oven Pull Cords Refrigerator Washer/Dryer hookup						Security	none				
Property	Off-Street Parking Recreation Areas						Premium	none				
Services	none						Other	Gazebo				
Comments												
This is an existing USDA property proposed for renovations with LIHTC. Renovations are proposed to begin in April 2021 and be completed in December 2021. Post renovations, all units at the property will continue to operate with rental subsidies and tenants will continue to pay 30 percent of their income towards rent, not to exceed maximum allowable LIHTC levels. The proposed utility allowances are \$157 and \$195 for the one and two-bedroom units, respectively.												

10. Scope of Renovations:

The Subject is existing and will be renovated. Hard costs of renovations are expected to be \$2,232,576 or \$46,512 per unit. The scope of renovations is detailed as follows:

- Addition of handicap accessible entrances
- Addition of playground
- Replacement of Mail Kiosk
- Replacement of exterior signs
- Replacement of retaining walls
- Replacement of curbs, gutters, downspouts, and sidewalks
- Replacement of breaker boxes, breakers, and meters
- Replacement of existing brick point-up
- Replacement of stair stringers, metal decking, handrails, and structural steel
- Replacement of framing, sheathing, and decking
- Replacement of STUCCO siding
- Installation of new vinyl windows
- Replacement of weather stripping
- Replacement of site lighting with LED lighting
- Repaving of the parking lot
- Replacement of the roof
- Replacement of the curtain wall
- Replacement of windows
- Replacement of solid core wood doors in all units
- Painting and patching of interior drywall
- Replacement of carpeting
- Replacement of plumbing
- Replacement of air conditioning units
- Replacement of interior hollow-core doors
- Replacement of flooring
- Replacement of electrical systems
- Replacement of ovens in all units
- Replacement of refrigerators in all units
- Replacement of kitchen countertops in all units
- Refinishing of kitchen cabinet doors and drawers
- Replacement of bathroom fixtures

Current Rents:

According to information provided by the client, the current rents for all units at the Subject are based on 30 percent of resident incomes, as the Subject operates as a USDA Rural Development (RD) property.

Current Occupancy:

The Subject is currently fully-occupied, as of the rent roll dated October 29, 2020. Additionally, the Subject maintains a waiting list that consists of four households. The Subject currently operates as a subsidized property. Following renovations, all units will continue to operate with a subsidy through the Rental Rural Assistance Program (RRAP).

Current Tenant Income:

Most of the current tenants at the Subject have incomes that would be too low to income-qualify for the Subject without its current subsidy.

11. Placed in Service Date:

The Subject was originally built in 1988. Renovations will occur with tenants in place. Therefore, buildings will be placed back in service on a rolling basis. Renovations are scheduled to begin in April 2021 and be completed in December 2021. However, we have utilized July 2022 as the market entry year for demographic purposes according to the DCA Market Study Manual.

Conclusion:

The Subject will be a good-quality brick siding one and two-story, garden and townhouse-style apartment complex, comparable to most of the inventory in the area. As a renovated development, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical deterioration.

D.SITE EVALUATION

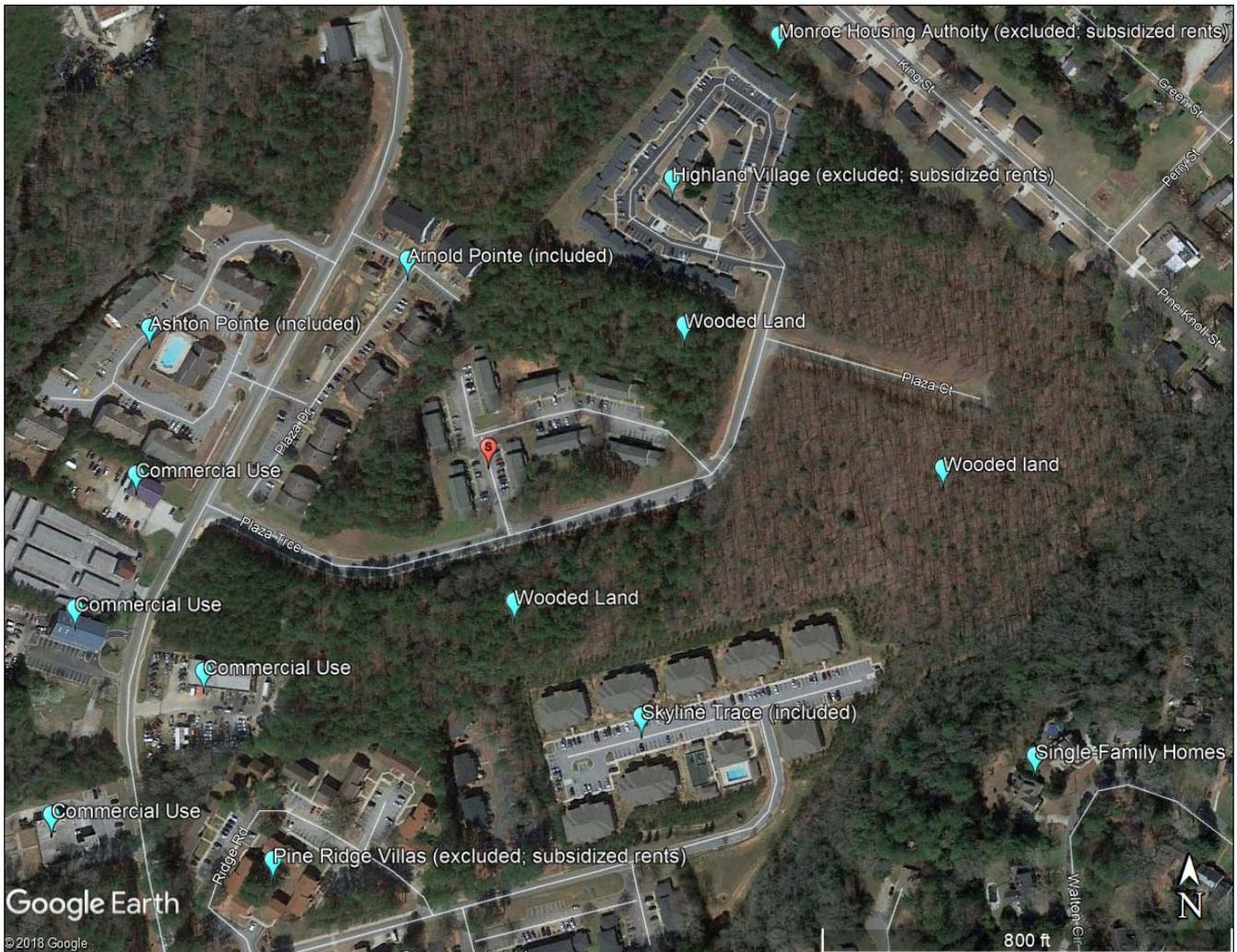
1. **Date of Site Visit and Name of Inspector:** Brian Neukam visited the site on October 29, 2020.

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 Plaza Trace.

Visibility/Views: The Subject has average visibility along the north side of Plaza Trace. Views consist of wooded land to the south and east, and Arnold Pointe to the north and west. Arnold Pointe is a market rate development that has been included as a comparable for the purposes of this report.

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



The Subject is located on the north side of Plaza Trace. Adjacent south and east of the Subject site is wooded land. To the north and west is Arnold Pointe, a market rate development that has been

included as a comparable for the purposes of this report. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. However, there are a limited number of retail uses in the Subject's immediate neighborhood. The Subject site is considered "Car-Dependent" by Walkscore with a rating of 33 out of 100. The Subject site is considered a desirable building site for rental housing. The Subject site is located in a mixed-use neighborhood. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, most of which are within 1.0 mile of the Subject site.

Positive/Negative Attributes of Site:

The Subject's proximity to locational amenities, most of which are within 1.0 mile, is considered a positive attribute. There are no negative attributes of the site identified.

3. Physical Proximity to Locational Amenities:

The Subject is located within 2.9 miles of all locational amenities, and most are within 1.0 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 Plaza Trace



View east on Plaza Trace



View of Subject's office



Typical living area 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



Commercial use in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



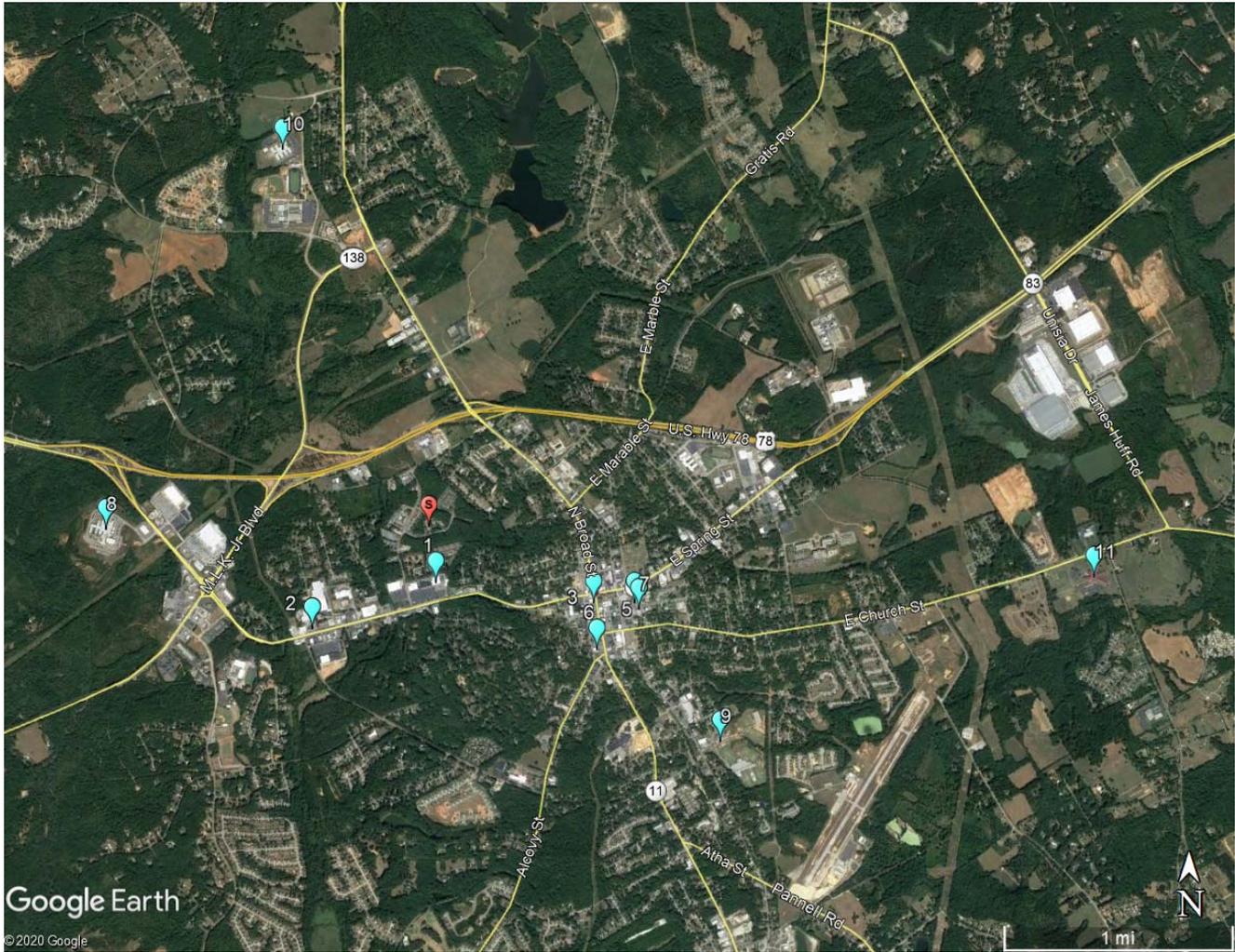
Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood

5. Proximity to Locational Amenities:

The following table details the Subject’s distance from key locational amenities.



Source: Google Earth, November 2020

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (Crow)
1	Quality Foods	0.2 miles
2	BB&T	0.7 miles
3	Monroe Police Department	0.8 miles
4	Monroe Fire Department	0.9 miles
5	CVS	0.9 miles
6	Walmart	1.0 miles
7	U.S. Post Office	1.0 miles
8	Piedmont Walton Hospital	1.4 miles
9	Felker Park	1.6 miles
10	Monroe Elementary School	1.7 miles
11	Carver Middle School	2.9 miles

6. Description of Land Uses

The Subject consists of eight, one and two-story, garden and townhouse-style residential buildings. Adjacent south and east of the Subject site is wooded land. To the north and west is Arnold Pointe, a market rate development that has been included as a comparable for the purposes of this report. Land uses farther north consist of a commercial use, place of worship, and light industrial use. Land uses farther east consist of wooded land. Farther south, land uses consist of Skyline Trace, a LIHTC property used as a comparable for the purposes of this report, as well as Pine Ridge Villas, which has been excluded as a comparable as it offers subsidized rents. Land uses farther west consist of Ashton Pointe, a market rate multifamily property, which is being used as a comparable for the purposes of this report, as well as commercial uses. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. However, there are a limited number of retail uses in the Subject’s immediate neighborhood. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 33 out of 100. The Subject site is considered a desirable building site for rental housing. The Subject is located in a mixed-use neighborhood. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, most of which are within 1.0 mile of the Subject.

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*	66	139
Personal Crime*	39	130
Murder	53	155
Rape	47	88
Robbery	30	163
Assault	42	118
Property Crime*	70	140
Burglary	80	147
Larceny	67	134
Motor Vehicle Theft	62	178

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

*Unweighted aggregations

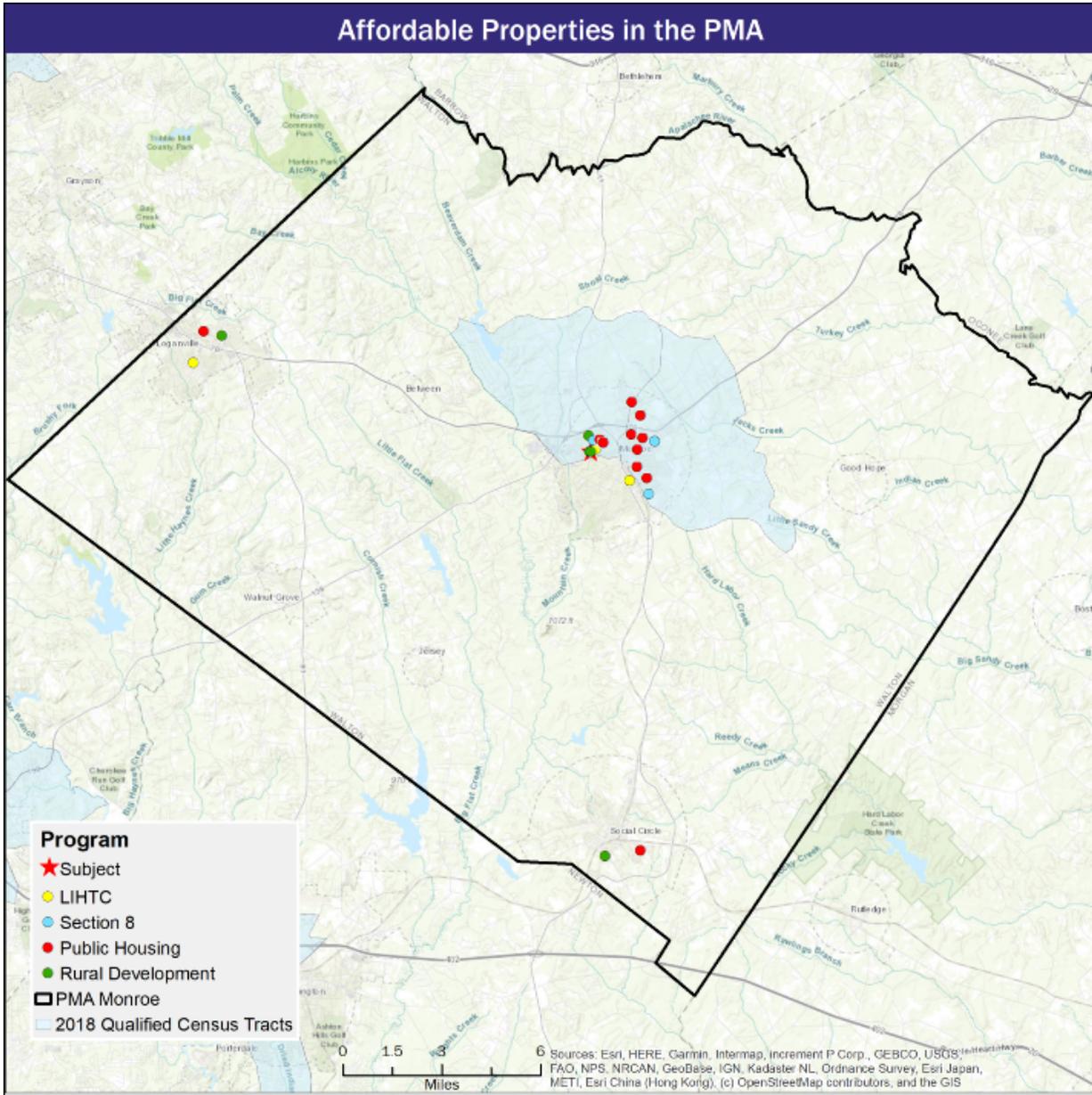
Total crime risk indices in the PMA are below the national average and the MSA. The Subject does not offer any security amenities, similar to six of the comparables. Thus, the Subject offers generally similar security features to the comparable properties, which are performing well. The Subject’s security features appear to be market-oriented.

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
Country Grove	RRAP	Monroe	Family	24	-	Star
Colonial Woods Apartments	LIHTC	Monroe	Family	16	0.2 miles	
Alexander Crossing Apartments	LIHTC/Market	Loganville	Family	168	10.2 miles	
Mainstreet Walton Mill	LIHTC/Market	Monroe	Senior	74	1.3 miles	
Skyline Trace	LIHTC/Market	Monroe	Family	64	0.1 miles	
Walton Court	Public Housing	Social Circle	Family	70	10.6 miles	
John B Wilson Homes	Public Housing	Loganville	Family	20	10.2 miles	
Magnolia Terrace	Public Housing	Monroe	Family	200	1.1 miles	
George Walton Homes	Public Housing	Monroe	Family	21	0.9 miles	
James Monroe Homes	Public Housing	Monroe	Family	N/A	0.9 miles	
Stowers Park	Public Housing	Monroe	Family	N/A	1.1 miles	
Carver Place	Public Housing	Monroe	Family	N/A	0.4 miles	
Radford Park	Public Housing	Monroe	Family	N/A	1.4 miles	
Rose Ison Terrace	Public Housing	Monroe	Family	N/A	0.8 miles	
King Street	Public Housing	Monroe	Family	N/A	0.2 miles	
Ammie Briggery Homes	Public Housing	Monroe	Family	N/A	1.4 miles	
The Meadows	Rural Development	Monroe	Family	12	9.8 miles	
Pine Ridge Apartments	Rural Development	Monroe	Family	51	0.2 miles	
West Monroe Villas	Rural Development	Monroe	Family	24	0.2 miles	
South Walton Villas	Rural Development	Social Circle	Family	24	10.8 miles	
Camptowne Gardens Apartments	Section 8	Monroe	Family	50	2.0 miles	
Highland Village	Section 8	Monroe	Senior	55	0.1 miles	
Walton Village	Section 8	Monroe	Senior	47	1.6 miles	



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 can be accessed from Plaza Trace, which is a lightly trafficked two-lane street that traverses east/west and connects to Plaza Drive approximately 0.1 mile to the west of the Subject. Plaza Drive provides access to W Spring Street approximately 0.3 mile to the south. W Spring Street provides convenient access to locational amenities in the Monroe area, as well as U.S Highway 78 approximately 0.7 mile to the northwest of the Subject. U.S. Highway 78 provides access to Atlanta, Georgia approximately 40 miles west of the Subject site, and Athens,

Georgia approximately 20 miles to the northeast. Overall, access is considered good and visibility is considered average.

11. Conclusion:

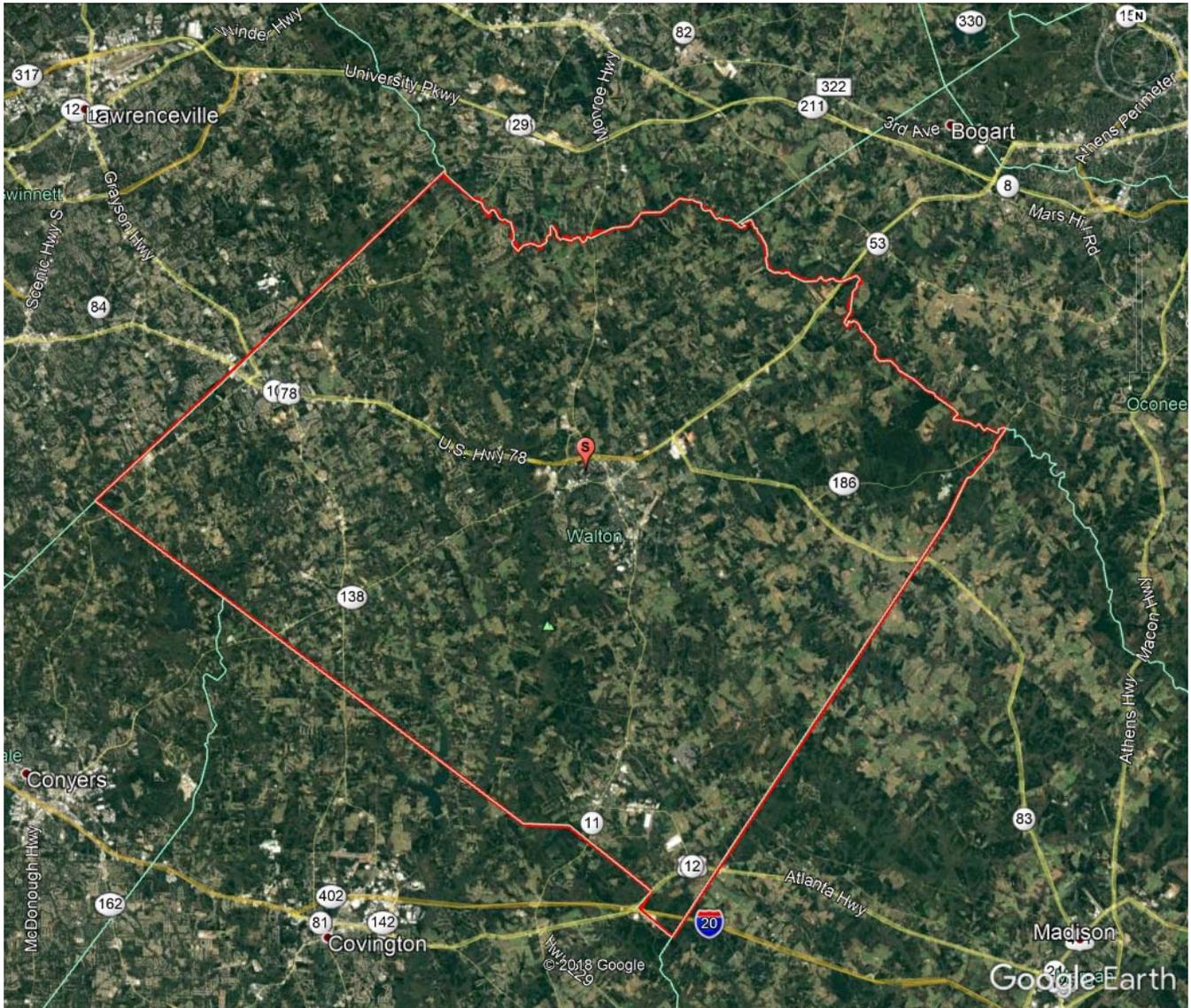
The Subject site is located on the north side of Plaza Trace. The Subject has average visibility and good accessibility along the north side of Plaza Trace. Surrounding uses consist of vacant land, single-family homes, and commercial, institutional, and industrial uses. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. However, there are a limited number of retail uses in the Subject's immediate neighborhood. The Subject site is considered "Car-Dependent" by *Walkscore* with a rating of 33 out of 100. Crime risk indices in the Subject's area are below the MSA and the nation. The Subject site is considered a desirable building site for rental housing. The Subject is located in a mixed-use neighborhood. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, most of which are within 1.0 mile of the Subject site.

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, October 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 Atlanta-Sandy Springs- Roswell, GA MSA are areas of growth or contraction.

The PMA is defined by the Barrow County line to the north, the Gwinnett and Rockdale County lines to the west, the Newton and Morgan County lines to the south and the Oconee County line to the east. This area

includes the Cities of Monroe, Loganville, Social Circle, Walnut Grove, and Good Hope. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 10 miles

East: 13 miles

South: 14 miles

West: 15 miles

The PMA is defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject's property manager. Many property managers indicated that a significant portion of their tenants come from within the Atlanta area though some come from out of state. 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 15 miles. The SMA is defined as the Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area (MSA), which consists of 30 counties in northwest Georgia and encompasses 8,726 square miles.

F. COMMUNITY DEMOGRAPHIC DATA

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 Atlanta-Sandy Springs-Roswell, GA 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 Atlanta-Sandy Springs-Roswell, GA MSA.

1. Population Trends

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

Total Population

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

Year	POPULATION					
	PMA		Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	57,256	-	4,240,804	-	281,250,431	-
2010	83,878	4.6%	5,286,728	2.5%	308,745,538	1.0%
2019	95,604	1.5%	5,986,262	1.4%	332,417,793	0.8%
Projected Mkt Entry July 2022	100,049	1.5%	6,256,162	1.5%	340,259,678	0.8%
2024	103,013	1.5%	6,436,095	1.5%	345,487,602	0.8%

Source: Esri Demographics 2019, Novogradac Consulting LLP, November 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 between 2010 and 2019 and was in line with the MSA, although it continued to outpace the nation. According to ESRI demographic projections, annualized PMA growth is expected to remain stable at 1.5 percent through market entry and 2024, similar to the MSA and above the overall nation. Overall, we believe that population growth in the PMA and MSA is a positive indication of demand for the Subject's units.

Total Population by Age Group

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

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2019	Projected Mkt Entry July 2022	2024
0-4	4,640	5,812	6,003	6,222	6,368
5-9	4,602	6,361	6,425	6,619	6,748
10-14	4,594	6,509	6,725	7,033	7,239
15-19	4,034	5,981	6,160	6,431	6,611
20-24	3,167	4,625	5,324	5,278	5,248
25-29	4,000	4,677	6,156	5,891	5,714
30-34	4,817	5,205	6,127	6,683	7,053
35-39	5,143	5,976	6,251	6,709	7,014
40-44	4,398	6,564	6,142	6,512	6,758
45-49	3,859	6,509	6,538	6,395	6,299
50-54	3,505	5,818	6,610	6,659	6,691
55-59	2,795	5,020	6,539	6,632	6,694
60-64	2,088	4,721	5,849	6,376	6,727
65-69	1,699	3,617	5,111	5,546	5,836
70-74	1,400	2,370	4,122	4,461	4,687
75-79	1,102	1,746	2,644	3,238	3,634
80-84	785	1,222	1,465	1,844	2,096
85+	622	1,145	1,412	1,521	1,594
Total	57,250	83,878	95,603	100,048	103,011

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

POPULATION BY AGE GROUP

Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area

Age Cohort	Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area				
	2000	2010	2019	Projected Mkt Entry July 2022	2024
0-4	316,900	380,735	385,594	404,079	416,403
5-9	324,231	394,306	399,707	409,822	416,566
10-14	312,353	390,992	411,242	421,099	427,671
15-19	289,356	378,372	395,799	407,782	415,770
20-24	289,793	341,650	393,640	399,270	403,023
25-29	362,507	377,057	459,751	457,932	456,719
30-34	379,658	386,120	430,822	480,459	513,551
35-39	394,076	417,987	424,488	451,522	469,545
40-44	357,821	415,233	402,125	422,551	436,169
45-49	305,207	411,635	419,005	407,027	399,042
50-54	265,159	364,330	398,245	404,849	409,251
55-59	185,162	301,331	389,800	386,544	384,373
60-64	130,306	252,453	334,576	358,371	374,234
65-69	101,281	170,690	272,622	298,462	315,688
70-74	82,781	114,130	203,614	228,580	245,224
75-79	65,290	81,144	124,334	155,177	175,739
80-84	42,487	57,082	72,799	88,226	98,510
85+	36,415	51,481	68,099	74,410	78,617
Total	4,240,783	5,286,728	5,986,262	6,256,162	6,436,095

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

The largest age cohorts in the PMA are between ten and 14 and 50 and 54 which indicates the presence of families.

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.

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	20,145	-	1,551,771	-	105,409,439	-
2010	29,631	4.7%	1,943,884	2.5%	116,716,296	1.1%
2019	33,343	1.4%	2,195,127	1.4%	125,168,557	0.8%
Projected Mkt Entry						
July 2022	34,820	1.5%	2,292,492	1.5%	127,821,161	0.7%
2024	35,804	1.5%	2,357,402	1.5%	129,589,563	0.7%

Source: Esri Demographics 2019, Novogradac Consulting LLP, November 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	2.82	-	2.68	-	2.59	-
2010	2.80	0.0%	2.67	0.0%	2.58	-0.1%
2019	2.85	0.2%	2.69	0.1%	2.59	0.1%
Projected Mkt Entry						
July 2022	2.85	0.1%	2.69	0.0%	2.60	0.1%
2024	2.86	0.1%	2.69	0.0%	2.60	0.1%

Source: Esri Demographics 2019, Novogradac Consulting LLP, November 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 between 2010 and 2019, and grew at a rate similar to the MSA and above the nation. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 1.5 percent through market entry and 2024, similar to the MSA and above the overall 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.

Households by Tenure

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

TENURE PATTERNS PMA

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	15,394	76.4%	4,751	23.6%
2019	24,043	72.1%	9,300	27.9%
Projected Mkt Entry				
July 2022	25,338	72.8%	9,482	27.2%
2024	26,201	73.2%	9,603	26.8%

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

The preceding table details household tenure patterns in the PMA since 2000. The percentage of renter households in the PMA increased between 2000 and 2019, and is estimated to be 27.9 percent as of 2019. This is below the estimated 33 percent of renter households across the overall nation. According to ESRI demographic projections, the percentage of renter households in the PMA is expected to decrease slightly through 2024. However, the number of renter-occupied units in the PMA is expected to increase.

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 July 2022		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,737	18.7%	1,718	18.1%	1,705	17.8%
\$10,000-19,999	1,394	15.0%	1,384	14.6%	1,377	14.3%
\$20,000-29,999	1,201	12.9%	1,198	12.6%	1,196	12.5%
\$30,000-39,999	1,171	12.6%	1,135	12.0%	1,111	11.6%
\$40,000-49,999	831	8.9%	875	9.2%	905	9.4%
\$50,000-59,999	707	7.6%	744	7.8%	769	8.0%
\$60,000-74,999	966	10.4%	987	10.4%	1,001	10.4%
\$75,000-99,999	499	5.4%	530	5.6%	551	5.7%
\$100,000-124,999	200	2.2%	219	2.3%	231	2.4%
\$125,000-149,999	270	2.9%	312	3.3%	340	3.5%
\$150,000-199,999	161	1.7%	185	2.0%	201	2.1%
\$200,000+	163	1.8%	195	2.1%	216	2.2%
Total	9,300	100.0%	9,482	100.0%	9,603	100.0%

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

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

Income Cohort	2019		Projected Mkt Entry July 2022		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	94,956	12.1%	93,855	11.6%	93,121	11.4%
\$10,000-19,999	112,094	14.3%	109,335	13.6%	107,496	13.1%
\$20,000-29,999	109,706	14.0%	108,331	13.4%	107,414	13.1%
\$30,000-39,999	99,854	12.7%	99,510	12.3%	99,281	12.1%
\$40,000-49,999	82,057	10.4%	82,888	10.3%	83,442	10.2%
\$50,000-59,999	63,585	8.1%	65,817	8.2%	67,305	8.2%
\$60,000-74,999	70,002	8.9%	73,414	9.1%	75,689	9.2%
\$75,000-99,999	64,648	8.2%	69,972	8.7%	73,521	9.0%
\$100,000-124,999	35,249	4.5%	39,374	4.9%	42,124	5.1%
\$125,000-149,999	18,802	2.4%	21,962	2.7%	24,068	2.9%
\$150,000-199,999	17,905	2.3%	21,021	2.6%	23,099	2.8%
\$200,000+	16,753	2.1%	21,030	2.6%	23,882	2.9%
Total	785,611	100.0%	806,510	100.0%	820,442	100.0%

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

The Subject will target tenants earning between \$0 and \$44,700. Absent subsidy, the Subject would target tenants earning between \$27,874 and \$43,080. As the table above depicts, approximately 68.1 percent of renter households in the PMA are earning incomes between \$0 and \$49,999, which is greater than the 63.5 percent of renter households in the MSA in 2018. For the projected market entry date of July 2022, these percentages are projected to slightly decrease to 66.5 percent and 61.2 percent for the PMA and MSA, respectively.

Renter Households by Number of Persons in the Household

The following table illustrates household size for all households in 2019, 2022 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 July 2022		2024	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
1 Person	2,739	29.5%	2,822	29.8%	2,878	30.0%
2 Persons	2,245	24.1%	2,261	23.8%	2,272	23.7%
3 Persons	1,694	18.2%	1,722	18.2%	1,741	18.1%
4 Persons	1,334	14.3%	1,363	14.4%	1,382	14.4%
5+ Persons	1,288	13.8%	1,313	13.8%	1,330	13.8%
Total Households	9,300	100%	9,482	100%	9,603	100%

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

The majority of households in the PMA are one to three-person households.

Conclusion

The population in the PMA increased by 4.6 percent between 2010 and 2019, compared to the 2.5 percent increase in the regional MSA and 1.0 percent increase across the overall nation. The current population of the PMA is 95,604 and is expected to be 100,049 in 2022. The current number of households in the PMA is 33,343 and is expected to be 34,820 in 2022. The percentage of households in the PMA grew at a rate of 1.4 percent per year between 2010 and 2019, which was similar to the MSA and higher than the nation during the same time period. Over the next five years, the household growth in the PMA and MSA is expected to exceed the national household growth. Renter households are concentrated in the lowest income cohorts, with 68.1 percent of renters in the PMA earning less than \$49,999 annually. The Subject’s LIHTC units, with subsidy, will target tenants earning between \$0 and \$44,700. Absent subsidy, the Subject would target tenants earning between \$27,874 and \$43,080. Overall, the projected growth in the population and households along with the high 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 is economically reliant on the retail trade, manufacturing, and construction industries. Employment in the MSA recovered and surpassed pre-recessionary levels in 2015, a year after the overall nation. Since 2012, job growth in the MSA generally exceeded the nation. However, due to the COVID-19 pandemic, employment totals in the 12-month period prior to August 2020 saw a significant decrease of 6.5 percent, compared to a decrease of 6.7 percent experienced by the nation over the same length of time.

1. Covered Employment

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

COVERED EMPLOYMENT
Walton County, Georgia

Year	Total Employment	% Change
2008	39,554	-
2009	37,166	-6.4%
2010	36,667	-1.4%
2011	36,929	0.7%
2012	37,400	1.3%
2013	37,860	1.2%
2014	38,642	2.0%
2015	39,313	1.7%
2016	41,259	4.7%
2017	42,818	3.6%
2018	43,654	1.9%
2019 YTD Average	43,773	2.2%
Feb-18	43,579	-
Feb-19	44,005	1.0%

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

As illustrated in the table above, Walton County experienced a weakening economy during the national recession. The county began feeling the effects of the downturn in 2009 with its first employment decrease of the decade. Employment growth quickly rebounded and Walton County exhibited employment growth from 2011 through year to date 2019. Growing total employment is a positive indicator of demand for rental housing and, therefore, the Subject’s units. Additionally, 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 in this section.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Walton County as of 2018. Note that the data below is the most recent data available.

TOTAL JOBS BY INDUSTRY
Walton County, Georgia - Q2 2018

	Number	Percent
Total, all industries	19,597	-
Goods-producing	5,676	-
Natural resources and mining	131	0.7%
Construction	2,397	12.2%
Manufacturing	3,148	16.1%
Service-providing	13,921	-
Trade, transportation, and utilities	5,699	29.1%
Information	89	0.5%
Financial activities	616	3.1%
Professional and business services	1,904	9.7%
Education and health services	2,781	14.2%
Leisure and hospitality	2,400	12.2%
Other services	372	1.9%
Unclassified	60	0.3%

Source: Bureau of Labor Statistics, 2019

Trade, transportation, and utilities is the largest industry in Walton County, followed by manufacturing and education and health services. Trade and transportation and manufacturing are particularly vulnerable in economic downturns, while utilities and education and health services are typically stable industries. 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	6,053	14.2%	17,127,172	10.7%
Manufacturing	5,004	11.8%	16,057,876	10.0%
Construction	4,670	11.0%	11,245,975	7.0%
Healthcare/Social Assistance	4,152	9.8%	22,612,482	14.1%
Educational Services	3,602	8.5%	14,565,802	9.1%
Other Services	2,427	5.7%	8,141,078	5.1%
Transportation/Warehousing	2,366	5.6%	7,876,848	4.9%
Accommodation/Food Services	2,143	5.0%	11,738,765	7.3%
Public Administration	2,090	4.9%	7,828,907	4.9%
Prof/Scientific/Tech Services	1,988	4.7%	11,744,228	7.3%
Admin/Support/Waste Mgmt Svcs	1,877	4.4%	6,106,184	3.8%
Wholesale Trade	1,659	3.9%	4,183,931	2.6%
Finance/Insurance	1,511	3.6%	7,377,311	4.6%
Real Estate/Rental/Leasing	924	2.2%	3,204,043	2.0%
Utilities	667	1.6%	1,276,400	0.8%
Information	522	1.2%	3,157,650	2.0%
Arts/Entertainment/Recreation	470	1.1%	3,332,132	2.1%
Agric/Forestry/Fishing/Hunting	271	0.6%	1,915,709	1.2%
Mgmt of Companies/Enterprises	87	0.2%	237,307	0.1%
Mining	10	0.0%	819,151	0.5%
Total Employment	42,493	100.0%	160,548,951	100.0%

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

Employment in the PMA is concentrated in the retail trade, manufacturing, and construction industries, which collectively comprise 37.0 percent of local employment. The large share of PMA employment in retail trade, manufacturing, and construction is notable as these industries are historically volatile, and prone to contraction during recessionary periods. This has been evident during the COVID-19 pandemic. The manufacturing industry has experienced a negative impact on demand, production, and revenues over the past several months. Many manufacturing jobs are on-site and cannot be carried out remotely. Additionally, slowed economic activity as a result of the shutdown has reduced demand for industrial products in the United States and globally. Due to the COVID-19 pandemic, retail spending has decreased significantly and a majority of retailers are suffering as a result of the shutdown. Initially, construction activity slowed or halted as supply chains were disrupted by a shortage of subcontractors and materials, and public agencies and administrations terminated contracts to control expenses. However, as states began to loosen restrictions, the construction industry has already begun to rebound, and most economic analysts believe the decline will be short-lived and expect the housing and construction industry will lead the way during the economic recovery. It should be noted that 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 manufacturing industries. Conversely, the PMA is underrepresented in the healthcare/social assistance, professional/scientific/technology services, and agriculture/forestry/fishing/ hunting industries.

3. Major Employers

The table below shows the largest employers in Walton County.

**MAJOR EMPLOYERS
WALTON COUNTY, GA**

#	Employer Name	Industry	# Of Employees
1	Walton County School District	Education	2,072
2	Takeda	Biotechnology	1,200
3	Hitachi Automotive Systems Americas, Inc.	Manufacturing	900
4	Walmart Distribution Center 6055	Distribution	840
5	Walton County Government	Government	777
6	Walmart	Retail Trade	710
7	Piedmont Walton	Healthcare	410
8	Leggett & Platt	Manufacturing	350
9	Elite Storage	Manufacturing	320
10	Standridge Color Corporation	Manufacturing	270
Totals			7,849

Source: Choose Walton, retrieved November 2020

As the previous table illustrates, the major Walton County employers are concentrated in the education, biotechnology, manufacturing, distribution, retail trade, healthcare, and government sectors. Historically, retail trade and manufacturing are historically unstable. This has been evident during the COVID-19 pandemic. The manufacturing industry has experienced a negative impact on demand, production, and revenues over the past several months. Many manufacturing jobs are on-site and cannot be carried out remotely. Additionally, slowed economic activity as a result of the shutdown has reduced demand for industrial products in the United States and globally. Due to the COVID-19 pandemic, retail spending has decreased significantly and a majority of retailers are suffering as a result of the shutdown. However, the education and government industries have been stable during times of recession. This indicates that the local economy in Walton County is relatively stable and would perform well in the event of a future recession.

Expansions/Contractions

We have reviewed publications by Georgia Department of Economic Development, Workforce Division listing WARN (Worker Adjustment and Retraining Notification Act) notices since 2017. There have been two announced layoffs in Walton County since 2017. Excel, a manufacturing company, reportedly laid off 280 workers in 2017. Additionally, GPC Renovations, a painting contractor, laid off 20 workers in 2020.

We contacted Shane Short, Executive Director at the Walton County Economic Development Department, who, under a nondisclosure agreement, provided us limited information regarding business expansions in Walton County. To supplement the information Shane provided, we have conducted internet research and found the expansions in the county in the past year listed below.

- Hitachi, a tier-one supplier to the auto industry, announced its plans in May 2019 to expand its existing facility located in Monroe. The expansion will bring at least 100 new jobs to the area and \$100 million in capital investment.
- Made in Monroe recently expanded into a 30,000 square-foot retail space in the Walton Mill.
- Piedmont Walton recently opened its new 27-bed physician center.
- Kroger grocery store opened a new location in Monroe. The \$30 million development opened in summer 2017.

- Top Polymer Enterprise located its first manufacturing plant to Social Circle in 2018. They reportedly will invest \$15 million into the facility which will add 70 jobs including positions in manufacturing and production.
- Leggett and Platt, a manufacturer, is expanding internally and adding 100 new jobs as well as \$60 million in capital to Walton County.
- According to Mr. Short, two manufacturers that he was unable to name, due to a non-disclosure agreement, will open soon in Monroe, adding a combined 400 new jobs and \$260 million at least in capital to Walton County.

Manufacturing Sector Trends

In recent years, manufacturing in the U.S. has grown at a faster rate than the overall economy, a rarity with respect to recent declines in national manufacturing. Unfortunately, U.S. manufacturing has struggled with the onset of globalization and increased foreign manufacturing. Prior to the rapid expansion and refinement of technological capabilities in the late 1990s and the accelerated pace of globalization that accompanied it, foreign countries enjoyed a comparative advantage in manufacturing by leveraging their low labor costs. However, as global markets have become more integrated over time, the foreign labor cost advantage has minimized significantly. Furthermore, the U.S. enjoys relatively low costs of capital, raw materials, and transportation.

U.S. manufacturing output growth is expected to increase modestly through 2021. The Manufacturers Alliance for Productivity and Innovation (MAPI), a non-profit organization that produces research and projections for the manufacturing industry, publishes periodic economic forecasts. According to their March 2018 publication, U.S. manufacturing is expected to grow at an average of 2.8 percent through 2021.

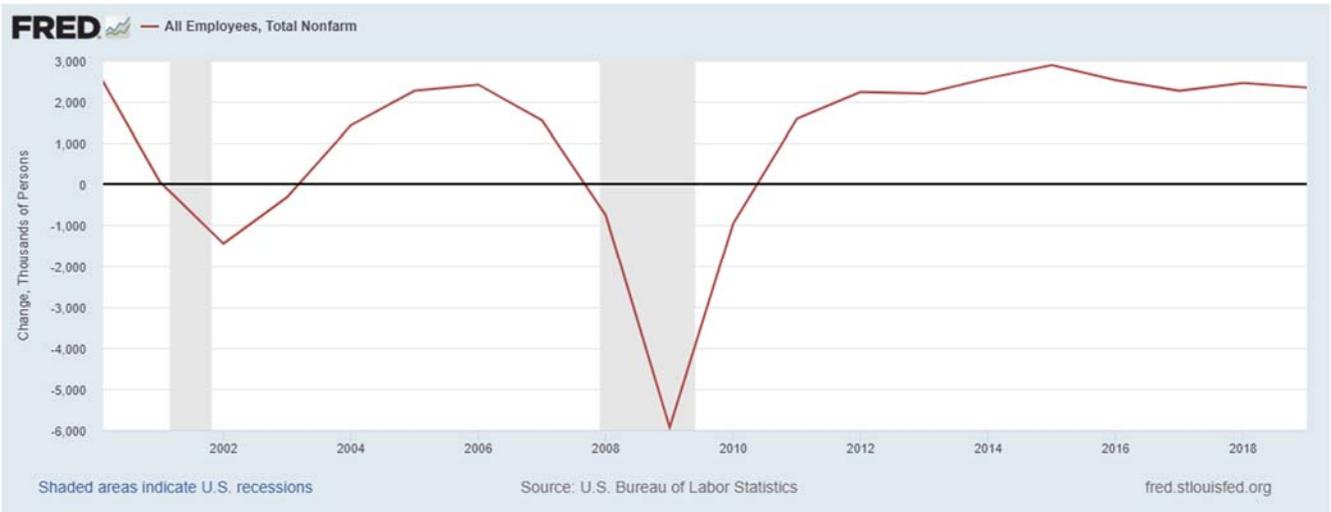
Although recent employment growth in the U.S. manufacturing sector bodes well for the MSA, the manufacturing sector is still not quite as strong as in the past. With manufacturing accounting for close to 10 percent of the U.S. economy and as a major source of employment for the MSA manufacturing employment should continue to be monitored closely.

The following graphs details total employment trends in both manufacturing and all industries (non-farm) in the nation since 2000.

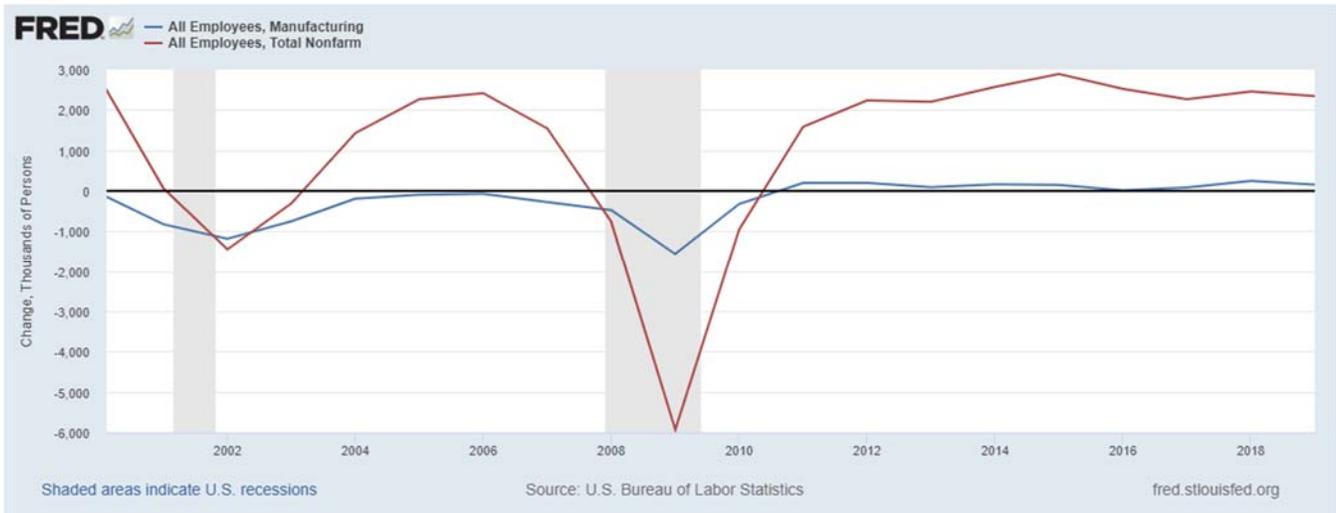


Source: Federal Reserve Bank of St. Louis, 1/2020.

Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.



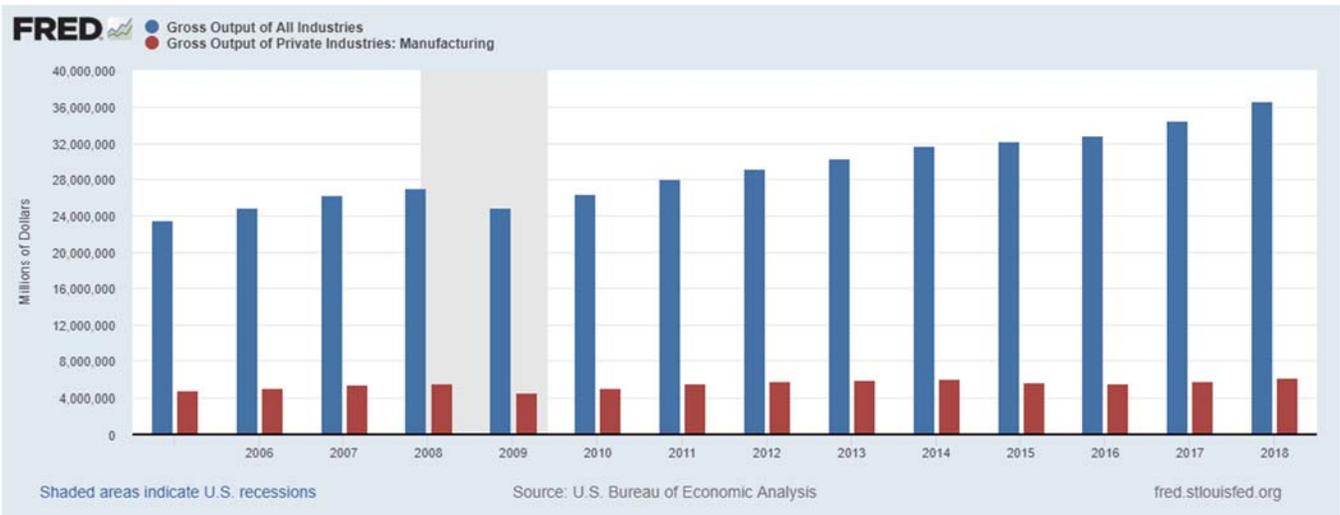
Source: Federal Reserve Bank of St. Louis, 1/2020.
 Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.



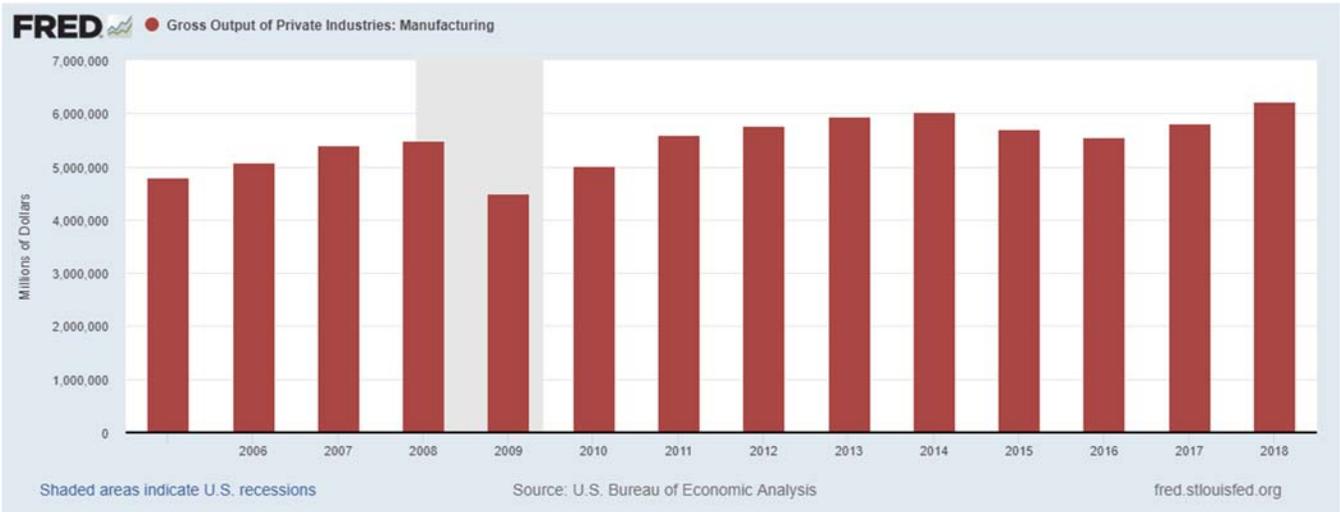
Source: Federal Reserve Bank of St. Louis, 1/2020.
 Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.

Total employment in the manufacturing sector, as well as the overall non-farm industry sector, declined from 2007 to 2009. Due to the most recent recession, all non-farm industries in the nation, including manufacturing, experienced significant loss. Since the most recent recession, total employment in non-farm industries has steadily increased, though the manufacturing sector has experienced a slower recovery than other non-farm industries.

The following charts illustrate U.S. manufacturing gross output compared to that across all industries since 2005.



Source: Federal Reserve Bank of St. Louis, 1/2020.
Note: Shaded area indicates U.S. recessions.



Source: Federal Reserve Bank of St. Louis, 1/2020.
Note: Shaded area indicates U.S. recessions.

As illustrated by the previous graphs, manufacturing constitutes approximately 17 percent of the gross output of all private industries and experienced five years of consistent growth starting in 2009. Manufacturing output also surpassed pre-recessionary output levels in 2011, three years following the most recent national recession. However, manufacturing output decreased for both 2015 and 2016.

While the rebound in manufacturing output is noteworthy, this has not necessarily turned into job creation for the national economy. Since the most recent recession, job creation in the manufacturing sector continues to lag the overall economy. According to a November 18, 2016 article published by the *MIT Technology Review*, automation in the manufacturing sector has curtailed employment growth- a trend that is likely to continue through the coming years. As illustrated in the following graph, national employment in the manufacturing sector has been steadily declining since the 1980s, while production has increased. Overall, we believe it is reasonable to assume that the Monroe area, similar to the rest of the nation, will continue to be negatively impacted by automation in the manufacturing sector, leading to a continued decline in manufacturing employment.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the Atlanta-Sandy Springs-Roswell GA MSA from 2004 to August 2020.

EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)						
Atlanta-Sandy Springs-Roswell, GA				USA		
Metropolitan Statistical Area						
	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*	2,820,482	-5.7%	-	147,032,000	-6.7%	-
Aug-2019	2,973,611	-	-	157,816,000	-	-
Aug-2020	2,779,684	-6.5%	-	147,224,000	-6.7%	-

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

UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	<u>Atlanta-Sandy Springs-Roswell, GA</u>			<u>USA</u>		
	<u>Metropolitan Statistical Area</u>					
	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*	7.1%	3.9%	-	8.6%	5.0%	-
Aug-2019	3.5%	-	-	3.8%	-	-
Aug-2020	6.3%	2.8%	-	8.5%	4.7%	-

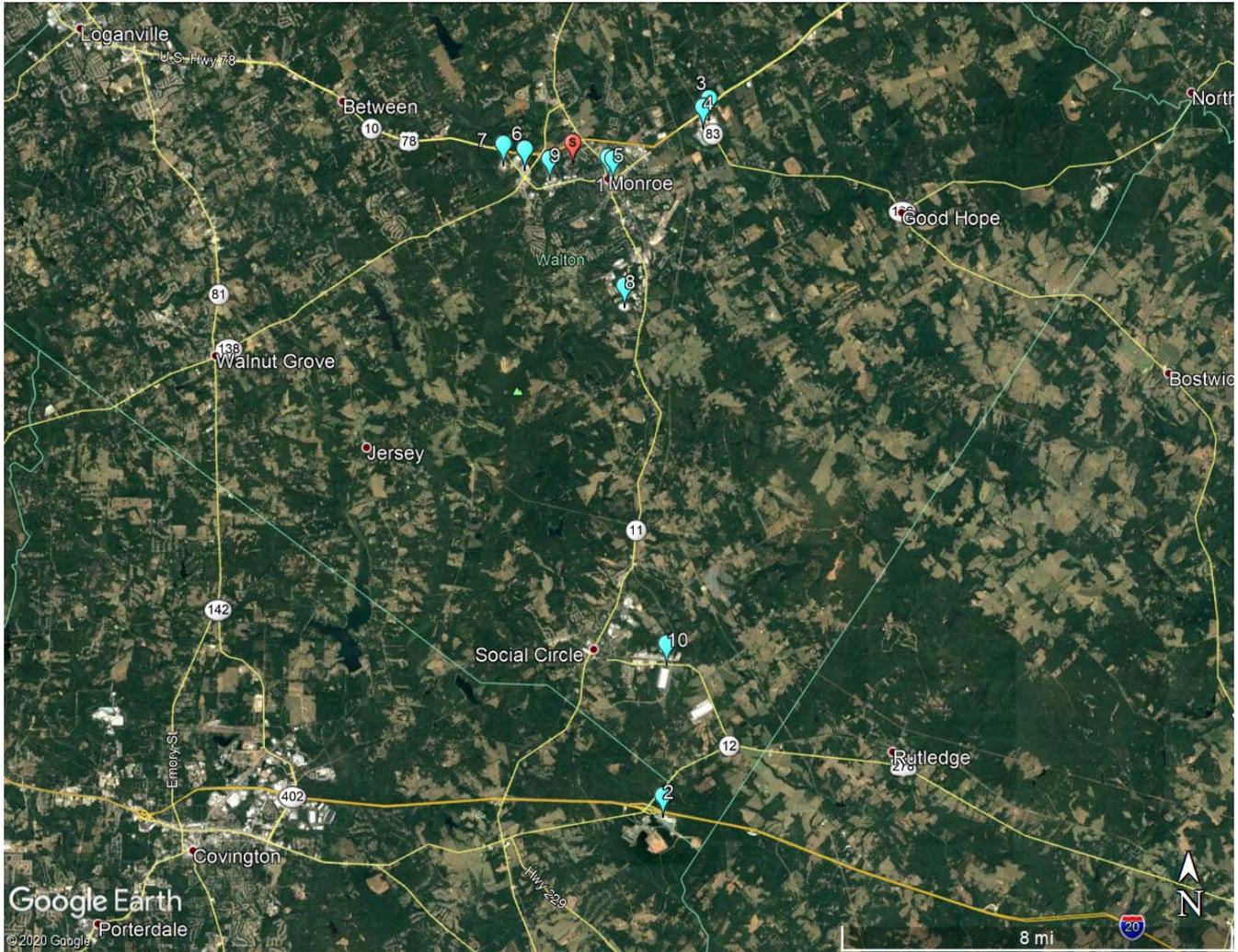
Source: U.S. Bureau of Labor Statistics, November 2020

Prior to the national recession, average employment growth in the MSA generally exceeded the nation. Annual job growth in the MSA outpaced the nation in every year between 2004 and 2007. The effects of the recession were particularly pronounced in the MSA, which experienced a 6.9 percent contraction in employment growth (2008-2010), well above the 4.9 percent contraction reported by the nation as a whole (2008-2010). Employment in the MSA recovered and surpassed pre-recessionary levels in 2015, a year after the overall nation. Since 2012, job growth in the MSA generally exceeded the nation. Due to the COVID-19 pandemic, employment totals in the 12-month period prior to August 2020 saw a significant decrease of 6.5 percent, compared to a decrease of 6.7 percent experienced by the nation over the same length of time. Employment growth is expected to be limited in the coming months as a result of the COVID-19 pandemic. Georgia has begun to re-open its restaurants, gyms, and other indoor venues as of April 2020, however, return to full economic potential is unlikely while the global health crisis continues.

The MSA experienced a lower average unemployment rate relative to the overall nation during the years preceding the recession. The effects of the recession were more pronounced in the MSA, which experienced a 5.9 percentage point increase in unemployment, compared to only a 5.0 percentage point increase across the overall nation. Since 2012, the MSA generally experienced a higher unemployment rate compared to the overall nation. As a result of the COVID-19 pandemic and stay-at-home orders, record national unemployment claims began in March 2020 and will likely continue in the near future. We anticipate the unemployment rate in the MSA will remain elevated in the coming months.

Map of Site and Major Employment Concentrations

The following map and table detail the largest employers in Walton County, Georgia.



Source: Google Earth, November 2020

MAJOR EMPLOYERS WALTON COUNTY, GA

#	Employer Name	Industry	# Of Employees
1	Walton County School District	Education	2,072
2	Takeda	Biotechnology	1,200
3	Hitachi Automotive Systems Americas, Inc.	Manufacturing	900
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8	Leggett & Platt	Manufacturing	350
9	Elite Storage	Manufacturing	320
10	Standridge Color Corporation	Manufacturing	270
Totals			7,849

Source: Choose Walton, retrieved November 2020

5. Conclusion

Employment in the PMA is concentrated in the retail trade, manufacturing, and construction industries, which collectively comprise 37.0 percent of local employment. The large share of PMA employment in retail trade, manufacturing, and construction is notable as these industries are historically volatile, and prone to contraction during recessionary periods. This has been evident during the COVID-19 pandemic. The manufacturing industry has experienced a negative impact on demand, production, and revenues over the past several months. Many manufacturing jobs are on-site and cannot be carried out remotely. Additionally, slowed economic activity as a result of the shutdown has reduced demand for industrial products in the United States and globally. Due to the COVID-19 pandemic, retail spending has decreased significantly and a majority of retailers are suffering as a result of the shutdown. Initially, construction activity slowed or halted as supply chains were disrupted by a shortage of subcontractors and materials, and public agencies and administrations terminated contracts to control expenses. However, as states began to loosen restrictions, the construction industry has already begun to rebound, and most economic analysts believe the decline will be short-lived and expect the housing and construction industry will lead the way during the economic recovery. It should be noted that 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 manufacturing industries. Conversely, the PMA is underrepresented in the healthcare/social assistance, professional/scientific/technology services, and agriculture/forestry/fishing/ hunting industries.

Prior to the national recession, average employment growth in the MSA generally exceeded the nation. Annual job growth in the MSA outpaced the nation in every year between 2004 and 2007. The effects of the recession were particularly pronounced in the MSA, which experienced a 6.9 percent contraction in employment growth (2008-2010), well above the 4.9 percent contraction reported by the nation as a whole (2008-2010). Employment in the MSA recovered and surpassed pre-recessionary levels in 2015, a year after the overall nation. Since 2012, job growth in the MSA generally exceeded the nation. Due to the COVID-19 pandemic, employment totals in the 12-month period prior to August 2020 saw a significant decrease of 6.5 percent, compared to a decrease of 6.7 percent experienced by the nation over the same length of time. Employment growth is expected to be limited in the coming months as a result of the COVID-19 pandemic. Georgia has begun to re-open its restaurants, gyms, and other indoor venues as of April 2020, however, return to full economic potential is unlikely while the global health crisis continues.

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 seven 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 seven 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 believe that the Subject's affordable and 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.

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 maximum allowable rents for the Subject’s subsidized units.

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@60% (PBRA)	
1BR	\$0	\$39,720
2BR	\$0	\$44,700

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income
	@60%	
1BR	\$27,874	\$39,720
2BR	\$32,297	\$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 2022 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 2022. This number takes the overall growth from 2019 to 2022 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.

COMPETITIVE SUPPLY 2017 - PRESENT

Property Name	Program	Location	Tenancy	Status	# of Competitive Units
Mainstreet Walton Mill	LIHTC/Market	Monroe	Senior	Under construction	0

- Mainstreet Walton Mill was awarded tax credits in 2017 for the development of 61 LIHTC and 13 market rate units targeting seniors. The property will be located 1.3 miles from the Subject and will offer 19 one and two-bedroom units restricted to 50 percent AMI, 42 one and two-bedroom units restricted to 60 percent AMI, and 13 market rate units. Construction is expected to be completed in December 2020. Given the dissimilar tenancy at this proposed development to the Subject, it will not directly compete and we have not deducted any units in our demand analysis.

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 2017

Unit Type	60% AMI	Overall
1BR	0	0
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 2022 are illustrated in the previous section of this report.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2019		Projected Mkt Entry July 2022		2024	
	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>	<i>Number</i>	<i>Percentage</i>
\$0-9,999	1,737	18.7%	1,718	18.1%	1,705	17.8%
\$10,000-19,999	1,394	15.0%	1,384	14.6%	1,377	14.3%
\$20,000-29,999	1,201	12.9%	1,198	12.6%	1,196	12.5%
\$30,000-39,999	1,171	12.6%	1,135	12.0%	1,111	11.6%
\$40,000-49,999	831	8.9%	875	9.2%	905	9.4%
\$50,000-59,999	707	7.6%	744	7.8%	769	8.0%
\$60,000-74,999	966	10.4%	987	10.4%	1,001	10.4%
\$75,000-99,999	499	5.4%	530	5.6%	551	5.7%
\$100,000-124,999	200	2.2%	219	2.3%	231	2.4%
\$125,000-149,999	270	2.9%	312	3.3%	340	3.5%
\$150,000-199,999	161	1.7%	185	2.0%	201	2.1%
\$200,000+	163	1.8%	195	2.1%	216	2.2%
Total	9,300	100.0%	9,482	100.0%	9,603	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, October 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 in Households PMA 2019 to Prj Mrkt Entry July 2022		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	-19	-10.6%	\$9,999	100.0%	-19		
\$10,000-19,999	-10	-5.6%	\$9,999	100.0%	-10		
\$20,000-29,999	-3	-1.7%	\$9,999	100.0%	-3		
\$30,000-39,999	-36	-19.8%	\$9,999	100.0%	-36		
\$40,000-49,999	44	24.4%	\$4,700	47.0%	21		
\$50,000-59,999	37	20.5%	\$0	0.0%	0		
\$60,000-74,999	21	11.6%	\$0	0.0%	0		
\$75,000-99,999	31	17.2%	\$0	0.0%	0		
\$100,000-124,999	19	10.2%	\$0	0.0%	0		
\$125,000-149,999	42	23.1%	\$0	0.0%	0		
\$150,000-199,999	24	13.2%	\$0	0.0%	0		
\$200,000+	32	17.5%	\$0	0.0%	0		
Total	182	100.0%		-26.1%	-48		

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	1,737	18.7%	\$9,999	100.0%	1,737		
\$10,000-19,999	1,394	15.0%	\$9,999	100.0%	1,394		
\$20,000-29,999	1,201	12.9%	\$9,999	100.0%	1,201		
\$30,000-39,999	1,171	12.6%	\$9,999	100.0%	1,171		
\$40,000-49,999	831	8.9%	\$4,700	47.0%	391		
\$50,000-59,999	707	7.6%	\$0	0.0%	0		
\$60,000-74,999	966	10.4%	\$0	0.0%	0		
\$75,000-99,999	499	5.4%	\$0	0.0%	0		
\$100,000-124,999	200	2.2%	\$0	0.0%	0		
\$125,000-149,999	270	2.9%	\$0	0.0%	0		
\$150,000-199,999	161	1.7%	\$0	0.0%	0		
\$200,000+	163	1.8%	\$0	0.0%	0		
Total	9,300	100.0%		63.4%	5,894		

ASSUMPTIONS - @60%

Tenancy		Family		% of Income towards Housing		35%	
Rural/Urban		Rural		Maximum # of Occupants		3	
Persons in Household	OBR	1BR	2BR	3BR	4BR+		
1	0%	90%	10%	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 July 2022

Income Target Population	@60%
New Renter Households PMA	182
Percent Income Qualified	-26.1%
New Renter Income Qualified Households	-48

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	@60%
Total Existing Demand	9,300
Income Qualified	63.4%
Income Qualified Renter Households	5,894
Percent Rent Overburdened Prj Mrkt Entry July 2022	45.8%
Rent Overburdened Households	2,700

Demand from Living in Substandard Housing

Income Qualified Renter Households	5,894
Percent Living in Substandard Housing	1.8%
Households Living in Substandard Housing	106

Senior Households Converting from Homeownership

Income Target Population	@60%
Total Senior Homeowners	0
Rural Versus Urban	5.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	2,806
Total New Demand	-48
Total Demand (New Plus Existing Households)	2,758

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	29.8%	821
Two Persons	23.8%	658
Three Persons	18.2%	501
Four Persons	14.4%	396
Five Persons	13.8%	382
Total	100.0%	2,758

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	90%	739
Of two-person households in 1BR units	20%	132
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	10%	82
Of two-person households in 2BR units	80%	526
Of three-person households in 2BR units	60%	301
Of four-person households in 2BR units	30%	119
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%	200
Of four-person households in 3BR units	40%	159
Of five-person households in 3BR units	50%	191
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%	119
Of five-person households in 4BR units	50%	191
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		2,758

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	870	-	0	=	870
2 BR	1,028	-	0	=	1,028
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	1,898		0		1,898

	Developer's Unit Mix		Net Demand	Capture Rate	
0 BR	-	/	-	=	-
1 BR	16	/	870	=	1.8%
2 BR	32	/	1,028	=	3.1%
3 BR	-	/	-	=	-
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	48		1,898		2.5%

60% AMI (Absent Subsidy)

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60% Absent Subsidy

Minimum Income Limit		\$27,874		Maximum Income Limit		\$44,700	
Income Category	New Renter Households - Total Change in Households PMA 2019 to Prj Mrkt Entry July 2022		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	-19	-10.6%	\$0	0.0%	0		
\$10,000-19,999	-10	-5.6%	\$0	0.0%	0		
\$20,000-29,999	-3	-1.7%	\$2,125	21.2%	-1		
\$30,000-39,999	-36	-19.8%	\$9,999	100.0%	-36		
\$40,000-49,999	44	24.4%	\$4,700	47.0%	21		
\$50,000-59,999	37	20.5%	\$0	0.0%	0		
\$60,000-74,999	21	11.6%	\$0	0.0%	0		
\$75,000-99,999	31	17.2%	\$0	0.0%	0		
\$100,000-124,999	19	10.2%	\$0	0.0%	0		
\$125,000-149,999	42	23.1%	\$0	0.0%	0		
\$150,000-199,999	24	13.2%	\$0	0.0%	0		
\$200,000+	32	17.5%	\$0	0.0%	0		
Total	182	100.0%		-8.7%	-16		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60% Absent Subsidy

Minimum Income Limit		\$27,874		Maximum Income Limit		\$44,700	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	1,737	18.7%	\$0	0.0%	0		
\$10,000-19,999	1,394	15.0%	\$0	0.0%	0		
\$20,000-29,999	1,201	12.9%	\$2,125	21.2%	255		
\$30,000-39,999	1,171	12.6%	\$9,999	100.0%	1,171		
\$40,000-49,999	831	8.9%	\$4,700	47.0%	391		
\$50,000-59,999	707	7.6%	\$0	0.0%	0		
\$60,000-74,999	966	10.4%	\$0	0.0%	0		
\$75,000-99,999	499	5.4%	\$0	0.0%	0		
\$100,000-124,999	200	2.2%	\$0	0.0%	0		
\$125,000-149,999	270	2.9%	\$0	0.0%	0		
\$150,000-199,999	161	1.7%	\$0	0.0%	0		
\$200,000+	163	1.8%	\$0	0.0%	0		
Total	9,300	100.0%		19.5%	1,817		

ASSUMPTIONS - @60% Absent Subsidy

Tenancy		Family		% of Income towards Housing		35%
Rural/Urban		Rural		Maximum # of Occupants		3
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	0%	90%	10%	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 July 2022

Income Target Population	@60% Absent Subsidy	
New Renter Households PMA		182
Percent Income Qualified		-8.7%
New Renter Income Qualified Households		-16

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	@60% Absent Subsidy	
Total Existing Demand		9,300
Income Qualified		19.5%
Income Qualified Renter Households		1,817
Percent Rent Overburdened Prj Mrkt Entry July 2022		45.8%
Rent Overburdened Households		832

Demand from Living in Substandard Housing

Income Qualified Renter Households		1,817
Percent Living in Substandard Housing		1.8%
Households Living in Substandard Housing		33

Senior Households Converting from Homeownership

Income Target Population	@60% Absent Subsidy	
Total Senior Homeowners		0
Rural Versus Urban	5.0%	
Senior Demand Converting from Homeownership		0

Total Demand

Total Demand from Existing Households		865
Total New Demand		-16
Total Demand (New Plus Existing Households)		849

Demand from Seniors Who Convert from Homeownership		0
Percent of Total Demand From Homeownership Conversion		0.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	29.8%	253
Two Persons	23.8%	203
Three Persons	18.2%	154
Four Persons	14.4%	122
Five Persons	13.8%	118
Total	100.0%	849

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	90%	227
Of two-person households in 1BR units	20%	41
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	10%	25
Of two-person households in 2BR units	80%	162
Of three-person households in 2BR units	60%	93
Of four-person households in 2BR units	30%	37
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%	62
Of four-person households in 3BR units	40%	49
Of five-person households in 3BR units	50%	59
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%	37
Of five-person households in 4BR units	50%	59
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		849

Total Demand (Subject Unit Types)		Additions to Supply		Net Demand	
0 BR	-	-	-	=	-
1 BR	268	-	0	=	268
2 BR	316	-	0	=	316
3 BR	-	-	-	=	-
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	584		0		584

Developer's Unit Mix		Net Demand		Capture Rate	
0 BR	-	/	-	=	-
1 BR	16	/	268	=	6.0%
2 BR	32	/	316	=	10.1%
3 BR	-	/	-	=	-
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	48		584		8.2%

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 1.5 percent between 2019 and 2022.
- 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

DCA Conclusion Tables (Family)	HH at @60% AMI (\$0 to \$44,700)	HH at @60% AMI Absent Subsidy (\$27,874 to \$44,700)
Demand from New Households (age and income appropriate)	-48	-16
PLUS	+	+
Demand from Existing Renter Households - Substandard Housing	106	33
PLUS	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	2,700	832
Sub Total	2,758	849
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	0	0
Equals Total Demand	2,758	849
Less	-	-
Competitive New Supply	0	0
Equals Net Demand	2,758	849

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
1BR @60%	\$0	\$39,720	16	870	0	870	1.8%	\$874	\$550	\$1,400	\$656
1BR @60% (Absent Subsidy)	\$27,874	\$39,720	16	268	0	268	6.0%	\$874	\$550	\$1,400	\$656
2BR @60%	\$0	\$44,700	32	1,028	0	1,028	3.1%	\$1,035	\$700	\$1,544	\$747
2BR @60% (Absent Subsidy)	\$32,297	\$44,700	32	316	0	316	10.1%	\$1,035	\$700	\$1,544	\$747
Overall	\$0	\$44,700	48	1,898	0	1,898	2.5%	-	-	-	-
Overall (Absent Subsidy)	\$27,874	\$44,700	48	584	0	584	8.2%	-	-	-	-

As the analysis illustrates, the Subject’s capture rates at the 60 percent AMI level with subsidy will range from 1.8 to 3.1 percent. The overall capture rate at the Subject, with subsidy, is 2.5 percent. The Subject’s capture rates at the 60 percent AMI level, absent subsidy, will range from 6.0 to 10.1 percent. The overall capture rate at the Subject, absent subsidy, is 8.2 percent. All capture rates are within DCA thresholds. Therefore, we believe there is adequate demand for the Subject.

I. EXISTING COMPETITIVE RENTAL ENVIRONMENT

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 995 units.

The availability of LIHTC data is considered average. We included two LIHTC and three mixed-income comparables in our analysis. The LIHTC and mixed-income comparables are located 0.1 to 10.6 miles of the Subject. Farmington Hills Phase I, Farmington Hills Phase II, and The Exchange are located outside of the PMA in Winder. Winder is a slightly superior location to Monroe with respect to median rents. These properties are reasonable proxies as they are among the most proximate non-subsidized family LIHTC properties that offer a similar unit mix to the Subject that agreed to participate in our survey. The comparables were built or renovated between 2010 and 2018.

The availability of market rate data is considered good. The Subject is located in Monroe and there are several market-rate properties in the area. We include four conventional properties in our analysis of the competitive market, three of which are located in the PMA, between 0.1 and 1.9 miles from the Subject. Villas At Loganville is located outside of the PMA, 14.0 miles from the Subject. Loganville is a slightly superior location to Monroe with respect to median gross rents. This is a reasonable proxy as it is among the most proximate market rate properties that offer a similar unit mix to the Subject that agreed to participate in our survey. These comparables were built or renovated between 1982 and 2020. Overall, we believe the market rate properties used in our analysis are the most comparable. Other market rate properties are excluded based on proximity and unit types.

Of note, despite the challenges in interviewing property managers in-person due to the office restrictions related to COVID-19, we were able to personally interview all of the comparables utilized in this report over the phone. Two of the nine surveyed 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. Two of the nine surveyed property managers did not comment on the effect of the COVID-19 pandemic.

Alexander Crossing, Skyline Trace, The Exchange, Ashton Pointe, and Villas At Loganville reported a slight decrease in collections during the COVID-19 pandemic, and no impact to occupancy or phone call traffic. Additionally, the contacts noted a strong demand for rental housing in the area.

A detailed matrix describing the individual competitive properties as well as the proposed 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

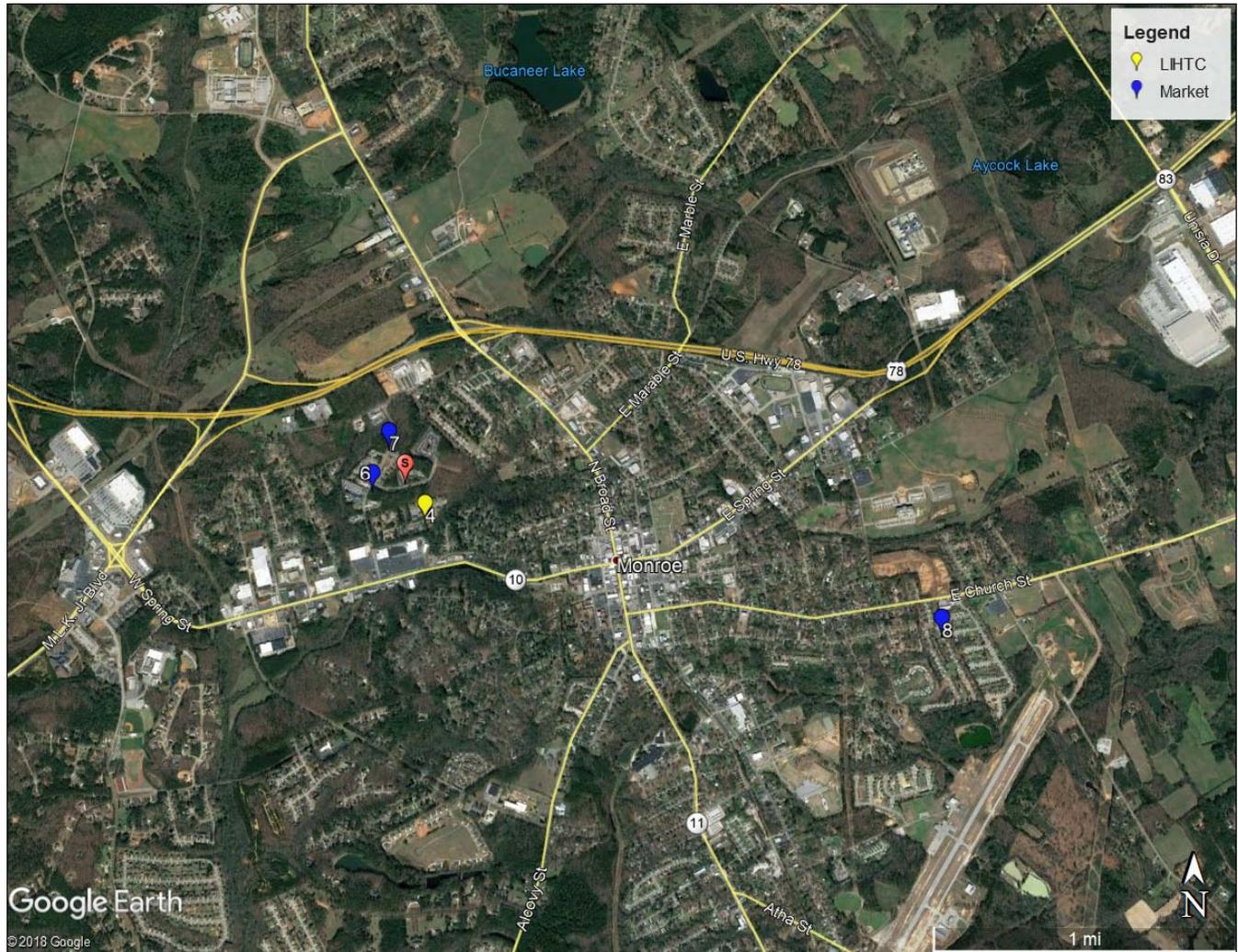
Property Name	Program	Location	Tenancy	# of Units	Reason for Exclusion
Country Grove	RRAP	Monroe	Family	24	-
Colonial Woods Apartments	LIHTC	Monroe	Family	16	Refused to participate
Mainstreet Walton Mill	LIHTC/Market	Monroe	Senior	74	Dissimilar tenancy
Walton Court	Public Housing	Social Circle	Family	70	Subsidized
John B Wilson Homes	Public Housing	Loganville	Family	20	Subsidized
Magnolia Terrace	Public Housing	Monroe	Family	200	Subsidized
George Walton Homes	Public Housing	Monroe	Family	21	Subsidized
James Monroe Homes	Public Housing	Monroe	Family	N/A	Subsidized
Stowers Park	Public Housing	Monroe	Family	N/A	Subsidized
Carver Place	Public Housing	Monroe	Family	N/A	Subsidized
Radford Park	Public Housing	Monroe	Family	N/A	Subsidized
Rose Ison Terrace	Public Housing	Monroe	Family	N/A	Subsidized
King Street	Public Housing	Monroe	Family	N/A	Subsidized
Ammie Briggery Homes	Public Housing	Monroe	Family	N/A	Subsidized
The Meadows	Rural Development	Monroe	Family	12	Subsidized
Pine Ridge Apartments	Rural Development	Monroe	Family	51	Subsidized
West Monroe Villas	Rural Development	Monroe	Family	24	Subsidized
South Walton Villas	Rural Development	Social Circle	Family	24	Subsidized
Camptowne Gardens Apartments	Section 8	Monroe	Family	50	Subsidized
Highland Village	Section 8	Monroe	Senior	55	Dissimilar tenancy
Walton Village	Section 8	Monroe	Senior	47	Dissimilar tenancy
The Cottages of Monroe	Market	Monroe	Senior	51	Superior condition
115 E Fambrough St	Market	Monroe	Family	50	Inferior condition
225 W Fambrough St	Market	Monroe	Family	65	Inferior condition
Madison Square	Market	Monroe	Family	12	More comparable properties
Maple Place Townhomes	Market	Monroe	Family	20	Dissimilar unit mix
The Mews	Market	Loganville	Family	140	More comparable properties
Meadows Apartments	Market	Loganville	Family	40	More comparable properties
203 Old Zion Cemetery Rd	Market	Loganville	Family	8	Low number of units
207 Old Zion Cemetery Rd	Market	Loganville	Family	15	Low number of units
Wall Street Apartments	Market	Monroe	Family	14	More comparable properties

1. Comparable Rental Property Map



Source: Google Earth, November 2020

Comparable Rental Property Map - Detailed



Source: Google Earth, November 2020

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Distance to Subject
S	Country Grove - As Proposed	Monroe	RRAP	-
1	Alexander Crossing Apartments	Loganville	LIHTC/Market	10.2 miles
2	Farmington Hills Phase I*	Winder	LIHTC	10.6 miles
3	Farmington Hills Phase II*	Winder	LIHTC	10.6 miles
4	Skyline Trace	Monroe	LIHTC/Market	0.1 miles
5	The Exchange*	Winder	LIHTC/Market	9.9 miles
6	Arnold Pointe	Monroe	Market	0.1 miles
7	Ashton Pointe	Monroe	Market	0.2 miles
8	Tall Oaks	Monroe	Market	1.9 miles
9	Villas At Loganville*	Loganville	Market	14.0 miles

*Located outside PMA

COUNTRY GROVE – MONROE, 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	Country Grove - As Proposed 686 Plaza Trce Monroe, GA 30655 Walton County	-	Various 1-stories 1988 / n/a Family	@60% (Rural Rental Assistance Program - RRAP)	1BR / 1BA	16	33.3%	503	@60% (RRAP)	\$656	N/A	N/A	0	0.0%
					2BR / 1.5BA	32	66.7%	710	@60% (RRAP)	\$747	N/A	N/A	0	0.0%
						<u>48</u>							<u>0</u>	<u>0.0%</u>
1	Alexander Crossing Apartments 100 Alexander Crossing Loganville, GA 30052 Walton County	10.2 miles	Townhouse 2-stories 2003 / 2017 Family	@60%, Market	2BR / 2.5BA	120	50.0%	1,256	@60%	\$1,000	Yes	No	0	0.0%
					2BR / 2.5BA	24	10.0%	1,256	Market	\$1,385	N/A	No	0	0.0%
					2BR / 2.5BA	24	10.0%	1,256	Market	\$1,235	N/A	No	0	0.0%
					3BR / 2BA	48	20.0%	1,506	@60%	\$1,160	Yes	Yes	0	0.0%
					3BR / 2BA	12	5.0%	1,506	Market	\$1,500	N/A	No	0	0.0%
						<u>12</u>						<u>0</u>	<u>0.0%</u>	
						<u>240</u>						<u>0</u>	<u>0.0%</u>	
2	Farmington Hills Phase I 1506 Farmington Way Winder, GA 30680 Barrow County	13.4 miles	Garden 2-stories 2012 / n/a Family	@50%, @60%	1BR / 1BA	3	4.2%	740	@50%	\$645	No	Yes	N/A	N/A
					1BR / 1BA	9	12.5%	740	@60%	\$760	No	Yes	N/A	N/A
					2BR / 2BA	4	5.6%	1,150	@50%	\$760	No	Yes	N/A	N/A
					2BR / 2BA	31	43.1%	1,150	@60%	\$880	No	Yes	N/A	N/A
					3BR / 2BA	4	5.6%	1,250	@50%	\$870	No	Yes	N/A	N/A
						<u>21</u>						<u>N/A</u>	<u>N/A</u>	
						<u>72</u>						<u>1</u>	<u>1.4%</u>	
3	Farmington Hills Phase II 1506 Farmington Way Winder, GA 30680 Barrow County	10.6 miles	Garden 2-stories 2014 / n/a Family	@50%, @60%	1BR / 1BA	4	5.6%	878	@50%	\$645	No	Yes	0	0.0%
					1BR / 1BA	8	11.1%	878	@60%	\$760	No	Yes	0	0.0%
					2BR / 2BA	4	5.6%	1,143	@50%	\$760	No	Yes	0	0.0%
					2BR / 2BA	32	44.4%	1,143	@60%	\$880	No	Yes	0	0.0%
					3BR / 2BA	3	4.2%	1,328	@50%	\$870	No	Yes	0	0.0%
						<u>21</u>						<u>0</u>	<u>0.0%</u>	
						<u>72</u>						<u>0</u>	<u>0.0%</u>	
4	Skyline Trace 600 Ridge Road Monroe, GA 30655 Walton County	0.1 miles	Garden 2-stories 2010 / n/a Family	@50%, @60%, Market	1BR / 1BA	3	4.7%	808	@50%	\$625	No	Yes	0	0.0%
					1BR / 1BA	3	4.7%	808	@60%	\$685	No	Yes	0	0.0%
					1BR / 1BA	2	3.1%	808	Market	\$710	N/A	Yes	0	0.0%
					2BR / 2BA	10	15.6%	1,056	@50%	\$715	No	Yes	0	0.0%
					2BR / 2BA	19	29.7%	1,056	@60%	\$775	No	Yes	1	5.3%
					2BR / 2BA	2	3.1%	1,056	Market	\$785	N/A	Yes	0	0.0%
					2BR / 2BA	1	1.6%	1,056	Non-Rental	\$0	N/A	N/A	0	0.0%
					3BR / 2BA	8	12.5%	1,211	@50%	\$780	No	Yes	1	12.5%
					3BR / 2BA	16	25.0%	1,211	@60%	\$825	No	Yes	1	6.3%
						<u>64</u>						<u>3</u>	<u>4.7%</u>	
5	The Exchange 839 Exchange Circle Winder, GA 30620 Barrow County	9.9 miles	Various 2-stories 2018 / n/a Family	@50%, @60%, Market	1BR / 1BA	1	0.8%	815	@50%	\$640	Yes	No	0	0.0%
					1BR / 1BA	34	26.2%	815	@60%	\$815	Yes	No	0	0.0%
					1BR / 1BA	1	0.8%	815	Market	\$985	N/A	No	0	0.0%
					2BR / 2BA	2	1.5%	1,100	@50%	\$776	Yes	No	0	0.0%
					2BR / 2BA	38	29.2%	1,100	@60%	\$979	Yes	No	0	0.0%
					2BR / 2BA	2	1.5%	1,100	Market	\$1,135	N/A	No	0	0.0%
					3BR / 2BA	2	1.5%	1,317	@50%	\$917	Yes	No	0	0.0%
					3BR / 2BA	40	30.8%	1,317	@60%	\$1,134	Yes	No	0	0.0%
					3BR / 2BA	10	7.7%	1,490	Market	\$1,450	N/A	No	0	0.0%
						<u>130</u>						<u>0</u>	<u>0.0%</u>	
6	Arnold Pointe 365 Plaza Drive Monroe, GA 30655 Walton County	0.1 miles	Garden 2-stories 1998 / n/a Family	Market	2BR / 2BA	12	50.0%	1,000	Market	\$700	N/A	No	0	0.0%
					3BR / 2BA	12	50.0%	1,200	Market	\$812	N/A	No	1	8.3%
						<u>24</u>						<u>1</u>	<u>4.2%</u>	
7	Ashton Pointe 429 Plaza Drive Monroe, GA 30655 Walton County	0.2 miles	Garden 2-stories 1999 / 2020 Family	Market	1BR / 1BA	N/A	N/A	804	Market	\$850	N/A	No	0	N/A
					1BR / 1BA	8	14.3%	804	Market	\$750	N/A	No	0	0.0%
					2BR / 2BA	N/A	N/A	1,008	Market	\$950	N/A	No	0	N/A
					2BR / 2BA	24	42.9%	1,008	Market	\$850	N/A	No	0	0.0%
					3BR / 2BA	N/A	N/A	1,200	Market	\$1,040	N/A	Yes	0	N/A
						<u>24</u>						<u>0</u>	<u>0.0%</u>	
						<u>56</u>						<u>0</u>	<u>0.0%</u>	
8	Tall Oaks 403 Tall Oaks E Monroe, GA 30655 Walton County	1.9 miles	One-story 1-stories 1982 / n/a Family	Market	1BR / 1BA	N/A	N/A	750	Market	\$550	N/A	No	0	N/A
					2BR / 1BA	N/A	N/A	900	Market	\$700	N/A	No	0	N/A
					3BR / 1BA	N/A	N/A	1,000	Market	\$800	N/A	No	0	N/A
					3BR / 2BA	N/A	N/A	1,000	Market	\$850	N/A	No	0	N/A
						<u>162</u>						<u>0</u>	<u>0.0%</u>	
9	Villas At Loganville 2935 Rosebud Road Southwest Loganville, GA 30052 Gwinnett County	14.0 miles	Various 3-stories 2010 / n/a Family	Market	1BR / 1BA	6	3.4%	691	Market	\$1,205	N/A	Yes	0	0.0%
					1BR / 1BA	34	19.4%	890	Market	\$1,400	N/A	Yes	0	0.0%
					2BR / 2BA	58	33.1%	1,186	Market	\$1,455	N/A	Yes	0	0.0%
					2BR / 2BA	48	27.4%	1,603	Market	\$1,544	N/A	Yes	0	0.0%
					3BR / 2BA	25	14.3%	1,626	Market	\$2,064	N/A	Yes	0	0.0%
						<u>4</u>						<u>1</u>	<u>25.0%</u>	
						<u>175</u>						<u>1</u>	<u>0.6%</u>	

COUNTRY GROVE – MONROE, GEORGIA – MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.					
	Units Surveyed:	995	Weighted Occupancy:	99.4%	
	Market Rate	417	Market Rate	99.5%	
	Tax Credit	578	Tax Credit	99.3%	
		One Bedroom One Bath	Two Bedroom One and a Half Bath		
	Property	Average	Property	Average	
RENT	Villas At Loganville (Market)	\$1,400	Villas At Loganville (Market)(2BA)	\$1,544	
	Villas At Loganville (Market)	\$1,205	Villas At Loganville (Market)(2BA)	\$1,455	
	The Exchange (Market)	\$985	Alexander Crossing Apartments (Market)(2.5BA)	\$1,385	
	The Exchange (@60%)	\$815	Alexander Crossing Apartments (Market)(2.5BA)	\$1,235	
	Farmington Hills Phase I (@60%)	\$760	The Exchange (Market)(2BA)	\$1,135	
	Farmington Hills Phase II (@60%)	\$760	Alexander Crossing Apartments (@60%)(2.5BA)	\$1,000	
	Skyline Trace (Market)	\$710	The Exchange (@60%)(2BA)	\$979	
	Skyline Trace (@60%)	\$685	Farmington Hills Phase I (@60%)(2BA)	\$880	
	Country Grove - As Proposed (@60%)	\$656	Farmington Hills Phase II (@60%)(2BA)	\$880	
	Farmington Hills Phase I (@50%)	\$645	Skyline Trace (Market)(2BA)	\$785	
	Farmington Hills Phase II (@50%)	\$645	The Exchange (@50%)(2BA)	\$776	
	The Exchange (@50%)	\$640	Skyline Trace (@60%)(2BA)	\$775	
	Skyline Trace (@50%)	\$625	Farmington Hills Phase II (@50%)(2BA)	\$760	
	Tall Oaks (Market)	\$550	Farmington Hills Phase I (@50%)(2BA)	\$760	
				Country Grove - As Proposed (@60%)	\$747
				Skyline Trace (@50%)(2BA)	\$715
				Arnold Pointe (Market)(2BA)	\$700
				Tall Oaks (Market)(1BA)	\$700
	SQUARE FOOTAGE	Villas At Loganville (Market)	890	Villas At Loganville (Market)(2BA)	1,603
		Farmington Hills Phase II (@50%)	878	Alexander Crossing Apartments (Market)(2.5BA)	1,256
Farmington Hills Phase II (@60%)		878	Alexander Crossing Apartments (@60%)(2.5BA)	1,256	
The Exchange (Market)		815	Alexander Crossing Apartments (Market)(2.5BA)	1,256	
The Exchange (@50%)		815	Villas At Loganville (Market)(2BA)	1,186	
The Exchange (@60%)		815	Farmington Hills Phase I (@50%)(2BA)	1,150	
Skyline Trace (@50%)		808	Farmington Hills Phase I (@60%)(2BA)	1,150	
Skyline Trace (Market)		808	Farmington Hills Phase II (@50%)(2BA)	1,143	
Skyline Trace (@60%)		808	Farmington Hills Phase II (@60%)(2BA)	1,143	
Tall Oaks (Market)		750	The Exchange (@60%)(2BA)	1,100	
Farmington Hills Phase I (@50%)		740	The Exchange (@50%)(2BA)	1,100	
Farmington Hills Phase I (@60%)		740	The Exchange (Market)(2BA)	1,100	
Villas At Loganville (Market)		691	Skyline Trace (Market)(2BA)	1,056	
Country Grove - As Proposed (@60%)		503	Skyline Trace (@50%)(2BA)	1,056	
			Skyline Trace (@60%)(2BA)	1,056	
			Skyline Trace (Non-Rental)(2BA)	1,056	
			Arnold Pointe (Market)(2BA)	1,000	
			Tall Oaks (Market)(1BA)	900	
				Country Grove - As Proposed (@60%)	710
RENT PER SQUARE FOOT		Villas At Loganville (Market)	\$1.74	Villas At Loganville (Market)(2BA)	\$1.23
	Villas At Loganville (Market)	\$1.57	Alexander Crossing Apartments (Market)(2.5BA)	\$1.10	
	Country Grove - As Proposed (@60%)	\$1.30	Country Grove - As Proposed (@60%)	\$1.05	
	The Exchange (Market)	\$1.21	The Exchange (Market)(2BA)	\$1.03	
	Farmington Hills Phase I (@60%)	\$1.03	Alexander Crossing Apartments (Market)(2.5BA)	\$0.98	
	The Exchange (@60%)	\$1.00	Villas At Loganville (Market)(2BA)	\$0.96	
	Skyline Trace (Market)	\$0.88	The Exchange (@60%)(2BA)	\$0.89	
	Farmington Hills Phase I (@50%)	\$0.87	Alexander Crossing Apartments (@60%)(2.5BA)	\$0.80	
	Farmington Hills Phase II (@60%)	\$0.87	Tall Oaks (Market)(1BA)	\$0.78	
	Skyline Trace (@60%)	\$0.85	Farmington Hills Phase II (@60%)(2BA)	\$0.77	
	The Exchange (@50%)	\$0.79	Farmington Hills Phase I (@60%)(2BA)	\$0.77	
	Skyline Trace (@50%)	\$0.77	Skyline Trace (Market)(2BA)	\$0.74	
	Farmington Hills Phase II (@50%)	\$0.73	Skyline Trace (@60%)(2BA)	\$0.73	
	Tall Oaks (Market)	\$0.73	The Exchange (@50%)(2BA)	\$0.71	
			Arnold Pointe (Market)(2BA)	\$0.70	
			Skyline Trace (@50%)(2BA)	\$0.68	
			Farmington Hills Phase II (@50%)(2BA)	\$0.66	
			Farmington Hills Phase I (@50%)(2BA)	\$0.66	

PROPERTY PROFILE REPORT

Alexander Crossing Apartments

Effective Rent Date	10/15/2020
Location	100 Alexander Crossing Loganville, GA 30052 Walton County
Distance	10.2 miles
Units	240
Vacant Units	0
Vacancy Rate	0.0%
Type	Townhouse (2 stories)
Year Built/Renovated	2003 / 2017
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Cambridge, The Muses
Tenant Characteristics	Mostly families, some seniors
Contact Name	Jessica
Phone	877-731-7848



Market Information

Program	@60%, Market
Annual Turnover Rate	15%
Units/Month Absorbed	0
HCV Tenants	17%
Leasing Pace	Within one week
Annual Chg. in Rent	LIHTC kept max/Mkt inc. 0-3% since 3Q19
Concession	None
Waiting List	Yes; ten 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	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
2	2.5	Townhouse (2 stories)	120	1,256	\$1,015	\$0	@60%	No	0	0.0%	yes	None
2	2.5	Townhouse (2 stories)	24	1,256	\$1,400	\$0	Market	No	0	0.0%	N/A	HIGH*
2	2.5	Townhouse (2 stories)	24	1,256	\$1,250	\$0	Market	No	0	0.0%	N/A	LOW*
3	2	Townhouse (2 stories)	48	1,506	\$1,160	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Townhouse (2 stories)	12	1,506	\$1,500	\$0	Market	No	0	0.0%	N/A	HIGH*
3	2	Townhouse (2 stories)	12	1,506	\$1,375	\$0	Market	No	0	0.0%	N/A	LOW*

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2.5BA	\$1,015	\$0	\$1,015	-\$15	\$1,000	2BR / 2.5BA	\$1,250 - \$1,400	\$0	\$1,250 - \$1,400	-\$15	\$1,235 - \$1,385
3BR / 2BA	\$1,160	\$0	\$1,160	-\$15	\$1,145	3BR / 2BA	\$1,375 - \$1,500	\$0	\$1,375 - \$1,500	-\$15	\$1,360 - \$1,485

Alexander Crossing Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Carpeting	Central A/C	Patrol	
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	None
Clubhouse/Meeting Room/Community	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

High and low rent ranges for market rate units represent renovated and non-renovated condition. Renovations included new appliances, hardwood floors, granite countertops, light fixtures, and new blinds. The contact noted that there has not been an increase in vacancy due to COVID-19. However, management has noted that five to 10 percent of tenants are utilizing payment plans and are behind on rents.

Photos



PROPERTY PROFILE REPORT

Farmington Hills Phase I

Effective Rent Date	10/14/2020
Location	1506 Farmington Way Winder, GA 30680 Barrow County
Distance	10.6 miles
Units	72
Vacant Units	1
Vacancy Rate	1.4%
Type	Garden (2 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	6/01/2012
Leasing Began	9/26/2012
Last Unit Leased	4/30/2013
Major Competitors	The Exchange
Tenant Characteristics	Mixed tenancy, many single parent families; 90% local
Contact Name	Lauren
Phone	770-307-0224



Market Information

Program	@50%, @60%
Annual Turnover Rate	17%
Units/Month Absorbed	10
HCV Tenants	13%
Leasing Pace	Pre-leased to within two weeks
Annual Chg. in Rent	Increased up to two percent
Concession	None
Waiting List	Yes: 230 households between Farmington Hills Phase I and II.

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 (2 stories)	3	740	\$660	\$0	@50%	Yes	N/A	N/A	no	None
1	1	Garden (2 stories)	9	740	\$775	\$0	@60%	Yes	N/A	N/A	no	None
2	2	Garden (2 stories)	4	1,150	\$775	\$0	@50%	Yes	N/A	N/A	no	None
2	2	Garden (2 stories)	31	1,150	\$895	\$0	@60%	Yes	N/A	N/A	no	None
3	2	Garden (2 stories)	4	1,250	\$870	\$0	@50%	Yes	N/A	N/A	no	None
3	2	Garden (2 stories)	21	1,250	\$980	\$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	\$660	\$0	\$660	-\$15	\$645	1BR / 1BA	\$775	\$0	\$775	-\$15	\$760
2BR / 2BA	\$775	\$0	\$775	-\$15	\$760	2BR / 2BA	\$895	\$0	\$895	-\$15	\$880
3BR / 2BA	\$870	\$0	\$870	-\$15	\$855	3BR / 2BA	\$980	\$0	\$980	-\$15	\$965

Farmington Hills Phase I, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Video Surveillance	None
Carpet/Hardwood	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool			

Comments

Some property amenities are shared with Phase II, including a business center and swimming pool. The property also shares a waiting list with Phase II with approximately 230 households. The contact stated that there is a strong demand for affordable housing in the area. The contact stated that the property has not experienced an impact to collections, vacancies, or inquiries. The contact noted that the property is typically fully-occupied, and that the vacant unit is being processed from the waiting list. The contact reported current rents are below maximum allowable levels, however, she believed that max rent is achievable.

Photos



PROPERTY PROFILE REPORT

Farmington Hills Phase II

Effective Rent Date	10/14/2020
Location	1506 Farmington Way Winder, GA 30680 Barrow County
Distance	10.6 miles
Units	72
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2014 / N/A
Marketing Began	10/01/2014
Leasing Began	12/01/2014
Last Unit Leased	5/01/2015
Major Competitors	The Exchange
Tenant Characteristics	Mixed tenancy, many single parent families; 90% local
Contact Name	Crissy
Phone	770-307-0224



Market Information

Program	@50%, @60%
Annual Turnover Rate	17%
Units/Month Absorbed	14
HCV Tenants	13%
Leasing Pace	Pre-leased to within two weeks
Annual Chg. in Rent	Increased up to two percent
Concession	None
Waiting List	Yes: 230 households between Farmington Hills Phase I and II.

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 (2 stories)	4	878	\$660	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	8	878	\$775	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	4	1,143	\$775	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	32	1,143	\$895	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	3	1,328	\$870	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	21	1,328	\$980	\$0	@60%	Yes	0	0.0%	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	\$660	\$0	\$660	-\$15	\$645	1BR / 1BA	\$775	\$0	\$775	-\$15	\$760
2BR / 2BA	\$775	\$0	\$775	-\$15	\$760	2BR / 2BA	\$895	\$0	\$895	-\$15	\$880
3BR / 2BA	\$870	\$0	\$870	-\$15	\$855	3BR / 2BA	\$980	\$0	\$980	-\$15	\$965

Farmington Hills Phase II, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	Tutoring
Carpet/Hardwood	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool			

Comments

Some property amenities are shared with Phase I, including a business center and swimming pool. The property also shares a waiting list with Phase II with approximately 230 households. The contact stated that there is a strong demand for affordable housing in the area. The contact stated that the property has not experienced an impact to collections, vacancies, or inquiries. The contact reported current rents are below maximum allowable levels, however, she believed that max rent is achievable.

Photos



PROPERTY PROFILE REPORT

Skyline Trace

Effective Rent Date	9/04/2020
Location	600 Ridge Road Monroe, GA 30655 Walton County
Distance	0.1 miles
Units	64
Vacant Units	3
Vacancy Rate	4.7%
Type	Garden (2 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy, some families
Contact Name	Jonathan
Phone	678-635-8808



Market Information

Program	@50%, @60%, Market, Non-Rental
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	5%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased three percent
Concession	None
Waiting List	Yes; 50+ 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	not included
Sewer	not included
Trash Collection	not 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)	3	808	\$625	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	3	808	\$685	\$0	@60%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	2	808	\$710	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	10	1,056	\$715	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (2 stories)	19	1,056	\$775	\$0	@60%	Yes	1	5.3%	no	None
2	2	Garden (2 stories)	2	1,056	\$785	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	1	1,056	\$0	\$0	Non-Rental	N/A	0	0.0%	N/A	None
3	2	Garden (2 stories)	8	1,211	\$780	\$0	@50%	Yes	1	12.5%	no	None
3	2	Garden (2 stories)	16	1,211	\$825	\$0	@60%	Yes	1	6.2%	no	None

Skyline Trace, 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	\$625	\$0	\$625	\$0	\$625	1BR / 1BA	\$685	\$0	\$685	\$0	\$685
2BR / 2BA	\$715	\$0	\$715	\$0	\$715	2BR / 2BA	\$775	\$0	\$775	\$0	\$775
3BR / 2BA	\$780	\$0	\$780	\$0	\$780	3BR / 2BA	\$825	\$0	\$825	\$0	\$825
Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Non-Rental	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$710	\$0	\$710	\$0	\$710	2BR / 2BA	N/A	\$0	N/A	\$0	N/A
2BR / 2BA	\$785	\$0	\$785	\$0	\$785						

Amenities

In-Unit		Security		Services
Balcony/Patio	Blinds	None		None
Carpeting	Central A/C			
Coat Closet	Dishwasher			
Exterior Storage	Ceiling Fan			
Garbage Disposal	Microwave			
Oven	Refrigerator			
Walk-In Closet	Washer/Dryer hookup			
Property		Premium		Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None		None
Exercise Facility	Central Laundry			
Off-Street Parking	On-Site Management			
Playground	Swimming Pool			

Comments

According to the contact, there is strong demand for affordable housing in the area. The vacant units are being processed from the waiting list. During the COVID-19 pandemic, the property has experienced a slight decrease in collections. Management has waived late fees and provided payment plans during this time. Phone call traffic and occupancy have been relatively unaffected during the pandemic.

Photos



PROPERTY PROFILE REPORT

The Exchange

Effective Rent Date	10/14/2020
Location	839 Exchange Circle Winder, GA 30620 Barrow County
Distance	9.9 miles
Units	130
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	2018 / N/A
Marketing Began	11/01/2017
Leasing Began	1/01/2018
Last Unit Leased	N/A
Major Competitors	Farmington Hills
Tenant Characteristics	Majority are families from the local Winder area; two percent senior
Contact Name	Jackie
Phone	678-871-0839



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	18%
Units/Month Absorbed	22
HCV Tenants	12%
Leasing Pace	Pre-leased to five days
Annual Chg. in Rent	Kept at max
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- gas
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 (2 stories)	1	815	\$655	\$0	@50%	No	0	0.0%	yes	None
1	1	Garden (2 stories)	34	815	\$830	\$0	@60%	No	0	0.0%	yes	None
1	1	Garden (2 stories)	1	815	\$1,000	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (2 stories)	2	1,100	\$791	\$0	@50%	No	0	0.0%	yes	None
2	2	Garden (2 stories)	38	1,100	\$994	\$0	@60%	No	0	0.0%	yes	None
2	2	Garden (2 stories)	2	1,100	\$1,150	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	2	1,317	\$917	\$0	@50%	No	0	0.0%	yes	None
3	2	Garden (2 stories)	40	1,317	\$1,134	\$0	@60%	No	0	0.0%	yes	None
3	2	Townhouse (2 stories)	10	1,490	\$1,450	\$0	Market	No	0	0.0%	N/A	None

Photos



PROPERTY PROFILE REPORT

Arnold Pointe

Effective Rent Date	10/19/2020
Location	365 Plaza Drive Monroe, GA 30655 Walton County
Distance	0.1 miles
Units	24
Vacant Units	1
Vacancy Rate	4.2%
Type	Garden (2 stories)
Year Built/Renovated	1998 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Ashton Pointe
Tenant Characteristics	Tenants come from mostly Walton County, some come from Newton, and Dekalb County
Contact Name	Blake
Phone	770-267-2517



Market Information

Program	Market
Annual Turnover Rate	9%
Units/Month Absorbed	3
HCV Tenants	N/A
Leasing Pace	Within two weeks
Annual Chg. in Rent	2br no change; 3br increased 1.5%
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	not 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 (2 stories)	12	1,000	\$700	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	12	1,200	\$812	\$0	Market	No	1	8.3%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$700	\$0	\$700	\$0	\$700
3BR / 2BA	\$812	\$0	\$812	\$0	\$812

Arnold Pointe, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Vaulted Ceilings		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		

Comments

The property typically maintains 100 percent occupancy and a low turnover rate according to the contact. This property does not accept Housing Choice Vouchers.

PROPERTY PROFILE REPORT

Ashton Pointe

Effective Rent Date	10/14/2020
Location	429 Plaza Drive Monroe, GA 30655 Walton County
Distance	0.2 miles
Units	56
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1999 / 2020
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Ellen Trace
Tenant Characteristics	Mixed tenancy, families
Contact Name	Brandy
Phone	770-266-6717



Market Information

Program	Market
Annual Turnover Rate	15%
Units/Month Absorbed	4
HCV Tenants	10%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increase seven 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 (2 stories)	N/A	804	\$865	\$0	Market	No	0	N/A	N/A	HIGH
1	1	Garden (2 stories)	8	804	\$765	\$0	Market	No	0	0.0%	N/A	LOW
2	2	Garden (2 stories)	N/A	1,008	\$965	\$0	Market	No	0	N/A	N/A	HIGH
2	2	Garden (2 stories)	24	1,008	\$865	\$0	Market	No	0	0.0%	N/A	LOW
3	2	Garden (2 stories)	N/A	1,200	\$1,040	\$0	Market	Yes	0	N/A	N/A	HIGH
3	2	Garden (2 stories)	24	1,200	\$940	\$0	Market	Yes	0	0.0%	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$765 - \$865	\$0	\$765 - \$865	-\$15	\$750 - \$850
2BR / 2BA	\$865 - \$965	\$0	\$865 - \$965	-\$15	\$850 - \$950
3BR / 2BA	\$940 - \$1,040	\$0	\$940 - \$1,040	-\$15	\$925 - \$1,025

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Vaulted Ceilings		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

Comments

The property was formerly a LIHTC development, and currently operates as a market rate property. The property consists of two phases, both of which opened in 1999. The contact noted that some units are undergoing minor renovations as they become vacant to include new flooring, paint, and countertops. The high end of the rental ranges in the profile reflect upgraded units. The contact did not know how many units had been renovated as of the date of this interview. The property has experienced a slight decrease in collections during the COVID-19 pandemic, while occupancy and phone traffic has remained stable.

PROPERTY PROFILE REPORT

Tall Oaks

Effective Rent Date	10/14/2020
Location	403 Tall Oaks E Monroe, GA 30655 Walton County
Distance	1.9 miles
Units	162
Vacant Units	0
Vacancy Rate	0.0%
Type	One-story
Year Built/Renovated	1982 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Hillcrest Commons
Tenant Characteristics	N/A
Contact Name	Property Manager
Phone	770-267-3939



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	N/A
Annual Chg. in Rent	1br no change; 2br and 3br increased 9-16%
Concession	N/A
Waiting List	Yes; 38 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	not included
Sewer	not included
Trash Collection	not 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	One-story	N/A	750	\$550	\$0	Market	Yes	0	N/A	N/A	None
2	1	One-story	N/A	900	\$700	\$0	Market	Yes	0	N/A	N/A	None
3	1	One-story	N/A	1,000	\$800	\$0	Market	Yes	0	N/A	N/A	None
3	2	One-story	N/A	1,000	\$850	\$0	Market	Yes	0	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$550	\$0	\$550	\$0	\$550
2BR / 1BA	\$700	\$0	\$700	\$0	\$700
3BR / 1BA	\$800	\$0	\$800	\$0	\$800
3BR / 2BA	\$850	\$0	\$850	\$0	\$850

Tall Oaks, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Off-Street Parking		None	None

Comments

The contact was only able to report information current rents, vacancy, and waiting list. The remaining information shown in the profile was provided in an interview with the property in September 2019.

Photos



PROPERTY PROFILE REPORT

Villas At Loganville

Effective Rent Date	10/19/2020
Location	2935 Rosebud Road Southwest Loganville, GA 30052 Gwinnett County
Distance	14 miles
Units	175
Vacant Units	1
Vacancy Rate	0.6%
Type	Various (3 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Grayson Park Estates
Tenant Characteristics	Mixed tenancy, five percent seniors
Contact Name	Christine
Phone	800-654-9071



Market Information

Program	Market
Annual Turnover Rate	7%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Changes daily; Yieldstar
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	not 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)	6	691	\$1,205	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	34	890	\$1,400	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	58	1,186	\$1,455	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	48	1,603	\$1,544	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	25	1,626	\$2,064	\$0	Market	No	0	0.0%	N/A	None
3	2	Townhouse (2 stories)	4	1,489	\$1,806	\$0	Market	No	1	25.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,205 - \$1,400	\$0	\$1,205 - \$1,400	\$0	\$1,205 - \$1,400
2BR / 2BA	\$1,455 - \$1,544	\$0	\$1,455 - \$1,544	\$0	\$1,455 - \$1,544
3BR / 2BA	\$1,806 - \$2,064	\$0	\$1,806 - \$2,064	\$0	\$1,806 - \$2,064

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Carpeting	Central A/C	Perimeter Fencing	
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	None
Clubhouse/Meeting Room/Community	Exercise Facility		
Garage	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Swimming Pool		
Tennis Court	Theatre		

Comments

This property does not accept Housing Choice Vouchers. The property utilizes a pricing software, and rents change daily. The contact noted that there has not been an increase in vacancy due to COVID-19. However, management has noted that approximately five percent of tenants are utilizing payment plans and are behind on rents.

Photos



2. Housing Choice Vouchers

We spoke with Mary de la Vaux, Special Assistant at the Georgia Department of Community Affairs regarding the Housing Choice Voucher program in Walton County. Ms. de la Vaux mentioned that there are 216 families utilizing Housing Choice Vouchers in Walton County. According to the contact, the waiting list for vouchers was open for one week, from February 1 to 7, 2016, and is currently closed. There are currently approximately 12 households on the waiting list in Walton County. The following table illustrates voucher usage at the comparables.

TENANTS WITH VOUCHERS

Property Name	Rent Structure	Tenancy	Housing Choice Voucher Tenants
Alexander Crossing Apartments	LIHTC/ Market	Family	17%
Farmington Hills Phase I*	LIHTC	Family	13%
Farmington Hills Phase II*	LIHTC	Family	13%
Skyline Trace	LIHTC/ Market	Family	5%
The Exchange*	LIHTC/ Market	Family	12%
Arnold Pointe	Market	Family	N/A
Ashton Pointe	Market	Family	10%
Tall Oaks	Market	Family	N/A
Villas At Loganville*	Market	Family	0%

*Located outside of the PMA

Housing Choice Voucher usage in this market ranges from zero to 17 percent. The LIHTC and mixed-income 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 15 percent were it to operate without a subsidy.

3. Phased Developments

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

Lease Up History

The following table details absorption data from three of the comparables.

ABSORPTION

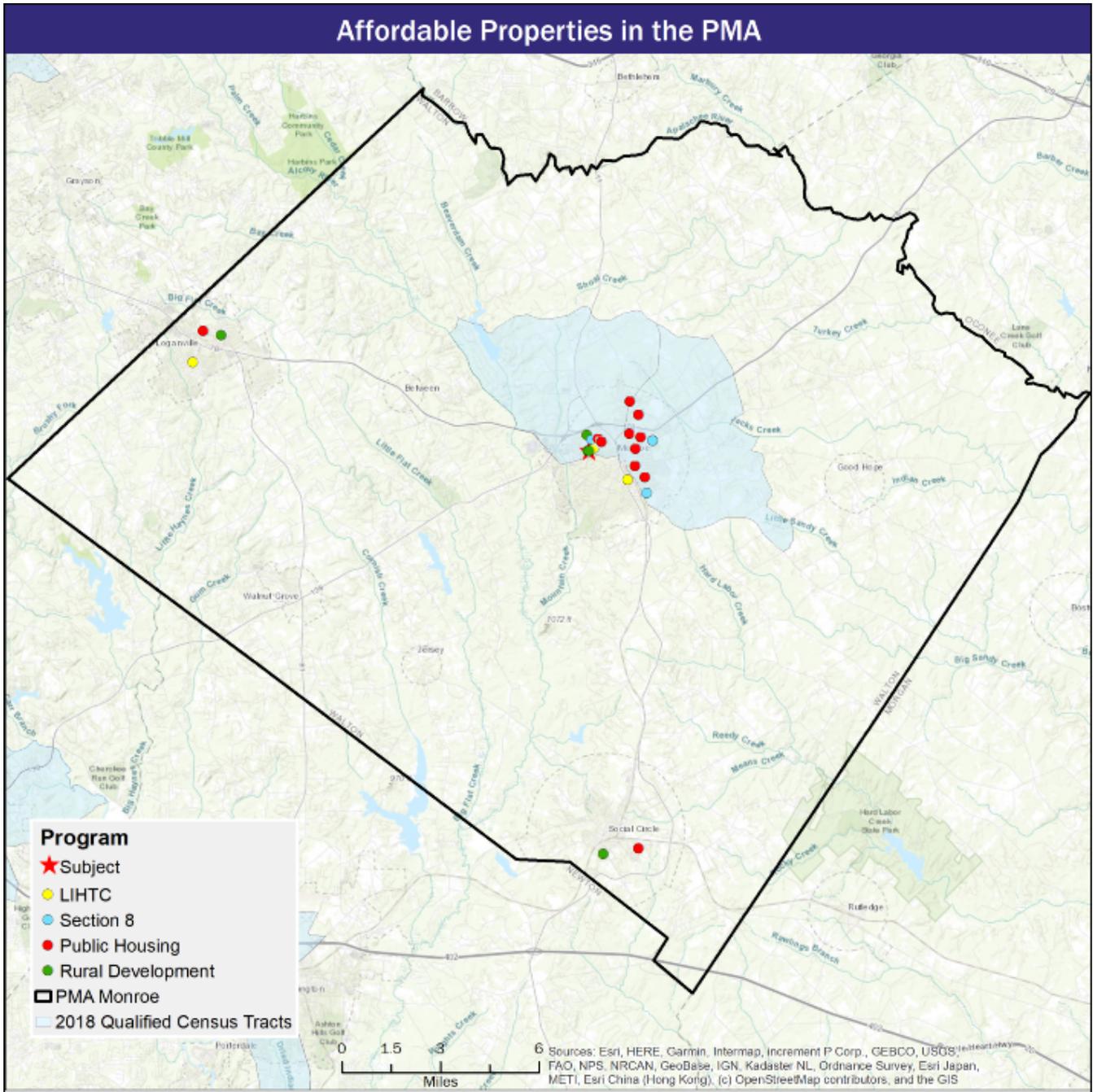
Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
The Exchange	LIHTC	Family	2018	130	22
Farmington Hills Phase II	LIHTC	Family	2014	72	14
Farmington Hills Phase I	LIHTC	Family	2012	72	10

Per DCA guidelines, we calculated the absorption to 93 percent occupancy. The properties experienced absorption rates ranging from ten to 22 units per month. The Exchange is the most recently constructed property reporting absorption data. This property is located 9.9 miles from the Subject. This property experienced an absorption rate of 22 units per month during 2018 and was fully occupied within approximately six months. The Subject is currently fully-occupied. Post-renovations, 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 20 units per month, for an absorption period of two to three months if it were hypothetically vacant. It should be noted that rehabilitation on the Subject is not anticipated to be completed until December 2021, which is considered outside of the primary window from the COVID-19 pandemic.

4. Competitive Project Map

COMPETITIVE PROJECTS

Property Name	Program	Location	Tenancy	# of Units	Occupancy	Map Color
Country Grove	RRAP	Monroe	Family	24	100.0%	Star
Colonial Woods Apartments	LIHTC	Monroe	Family	16	100.0%	Yellow
Alexander Crossing Apartments	LIHTC/Market	Loganville	Family	168	100.0%	
Mainstreet Walton Mill	LIHTC/Market	Monroe	Senior	74	N/A	
Skyline Trace	LIHTC/Market	Monroe	Family	64	95.3%	
Walton Court	Public Housing	Social Circle	Family	70	100.0%	
John B Wilson Homes	Public Housing	Loganville	Family	20	100.0%	Red
Magnolia Terrace	Public Housing	Monroe	Family	200	100.0%	
George Walton Homes	Public Housing	Monroe	Family	21	100.0%	
James Monroe Homes	Public Housing	Monroe	Family	N/A	N/A	
Stowers Park	Public Housing	Monroe	Family	N/A	N/A	
Carver Place	Public Housing	Monroe	Family	N/A	N/A	
Radford Park	Public Housing	Monroe	Family	N/A	N/A	
Rose Ison Terrace	Public Housing	Monroe	Family	N/A	N/A	
King Street	Public Housing	Monroe	Family	N/A	N/A	
Ammie Briggery Homes	Public Housing	Monroe	Family	N/A	N/A	
The Meadows	Rural Development	Monroe	Family	12	100.0%	Green
Pine Ridge Apartments	Rural Development	Monroe	Family	51	100.0%	
West Monroe Villas	Rural Development	Monroe	Family	24	100.0%	
South Walton Villas	Rural Development	Social Circle	Family	24	100.0%	Blue
Camptowne Gardens Apartments	Section 8	Monroe	Family	50	90.0%	
Highland Village	Section 8	Monroe	Senior	55	96.4%	
Walton Village	Section 8	Monroe	Senior	47	97.9%	



5. Amenities

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

COUNTRY GROVE – MONROE, GEORGIA – MARKET STUDY

AMENITY MATRIX

	Subject	Alexander Crossing	Farmington Hills Phase I	Farmington Hills Phase II	Skyline Trace	The Exchange	Arnold Pointe	Ashton Pointe	Tall Oaks	Villas At Loganville
Rent Structure	LIHTC	LIHTC/Market	LIHTC	LIHTC	LIHTC/Market	LIHTC/Market	Market	Market	Market	Market
Building										
Property Type	Various	Townhouse	Garden	Garden	Garden	Various	Garden	Garden	One-story	Various
# of Stories	1-stories	2-stories	2-stories	2-stories	2-stories	2-stories	2-stories	2-stories	1-stories	3-stories
Year Built	1988	2003	2012	2014	2010	2018	1998	1999	1982	2010
Year Renovated	n/a	2017	n/a	n/a	n/a	n/a	n/a	2020	n/a	n/a
Utility Structure										
Cooking	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no
Water	no	no	no	no	no	no	no	no	no	no
Sewer	no	no	no	no	no	no	no	no	no	no
Trash	no	yes	yes	yes	no	yes	no	yes	no	no
Accessibility										
Pull Cords	yes	no	no	no	no	no	no	no	no	no
Unit Amenities										
Balcony/Patio	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	no	no	yes	no	yes	yes	yes	yes
Hardwood	no	no	yes	yes	no	yes	no	no	no	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Exterior Storage	yes	yes	yes	yes	yes	no	yes	yes	no	no
Vaulted Ceilings	no	yes	no	no	no	no	yes	yes	no	no
Walk-In Closet	no	yes	yes	yes	yes	yes	no	no	no	yes
W/D Hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Kitchen										
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Disposal	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	yes	yes	yes	yes	yes	yes	no	no	yes	yes
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	yes	yes	yes	yes	no	yes	no	yes
Community Room	no	yes	yes	yes	yes	yes	yes	yes	no	yes
Central Laundry	no	yes	yes	yes	yes	yes	yes	yes	no	yes
On-Site Mgmt	no	yes	yes	yes	yes	yes	yes	yes	no	yes
Recreation										
Exercise Facility	no	yes	yes	yes	yes	yes	no	no	no	yes
Playground	no	yes	yes	yes	yes	yes	yes	yes	no	no
Swimming Pool	no	yes	yes	yes	yes	yes	yes	yes	no	yes
Picnic Area	no	yes	yes	yes	no	yes	no	yes	no	yes
Tennis Court	no	no	no	no	no	no	no	no	no	yes
Theatre	no	no	no	no	no	no	no	no	no	yes
Recreational Area	yes	no	no	no	no	no	no	no	no	no
Security										
In-Unit Alarm	no	yes	no	no	no	no	no	no	no	yes
Patrol	no	yes	no	no	no	no	no	no	no	no
Perimeter Fencing	no	no	no	no	no	no	no	no	no	yes
Video Surveillance	no	no	yes	no	no	no	no	no	no	no
Parking										
Garage	no	no	no	no	no	no	no	no	no	yes
Garage Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The Subject will offer similar in-unit amenities in comparison to the LIHTC comparable properties and inferior property amenities. The Subject will offer pull cords, which many of the comparables lack. It should be noted that pull cords are not typically offered at family properties and do not offer a significant competitive advantage. However, the Subject will not offer a business center, community room, central laundry, on-site management, exercise facility, playground, or swimming pool, which is offered at several of the comparable developments. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the market, given the subsidies in place.

6. Comparable Tenancy

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

Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Alexander Crossing Apartments	LIHTC/ Market	Family	240	0	0.0%
Farmington Hills Phase I*	LIHTC	Family	72	1	1.4%
Farmington Hills Phase II*	LIHTC	Family	72	0	0.0%
Skyline Trace	LIHTC/ Market	Family	64	3	4.7%
The Exchange*	LIHTC/ Market	Family	130	0	0.0%
Arnold Pointe	Market	Family	24	1	4.2%
Ashton Pointe	Market	Family	56	0	0.0%
Tall Oaks	Market	Family	162	0	0.0%
Villas At Loganville*	Market	Family	175	1	0.6%
Total LIHTC			578	4	0.7%
Total Market Rate			417	2	0.5%
Overall Total			995	6	0.6%

*Located outside of the PMA

Overall vacancy in the market is very low at 0.6 percent and total LIHTC vacancy is similar, at 0.7 percent. It should be noted none of the comparables noted any impact on vacancy due to the COVID-19 pandemic. Skyline Trace and Farmington Hills Phase I are the only LIHTC properties reporting vacant units. Our contacts at Skyline Trace and Farmington Hills Phase I both reported that the vacant units are pre-leased from the waiting lists. Skyline Trace’s waiting list consists of over 50 households, while Farmington Hills Phase I’s waiting list consists of 230 households and is shared with Farmington Hills Phase II. Two of the remaining three LIHTC and mixed-income comparables also maintain waiting lists. The current performance of the LIHTC and mixed-income comparables indicates strong demand for affordable housing in the area.

Vacancy rates among the market-rate comparable properties range from zero to 4.2 percent, averaging 0.5 percent, which is very low. Further, one of the market rate comparables maintains a short waiting list, indicating strong demand for conventional housing in the area. As a newly renovated property 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. Given that the Subject is an existing property that is fully-occupied, we do not believe that the Subject will impact the performance of the existing affordable properties if allocated.

7. Properties Under Construction and Proposed

The following section details properties currently planned, proposed or under construction.

Mainstreet Walton Mill

- Location: Intersection of 2nd Street and South Broad Street, Monroe, GA
- Owner: One Street Residential
- Total number of units: 74 units
- Unit configuration: One and two-bedroom units
- Rent structure: 50 and 60 percent AMI, market
- Estimated market entry: December 2020
- Relevant information: Will not directly compete with the Subject given its dissimilar tenancy

8. 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	Alexander Crossing	LIHTC/Market	Family	Superior	Similar	Slightly Superior	Similar	Slightly Superior	20
2	Farmington Hills Phase I	LIHTC	Family	Superior	Similar	Slightly Superior	Similar	Slightly Superior	20
3	Farmington Hills Phase II	LIHTC	Family	Superior	Similar	Slightly Superior	Similar	Slightly Superior	20
4	Skyline Trace	LIHTC/Market	Family	Superior	Similar	Similar	Similar	Slightly Superior	15
5	The Exchange	LIHTC/Market	Family	Superior	Similar	Slightly Superior	Slightly Superior	Slightly Superior	25
6	Arnold Pointe	Market	Family	Superior	Similar	Similar	Slightly Inferior	Slightly Superior	10
7	Ashton Pointe	Market	Family	Superior	Similar	Similar	Similar	Slightly Superior	15
8	Tall Oaks	Market	Family	Similar	Slightly Inferior	Similar	Slightly Inferior	Slightly Superior	-5
9	Villas At Loganville	Market	Family	Superior	Similar	Slightly Superior	Similar	Slightly Superior	20

*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 contract rents in the following table. It should be noted that the proposed Subject is inferior to the LIHTC and mixed-income comparables in the area, based primarily on the Subject’s lack of property amenities and its inferior unit sizes. Thus, we have included Tall Oaks, a market rate property located in Monroe, in our rental analysis at 60 percent AMI. This property provides rents at a 48 to 59 percent discount to the average market rents and effectively serves as an affordable housing option in the market.

LIHTC RENT COMPARISON @60%

Property Name	County	1BR	2BR	Rents at Max?
Country Grove - As Proposed	Walton	\$656*	\$747*	No
2020 LIHTC Maximum Rent (Net)	Walton	\$773	\$922	
Alexander Crossing Apartments	Walton	-	\$1,000	Yes
Farmington Hills Phase I	Barrow	\$760	\$880	No
Farmington Hills Phase II	Barrow	\$760	\$880	No
Skyline Trace	Walton	\$685	\$775	No
The Exchange	Barrow	\$815	\$979	Yes
Tall Oaks (Market)	Walton	\$550	\$700	N/A
Average		\$755	\$903	
Achievable LIHTC Rent		\$656	\$747	

*Proposed contract rents where tenants will pay 30 percent of their income towards rent, not to exceed LIHTC maximum allowable levels.

The Subject’s proposed 60 percent AMI contract rents are set below 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 LIHTC and mixed-income comparables were placed in service between 2010 and 2018. The AMI in Walton County reached its peak in 2020. Therefore,

the comparables located in Walton County are held to 2020 LIHTC maximum allowable levels, similar to the proposed Subject. The AMI in Barrow County also reached its peak in 2020. Thus, the comparables located in Barrow County are held to 2020 LIHTC maximum allowable levels. It should be noted that the maximum allowable rents in Walton County are equal to those in Barrow County.

Two of the surveyed properties, Alexander Crossing Apartments and The Exchange, report achieving rents at the maximum allowable levels for their one and two-bedroom units at 60 percent of AMI. However, the rents at these properties appear to be above maximum allowable levels. This is most likely due to differences in these properties' utility structures and allowances from the Subject's proposed utility structure. Overall, the Subject will be inferior to the LIHTC comparables and slightly superior to Tall Oaks.

As previously noted, the proposed Subject is inferior to the LIHTC and mixed-income comparables in the area, based primarily on the Subject's lack of property amenities and its inferior unit sizes. Thus, we have included Tall Oaks, a market rate property located in Monroe, in our rental analysis at 60 percent AMI. This property provides rents at a 48 to 59 percent discount to the average market rents and effectively serves as an affordable housing option in the market. Tall Oaks is located 1.9 miles from the Subject and offers a similar location. This property was constructed in 1982 and exhibits average condition, which is considered slightly inferior to the anticipated good condition of the Subject upon completion of renovations. Tall Oaks offers similar property amenities compared to the proposed Subject and slightly inferior in-unit amenities as it lacks pull cords, ceiling fans, and exterior storage, which the Subject will offer. Tall Oaks offers slightly superior unit sizes compared to the proposed Subject. Overall, Tall Oaks is considered slightly inferior to the proposed Subject.

Skyline Trace is located 0.1 miles from the Subject and offers a similar location. This property was constructed in 2010 and exhibits good condition, which is considered similar to the anticipated good condition of the Subject upon completion of renovations. Skyline Trace offers superior property amenities compared to the proposed Subject as it offers a business center, community room, central laundry, on-site management, exercise facility, playground, and swimming pool, which the proposed Subject will not offer. This property offers similar in-unit amenities as it lacks pull cords, which the Subject will offer, though it offers walk-in closets, which the proposed Subject will not offer. Skyline Trace offers slightly superior unit sizes compared to the Subject. Overall, Skyline Trace is considered superior to the Subject.

We believe the Subject can achieve rents below those at Skyline Trace and above those at Tall Oaks. The Subject's proposed rents are below those at Skyline Trace and above those at Tall Oaks. As such, we believe that the Subject's proposed rents of **\$656** and **\$747** are reasonable and achievable.

Analysis of "Market Rents"

Per DCA's market study guidelines, "average market rent is to reflect 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
1BR @60%	\$656	\$550	\$1,400	\$874	33%
2BR @60%	\$747	\$700	\$1,544	\$1,035	39%

The Subject’s proposed 60 percent AMI rents, absent rental subsidies, are below the average of the surveyed comparables.

Villas At Loganville is achieving the highest one and two-bedroom unrestricted rents in the market. The proposed Subject will be inferior to Villas At Loganville as a market-rate property upon completion of renovations. Villas At Loganville was built in 2008 and exhibits good condition, which is similar to the anticipated good condition of the Subject upon completion of renovations. Villas At Loganville is located 14.0 miles from the Subject and offers a slightly superior location. Villas At Loganville offers superior property amenities compared to the proposed Subject as it offers a business center, community room, central laundry, on-site management, exercise facility, and swimming pool, which the proposed Subject will not offer. This property offers similar in-unit amenities when compared to the proposed Subject as it lacks pull cords, which the Subject will offer, though it offers walk-in closets, which the proposed Subject will not offer. This property offers slightly superior unit sizes in comparison to the Subject. The lowest one and two-bedroom unrestricted rents at Villas At Loganville are approximately 84 and 95 percent higher than the Subject’s one and two-bedroom rents at 60 percent AMI, absent rental assistance.

9. LIHTC Competition – DCA Funded Properties within the PMA

Capture rates for the Subject are considered low to moderate for all bedroom types and AMI levels. If allocated, the Subject will be inferior the majority of the existing LIHTC housing stock given its lack of community amenities and its smaller unit sizes. However, the Subject will maintain its subsidies on all units, post renovations. The average LIHTC vacancy rate is very low at 0.7 percent. Skyline Trace and Farmington Hills Phase I are the only LIHTC properties reporting vacant units. Our contacts at Skyline Trace and Farmington Hills Phase I both reported that the vacant units are pre-leased from the waiting lists. Skyline Trace’s waiting list consists of over 50 households, while Farmington Hills Phase I’s waiting list consists of 230 households. Two of the remaining three LIHTC and mixed-income comparables also maintain waiting lists. The current performance of the LIHTC and mixed-income comparables indicates strong demand for affordable housing in the area. The Subject will exhibit slightly inferior to similar condition to all of the LIHTC comparables upon completion. Therefore, we believe there is adequate demand for the Subject as proposed.

One property was allocated in the Subject’s PMA since 2017. Mainstreet Walton Mill was awarded tax credits in 2017 for the development of 61 LIHTC and 13 market rate units targeting seniors. The property will be located 1.3 miles from the Subject and will offer 19 one and two-bedroom units restricted to 50 percent AMI, 42 one and two-bedroom units restricted to 60 percent AMI, and 13 market rate units. Construction is expected to be completed in December 2020. Given the dissimilar tenancy at this proposed development to the Subject, it will not directly compete and we have not deducted any units in our demand analysis. We do not believe that the renovation of the Subject will impact the one newly allocated LIHTC

property or the existing LIHTC properties that are in overall good condition and currently performing well. Further, the Subject is currently fully-occupied and, thus, will not be adding new units to the market.

10. 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	15,394	76.4%	4,751	23.6%
2019	24,043	72.1%	9,300	27.9%
Projected Mkt Entry July 2022	25,338	72.8%	9,482	27.2%
2024	26,201	73.2%	9,603	26.8%

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

The preceding table details household tenure patterns in the PMA since 2000. The percentage of renter households in the PMA increased between 2000 and 2019, and is estimated to be 27.9 percent as of 2019. This is below the estimated 33 percent of renter households across the overall nation. According to ESRI demographic projections, the percentage of renter households in the PMA is expected to decrease slightly through 2024. However, the number of renter-occupied units in the PMA is expected to increase.

Historical Vacancy

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

		HISTORICAL VACANCY														
Property Name	Program	Total Units	2016 Q1	2016 Q3	2016 Q4	2017 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q2	2020 Q3	2020 Q4
Country Grove - As Proposed	LIHTC	48	N/A	0.0%	0.0%	N/A	N/A	0.0%								
Alexander Crossing Apartments	LIHTC/ Market	240	1.3%	0.0%	0.0%	0.0%	1.7%	0.4%	2.5%	2.5%	0.0%	0.0%	N/A	5.0%	1.7%	0.0%
Farmington Hills Phase I	LIHTC	72	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	1.4%	0.0%	0.0%	N/A	0.0%	0.0%	1.4%
Farmington Hills Phase II	LIHTC	72	0.0%	0.0%	0.0%	0.0%	1.4%	N/A	N/A	0.0%	0.0%	0.0%	N/A	0.0%	5.6%	0.0%
Skyline Trace	LIHTC/ Market	64	N/A	N/A	N/A	3.1%	1.6%	1.6%	3.1%	N/A	3.1%	3.1%	N/A	3.1%	4.7%	4.7%
The Exchange	LIHTC/ Market	130	N/A	N/A	N/A	N/A	6.9%	N/A	N/A	0.0%	0.0%	0.0%	N/A	3.1%	0.8%	0.0%
Arnold Pointe	Market	24	N/A	N/A	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%	0.0%	0.0%	4.2%	4.2%	4.2%
Ashton Pointe	Market	56	1.8%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A	N/A	0.0%	0.0%	1.8%	0.0%	0.0%
Tall Oaks	Market	162	N/A	0.0%	0.0%	N/A	N/A	0.0%								
Villas At Loganville	Market	175	N/A	1.7%	N/A	1.1%	0.6%	1.7%	0.0%	0.6%						

The historical vacancy rates at all of the comparable properties for several quarters in the past four years are illustrated in the previous table. In general, the comparable properties experienced decreasing vacancy from 2016 through the fourth quarter of 2020. Skyline Trace and Farmington Hills Phase I are the only LIHTC properties reporting vacant units. Our contacts at Skyline Trace and Farmington Hills Phase I both reported that the vacant units are pre-leased from the waiting lists. Skyline Trace’s waiting list consists of over 50 households, while Farmington Hills Phase I’s waiting list consists of 230 households and is shared with Farmington Hills Phase II. Two of the remaining three LIHTC and mixed-income comparables also maintain waiting lists. Overall, we believe that the current performance of the LIHTC comparable properties, as well as their historically low vacancy rates and the presence of waiting lists at four of the five LIHTC properties, indicate demand for affordable rental housing in the Subject’s market.

Change in Rental Rates

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

RENT GROWTH

Property Name	Rent Structure	Tenancy	Rent Growth
Alexander Crossing Apartments	LIHTC/ Market	Family	LIHTC kept max/Mkt inc. 0-3% since 3Q19
Farmington Hills Phase I*	LIHTC	Family	Increased up to two percent
Farmington Hills Phase II*	LIHTC	Family	Increased up to two percent
Skyline Trace	LIHTC/ Market	Family	Increased three percent
The Exchange*	LIHTC/ Market	Family	Kept at max
Arnold Pointe	Market	Family	2br no change; 3br increased 1.5%
Ashton Pointe	Market	Family	Increase seven percent
Tall Oaks	Market	Family	1br no change; 2br and 3br increased 9-16%
Villas At Loganville*	Market	Family	Changes daily; Yieldstar

*Located outside of the PMA

Two of the LIHTC properties report increasing rents to maximum allowable levels. The remaining LIHTC properties also report rent growth over the past year. The market rate properties reported in some instances rent growth. We anticipate that the Subject will be able to achieve moderate rent growth in the future as a LIHTC property. However, with rental assistance in place at the Subject, rent increases at the property should not directly impact residents, as they will continue to pay just 30 percent of their income toward rent, not to exceed LIHTC maximum allowable levels.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to RealtyTrac statistics, one in every 13,947 housing units nationwide was in some stage of foreclosure as of September 2020. Georgia experienced one foreclosure in every 10,302 housing units. RealtyTrac did not provide foreclosure data for the City of Monroe and Walton County. However, the Subject’s neighborhood does not have a significant amount of abandoned or vacant structures that would impact the marketability of the Subject.

12. Effect of Subject on Other Affordable Units in Market

As previously noted, there is one LIHTC development currently proposed or under construction in the PMA. The generally low vacancy rates among both the affordable and market rate properties illustrates a strong demand for the addition of affordable housing within the market. As the Subject is an existing, fully-occupied, subsidized property, it is not considered an addition to the amount of affordable housing in the market. The vacancy rate among the existing affordable comparables is very low, at 0.7 percent. The need for quality rental housing is further illustrated by the high occupancy rates of the other subsidized properties in the area. In summary, the performance of the comparable LIHTC properties and that fact the Subject is an existing, fully-occupied, subsidized property, all indicate that the Subject will not negatively impact the existing or proposed affordable rental units in the market.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are experiencing a weighted average vacancy rate of 0.7 percent, which is considered very low. Skyline Trace and Farmington Hills Phase I are the only LIHTC properties reporting vacant units. Our contacts at Skyline Trace and Farmington Hills Phase I both reported that the vacant units are pre-leased from the waiting lists. Skyline Trace’s waiting list consists of over 50 households, while Farmington Hills Phase I’s waiting list consists of 230 households and is shared with Farmington Hills Phase II. Two of the remaining three LIHTC and mixed-income comparables also maintain waiting lists. The current performance of the LIHTC and mixed-income comparables indicates strong demand for affordable housing in the area. The Subject will offer similar in-unit amenities in comparison to the LIHTC comparable properties and inferior property amenities. The Subject will offer pull cords, which many of the comparables lack. It should be noted that pull cords are not typically offered at family properties and do not offer a significant competitive advantage. However, the Subject will not offer a

business center, community room, central laundry, on-site management, exercise facility, playground, or swimming pool, which is offered at several of the comparable developments. Overall, 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 inferior to similar in terms of condition to the majority of the comparable properties. Given the Subject's strong current performance, its anticipated good condition upon completion of renovations, 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.

J. ABSORPTION AND STABILIZATION RATES

ABSORPTION AND STABILIZATION RATES

The following table details absorption data from three of the comparables.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
The Exchange	LIHTC	Family	2018	130	22
Farmington Hills Phase II	LIHTC	Family	2014	72	14
Farmington Hills Phase I	LIHTC	Family	2012	72	10

Per DCA guidelines, we calculated the absorption to 93 percent occupancy. The properties experienced absorption rates ranging from ten to 22 units per month. The Exchange is the most recently constructed property reporting absorption data. This property is located 9.9 miles from the Subject. This property experienced an absorption rate of 22 units per month during 2018 and was fully occupied within approximately six months. The Subject is currently fully-occupied. Post-renovations, 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 20 units per month, for an absorption period of two to three months if it were hypothetically vacant. It should be noted that rehabilitation on the Subject is not anticipated to be completed until December 2021, which is considered outside of the primary window from the COVID-19 pandemic.

K. INTERVIEWS

Georgia Department of Community Affairs

We spoke with Mary de la Vaux, Special Assistant at the Georgia Department of Community Affairs regarding the Housing Choice Voucher program in Walton County. Ms. de la Vaux mentioned that there are 216 families utilizing Housing Choice Vouchers in Walton County. According to the contact, the waiting list for vouchers was open for one week, from February 1 to 7, 2016, and is currently closed. There are currently approximately 12 households on the waiting list in Walton County. The following table illustrates voucher usage at the comparables. The 2020 payment standards for Walton County are detailed in the table below.

PAYMENT STANDARDS	
Unit Type	Payment Standard
One-Bedroom	\$913
Two-Bedroom	\$1,034

Source: Georgia Department of Community Affairs, effective January 2020

The Subject’s proposed LIHTC rents (absent subsidies) are set below the current payment standards. Therefore, tenants with Housing Choice Vouchers would not pay out of pocket for rent. However, the Subject’s proposed LIHTC units benefit from a RRAP contract; as such, tenants will not need to utilize vouchers.

Planning

We attempted but were unable to contact the Walton County Planning and Development Office about new construction in the Subject’s PMA. We consulted a CoStar new construction report and uncovered no evidence of market-rate multifamily developments under construction in the area. We also utilized LIHTC allocation lists published by Georgia Department of Community Affairs and found the following property proposed for construction in the Subject’s PMA.

- Mainstreet Walton Mill was awarded tax credits in 2017 for the development of 61 LIHTC and 13 market rate units targeting seniors. The property will be located 1.3 miles from the Subject and will offer 19 one and two-bedroom units restricted to 50 percent AMI, 42 one and two-bedroom units restricted to 60 percent AMI, and 13 market rate units. Construction is expected to be completed in December 2020. Given the dissimilar tenancy at this proposed development to the Subject, it will not directly compete and we have not deducted any units in our demand analysis.

Walton County Economic Development Department

We contacted Shane Short, Executive Director at the Walton County Economic Development Department, who, under a nondisclosure agreement, provided us limited information regarding business expansions in Walton County. To supplement the information Shane provided, we have conducted internet research and found the expansions in the county in the past year listed below.

- Hitachi, a tier-one supplier to the auto industry, announced its plans in May 2019 to expand its existing facility located in Monroe. The expansion will bring at least 100 new jobs to the area and \$100 million in capital investment.
- Made in Monroe recently expanded into a 30,000 square-foot retail space in the Walton Mill.
- Piedmont Walton recently opened its new 27-bed physician center.
- Kroger grocery store opened a new location in Monroe. The \$30 million development opened in summer 2017.

- Top Polymer Enterprise located its first manufacturing plant to Social Circle in 2018. They reportedly will invest \$15 million into the facility which will add 70 jobs including positions in manufacturing and production.
- Leggett and Platt, a manufacturer, is expanding internally and adding 100 new jobs as well as \$60 million in capital to Walton County.
- According Mr. Short, two manufacturers that he was unable to name, due to a non-disclosure agreement, will open soon in Monroe, adding a combined 400 new jobs and \$260 million at least in capital to Walton County.

L. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Demographics

The population in the PMA increased by 4.6 percent between 2010 and 2019, compared to the 2.5 percent increase in the regional MSA and 1.0 percent increase across the overall nation. The current population of the PMA is 95,604 and is expected to be 100,049 in 2022. The current number of households in the PMA is 33,343 and is expected to be 34,820 in 2022. The percentage of households in the PMA grew at a rate of 1.4 percent per year between 2010 and 2019, which was similar to the MSA and higher than the nation during the same time period. Over the next five years, the household growth in the PMA and MSA is expected to exceed the national household growth. Renter households are concentrated in the lowest income cohorts, with 68.1 percent of renters in the PMA earning less than \$49,999 annually. The Subject's LIHTC units, with subsidy, will target tenants earning between \$0 and \$44,700. Absent subsidy, the Subject would target tenants earning between \$27,874 and \$43,080. Overall, the projected growth in the population and households along with the high 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, manufacturing, and construction industries, which collectively comprise 37.0 percent of local employment. The large share of PMA employment in retail trade, manufacturing, and construction is notable as these industries are historically volatile, and prone to contraction during recessionary periods. This has been evident during the COVID-19 pandemic. The manufacturing industry has experienced a negative impact on demand, production, and revenues over the past several months. Many manufacturing jobs are on-site and cannot be carried out remotely. Additionally, slowed economic activity as a result of the shutdown has reduced demand for industrial products in the United States and globally. Due to the COVID-19 pandemic, retail spending has decreased significantly and a majority of retailers are suffering as a result of the shutdown. Initially, construction activity slowed or halted as supply chains were disrupted by a shortage of subcontractors and materials, and public agencies and administrations terminated contracts to control expenses. However, as states began to loosen restrictions, the construction industry has already begun to rebound, and most economic analysts believe the decline will be short-lived and expect the housing and construction industry will lead the way during the economic recovery. It should be noted that 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 manufacturing industries. Conversely, the PMA is underrepresented in the healthcare/social assistance, professional/scientific/technology services, and agriculture/forestry/fishing/ hunting industries.

Prior to the national recession, average employment growth in the MSA generally exceeded the nation. Annual job growth in the MSA outpaced the nation in every year between 2004 and 2007. The effects of the recession were particularly pronounced in the MSA, which experienced a 6.9 percent contraction in employment growth (2008-2010), well above the 4.9 percent contraction reported by the nation as a whole (2008-2010). Employment in the MSA recovered and surpassed pre-recessionary levels in 2015, a year after the overall nation. Since 2012, job growth in the MSA generally exceeded the nation. Due to the COVID-19 pandemic, employment totals in the 12-month period prior to August 2020 saw a significant decrease of 6.5 percent, compared to a decrease of 6.7 percent experienced by the nation over the same length of time. Employment growth is expected to be limited in the coming months as a result of the COVID-19 pandemic. Georgia has begun to re-open its restaurants, gyms, and other indoor venues as of April 2020, however, return to full economic potential is unlikely while the global health crisis continues.

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 seven 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 seven 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 believe that the Subject’s affordable and 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).

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
1BR @60%	\$0	\$39,720	16	870	0	870	1.8%	\$656
1BR @60% (Absent Subsidy)	\$27,874	\$39,720	16	268	0	268	6.0%	\$656
2BR @60%	\$0	\$44,700	32	1,028	0	1,028	3.1%	\$747
2BR @60% (Absent Subsidy)	\$32,297	\$44,700	32	316	0	316	10.1%	\$747
Overall	\$0	\$44,700	48	1,898	0	1,898	2.5%	-
Overall (Absent Subsidy)	\$27,874	\$44,700	48	584	0	584	8.2%	-

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. All capture rates are within DCA thresholds.

Absorption

The following table details absorption data from three of the comparables.

ABSORPTION

Property Name	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
The Exchange	LIHTC	Family	2018	130	22
Farmington Hills Phase II	LIHTC	Family	2014	72	14
Farmington Hills Phase I	LIHTC	Family	2012	72	10

Per DCA guidelines, we calculated the absorption to 93 percent occupancy. The properties experienced absorption rates ranging from ten to 22 units per month. The Exchange is the most recently constructed property reporting absorption data. This property is located 9.9 miles from the Subject. This property experienced an absorption rate of 22 units per month during 2018 and was fully occupied within approximately six months. The Subject is currently fully-occupied. Post-renovations, 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 20 units per month, for an absorption period of two to three months if it were hypothetically vacant. It should be noted that rehabilitation on the

Subject is not anticipated to be completed until December 2021, which is considered outside of the primary window from the COVID-19 pandemic.

Vacancy Trends

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Alexander Crossing Apartments	LIHTC/ Market	Family	240	0	0.0%
Farmington Hills Phase I*	LIHTC	Family	72	1	1.4%
Farmington Hills Phase II*	LIHTC	Family	72	0	0.0%
Skyline Trace	LIHTC/ Market	Family	64	3	4.7%
The Exchange*	LIHTC/ Market	Family	130	0	0.0%
Arnold Pointe	Market	Family	24	1	4.2%
Ashton Pointe	Market	Family	56	0	0.0%
Tall Oaks	Market	Family	162	0	0.0%
Villas At Loganville*	Market	Family	175	1	0.6%
Total LIHTC			578	4	0.7%
Total Market Rate			417	2	0.5%
Overall Total			995	6	0.6%

*Located outside of the PMA

Overall vacancy in the market is very low at 0.6 percent and total LIHTC vacancy is similar, at 0.7 percent. It should be noted none of the comparables noted any impact on vacancy due to the COVID-19 pandemic. Skyline Trace and Farmington Hills Phase I are the only LIHTC properties reporting vacant units. Our contacts at Skyline Trace and Farmington Hills Phase I both reported that the vacant units are pre-leased from the waiting lists. Skyline Trace’s waiting list consists of over 50 households, while Farmington Hills Phase I’s waiting list consists of 230 households and is shared with Farmington Hills Phase II. Two of the remaining three LIHTC and mixed-income comparables also maintain waiting lists. The current performance of the LIHTC and mixed-income comparables indicates strong demand for affordable housing in the area.

Vacancy rates among the market-rate comparable properties range from zero to 4.2 percent, averaging 0.5 percent, which is very low. Further, one of the market rate comparables maintains a short waiting list, indicating strong demand for conventional housing in the area. As a newly renovated property 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. Given that the Subject is an existing property that is fully-occupied, we do not believe that the Subject 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 similar to 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 based on our calculations for the 60 percent AMI units with or without a subsidy in place. Further, the Subject is fully-occupied and maintains a waiting list of four households. Additionally, qualifying tenants will pay only 30 percent of their household income on rent. The majority of current tenants are anticipated to income-qualify for the Subject post-renovation. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the 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 LIHTC comparables are experiencing a weighted average vacancy rate of 0.7 percent, which is considered very low. Skyline Trace and Farmington Hills Phase I are the only LIHTC properties reporting vacant units. Our contacts at Skyline Trace and Farmington Hills Phase I both reported that the vacant units are pre-leased from the waiting lists. Skyline Trace's waiting list consists of over 50 households, while Farmington Hills Phase I's waiting list consists of 230 households and is shared with Farmington Hills Phase II. Two of the remaining three LIHTC and mixed-income comparables also maintain waiting lists. The current performance of the LIHTC and mixed-income comparables indicates strong demand for affordable housing in the area. The Subject will offer similar in-unit amenities in comparison to the LIHTC comparable properties and inferior property amenities. The Subject will offer pull cords, which many of the comparables lack. It should be noted that pull cords are not typically offered at family properties and do not offer a significant competitive advantage. However, the Subject will not offer a business center, community room, central laundry, on-site management, exercise facility, playground, or swimming pool, which is offered at several of the comparable developments. Overall, 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 inferior to similar in terms of condition to the majority of the comparable properties. Given the Subject's strong current performance, its anticipated good condition upon completion of renovations, 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.

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
Novogradac Consulting LLP

November 10, 2020



Brian Neukam
Manager
Novogradac Consulting LLP

November 10, 2020



Travis Jorgenson
Analyst
Novogradac Consulting LLP

November 10, 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 AND NEIGHBORHOOD



View of Subject



View of Subject



View west on Plaza Trace



View east on Plaza Trace



View of Subject's office



Typical living area 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



Commercial use in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood

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. RCG1046 – State of Connecticut
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. CGA.0020047 – State of Rhode Island
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. 1081 – State of Wyoming

III. Professional Experience

Partner, Novogradac & Company LLP
Vice President, 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 IPED and Novogradac conferences regarding the affordable housing industry. Have done presentations on the appraisal and market analysis of Section 8 and 42 properties. Have spoken regarding general market analysis topics.

Obtained the MAI designation in 1998 and maintained continuing education requirements since. Completed 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

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
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

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

Travis Jorgenson

I. Education

Georgia Institute of Technology- Atlanta, GA
Bachelors of Business Administration and Management, General Management

II. Professional Experience

Analyst, Novogradac & Company LLP, December 2018 – Present
Junior Analyst, Novogradac & Company LLP, July 2017 – December 2018
Claims Analyst, Zelis Healthcare, May 2017 - July 2017
Automotive Research Intern, Hearst Autos, October 2016-May 2017

III. Research Assignments

A representative sample of work on various types of projects:

- Assist in performing and writing market studies and appraisals 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	Country Grove - As Proposed 686 Plaza Trce Monroe, GA 30655 Walton County	-	Various 1-stories 1988 / n/a Family	@60% (Rural Rental Assistance Program - RRAP)	1BR / 1BA	16	33.3%	503	@60% (RRAP)	\$656	N/A	N/A	0	0.0%
					2BR / 1.5BA	32	66.7%	710	@60% (RRAP)	\$747	N/A	N/A	0	0.0%
48													0	0.0%
1	Alexander Crossing Apartments 100 Alexander Crossing Loganville, GA 30052 Walton County	10.2 miles	Townhouse 2-stories 2003 / 2017 Family	@60%, Market	2BR / 2.5BA	120	50.0%	1,256	@60%	\$1,000	Yes	No	0	0.0%
					2BR / 2.5BA	24	10.0%	1,256	Market	\$1,385	N/A	No	0	0.0%
					2BR / 2.5BA	24	10.0%	1,256	Market	\$1,235	N/A	No	0	0.0%
					3BR / 2BA	48	20.0%	1,506	@60%	\$1,160	Yes	Yes	0	0.0%
					3BR / 2BA	12	5.0%	1,506	Market	\$1,500	N/A	No	0	0.0%
					3BR / 2BA	12	5.0%	1,506	Market	\$1,375	N/A	No	0	0.0%
240													0	0.0%
2	Farmington Hills Phase I 1506 Farmington Way Winder, GA 30680 Barrow County	13.4 miles	Garden 2-stories 2012 / n/a Family	@50%, @60%	1BR / 1BA	3	4.2%	740	@50%	\$645	No	Yes	N/A	N/A
					1BR / 1BA	9	12.5%	740	@60%	\$760	No	Yes	N/A	N/A
					2BR / 2BA	4	5.6%	1,150	@50%	\$760	No	Yes	N/A	N/A
					2BR / 2BA	31	43.1%	1,150	@60%	\$880	No	Yes	N/A	N/A
					3BR / 2BA	4	5.6%	1,250	@50%	\$870	No	Yes	N/A	N/A
					3BR / 2BA	21	29.2%	1,250	@60%	\$980	No	Yes	N/A	N/A
72													1	1.4%
3	Farmington Hills Phase II 1506 Farmington Way Winder, GA 30680 Barrow County	10.6 miles	Garden 2-stories 2014 / n/a Family	@50%, @60%	1BR / 1BA	4	5.6%	878	@50%	\$645	No	Yes	0	0.0%
					1BR / 1BA	8	11.1%	878	@60%	\$760	No	Yes	0	0.0%
					2BR / 2BA	4	5.6%	1,143	@50%	\$760	No	Yes	0	0.0%
					2BR / 2BA	32	44.4%	1,143	@60%	\$880	No	Yes	0	0.0%
					3BR / 2BA	3	4.2%	1,328	@50%	\$870	No	Yes	0	0.0%
					3BR / 2BA	21	29.2%	1,328	@60%	\$980	No	Yes	0	0.0%
72													0	0.0%
4	Skyline Trace 600 Ridge Road Monroe, GA 30655 Walton County	0.1 miles	Garden 2-stories 2010 / n/a Family	@50%, @60%, Market	1BR / 1BA	3	4.7%	808	@50%	\$625	No	Yes	0	0.0%
					1BR / 1BA	3	4.7%	808	@60%	\$685	No	Yes	0	0.0%
					1BR / 1BA	2	3.1%	808	Market	\$710	N/A	Yes	0	0.0%
					2BR / 2BA	10	15.6%	1,056	@50%	\$715	No	Yes	0	0.0%
					2BR / 2BA	19	29.7%	1,056	@60%	\$775	No	Yes	1	5.3%
					2BR / 2BA	2	3.1%	1,056	Market	\$785	N/A	Yes	0	0.0%
					2BR / 2BA	1	1.6%	1,056	Non-Rental	\$0	N/A	N/A	0	0.0%
					3BR / 2BA	8	12.5%	1,211	@50%	\$780	No	Yes	1	12.5%
					3BR / 2BA	16	25.0%	1,211	@60%	\$825	No	Yes	1	6.3%
					64									
5	The Exchange 839 Exchange Circle Winder, GA 30620 Barrow County	9.9 miles	Various 2-stories 2018 / n/a Family	@50%, @60%, Market	1BR / 1BA	1	0.8%	815	@50%	\$640	Yes	No	0	0.0%
					1BR / 1BA	34	26.2%	815	@60%	\$815	Yes	No	0	0.0%
					1BR / 1BA	1	0.8%	815	Market	\$985	N/A	No	0	0.0%
					2BR / 2BA	2	1.5%	1,100	@50%	\$776	Yes	No	0	0.0%
					2BR / 2BA	38	29.2%	1,100	@60%	\$979	Yes	No	0	0.0%
					2BR / 2BA	2	1.5%	1,100	Market	\$1,135	N/A	No	0	0.0%
					3BR / 2BA	2	1.5%	1,317	@50%	\$917	Yes	No	0	0.0%
					3BR / 2BA	40	30.8%	1,317	@60%	\$1,134	Yes	No	0	0.0%
					3BR / 2BA	10	7.7%	1,490	Market	\$1,450	N/A	No	0	0.0%
					130									
6	Arnold Pointe 365 Plaza Drive Monroe, GA 30655 Walton County	0.1 miles	Garden 2-stories 1998 / n/a Family	Market	2BR / 2BA	12	50.0%	1,000	Market	\$700	N/A	No	0	0.0%
					3BR / 2BA	12	50.0%	1,200	Market	\$812	N/A	No	1	8.3%
					24									
7	Ashton Pointe 429 Plaza Drive Monroe, GA 30655 Walton County	0.2 miles	Garden 2-stories 1999 / 2020 Family	Market	1BR / 1BA	N/A	N/A	804	Market	\$850	N/A	No	0	N/A
					1BR / 1BA	8	14.3%	804	Market	\$750	N/A	No	0	0.0%
					2BR / 2BA	N/A	N/A	1,008	Market	\$950	N/A	No	0	N/A
					2BR / 2BA	24	42.9%	1,008	Market	\$850	N/A	No	0	0.0%
					3BR / 2BA	N/A	N/A	1,200	Market	\$1,040	N/A	Yes	0	N/A
					3BR / 2BA	24	42.9%	1,200	Market	\$940	N/A	Yes	0	0.0%
56													0	0.0%
8	Tall Oaks 403 Tall Oaks E Monroe, GA 30655 Walton County	1.9 miles	One-story 1-stories 1982 / n/a Family	Market	1BR / 1BA	N/A	N/A	750	Market	\$550	N/A	No	0	N/A
					2BR / 1BA	N/A	N/A	900	Market	\$700	N/A	No	0	N/A
					3BR / 1BA	N/A	N/A	1,000	Market	\$800	N/A	No	0	N/A
					3BR / 2BA	N/A	N/A	1,000	Market	\$850	N/A	No	0	N/A
162													0	0.0%
9	Villas At Loganville 2935 Rosebud Road Southwest Loganville, GA 30052 Gwinnett County	14.0 miles	Various 3-stories 2010 / n/a Family	Market	1BR / 1BA	6	3.4%	691	Market	\$1,205	N/A	Yes	0	0.0%
					1BR / 1BA	34	19.4%	890	Market	\$1,400	N/A	Yes	0	0.0%
					2BR / 2BA	58	33.1%	1,186	Market	\$1,455	N/A	Yes	0	0.0%
					2BR / 2BA	48	27.4%	1,603	Market	\$1,544	N/A	Yes	0	0.0%
					3BR / 2BA	25	14.3%	1,626	Market	\$2,064	N/A	Yes	0	0.0%
3BR / 2BA	4	2.3%	1,489	Market	\$1,806	N/A	Yes	1	25.0%					
175													1	0.6%