



**A MARKET CONDITIONS AND PROJECT
EVALUATION SUMMARY OF**

**MERIWETHER REDEVELOPMENT PHASE II
426 South 15th Street
Griffin, Spalding County, Georgia 30224**

Effective Date: May 15, 2015

Report Date: June 5, 2015

Prepared For

**Mark Straub
Meriwether Redevelopment II, LLC
3914 St. Elmo Avenue, Suite A
Chattanooga, TN 37410**

Prepared By

**Novogradac & Company LLP
2325 Lakeview Parkway
Suite 450
Alpharetta, GA 30009
678.867.2333**

June 5, 2015

Mr. Mark Straub
Meriwether Redevelopment Phase II
3914 St. Elmo Avenue, Suite A
Chattanooga, TN 37410

Re: Market Study for Meriwether Redevelopment Phase II in Griffin, GA

Dear Mr. Straub:

At your request, Novogradac & Company LLP performed a market study of the senior rental market in Griffin, Spalding County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project, the (Subject). The purpose of this market study is to assess the viability of the construction of Meriwether Redevelopment Phase II, a proposed Housing for Older Persons (HFOP) development, consisting of 85 units. Units will be restricted to senior households ages 55 and older earning 50 and 60 percent of the AMI, or less, and 43 units will operate with ACC subsidy assistance through the Griffin Housing Authority. 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 the 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, both Low-Income Housing Tax Credit (LIHTC) and market rate.

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 was 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.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company, LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,



H. Blair Kincer MAI, CRE
LEED Green Associate
Partner



Ed Mitchell
Manager



Brian Gault
Real Estate Analyst
brian.gault@novoco.com
(614)-934-1139



Ben Adams
Real Estate Researcher



Sterling Battle
Real Estate Researcher

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant 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 consultant assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. 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.
4. The report was made assuming responsible ownership and capable management of the property. The analyses and projections are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted
5. 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.
6. 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.
7. 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. 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 consultant 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.
8. A consulting analysis market study for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
9. 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 appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

10. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
11. 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.
12. 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.
13. 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 appraisal report.
14. 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 conclusions contained in this report is based.
15. On all proposed developments, Subject to satisfactory completion, repairs, or alterations, the consulting report is contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time with good quality materials.
16. 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 consultant and contained in this report.
17. The party for whom this report is prepared has reported to the consultant 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.
18. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.

19. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The consultant does not warrant the condition or adequacy of such systems.
20. 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 appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
21. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

TABLE OF CONTENTS

A. EXECUTIVE SUMMARY AND CONCLUSION 1
B. PROJECT DESCRIPTION 12
C. SITE EVALUATION 16
D. MARKET AREA 28
E. COMMUNITY DEMOGRAPHIC DATA..... 31
F. EMPLOYMENT TRENDS 38
G. PROJECT-SPECIFIC DEMAND ANALYSIS 50
H. COMPETITIVE RENTAL ANALYSIS 76
I. ABSORPTION & STABILIZATION RATES 115
J. INTERVIEWS..... 117
K. CONCLUSIONS AND RECOMMENDATIONS 119
L. SIGNED STATEMENT REQUIREMENTS..... 123
M. MARKET STUDY REPRESENTATION 125
N. QUALIFICATIONS 127

Addendum

A. EXECUTIVE SUMMARY AND CONCLUSION

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

Meriwether Redevelopment Phase II will be a newly constructed senior (age 55+) property located in at 426 South 15th Street in Griffin, Spalding County, Georgia 30224. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowances.

PROPOSED RENTS

| Unit Type | Square Feet | Number of Units | Asking Rent | Utility Allowance (1) | Gross Rent | 2014 LIHTC Maximum Allowable Gross Rent |
|--------------------|-------------|-----------------|-------------|-----------------------|------------|---|
| <i>50% AMI/ACC</i> | | | | | | |
| 1BR/1BA | 650 | 16 | \$460 | \$161 | \$621* | \$604 |
| 2BR/1BA | 850 | 1 | \$460 | \$205 | \$665 | \$725 |
| <i>60% AMI/ACC</i> | | | | | | |
| 1BR/1BA | 650 | 23 | \$460 | \$161 | \$621 | \$725 |
| 2BR/1BA | 850 | 3 | \$460 | \$205 | \$665 | \$870 |
| <i>60% AMI</i> | | | | | | |
| 1BR/1BA | 650 | 38 | \$450 | \$161 | \$611 | \$725 |
| 2BR/1BA | 850 | 4 | \$550 | \$205 | \$755 | \$870 |
| Total | | 85 | | | | |

Notes (1) Source of Utility Allowance is GA DCA, Middle Region, effective 7/1/2014

ACC units will be subsidized by the Griffin Housing Authority with average tenant paid rents of \$122.

Per DCA, the 2014 maximum allowable rents were used because as of 5/11/2015, no utility allowances effective in 2015 for Griffin have been published.

*Note that the rent proposed for a one-bedroom at 50 percent AMI would have to be reduced if the ACC were not in place.

The Subject will offer the following unit amenities: window blinds, carpet and vinyl flooring, central heating and air conditioning, dishwasher, oven/range, refrigerator, microwave, cable TV/satellite/Internet hookups, coat closet, and ceiling fan. The property amenities will include: on-site management, laundry facilities on each floor, community room, fitness center, elevators, a covered porch, exterior deck, lounges, crafts room, gazebo with grill and picnic tables, and computer center. The building will feature a secure entry and an intercom system for added security. As a senior development with interior corridors and a secure building, the proposed unit and project amenities will allow the Subject to effectively compete in the market at the anticipated rent levels.

2. Site Description/Evaluation:

The Subject is located on the eastern side of South 15th Street in a mixed use neighborhood. The site itself consists of relatively flat, grass covered land and the site is currently vacant. The site is suitable for a multifamily development. Adjacent to the north, east, and west are single-family uses in fair to average condition. A Salvation Army center, which offers social and worship services, is located directly east of the Subject site. Adjacent to the south are commercial uses in fair to average condition. Further to the south and southwest are a city park and Spalding Medical Center. Commercial uses in the Subject's immediate neighborhood appeared to be 90 percent occupied. Single-family and commercial uses to the north of the Subject, along Taylor Road, are in average to good condition and similarly around 90 percent occupied.

Three existing apartment communities are located within the Subject's neighborhood. Marian Point Apartments and Poplar Grove Apartments are family LIHTC properties considered to be in average to good condition and are currently 95.8 and 91.7 percent occupied, respectively. These properties target families and are not competitive with the proposed Subject. Versailles Apartments is a market rate property that could not be contacted to include in our survey. When surveyed in April 2014, this property was fully-occupied. The Meriwether Redevelopment Phase I, which will target families in townhouse-style units, will be directly south and east of the Subject site. When completed, the development of this property is expected to significantly improve the appeal of the immediate neighborhood.

The site is located within walking distance of downtown Griffin, and within 1.0 mile of an elementary school, hospital, grocery store, pharmacy, and police department. The Subject will be located within less than 2.0 miles of a library, fire department, and senior center.

Spalding County and the Griffin area do not have a public bus transportation system. However, they do have an on-demand response shuttle bus service as well as a regularly scheduled shuttle route available weekdays that travels past the Subject site, as well as the city park, the hospital, city hall, Walmart, and Kroger. There are regularly scheduled shuttle stops at the site four times per day in the morning and afternoon hours. Provided by a grant through Three Rivers Regional Commission, area residents desiring

shuttle bus transportation that are not along the scheduled route or that requires service at another time of day must call at least 24 hours prior to the requested time for transportation and the shuttle bus will take them anywhere in Spalding County. According to Kim, the contact we interviewed at Three Rivers Regional Commission, the cost for the shuttle bus is \$4.00 round-trip.

3. Market Area Definition:

The PMA is defined by the Spalding County line, Jackson Road, and Teamon Road to the north, the Spalding County line and Barnesville Road to the east, East Milner Road, US Highway 41, and Hollonville Road to the south, and Hollonville Road and the Spalding County line to the west. The PMA was defined based on interviews with property managers at comparable properties, interstate divides, our site and neighborhood inspection, and knowledge of the Griffin market from prior work. We have drawn the northern boundary of the PMA at the county line as property managers indicated that they do not typically get tenants from Henry County as this is considered a separate market. We believe that the majority of the Subject's units will come from within the PMA boundaries. The furthest PMA boundary from the Subject is 12.8 miles. For comparison purposes, the secondary market area (SMA) for the Subject is the Atlanta-Sandy Springs-Marietta MSA.

4. Community Demographic Data:

Overall, between 2010 and 2015, population growth in the PMA was less than that of the nation and the MSA. However, the total senior population in the PMA experienced annual increases of 1.5 percent from 2010 to 2015. This is below the 3.0 percent increase in the MSA over the same time period. Senior population in the PMA is projected to increase at by 3.0 percent annually through market entry for the Subject.

Senior households in the MSA grew by 2.7 percent annually from 2010 to 2015, which is slower than the MSA rate of 5.5 percent and similar to the nation as a whole. Senior households in the PMA are projected to grow at a rate of 2.4 percent annually through market entry in 2017.

Senior households earning under \$40,000 in income in the PMA comprise almost 60 percent of all senior households. The Subject will target a significant share of the households in these income cohorts under \$40,000.

5. Economic Data:

Total employment in the MSA has been steadily increasing since 2010. In Spalding County, employment has increased by 325 jobs since January 2013. Similar to what occurred throughout the nation, the unemployment rate increased significantly in 2008 and 2009 and reached a peak rate of 10.5 percent in 2010. The unemployment rate in the MSA and nation has been decreasing since 2011. As of February 2015, the unemployment rate was above the unemployment rate of the US; however, the high rate of growth in total employment indicates a recovery in the MSA in line with the nation.

The largest employers in the PMA are in retail trade, educational services, manufacturing and construction. Lower skilled-employment sector employees in these industries are likely to have incomes in line with the Subject's income restrictions. The City of Griffin has made significant investment in the manufacturing industry, most recently with the Lakes at Green Valley mixed-use development. Overall, the local economy in Griffin appears to be slowly recovering from the effects of the recession, and has not yet recovered to the level of the national economy. Since the Subject will attract area seniors, most of whom we anticipate will not be working, the local economic conditions in Griffin should have virtually no impact on residents of the Subject.

6. Project-Specific Affordability And Demand Analysis:

Our demand analysis indicates that overall with consideration of the ACC subsidy that will be in place for 43 of the 85 units, there are 575 units of net demand among age and income qualified renter households in the PMA. The following table indicates the capture rates for the Subject's units.

CAPTURE RATE ANALYSIS CHART

| Unit Size | Income Limits | Units Proposed | Total Demand | Supply | Net Demand | Capture Rate | Absorption | Average Market Rent | Market Rents Min-Max | Proposed Rents |
|-----------------------------|-------------------|-------------------|-----------------|--------|---------------|-----------------|--------------|------------------------|-------------------------|----------------|
| 1BR @ 50% with no ACC | \$18,120-\$25,800 | 16 | 90 | 0 | 90 | 17.8% | Four Months | \$550 | \$334-\$644 | \$460* |
| 2BR @ 50% with no ACC | \$19,950-\$25,800 | 1 | 25 | 0 | 25 | 4.0% | One Month | \$620 | \$367-\$756 | \$460 |
| 1BR @ 50% with ACC | \$0-\$25,800 | 16 | 406 | 0 | 406 | 3.9% | Two Months | \$550 | \$334-\$644 | \$460* |
| 2BR @ 50% with ACC | \$0-\$25,800 | 1 | 111 | 0 | 111 | 0.9% | One Month | \$620 | \$367-\$756 | \$460 |
| 1BR @ 60% with no ACC | \$18,330-\$30,960 | 61 | 133 | 0 | 133 | 45.9% | Six Months | \$550 | \$334-\$644 | \$450 |
| 2BR @ 60% with no ACC | \$22,650-\$30,960 | 7 | 36 | 0 | 36 | 19.4% | Two Months | \$620 | \$367-\$756 | \$550 |
| 1BR @ 60% with ACC | \$0-\$30,960 | 23 | 452 | 0 | 452 | 5.1% | Three Months | \$550 | \$334-\$644 | \$450-\$460* |
| 2BR @ 60% with ACC | \$0-\$30,960 | 3 | 123 | 0 | 123 | 2.4% | One Month | \$620 | \$367-\$756 | \$460-\$550 |
| 1BR Overall with no ACC | \$18,120-\$30,960 | 77 | 137 | 0 | 137 | 56.2% | Eight Months | \$550 | \$334-\$644 | \$450-\$460* |
| 2BR Overall with no ACC | \$19,950-\$30,960 | 8 | 37 | 0 | 37 | 21.6% | Three Months | \$620 | \$367-\$756 | \$460-\$550 |
| 1BR Overall with ACC | \$0-\$30,960 | 77 | 452 | 0 | 452 | 17.0% | Six Months | \$550 | \$334-\$644 | \$450-\$460* |
| 2BR Overall with ACC | \$0-\$30,960 | 8 | 123 | 0 | 123 | 6.5% | Two Months | \$620 | \$367-\$756 | \$460-\$550 |
| 50% AMI Overall with no ACC | \$18,120-\$25,800 | 17 | 115 | 0 | 115 | 14.8% | Four Months | \$550-\$620 | \$334-\$756 | \$460* |
| 50% AMI Overall with ACC | \$0-\$25,800 | 17 | 516 | 0 | 516 | 3.3% | Two Months | \$550-\$620 | \$334-\$756 | \$460* |
| 60% Overall with no ACC | \$18,330-\$30,960 | 68 | 169 | 0 | 169 | 40.2% | Eight Months | \$550-\$620 | \$334-\$756 | \$450-\$550 |
| 60% Overall with ACC | \$0-\$30,960 | 68 | 575 | 0 | 575 | 11.8% | Six Months | \$550-\$620 | \$334-\$756 | \$450-\$550 |
| LIHTC Overall with no ACC | \$18,120-\$30,960 | 85 | 174 | 0 | 174 | 48.8% | Eight Months | \$550-\$620 | \$334-\$756 | \$450-\$550 |
| LIHTC Overall with ACC | \$0-\$30,960 | 85 | 575 | 0 | 575 | 14.8% | Six Months | \$550-\$620 | \$334-\$756 | \$450-\$550 |

*Note, the maximum allowable 50 percent AMI net rent of \$443/gross rent of \$604 was used in determining the minimum income required for the units with ACC rental assistance.
ACC - Annual Contribution Contract subsidy through the Griffin Housing Authority

These capture rates are within DCA threshold requirements and the overall capture rate of 14.8 percent indicates adequate demand for the Subject. Per DCA guidelines, all the capture rates by bedroom type at various AMI levels are below the 70 percent capture rate threshold. Overall, we recommend the Subject as proposed.

7. Competitive Rental Analysis:

The availability of LIHTC data is considered average for a small city such as Griffin. There is one comparable age-restricted property in the PMA, as well as one family property with a significant share of seniors. With the small number of senior properties within the PMA, we identified two additional senior LIHTC properties as comparables that both operate without rental assistance. All of the comparable LIHTC senior properties are located within 15.2 miles of the Subject.

The availability of market rate data is considered good, and we evaluated five comparables with one and two-bedroom garden-style units for this analysis. None of the comparable market rate options in Griffin offer elevator-served buildings or are age-restricted. As such, garden-style units with first floor accessible units were utilized as comparables. We believe these properties represent some of the more comparable market rate alternatives for seniors in the local market.

When comparing the Subject’s rents to the average market rent, we have not included rents at lower AMI levels given that this artificially lowers the average market rent as those rents are constricted. 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 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison.

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

Subject Comparison to "Market Rents"

| Unit Type | Subject | Surveyed Min | Surveyed Max | Surveyed Average | Subject Rent Advantage |
|------------------|----------------|---------------------|---------------------|-------------------------|-------------------------------|
| 1 BR @ 50% ACC | \$460 | \$334 | \$644 | \$550 | 16% |
| 2 BR @ 50% ACC | \$460 | \$367 | \$756 | \$620 | 26% |
| 1 BR @ 60% ACC | \$460 | \$334 | \$644 | \$550 | 16% |
| 2 BR @ 60% ACC | \$460 | \$367 | \$756 | \$620 | 26% |
| 1 BR @ 60% | \$450 | \$334 | \$644 | \$550 | 18% |
| 2 BR @ 60% | \$550 | \$367 | \$756 | \$620 | 11% |

Note: ACC units will operate with a subsidy and residents will pay 30 percent of their income toward rent.

As illustrated the Subject’s proposed 50 percent LIHTC/ACC rents, 60 percent LIHTC/ACC rents, and 60 percent AMI tax credit rents are below the surveyed averages of the comparables. The proposed rents represent rent advantages of 11 to 26 percent versus average “market rents”, suggesting the rents as proposed should be achievable in the Griffin market, where demand for affordable housing is significant.

The Subject will be most similar to 330 East College Apartments in terms of location, as this property is within less than 1.0 mile of the Subject. The majority of the units at 330 East College Apartments are occupied by seniors. This property has inferior property amenities and has the most similar unit amenities to the Subject among the market rate comparables. While this older property is inferior in age, the units are larger than the units at the Subject. The rents at 330 East College Apartments are \$629 for a one-bedroom unit and \$712 for a two-bedroom unit, which are rents well above the proposed Subject rents.

Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer advantages compared to the average rents being achieved at comparable properties.

The Subject's proposed 50 percent AMI rents of \$460 will operate with an ACC subsidy through the local Griffin Housing Authority, and the subsidy contract rents will be \$460 for both one and two-bedroom units. The average tenant-paid rent is anticipated to be \$122, as with the ACC rental assistance tenants will pay 30 percent of their incomes toward rent. With this in place, the contract rents are considered achievable. However, if the ACC subsidy were not in place, with the high demand in the market for affordable housing, it is our opinion the one-bedroom units could achieve the maximum allowable 50 percent AMI rent (which is below the proposed ACC rent level), while the two-bedrooms could achieve a rent of \$500.

The Subject's proposed 60 percent AMI units with an ACC subsidy will have subsidy contract rents of \$460 for both one and two-bedroom units. The average tenant-paid rent is anticipated to be \$122, as with the ACC rental assistance tenants will pay 30 percent of their incomes toward rent. With this in place, the contract rents are considered achievable. However, if the ACC subsidy were not in place, with the high demand in the market for affordable housing, it is our opinion the units could achieve the same rents as the 60 percent AMI units without ACC subsidy assistance.

The Subject's proposed 60 percent AMI one-bedroom rent of \$450 is above the rent at Glenco Trace Apartments, but is below the rent for the family property with several senior residents, St. Phillip Villas. According to management at Glenco Trace Apartments, this property has kept rents at a low level to limit the amount of turnover, as management noted the current residents have been sensitive about rent increases when they have occurred in the past. Note that Shoal Creek Manor and The Villas on Forsyth do not have one-bedroom units at 60 percent AMI. As such, there could be additional latent demand in the area for one-bedroom units that allow for residents with incomes as high as the 60 percent AMI maximum. We have concluded to an achievable 60 percent AMI one-bedroom LIHTC rent of \$450.

The Subject's proposed two-bedroom rent is above the rents at Villas on Forsyth and Glenco Trace Apartments, but is below the rents at Shoal Creek Manor and St. Phillip Villas. Shoal Creek Manor is the most similar property to the Subject in terms of age, condition, and building type, as this is a four-story, elevator-serviced building. Shoal Creek Manor is in an inferior location to the Subject. As such, while Glenco Trace Apartments is achieving relatively low 60 percent AMI two-bedroom rents, it is our opinion significantly higher two-bedroom senior LIHTC rents are achievable in the PMA. With Shoal Creek Manor offering superior unit features and significantly larger units, we have tempered our rents downward from this property's rent in estimating achievable rent. Given the unit similarities and differences between the Subject and the comparables and the Subject's competitive position against the LIHTC comparables, we have estimated the achievable LIHTC two-bedroom rent to be \$550 at 60 percent AMI.

Overall, the Subject's proposed rents appear reasonable when compared to the rents at the comparables and particularly when taking into account the strong demand for senior LIHTC units we identified, where there are no vacancies in these units, and all the senior properties maintain waiting lists.

Four of the comparable properties in the PMA reported rent increases over the past year. In general, the market rate properties increased rents by 1.2 to five percent, while the LIHTC property St. Phillip Villas increased rents 1.5 percent on two-bedroom units. The other LIHTC units surveyed did not experience rent increases over the past year. The manager at Glenco Trace and Villas on Forsyth, Misty Sullivan, stated that they have not increased rents in the past year at these senior properties because there was more turnover than normal in the past when rents were increased by less than five percent. Given this trend among senior properties we surveyed, we anticipate that the Subject will be able to achieve occasional rent increases once it has stabilized at 93 percent occupancy or higher, per DCA guidelines. However, the frequency and amount of achievable rent increases will likely vary depending on the market conditions and occupancy at the Subject.

8. Absorption/Stabilization

Estimate:

We were able to obtain absorption information from one LIHTC property located outside the PMA in Barnesville, which is Villas on Forsyth, a 42-unit, age-restricted LIHTC and market rate property. Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Villas on Forsyth reported an absorption rate of eight units per month, equaling a five month lease-up period. This property opened in 2009.

Meriwether Redevelopment Phase I is under construction and will be adjacent to the Subject to the south and east. Phase I is an affordable family property with two and three-bedroom townhouse units that will require the use of stairs within the unit. Lease-up data is not yet available for this property, which will not compete with the Subject for renters, given the fact this property will require residents to use stairs regularly.

With the healthy LIHTC vacancy rate among properties with a significant share of seniors, waiting lists at most properties, and the Subject's new construction, elevator-serviced design, we believe that the Subject's units could reasonably expect to lease 13 to 15 units per month. At this rate, the Subject would reach a stabilized occupancy of 93 percent within five to six months.

9. Overall Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject as proposed. The three existing senior LIHTC comparables we surveyed for this comparable analysis are performing well, with no vacancies and waiting lists at each property. The family LIHTC property used as a comparable is also performing well with no vacancies. This property has a 25 percent share of seniors. In terms of rents, the Subject's proposed 50 percent AMI units and several 60 percent AMI units will operate with an ACC subsidy through the local Griffin Housing Authority, and the subsidy contract rents will be \$460 for both one and two-bedroom units. The average tenant-paid rent is anticipated to be \$122, as with the ACC rental assistance tenants will pay 30 percent of their incomes toward rent. Hypothetically, with the subsidy tenants may be able to pay as little as \$0 for these units. With this subsidy in place, the contract rents are considered achievable for units with the ACC subsidy.

The Subject's proposed 60 percent AMI LIHTC one-bedroom rent of \$450 and two-bedroom rent of \$550 are considered achievable based on our comparison to the most similar age-restricted properties, including Shoal Creek Manor, a midrise property located in Locust Grove, northeast of Griffin. The proposed rents represent rent advantages of 11 to 26 percent versus average "market rents", suggesting the rents as proposed should be achievable in the Griffin market, where demand for affordable housing is significant. Overall, it is our opinion the Subject is generally well positioned to achieve a stabilized occupancy rate of 93 percent or higher without significantly impacting other existing affordable properties.

Summary Table:

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

| | | |
|-------------------|---|--------------------------|
| Development Name: | Meriwether Redevelopment Phase II | Total # Units: 85 |
| Location: | 426 South 15th Street | # LIHTC Units: 85 |
| | Griffin, Spalding County, GA 30224 | |
| PMA Boundary: | North: Spalding County line, Jackson Road, and Teamon Road; East: Spalding County line and Barnesville Road; South: East Milner Road, US Highway 41, and Hollonville Road; West: Hollonville Road and the Spalding County line. | |
| | Farthest Boundary Distance to Subject: | 12.8 miles |

Rental Housing Stock (found on pages 54, 107, & 110)

| Type | # Properties* | Total Units | Vacant Units | Average Occupancy |
|---|---------------|-------------|--------------|-------------------|
| All Rental Housing | 16 | 1,479* | 18 | 98.8% |
| Market-Rate Housing | 13 | 887* | 12 | 98.6% |
| <i>Assisted/Subsidized Housing not to include LIHTC</i> | 4 | 400 | 2 | 99.5% |
| LIHTC | 5 | 276* | 4 | 98.6% |
| Stabilized Comps | 9 | 930 | 8 | 99.1% |
| Properties in Construction & Lease Up | 1 | 84 | 0 | N/Ap |

*Includes data for properties that could be contacted to include occupancy data in our report.

| 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 @ 50% ACC | 1 | 650 | \$460 | \$550 | \$0.85 | 16% | \$644 | \$0.99 |
| 1 | 2BR @ 50% ACC | 1 | 850 | \$460 | \$620 | \$0.73 | 26% | \$756 | \$0.89 |
| 23 | 1BR @ 60% ACC | 1 | 650 | \$460 | \$550 | \$0.85 | 16% | \$644 | \$0.99 |
| 3 | 2BR @ 60% ACC | 1 | 850 | \$460 | \$620 | \$0.73 | 26% | \$756 | \$0.89 |
| 38 | 1BR @ 60% | 1 | 650 | \$450 | \$550 | \$0.85 | 18% | \$644 | \$0.99 |
| 4 | 2BR @ 60% | 1 | 850 | \$550 | \$620 | \$0.73 | 11% | \$756 | \$0.89 |

Demographic Data (found on page 35)

| | 2010 | | 2015 | | 2017 | |
|---|-------|--------|-------|--------|-------|--------|
| | | | | | | |
| Age 55+ Renter Households | 2,455 | 23.20% | 2,813 | 24.20% | 2,960 | 24.40% |
| Age & Income-Qualified Renter HHs (LIHTC) | 500 | 20.40% | 574 | 20.40% | 602 | 20.30% |

Targeted Income-Qualified Renter Household Demand (found on page 75)

| Type of Demand | 50% with ACC | 50% with no ACC | 60% with ACC | 60% with no ACC | LIHTC No ACC | LIHTC with ACC |
|--|--------------|-----------------|--------------|-----------------|--------------|----------------|
| Renter Household Growth | 84 | 19 | 94 | 28 | 28 | 94 |
| Existing Households (Overburdened + Substandard) | 544 | 121 | 608 | 178 | 183 | 608 |
| Homeowner conversion (Seniors) | 11 | 3 | 11 | 4 | 4 | 11 |
| Total Primary Market Demand | 639 | 143 | 713 | 210 | 215 | 713 |
| Less Comparable/Competitive Supply | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted Income-qualified Renter HHs** | 639 | 143 | 713 | 210 | 215 | 713 |

Capture Rates (found on page 75)

| Targeted Population | 50% with ACC | 50% with no ACC | 60% with ACC | 60% with no ACC | LIHTC No ACC | LIHTC with ACC |
|---------------------|--------------|-----------------|--------------|-----------------|--------------|----------------|
| Capture Rate: | 3.30% | 14.80% | 11.80% | 40.20% | 48.80% | 14.80% |

**Includes seniors 55+

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

- Project Address and Development Location:** The Subject site is located at 426 South 15th Street in Griffin, Spalding County, Georgia 30224.
- Construction Type:** The Subject will consist of one three-story, elevator serviced building. The building will have a brick and cement fiberboard exterior.
- Occupancy Type:** Senior (55+).
- Special Population Target:** A total of five units will be specially designed to be handicap accessible.
- Number of Units by Bedroom Type and AMI Level:** See following property profile.
- Unit Size:** See following property profile.
- Structure Type:** See following property profile.
- Rents and Utility Allowances:** See following property profile.
- Existing or Proposed Project Based Rental Assistance:** A total of 43 units will operate with an Annual Contributions Contract (ACC) subsidy through the Griffin Housing Authority. With this ACC subsidy, tenants will pay 30 percent of their income toward rent. The average tenant-paid rent is expected to be \$121.62 and average subsidy payment is expected to be \$338.38.
- Proposed Development Amenities:** See following property profile.

Meriwether Redevelopment Phase II

Comp # Subject
Effective Rent Date 5/22/2015

Location 426 South 15th Street
 Griffin, GA 30224
 Spalding County
Units 85
Type Lowrise
 (3 stories)
Year Built / Renovated 2017 / n/a
Tenant Characteristics Seniors age 55+
Contact Name Dian Torres



Market

Program @50% (ACC), @60% (ACC), @60%

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 | included |

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max rent? |
|------|-------|---------------------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|
| 1 | 1 | Lowrise (3 stories) | 16 | 650 | \$460 | \$0 | @50% (ACC) | n/a | N/A | N/A | N/A |
| 1 | 1 | Lowrise (3 stories) | 23 | 650 | \$460 | \$0 | @60% (ACC) | n/a | N/A | N/A | N/A |
| 1 | 1 | Lowrise (3 stories) | 38 | 650 | \$450 | \$0 | @60% | n/a | N/A | N/A | no |
| 2 | 1 | Lowrise (3 stories) | 1 | 850 | \$460 | \$0 | @50% (ACC) | n/a | N/A | N/A | N/A |
| 2 | 1 | Lowrise (3 stories) | 3 | 850 | \$460 | \$0 | @60% (ACC) | n/a | N/A | N/A | N/A |
| 2 | 1 | Lowrise (3 stories) | 4 | 850 | \$550 | \$0 | @60% | n/a | N/A | N/A | no |

Amenities

| | | | |
|-----------------|--|-----------------|---|
| In-Unit | Blinds Carpeting Coat Closet Dishwasher Ceiling Fan Hand Rails Oven Refrigerator Central A/C Microwave | Security | Intercom (Phone) Limited Access |
| Property | Parking spaces: 85 Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Elevators Exercise Facility Laundry Facilities Off-Street Parking On-Site Management Picnic Area | Premium | none |
| Services | none | Other | Covered Porch, Deck, Lounges, Gazebo |

| | |
|--------------------------------|---|
| Scope of Renovations: | The Subject will be new construction |
| Current Rents: | The Subject will be new construction |
| Current Occupancy: | The Subject will be new construction |
| Current Tenant Income: | The Subject will be new construction |
| Placed in Service Date: | The Subject is expected to be open by June 2017. |
| Conclusion: | The Subject will be an excellent-quality property with a three-story, elevator-serviced building with flats. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence. The Subject will offer a modern product that should be well-received by area seniors. |

C. SITE EVALUATION

1. Date of Site Visit and Name of Site Inspector:

Sterling Battle visited the site on May 15, 2015.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

The Subject site has frontage along Sunshine Drive to the south, Pimento Avenue to the east, and 15th Street to the west.

Visibility/Views:

The Subject is located on the eastern side of South 15th Street and has good visibility and views.

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.



The Subject is located on the eastern side of South 15th Street in a mixed use neighborhood. The site itself consists of relatively flat, grass covered land and the site is currently vacant. The site appears suitable for a multifamily development. Adjacent to the west, north, and east are single-family uses in fair to average condition. A Salvation Army center offers social services and worship services at a location east of the Subject. Adjacent to the south are commercial uses in fair to average condition. Further to the south and southwest are a city park and Spalding Medical Center. Commercial uses in the Subject's immediate neighborhood appeared to be 90 percent occupied. Single-family and commercial uses to the north of the Subject, along Taylor Road, are in average to good condition and similarly around 90 percent occupied.

Three existing apartment communities are located within the Subject's neighborhood. Marian Point Apartments and Poplar Grove Apartments are family LIHTC properties considered to be in average to good condition and are currently 95.8 and 91.7 percent occupied, respectively. These properties target families and are not competitive with the proposed Subject. Versailles Apartments is a market rate property that could not be contacted to include in our survey. When surveyed in April 2014, this property was fully-occupied. The Meriwether Redevelopment Phase I, which will target families in townhouse-style units, will be directly south and east of the Subject site. When completed, the development of this property is expected to significantly improve the appeal of the site neighborhood.

Positive/Negative Attributes of Site: In the Subject's immediate neighborhood both single-family and commercial uses are in fair to average condition. We observed a few commercial vacancies in the neighborhood.

Positive attributes of the Subject's site include its close proximity to locational amenities. The site is within walking distance to downtown Griffin. It is within 1.0 mile of an elementary school, hospital, grocery store, pharmacy, and the police department. The Subject will be located within 2.0 miles of a library, fire department, and high school. The Subject has a walk score of 51, indicating that several amenities are within walking distance.

**3. Physical Proximity to
Locational Amenities:**

The Subject is located on the eastern side of South 15th Street and has good visibility and views.

The site is located within walking distance of downtown Griffin, and within a mile of an elementary school, hospital, grocery store, pharmacy, and police department. The Subject will be located within less than 2.0 miles of a library, fire department, and senior center.

Spalding County and the Griffin area do not have a public bus transportation system. However, they do have an on-demand response shuttle bus service as well as a regularly scheduled route available weekdays that travels past the Subject site, as well as the city park, the hospital, city hall, Walmart, and Kroger. There are regularly scheduled shuttle stops at the site four times per day in the morning and afternoon hours. Provided by a grant through Three Rivers Regional Commission, area residents desiring shuttle bus transportation that are not along the scheduled route or that requires service at another time of day must call at least 24 hours prior to the requested time for transportation and the shuttle bus will take them anywhere in Spalding County. According to Kim, the contact we interviewed at Three Rivers Regional Commission, the cost for the shuttle bus is \$4.00 round-trip.

4. Pictures of Site and Adjacent Uses:



Subject



View of Subject from northwest



View east on Sunshine Road between Meriwether Phase I and II (Subject)



View north on 15th Street



View south on 15th Street



View northeast on Meriwether Street



View of Meriwether Phase I adjacent to Subject



View of Meriwether Phase I adjacent to Subject



Place of Worship east of Subject



Griffin Police Department adjacent to Subject to the north



Single-Family home in Subject neighborhood



Single-Family home in Subject neighborhood



Single-Family home in Subject neighborhood



Commercial development in downtown Griffin one mile east of Subject



Commercial development in downtown Griffin one mile east of Subject



Typical commercial development in Subject neighborhood



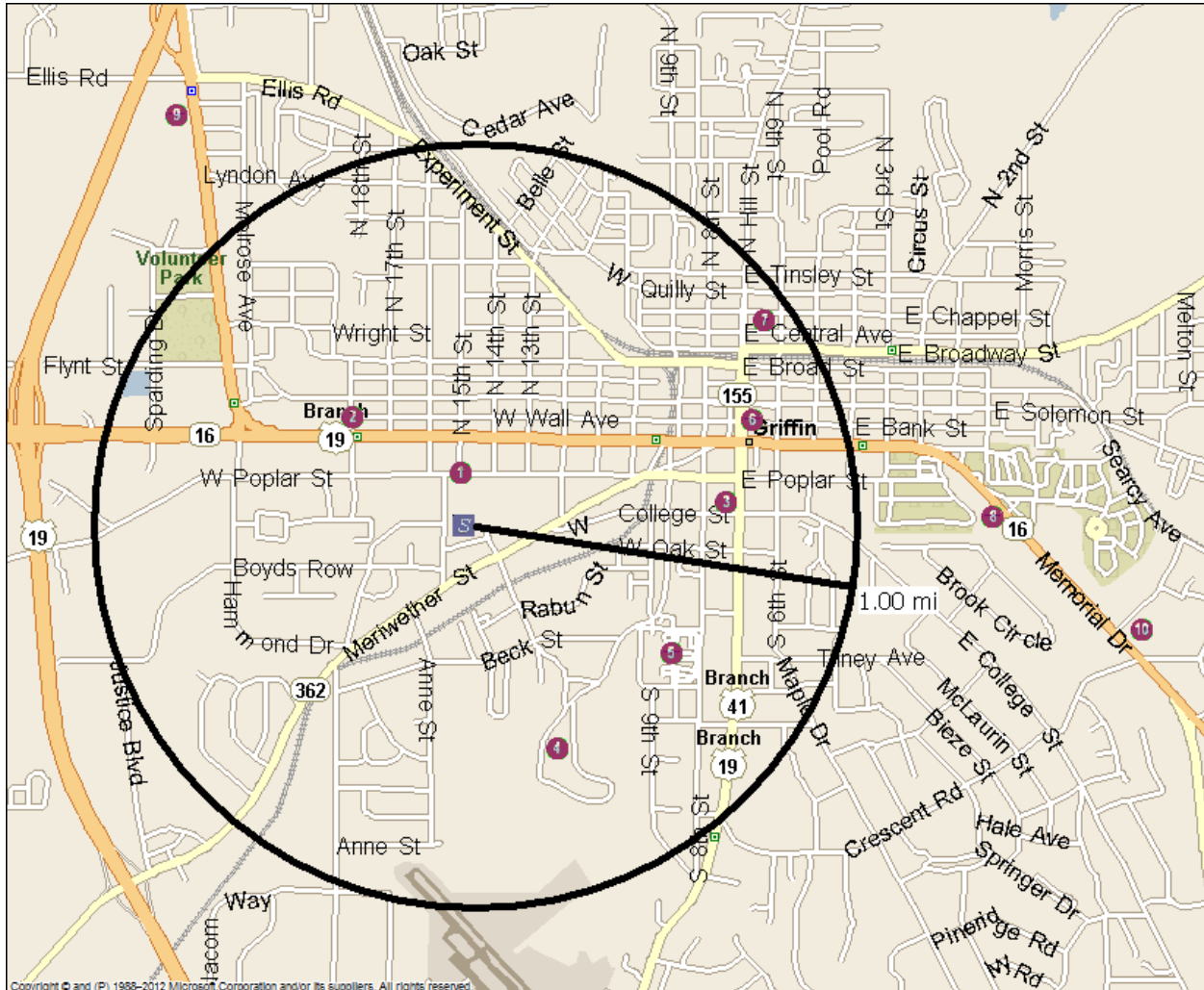
Gas station in Subject neighborhood



Bank in Subject neighborhood

5. Proximity to Locational Amenities:

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



LOCATIONAL AMENITIES

| Map # | Name | Miles from Subject |
|-------|----------------------------------|--------------------|
| 1 | Griffin Police Department | 0.2 |
| 2 | Food Depot | 0.4 |
| 3 | Hobbs Pharmacy | 0.6 |
| 4 | Griffin Municipal Park | 0.6 |
| 5 | Spalding Regional Medical Center | 0.7 |
| 6 | Downtown Griffin | 0.7 |
| 7 | US Post Office | 0.9 |
| 8 | Griffin-Spalding Library | 1.3 |
| 9 | Griffin Fire Department | 1.3 |
| 10 | Spalding County Senior Center | 1.7 |

6. Description of Land Uses:

The Subject is located on the eastern side of South 15th Street in a mixed use neighborhood. Adjacent to the west, north, and east are single-family uses in fair to average condition. Adjacent to the south are commercial uses in fair to average condition. Commercial uses in the Subject’s immediate neighborhood appeared to be 90 percent occupied. Single-family and commercial uses to the north of the Subject, along Taylor Road, are in average to good condition and similarly around 90 percent occupied. There are no directly comparable senior properties in the Subject’s immediate neighborhood. However, there are two existing LIHTC properties, one under construction LIHTC and subsidized property, and one market rate property in the site neighborhood. None of these non-comparable properties are performing poorly.

7. Existing Assisted Rental Housing

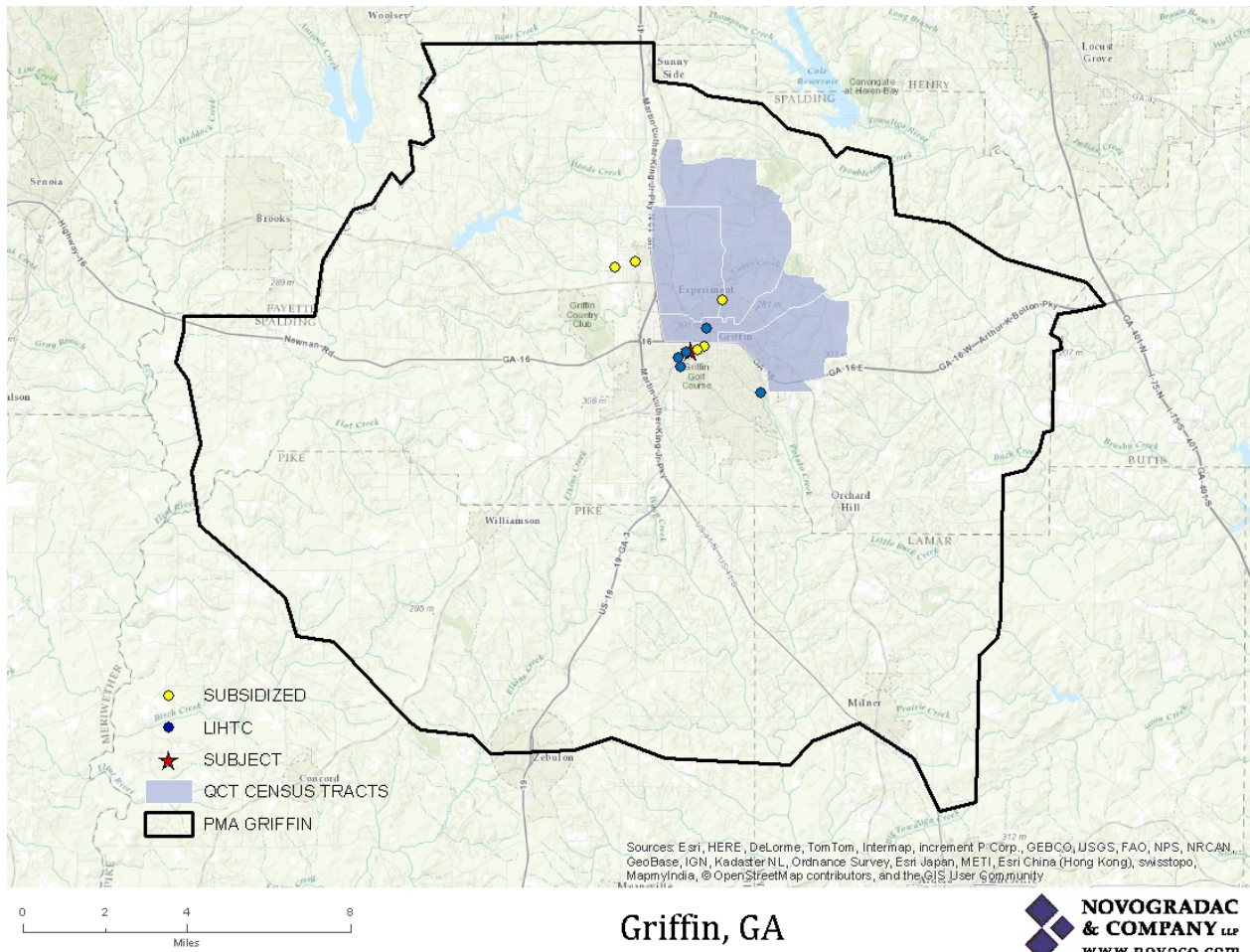
Property Map:

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

ASSISTED RENTAL HOUSING PROPERTIES

| Name | Address | City | Tenancy | Included/ Excluded | Reason for Exclusion | Map Color | Type |
|--|------------------------------|----------------|---------|-----------------------|--------------------------|-----------------|--------------|
| Meriwether Redevelopment Phase II | 426 South 15th Street | Griffin | Senior | Included | N/A | Red Star | LIHTC/ACC |
| Glenco Trace Apartments | 1624 Hallmark Drive | Griffin | Senior | Included | N/A | | LIHTC |
| Marian Point | 416 W Poplar Street | Griffin | Family | Excluded | Dissimilar Tenancy | | LIHTC/Market |
| Meriwether Redevelopment Phase I* | 426 South 15th Street | Griffin | Family | Excluded | Townhome Unit Types | | LIHTC/PBRA |
| Poplar Grove | 331 S 12th Street | Griffin | Family | Excluded | Dissimilar Building Type | | LIHTC/Market |
| St. Phillip Villas | 829 N Hill Street | Griffin | Family | Included | N/A | | LIHTC/Market |
| Heritage Apartments | 1012 Beck Street | Griffin | Family | Excluded | Subsidized | | Section 8 |
| Northside Hills | 615 Northside Drive | Griffin | Family | Excluded | Subsidized | | Section 8 |
| Regency Apartments | 1100W College Street | Griffin | Family | Excluded | Subsidized | | Section 8 |
| St. George's Court | 110 N 10th Street | Griffin | Family | Excluded | Subsidized | | Section 8 |

*Property is under construction.



Griffin, GA



**8. Road/Infrastructure
Proposed Improvements:**

According to our field work and discussions with local city officials, the City of Griffin is redeveloping the infrastructure in the Park District adjacent to the Subject site area with over \$675,000 in improvements using capital improvement funds. The work is underway and is anticipated to be completed in the early 2016. The improvements include new sidewalks along Meriwether Street, 15th Street, and Pimento Avenue; new curbs and gutters along both sides of the Meriwether Street and 15th Street as conditions permit; new storm and sewer lines along Meriwether Street, asphalt paving of the surrounding public streets including Meriwether Street and 15th Street; and new street lighting along Meriwether Street surrounding the Subject site and along 15th Street. These changes will serve to improve the aesthetic appeal and desirability of the site neighborhood and will provide added security for residents.

9. Access, Ingress/Egress and Visibility of site:

The Subject will be accessed from Pimento Avenue, 15th Street, and Sunset Drive, all of which are lightly trafficked residential streets. Overall access and visibility are considered good.

10. Environmental Concerns:

None visible upon site inspection.

11. Crime Risk:

The following table indicates crime risk indices for the PMA and the MSA.

2015 CRIME RISK INDICES

| | PMA | Atlanta-Sandy Springs-Roswell, GA MSA |
|------------------------|------------|--|
| Total Crime* | 105 | 156 |
| Personal Crime* | 99 | 133 |
| Murder | 145 | 163 |
| Rape | 79 | 93 |
| Robbery | 67 | 176 |
| Assault | 119 | 123 |
| Property Crime* | 98 | 158 |
| Burglary | 119 | 147 |
| Larceny | 98 | 145 |
| Motor Vehicle Theft | 80 | 182 |

Source: ESRI Demographics 2015, Novogradac & Company LLP, May 2015

*Unweighted aggregations

The crime risk indices shown above are based on the national average, which would be indicated as the number 100 in the table above. Any numbers shown deviating from the number 100 would thus be considered to be either above or below the national average. That is, an index of 125 would be 25 percent higher than the national average and an index of 75 would be 25 percent lower than the national average. As illustrated in the previous table, the most recent data indicates most crime within the PMA is below that of the MSA and is similar to national indices. Murder has the highest crime index in the PMA at almost one and a half times the national average, but this is below the crime risk index for murder in the MSA. According to our interviews with market participants, the improvements being made by the City of Griffin to the neighborhood surrounding the Subject site are expected to improve security of the neighborhood for residents. None of these crime indices are considered cause for alarm. In general, based on our site inspection, the neighborhood is in a state of improvement, and the development of the Subject will serve to continue the betterment of the area.

12. Conclusion:

The Subject is located on the eastern side of South 15th Street in a mixed use neighborhood. Adjacent to the north, east, and west are single-family uses in fair to average condition. Commercial uses in the Subject's immediate neighborhood appeared to be 90 percent occupied. The Subject is located within walking distance of downtown Griffin, and within 1.0 mile of an elementary school, hospital, grocery store, pharmacy, and police department. The Subject will be located within 1.7 miles of a library, fire department, and senior center.

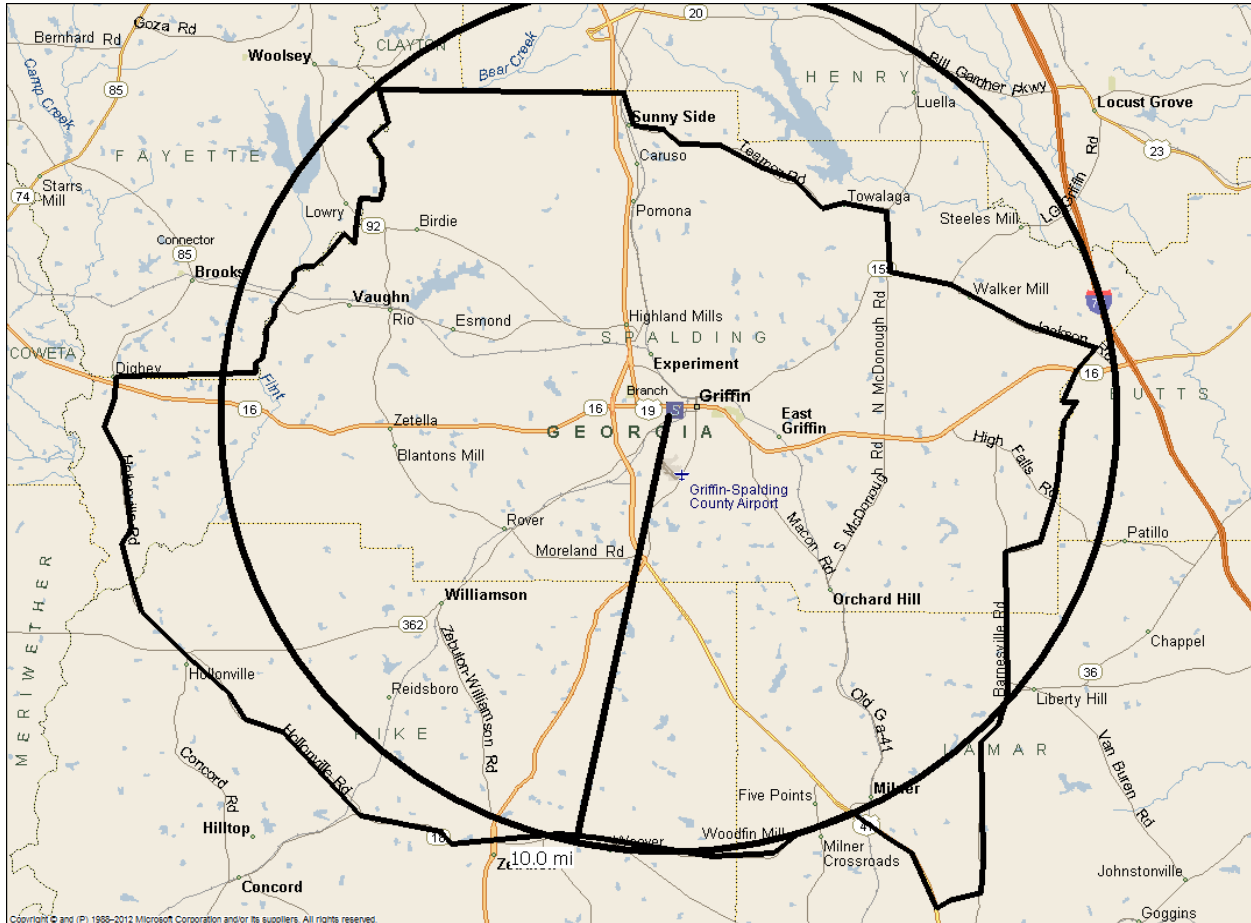
In the Subject's immediate neighborhood both single-family and commercial uses are in fair to average condition. We observed a small number of vacant commercial uses in the neighborhood. The multifamily properties in the area are generally performing well with no nearby properties reporting significant vacancy concerns. Additionally, it should be noted that the Subject's neighborhood is part of the area that has been marked for redevelopment by the City of Griffin. Overall, we believe that the Subject site is desirable for rental housing and that the Subject will fit well with the surrounding uses.

D. 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



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-Marietta-Sandy Springs MSA are areas of growth or contraction.

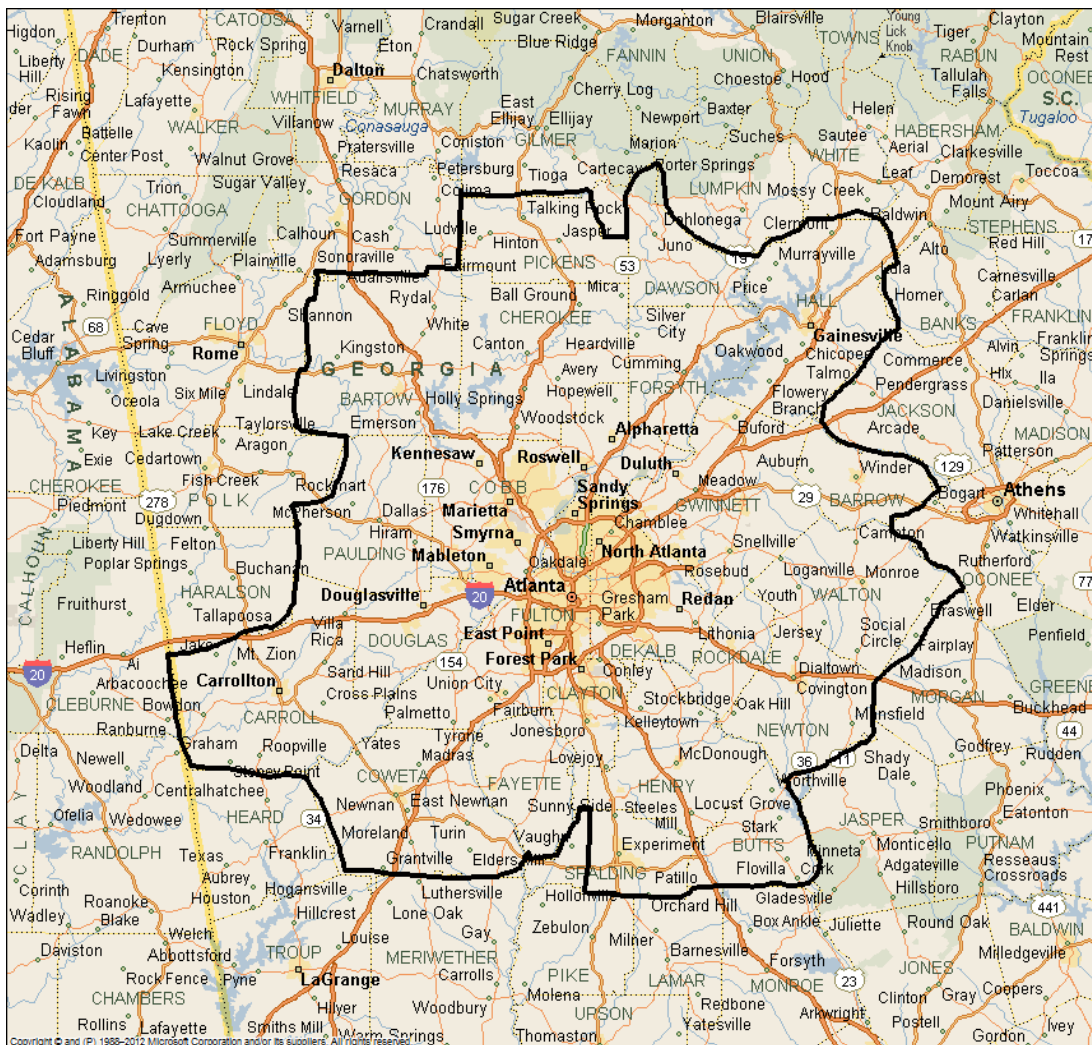
The boundaries of the PMA are as follows:

- North – Spalding County line, Jackson Road, and Teamon Road
- East-The Spalding County line and Barnesville Road
- South- East Milner Road, US Highway 41, and Hollonville Road
- West- Hollonville Road and the Spalding County line

The area was defined based on interviews with property managers at comparable properties, interstate divides, our site and neighborhood inspection, and knowledge of the Griffin market gleaned from prior work done here. We have drawn the northern boundary of the PMA at the county line as property managers indicated that they do not typically get tenants from Henry County as this is considered a separate market. We believe that the majority of the Subject's units will come from within the PMA boundaries.

We have estimated that approximately 15 percent of the tenants at the Subject will originate from outside these boundaries. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the DCA market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The furthest PMA boundary from the Subject is 12.8 miles.

For comparison purposes, the secondary market area (SMA) for the Subject is considered to be the Atlanta-Sandy Springs-Marietta MSA, which includes several counties. Following is a map of the SMA.



E. 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-Marietta MSA are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and MSA.

1. Population Trends

The following tables illustrate (a) Total Population, (b) Population by Age Group, and (c) Number of Elderly and Non-Elderly within population in MSA, the PMA and nationally from 2000 through 2019.

TOTAL POPULATION

| Year | PMA | | Atlanta-Sandy Springs-Roswell, GA MSA | | USA | |
|----------------------------------|---------------|----------------------|--|----------------------|---------------|----------|
| | <i>Number</i> | <i>Annual Change</i> | <i>Number</i> | <i>Annual Change</i> | <i>Number</i> | <i>-</i> |
| 2000 | 64,270 | - | 4,263,438 | - | 281,421,906 | - |
| 2010 | 72,378 | 1.3% | 5,286,728 | 2.4% | 308,745,538 | 1.0% |
| 2015 | 72,234 | 0.0% | 5,467,379 | 0.8% | 314,467,933 | 0.4% |
| Projected Mkt Entry June 2017 | 73,275 | 0.5% | 5,655,997 | 1.2% | 321,103,840 | 0.7% |
| 2019 | 74,018 | 0.5% | 5,790,724 | 1.2% | 325,843,774 | 0.7% |

Source: ESRI Demographics 2014, Novogradac & Company LLP, May 2015

TOTAL SENIOR POPULATION (55+)

| Year | PMA | | Atlanta-Sandy Springs-Roswell, GA MSA | | USA | |
|----------------------------------|---------------|----------------------|--|----------------------|---------------|----------------------|
| | <i>Number</i> | <i>Annual Change</i> | <i>Number</i> | <i>Annual Change</i> | <i>Number</i> | <i>Annual Change</i> |
| 2000 | 13,440 | - | 646,403 | - | 59,266,437 | - |
| 2010 | 18,217 | 3.6% | 1,028,311 | 5.9% | 76,750,713 | 3.0% |
| 2015 | 19,644 | 1.5% | 1,190,600 | 3.0% | 83,352,075 | 1.6% |
| Projected Mkt Entry June 2017 | 20,762 | 3.0% | 1,287,673 | 4.3% | 88,357,137 | 3.1% |
| 2019 | 21,978 | 2.4% | 1,393,188 | 3.4% | 93,797,421 | 2.5% |

Source: ESRI Demographics 2015, Novogradac & Company LLP, May 2015

POPULATION BY AGE IN 2015

| Age Cohort | PMA | | Atlanta-Sandy Springs-Roswell, GA MSA | | USA | |
|--------------|---------------|-------------------|---------------------------------------|-------------------|--------------------|-------------------|
| | <i>Number</i> | <i>Percentage</i> | <i>Number</i> | <i>Percentage</i> | <i>Number</i> | <i>Percentage</i> |
| 0-4 | 4,935 | 6.8% | 372,554 | 6.8% | 19,987,250 | 6.4% |
| 5-9 | 4,988 | 6.9% | 386,307 | 7.1% | 20,264,567 | 6.4% |
| 10-14 | 4,991 | 6.9% | 397,721 | 7.3% | 20,621,313 | 6.6% |
| 15-19 | 4,572 | 6.3% | 374,613 | 6.9% | 21,171,596 | 6.7% |
| 20-24 | 4,575 | 6.3% | 382,617 | 7.0% | 22,787,955 | 7.2% |
| 25-29 | 4,712 | 6.5% | 385,740 | 7.1% | 21,439,374 | 6.8% |
| 30-34 | 4,674 | 6.5% | 386,348 | 7.1% | 20,988,843 | 6.7% |
| 35-39 | 4,473 | 6.2% | 380,563 | 7.0% | 19,373,719 | 6.2% |
| 40-44 | 4,848 | 6.7% | 417,482 | 7.6% | 20,731,962 | 6.6% |
| 45-49 | 4,773 | 6.6% | 399,503 | 7.3% | 21,208,891 | 6.7% |
| 50-54 | 5,047 | 7.0% | 393,331 | 7.2% | 22,540,388 | 7.2% |
| 55-59 | 4,775 | 6.6% | 341,601 | 6.2% | 21,076,535 | 6.7% |
| 60-64 | 4,313 | 6.0% | 278,435 | 5.1% | 18,494,651 | 5.9% |
| 65-69 | 3,761 | 5.2% | 221,182 | 4.0% | 14,213,405 | 4.5% |
| 70-74 | 2,691 | 3.7% | 142,182 | 2.6% | 10,364,917 | 3.3% |
| 75-79 | 1,772 | 2.5% | 90,869 | 1.7% | 7,569,578 | 2.4% |
| 80-84 | 1,227 | 1.7% | 60,129 | 1.1% | 5,722,550 | 1.8% |
| 85+ | 1,105 | 1.5% | 56,202 | 1.0% | 5,910,439 | 1.9% |
| Total | 72,232 | 100.0% | 5,467,379 | 100.0% | 314,467,933 | 100.0% |

NUMBER OF ELDERLY AND NON-ELDERLY

| Year | PMA | | | Atlanta-Sandy Springs-Roswell, GA MSA | | |
|----------------------------------|-------------------------|--------------------|----------------------|---------------------------------------|--------------------|----------------------|
| | <i>Total Population</i> | <i>Non-Elderly</i> | <i>Elderly (55+)</i> | <i>Total Population</i> | <i>Non-Elderly</i> | <i>Elderly (55+)</i> |
| 2000 | 64,270 | 50,830 | 13,440 | 4,263,438 | 3,617,035 | 646,403 |
| 2010 | 72,378 | 54,161 | 18,217 | 5,286,728 | 4,258,417 | 1,028,311 |
| 2015 | 72,232 | 52,588 | 19,644 | 5,467,379 | 4,276,779 | 1,190,600 |
| Projected Mkt Entry June 2017 | 73,088 | 52,325 | 20,762 | 5,622,315 | 4,334,642 | 1,287,673 |
| 2019 | 74,018 | 52,040 | 21,978 | 5,790,724 | 4,397,536 | 1,393,188 |

Source: ESRI Demographics 2015, Novogradac & Company LLP, May 2015

Between 2010 and 2015, population growth in the PMA was less than that of the nation and the MSA. However, the total senior population in the PMA experienced annual increases of 1.5 percent from 2010 to 2015. This is below the 3.0 percent increase in the MSA over the same time period. Senior population in the PMA is projected to increase at by 3.0 percent annually through market entry for the Subject. Persons age 55 and older comprise 27.2 percent of the total PMA population in 2015.

2. Household Trends

2a. Total Number of Households, Average Household Size

TOTAL NUMBER OF HOUSEHOLDS

| Year | PMA | | Atlanta-Sandy Springs-Roswell, GA MSA | | USA | |
|----------------------------------|--------|---------------|---------------------------------------|---------------|-------------|---------------|
| | Number | Annual Change | Number | Annual Change | Number | Annual Change |
| 2000 | 23,751 | - | 1,566,711 | - | 105,991,193 | - |
| 2010 | 26,488 | 1.2% | 1,943,885 | 2.4% | 116,716,292 | 1.0% |
| 2015 | 26,502 | 0.0% | 2,010,072 | 0.6% | 118,979,182 | 0.4% |
| Projected Mkt Entry June 2017 | 26,824 | 0.6% | 2,068,644 | 1.5% | 121,128,586 | 0.9% |
| 2019 | 27,173 | 0.5% | 2,132,309 | 1.2% | 123,464,895 | 0.8% |

Source: ESRI Demographics 2015, Novogradac & Company LLP, May 2015

TOTAL NUMBER OF HOUSEHOLDS 55+

| Year | PMA | | Atlanta-Sandy Springs-Roswell, GA MSA | | USA | |
|----------------------------------|--------|---------------|---------------------------------------|---------------|------------|---------------|
| | Number | Annual Change | Number | Annual Change | Number | Annual Change |
| 2000 | 8,305 | - | 396,452 | - | 36,970,817 | - |
| 2010 | 10,570 | 2.7% | 612,737 | 5.5% | 45,892,687 | 2.4% |
| 2015 | 11,602 | 1.9% | 684,282 | 2.2% | 50,249,306 | 1.8% |
| Projected Mkt Entry June 2017 | 12,139 | 2.4% | 751,204 | 5.1% | 53,282,019 | 3.1% |
| 2019 | 12,722 | 1.9% | 823,945 | 4.1% | 56,578,447 | 2.5% |

Source: ESRI Demographics 2015, Novogradac & Company LLP, May 2015

AVERAGE HOUSEHOLD SIZE

| Year | PMA | | Atlanta-Sandy Springs-Roswell, GA MSA | | USA | |
|----------------------------------|--------|---------------|---------------------------------------|---------------|--------|---------------|
| | Number | Annual Change | Number | Annual Change | Number | Annual Change |
| 2000 | 2.67 | - | 2.67 | - | 2.58 | - |
| 2010 | 2.68 | 0.1% | 2.68 | 0.0% | 2.58 | 0.0% |
| 2015 | 2.68 | 0.0% | 2.68 | 0.0% | 2.58 | 0.0% |
| Projected Mkt Entry June 2017 | 2.68 | 0.0% | 2.68 | 0.0% | 2.57 | 0.0% |
| 2019 | 2.68 | 0.0% | 2.68 | 0.0% | 2.57 | 0.0% |

Source: ESRI Demographics 2015, Novogradac & Company LLP, May 2015

The number of total households in the PMA has remained relatively unchanged since 2010, while the MSA and nation have experienced some household growth in the last five years. Between 2015 and market entry, total households in the PMA are expected to increase by 0.6 percent annually, which is less than the growth for the MSA and the nation over the same period.

Senior households in the MSA grew by 2.7 percent annually from 2010 to 2015, which is slower than the MSA rate of 5.5 percent and similar to the nation as a whole. Senior households in the PMA are projected to grow at a rate of 2.4 percent annually through market entry.

2b. Households by Tenure

The table below depicts household growth by tenure from 2000 through 2019.

| TENURE PATTERNS - ELDERLY POPULATION (AGE 55+) | | | | | | | | |
|--|----------------------|------------|-----------------------|---------------------------------------|----------------------|------------|-----------------------|------------|
| PMA | | | | Atlanta-Sandy Springs-Roswell, GA MSA | | | | |
| Year | Owner-Occupied Units | | Renter-Occupied Units | | Owner-Occupied Units | | Renter-Occupied Units | |
| | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage |
| 2000 | - | - | - | - | - | - | - | - |
| 2010 | 8,115 | 76.8% | 2,455 | 23.2% | 479,032 | 78.2% | 133,705 | 21.8% |
| 2015 | 8,789 | 75.8% | 2,813 | 24.2% | 531,280 | 77.6% | 153,002 | 22.4% |
| Projected Mkt Entry June 2017 | 9,179 | 75.6% | 2,960 | 24.4% | 582,473 | 77.5% | 168,731 | 22.5% |
| 2019 | 9,603 | 75.5% | 3,119 | 24.5% | 638,118 | 77.4% | 185,826 | 22.6% |

Source: ESRI Demographics 2015, Novogradac & Company LLP, May 2015

Owner-occupied housing dominates the senior housing in the market in 2015, with approximately three-quarters of housing units with a head of household age 55 or older, compared to 24.2 percent renter-occupied senior households. This trend is expected to continue through projected market entry in 2017, as well as through 2019. The share of senior renters in the PMA is higher than in the MSA. Between 2015 and market entry in 2017, an additional 147 renter senior households are projected in the PMA. The proposed Subject should be able to meet some of the demand for rental units for seniors from this growing renter household base.

2c. Households by Income

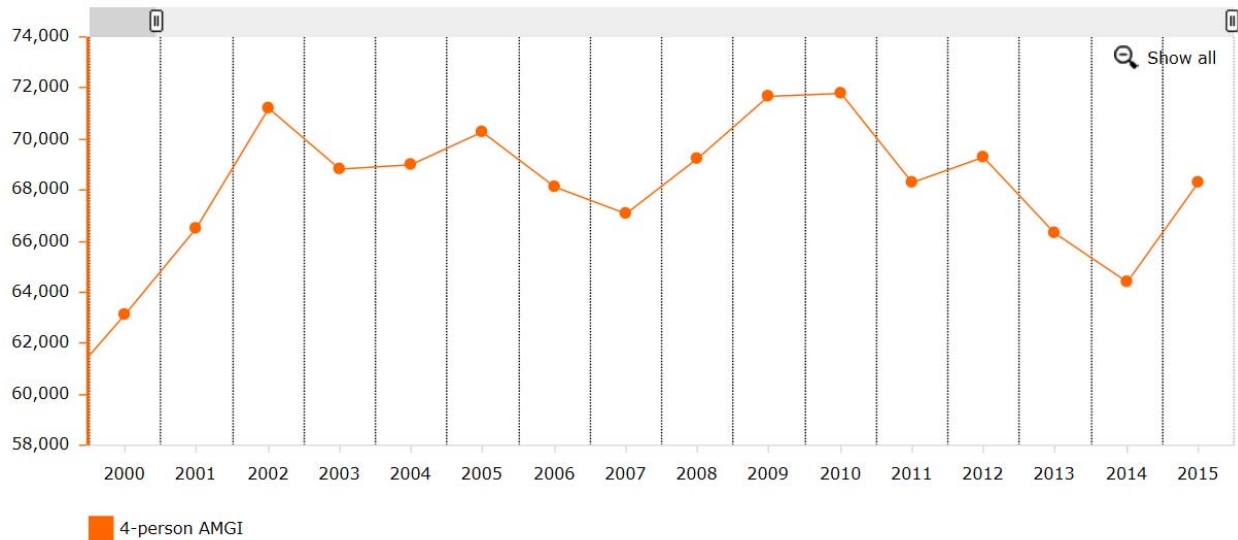
The following table depicts senior household income in 2010, 2015, June 2017 and 2019 for the PMA.

| HOUSEHOLD INCOME DISTRIBUTION 55+ - PMA | | | | | | | | |
|---|---------------|---------------|---------------|---------------|-------------------------------|---------------|---------------|---------------|
| Income Cohort | 2010 | | 2015 | | Projected Mkt Entry June 2017 | | 2019 | |
| | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage |
| \$0-9,999 | 1,148 | 10.9% | 1,539 | 13.3% | 1,689 | 13.9% | 1,851 | 14.6% |
| \$10,000-19,999 | 1,991 | 18.8% | 2,243 | 19.3% | 2,363 | 19.5% | 2,492 | 19.6% |
| \$20,000-29,999 | 1,184 | 11.2% | 1,607 | 13.9% | 1,737 | 14.3% | 1,878 | 14.8% |
| \$30,000-39,999 | 1,358 | 12.8% | 1,493 | 12.9% | 1,549 | 12.8% | 1,610 | 12.7% |
| \$40,000-49,999 | 916 | 8.7% | 1,162 | 10.0% | 1,205 | 9.9% | 1,251 | 9.8% |
| \$50,000-59,999 | 912 | 8.6% | 865 | 7.5% | 880 | 7.2% | 896 | 7.0% |
| \$60,000-74,999 | 907 | 8.6% | 915 | 7.9% | 935 | 7.7% | 957 | 7.5% |
| \$75,000-99,999 | 982 | 9.3% | 912 | 7.9% | 923 | 7.6% | 935 | 7.3% |
| \$100,000- | 498 | 4.7% | 399 | 3.4% | 393 | 3.2% | 387 | 3.0% |
| \$125,000- | 236 | 2.2% | 164 | 1.4% | 167 | 1.4% | 170 | 1.3% |
| \$150,000- | 226 | 2.1% | 180 | 1.5% | 176 | 1.5% | 172 | 1.4% |
| \$200,000+ | 212 | 2.0% | 122 | 1.1% | 122 | 1.0% | 122 | 1.0% |
| Total | 10,570 | 100.0% | 11,602 | 100.0% | 12,139 | 100.0% | 12,722 | 100.0% |

Source: Ribbon Demographics 2015, Novogradac & Company LLP, May 2015

Senior households earning under \$39,999 in income in the PMA comprise more than 59 percent of all senior households. The Subject will target senior households earning \$30,960 and below, therefore, the Subject should be well-positioned to service this market.

For Section 42 LIHTC rent determination purposes, the AMI is used. The following chart illustrates the AMI level for a four-person household in the Atlanta-Sandy Springs-Marietta MSA.



Novogradac & Company LLP, 5/2015

Overall, the AMI for the MSA has increased by an average of 0.8 percent annually between 2000 and 2015, and is at its peak in 2015. It should be noted that the AMI in the MSA fluctuated substantially over the last 15 year period. The area AMI peaked in 2010 at \$71,800 for a four-person household. Between 2010 and 2014, median household income decreased by \$7,400, or more than ten percent. However, in 2015, there was significant median household income growth as the 2015 level reached \$68,300. Per DCA guidelines, the Subject is restricted to the 2014 maximum allowable rent and income levels since local Griffin Housing Authority utility allowances were not published yet in 2015. The Subject’s proposed one-bedroom ACC rent, which is a subsidized ACC rent, is above the 50 AMI maximum due to the subsidy, while the two-bedroom units and the one-bedroom 60 percent AMI rents are below maximum allowable rents. As such, future rental increases will not only be limited by increases in AMI, but will also be based on market conditions.

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

The following table illustrates the number of persons per household among renter households.

| RENTER HOUSEHOLDS BY NUMBER OF PERSONS 55+ - PMA | | | | | | | | |
|--|--------|------------|--------|------------|-------------------------------|------------|--------|------------|
| | 2010 | | 2015 | | Projected Mkt Entry June 2017 | | 2019 | |
| | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage |
| With 1 Person | 1,224 | 49.9% | 1,432 | 50.9% | 1,515 | 51.2% | 1,605 | 51.5% |
| With 2 Persons | 716 | 29.1% | 838 | 29.8% | 872 | 29.5% | 910 | 29.2% |
| With 3 Persons | 242 | 9.9% | 258 | 9.2% | 272 | 9.2% | 288 | 9.2% |
| With 4 Persons | 96 | 3.9% | 77 | 2.7% | 83 | 2.8% | 91 | 2.9% |
| With 5+ Persons | 177 | 7.2% | 210 | 7.5% | 217 | 7.3% | 225 | 7.2% |
| Total Renter | 2,455 | 100.0% | 2,813 | 100.0% | 2,960 | 100.0% | 3,119 | 100.0% |

Source: Ribbon Demographics 2015, Novogradac & Company LLP, May 2015

Senior renter households in the PMA with one or two persons comprise approximately 80 percent of senior renter households in 2015. This percentage is projected to remain stable through 2019. The Subject will contain one and two bedroom floor plans, so this large percentage bodes well for the proposed Subject.

Conclusion

Overall, between 2010 and 2015, population growth in the PMA was less than that of the nation and the MSA. However, the total senior population in the PMA experienced annual increases of 1.5 percent from 2010 to 2015. This is below the 3.0 percent increase in the MSA over the same time period. Senior population in the PMA is projected to increase at by 3.0 percent annually through market entry for the Subject.

Senior households in the MSA grew by 2.7 percent annually from 2010 to 2015, which is slower than the MSA rate of 5.5 percent and similar to the nation as a whole. Senior households in the PMA are projected to grow at a rate of 2.4 percent annually through market entry in 2017.

Senior households earning under \$40,000 in income in the PMA comprise almost 60 percent of all senior households. The Subject will target a significant share of the households in these income cohorts under \$40,000.

Senior renter households in the PMA with two persons or less comprise approximately 80 percent of senior renter households in 2015. This percentage is projected to remain stable into the foreseeable future. These one and two-person renter households will be those targeted by the Subject.

F. EMPLOYMENT TRENDS

EMPLOYMENT TRENDS

1. Total Jobs

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

| Year | Total Employment | % Change |
|------------------|------------------|----------|
| 2005 | 26,088 | - |
| 2006 | 26,286 | 0.75% |
| 2007 | 26,672 | 1.45% |
| 2008 | 26,522 | -0.57% |
| 2009 | 24,798 | -6.95% |
| 2010 | 24,409 | -1.59% |
| 2011 | 24,564 | 0.63% |
| 2012 | 24,638 | 0.30% |
| 2013 | 24,596 | -0.17% |
| 2014 | 25,014 | 1.67% |
| 2015 YTD Average | 25,217 | 0.81% |
| Mar-14 | 24,956 | - |
| Mar-15 | 25,204 | 0.98% |

Source: U.S. Bureau of Labor Statistics

YTD as of March 2015

As illustrated in the table above, total employment in Spalding County has fluctuated over the last ten years, ranging from an almost seven percent reduction in 2009, to a nearly two percent increase in 2014. The year 2014 employment grew by the most significant rate in the last ten years. Year-to-date 2015 total employment estimates indicate that Spalding County has been slow to recover from its pre-recession total employment. The local economy has been slower to recover than the MSA or the nation.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Spalding County as of 2014.

March 2014 Covered Employment Spalding County, Georgia

| | Number | Percent |
|--------------------------------------|---------------|---------|
| Total, all industries | 15,531 | - |
| Goods-producing | 2,982 | - |
| Natural resources and mining | 31 | 0.20% |
| Construction | 404 | 2.60% |
| Manufacturing | 2,547 | 16.40% |
| Service-providing | 12,549 | - |
| Trade, transportation, and utilities | 3,440 | 22.15% |
| Information | 117 | 0.75% |
| Financial activities | 596 | 3.84% |
| Professional and business services | 1,969 | 12.68% |
| Education and health services | 4,004 | 25.78% |
| Leisure and hospitality | 1,884 | 12.13% |
| Other services | - | - |
| Unclassified | - | - |

Source: Bureau of Labor Statistics, 2015

Manufacturing, educational/health services, and trade/transportation/utilities represent nearly 65 percent of employment in Spalding County. The county has experienced some employment fluctuations in the manufacturing sector, which is not surprising given the recent recession, while educational/health services are considered very stable sectors and generally performed well, even during the recession.

It is of note that the data in the preceding table illustrating 15,531 jobs in all industries in Spalding County illustrates employment totals for employers in Spalding County. Many commute toward the Atlanta area for employment, which is why the number of employed persons in the county in the table on page 36 is significantly greater (25,204 in March 2015) than the employment for businesses located in Spalding County.

2015 EMPLOYMENT BY INDUSTRY

| Industry | PMA | | USA | |
|--------------------------------|-----------------|------------------|--------------------|------------------|
| | Number Employed | Percent Employed | Number Employed | Percent Employed |
| Retail Trade | 3,778 | 13.7% | 16,592,605 | 11.6% |
| Manufacturing | 3,722 | 13.5% | 15,162,651 | 10.6% |
| Educational Services | 2,843 | 10.3% | 12,979,314 | 9.1% |
| Construction | 2,781 | 10.1% | 8,291,595 | 5.8% |
| Health Care/Social Assistance | 2,508 | 9.1% | 20,080,547 | 14.0% |
| Accommodation/Food Services | 1,785 | 6.5% | 10,849,114 | 7.6% |
| Transportation/Warehousing | 1,721 | 6.2% | 5,898,791 | 4.1% |
| Other Services (excl Publ Adm) | 1,611 | 5.8% | 7,850,739 | 5.5% |
| Public Administration | 1,579 | 5.7% | 6,713,073 | 4.7% |
| Admin/Support/Waste Mgmt Svcs | 1,014 | 3.7% | 6,316,579 | 4.4% |
| Finance/Insurance | 921 | 3.3% | 6,884,133 | 4.8% |
| Prof/Scientific/Tech Services | 841 | 3.1% | 9,808,289 | 6.8% |
| Wholesale Trade | 738 | 2.7% | 3,628,118 | 2.5% |
| Real Estate/Rental/Leasing | 557 | 2.0% | 2,627,562 | 1.8% |
| Arts/Entertainment/Recreation | 368 | 1.3% | 3,151,821 | 2.2% |
| Information | 318 | 1.2% | 2,577,845 | 1.8% |
| Utilities | 233 | 0.8% | 1,107,105 | 0.8% |
| Agric/Forestry/Fishing/Hunting | 202 | 0.7% | 1,800,354 | 1.3% |
| Mgmt of Companies/Enterprises | 35 | 0.1% | 97,762 | 0.1% |
| Mining | 3 | 0.0% | 868,282 | 0.6% |
| Total Employment | 27,558 | 100.0% | 143,286,279 | 100.0% |

Source: ESRI Demographics 2010, Novogradac & Company LLP, May 2015

The largest industries in the PMA are retail trade, manufacturing, educational services, and construction. These four industries account for approximately 48 percent of employment in the PMA. All four of these industries are also overrepresented in the PMA compared to national employment trends. All these industries are also susceptible to job losses during periods of economic decline. Industries that are underrepresented in the PMA include health care/social assistance, professional/scientific services and finance/insurance. This demonstrates that the PMA has many skilled labor jobs, with the exception of those in the educational services sector. The city does feature an agricultural campus of the University of Georgia, as well as Griffin Technical College, which are both large area employers.

3. Major Employers

The diversification of the Atlanta economic base is indicated by the following list of the MSA’s ten largest employers. Additionally, we have included information about major employers in Spalding County.

The Atlanta area is generally considered the regional hub of the southeastern United States. Atlanta is the headquarters for several major corporations. Additionally, Atlanta’s Hartsfield-Jackson International Airport is the hub of Delta Airlines, the largest employer in Atlanta.

MAJOR EMPLOYERS-METRO ATLANTA

| Employer | Industry | Number Employed |
|--|-------------------------------|------------------------|
| Delta Airlines, Inc. | Transportation/Warehousing | 31,237 |
| Emory University/Emory Healthcare | Educational Services | 29,937 |
| Wal-Mart Stores, Inc. | Retail Trade | 20,532 |
| The Home Depot, Inc. | Retail Trade | 20,000 |
| A,T&T | Utilities | 17,882 |
| The Kroger Company | Retail Trade | 14,753 |
| WellStar Health System | Health Care/Social Assistance | 13,500 |
| Publix Super Markets, Inc. | Retail Trade | 9,494 |
| United States Postal Service | Public Administration | 9,385 |
| Northside Hospital | Health Care/Social Assistance | 9,016 |
| The Coca-Cola Company | Wholesale Trade | 8,761 |
| United Parcel Service, Inc. (UPS) | Transportation/Warehousing | 8,727 |
| Piedmont Healthcare | Health Care/Social Assistance | 8,707 |
| Centers for Disease Control and Prevention (CDC) | Prof/Scientific/Tech Services | 8,539 |
| Children's Healthcare of Atlanta Inc. | Health Care/Social Assistance | 7,452 |

Source: Metro Atlanta Chamber of Commerce, December 2014, Novogradac & Company LLP, May 2015

MAJOR MANUFACTURING EMPLOYERS-SPALDING COUNTY, GA

| Employer | Industry | Number Employed |
|---------------------------------------|-----------------------|------------------------|
| Caterpillar Inc | Motors and Generators | 900 |
| 1888 Mills, Inc. | Linens | 288 |
| Norcom, Inc. | Paper Products | 200 |
| Supreme Corporation | Metal Fabrication | 200 |
| Coveris Holding Corp. | Paper Products | 160 |
| International Paper Company | Paper Products | 140 |
| Bridgestone Bandag, LLC | Rubber | 130 |
| Ware, Industries, Inc. | Metal Fabrication | 100 |
| Vernay Manufacturing, Inc. | Rubber | 79 |
| Osmose, Inc. | Wood Processing | 75 |
| Swanton Welding & Machining Co., Inc. | Metal Fabrication | 75 |
| Aviation Fuel Club | Chemical | n/a |

Source: Griffin-Spalding Development Authority, December 2014, Novogradac & Company LLP, May 2015

MAJOR NON-MANUFACTURING EMPLOYERS-SPALDING COUNTY, GA

| Employer | Industry | Number Employed |
|--|-----------------|------------------------|
| Griffin-Spalding County School System | Education | 1,550 |
| Spalding Regional Medical Center | Hospital | 900 |
| Spalding County | Government | 601 |
| City of Griffin | Government | 490 |
| Southern Crescent Technical College | Education | 360 |
| University of Georgia - Griffin Campus | Education | 405 |
| AT&T | Utilities | 126 |

Source: Griffin-Spalding Development Authority, December 2014, Novogradac & Company LLP, May 2015

As seen in the previous tables, the Atlanta MSA has a diverse workforce that is concentrated in many industries including transportation, retail and wholesale retail trade, health care, and educational services. Atlanta is the headquarters of several Fortune 500 companies, as well as having world class institutions of higher education including The Georgia Institute of Technology and Emory University. While the Atlanta metro area is within driving distance of the Subject, it is likely the majority of residents in the PMA work in the local area. Additional tables above display the largest manufacturing and non-manufacturing employers in Spalding County.

The Atlanta-Sandy Springs-Roswell, GA MSA is comprised of 39 counties, and is the second largest metropolitan area in the southeast. Atlanta is the capital of and the most populous city in the state of Georgia, with an estimated 422,765 population as of 2010, according to the U.S. Census Bureau. Atlanta is the primary transportation hub of the southeastern United States, via highway, railroad, and air, with Hartsfield–Jackson Atlanta International Airport being the world's busiest airport. Additionally, Atlanta is ranked 45th among world cities and 8th in the nation with a gross domestic product of \$270 billion. Atlanta's economy is considered diverse, with dominant sectors including logistics, professional and business services, media operations, and information technology. Atlanta also has excellent access to major interstates, including Interstate 285, 75, 85, and 20.

The largest employers in Spalding County are heavily concentrated in education, government, and manufacturing. There is a total manufacturer count of 116 companies, and the total number of employees in manufacturing totaling 5,472 according to recent information from the Griffin-Spalding Development Authority.

Employment Expansion/Contractions

According to the Atlanta Economic Development Department, the following expansions and additions have occurred in the Atlanta Metro area over the last two years.

| Expansions/New Additions | | |
|---------------------------------|--------------|-----------------|
| Atlanta Metro | | |
| Company Name | Jobs | Industry |
| NCR | 3,600 | Technology |
| Coca-Cola Company | 2,000 | Retail |
| Kaiser Permanente | 900 | Healthcare |
| Mercedes-Benz | 600 | Retail |
| AthenaHealth | 400 | Healthcare |
| Pultegroup | 300 | Construction |
| Cardlytics | 250 | Software |
| Carter's | 200 | Retail |
| Total | 8,250 | |

Source: Atlanta Economic Development Department, 04/2015

As illustrated, 8,250 jobs have been added to the local economy. According to the Georgia Department of Economic Development Workforce Division’s Worker Adjustment and Retraining Notification (WARN) list, the following layoffs and closures have occurred in the metro area from 2013 through year-to-date 2015.

2013-2015 YTD Layoffs in Atlanta Metro

| Effective Date | Company | County | Industry | Affected |
|----------------|---------------------------------------|---------|---------------------|--------------|
| 5/26/2015 | New Breed Leasing of New Jersey, Inc. | Fulton | Logistics | 89 |
| 5/17/2015 | United Airlines | Clayton | Transportation | 87 |
| 4/15/2015 | Affinity Specialty Apparel, Inc. | Fulton | Retail | 60 |
| 3/6/2015 | Infosys McCamish Systems, LLC | Fulton | Financial | 61 |
| 2/27/2015 | Sony | Fulton | Electronics | 100 |
| 2/1/2015 | Quad Graphics | DeKalb | Printing | 110 |
| 1/15/2015 | Generation Mortgage Company | Fulton | Financial | 64 |
| 11/18/2014 | Bank of America | Fulton | Financial | 51 |
| 8/24/2014 | Bags Inc. | Clayton | Retail | 145 |
| 7/14/2014 | RCO Legal, P.S. | DeKalb | Financial | 133 |
| 7/11/2014 | New Continent Ventures | Fulton | Management Services | 167 |
| 7/8/2014 | Sodexo | Fulton | Services | 86 |
| 6/4/2014 | Wipro | Fulton | Technology | 93 |
| 2/1/2014 | Macy's | Fulton | Retail | 600 |
| 1/1/2014 | STS | Fulton | Nonprofit | 328 |
| 12/15/2013 | Allied Systems Holdings | DeKalb | Manufacturing | 90 |
| 12/12/2013 | Department of Physical Health | DeKalb | Healthcare | 75 |
| 11/30/2013 | State Road and Tollway Authority | Fulton | Government | 50 |
| 11/15/2013 | Emory Healthcare | DeKalb | Healthcare | 101 |
| 10/13/2013 | Bank of America | Fulton | Financial | 80 |
| 9/30/2013 | Wipro | Fulton | Technology | 163 |
| 7/31/2013 | Fulton County Government | Fulton | Government | 60 |
| 3/6/2013 | Unilever | Fulton | Retail | 125 |
| 3/6/2013 | Pinnacle Airlines, Inc. | Fulton | Transportation | 391 |
| 2/25/2013 | Department of Public Health | Fulton | Healthcare | 50 |
| Total | | | | 3,359 |

Source: Georgia Department of Economic Development Workforce Division, 04/2015

As illustrated, approximately more than 3,300 employees have been impacted by layoffs or closures since 2013. However, the number of job losses is more than offset by the number of expansions and additions in the market. None of the WARN notices occurred in Spalding County.

The following table illustrates employment expansions in Spalding County since 2013.

EMPLOYMENT EXPANSIONS - SPALDING COUNTY, GA

| Company | New Jobs | Location | Industry | Year |
|-------------------------|----------|-------------|-----------------------------|------|
| Norcom | 60 | Griffin, GA | Paper Products | 2013 |
| Kirby Risk Corporation | 50 | Griffin, GA | Electrical Wiring Wholesale | 2013 |
| 1888 Mills | 100 | Griffin, GA | Linen Manufacturing | 2014 |
| Otsuka Chemical Co. | 20 | Griffin, GA | Chemical | 2014 |
| Toppan Printing Company | 80 | Griffin, GA | Paper Products | 2014 |
| Marukan | 15 | Griffin, GA | Food Processing | 2015 |

Source: Metro Atlanta Chamber of Commerce, December 2014, Novogradac & Company LLP, May 2015

We spoke with Kim Grist, Assistant to the Director of the Spalding-Griffin Development Authority who noted the job expansions outlined in the previous table. Ms. Grist noted that in addition to the Green Valley Industrial Park that currently exists in the eastern portion of Griffin along Arthur K. Bolton Parkway, Griffin has master planned The Lakes at Green Valley, a mixed-use, 570-acre community that will provide opportunities for economic development. Otsuka Chemical, Toppan Printing, and Marukan are all investing in development at the Lakes at Green Valley, and anticipate adding the jobs noted in the table above through 2015. The Lakes at Green Valley will be an important economic factor in Griffin’s future, as the conceptual development consists of a hotel and conference center, 11-acre commercial and retail space, 43-acre residential town center, and 360 acres of industrial and manufacturing use. This site will allow industrial, skilled labor, management, and supporting industries including banking, retail, and services to all be located in the same master planned area.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA and nation from 2001 to YTD 2015.

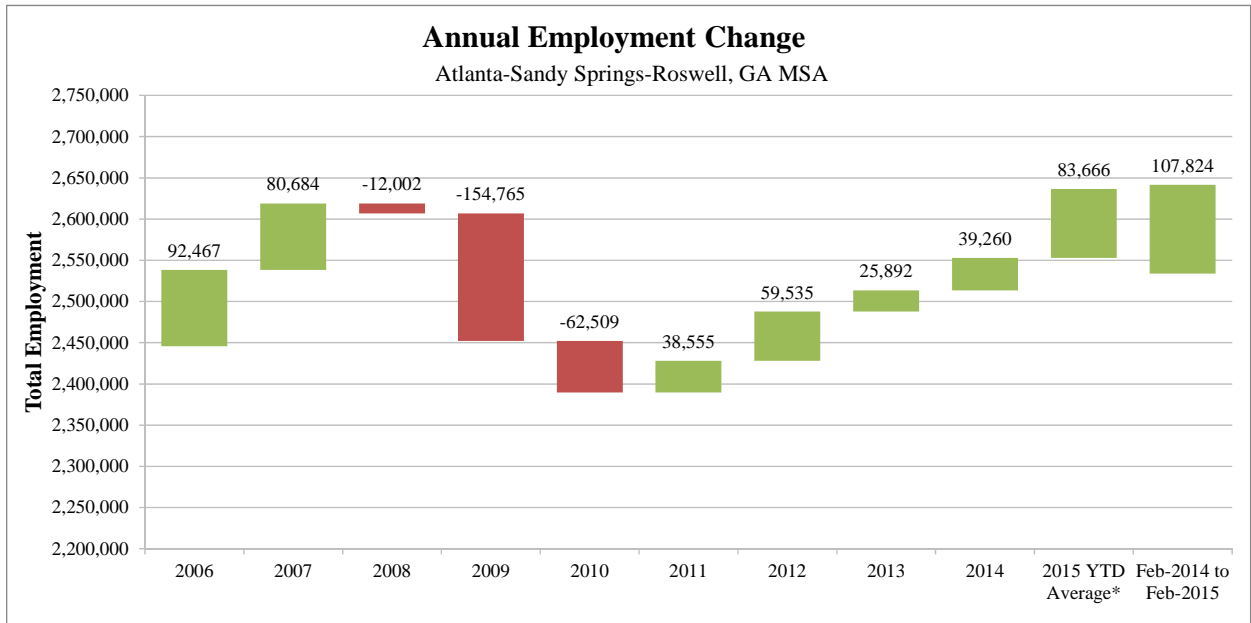
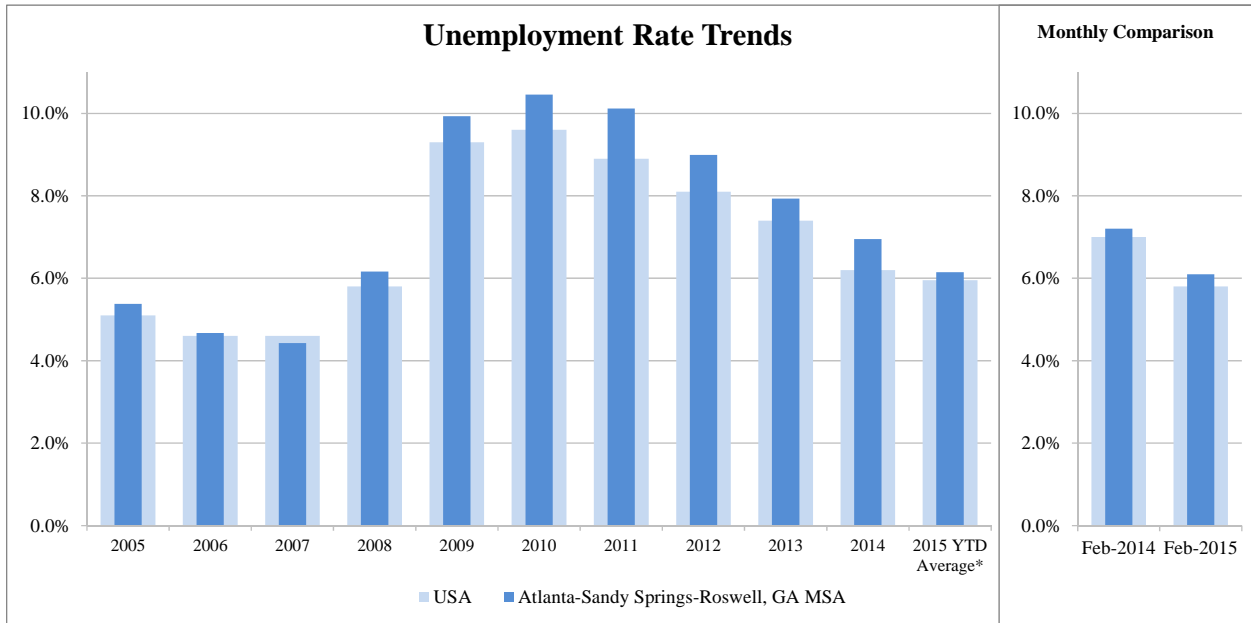
EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

| Year | Atlanta-Sandy Springs-Roswell, GA MSA | | | | USA | | | |
|-------------------|---------------------------------------|----------|-------------------|--------|------------------|----------|-------------------|--------|
| | Total Employment | % Change | Unemployment Rate | Change | Total Employment | % Change | Unemployment Rate | Change |
| 2001 | 2,329,891 | - | 3.7% | - | 136,933,000 | - | 4.7% | - |
| 2002 | 2,324,880 | -0.2% | 5.0% | 1.3% | 136,485,000 | -0.3% | 5.8% | 1.1% |
| 2003 | 2,347,173 | 1.0% | 4.9% | -0.2% | 137,736,000 | 0.9% | 6.0% | 0.2% |
| 2004 | 2,382,163 | 1.5% | 4.8% | -0.1% | 139,252,000 | 1.1% | 5.5% | -0.5% |
| 2005 | 2,445,674 | 2.7% | 5.4% | 0.6% | 141,730,000 | 1.8% | 5.1% | -0.4% |
| 2006 | 2,538,141 | 3.8% | 4.7% | -0.7% | 144,427,000 | 1.9% | 4.6% | -0.5% |
| 2007 | 2,618,825 | 3.2% | 4.4% | -0.2% | 146,047,000 | 1.1% | 4.6% | 0.0% |
| 2008 | 2,606,822 | -0.5% | 6.2% | 1.7% | 145,362,000 | -0.5% | 5.8% | 1.2% |
| 2009 | 2,452,057 | -5.9% | 9.9% | 3.8% | 139,877,000 | -3.8% | 9.3% | 3.5% |
| 2010 | 2,389,549 | -2.5% | 10.5% | 0.5% | 139,064,000 | -0.6% | 9.6% | 0.3% |
| 2011 | 2,428,103 | 1.6% | 10.1% | -0.3% | 139,869,000 | 0.6% | 8.9% | -0.7% |
| 2012 | 2,487,638 | 2.5% | 9.0% | -1.1% | 142,469,000 | 1.9% | 8.1% | -0.8% |
| 2013 | 2,513,530 | 1.0% | 7.9% | -1.1% | 143,929,000 | 1.0% | 7.4% | -0.7% |
| 2014 | 2,552,790 | 1.6% | 7.0% | -1.0% | 146,305,000 | 1.7% | 6.2% | -1.2% |
| 2015 YTD Average* | 2,636,456 | 3.3% | 6.2% | -0.8% | 146,835,000 | 0.4% | 6.0% | -0.3% |
| Feb-2014 | 2,533,810 | - | 7.2% | - | 144,134,000 | - | 7.0% | - |
| Feb-2015 | 2,641,634 | 4.3% | 6.1% | -1.1% | 147,118,000 | 2.1% | 5.8% | -1.2% |

Source: U.S. Bureau of Labor Statistics April 2015

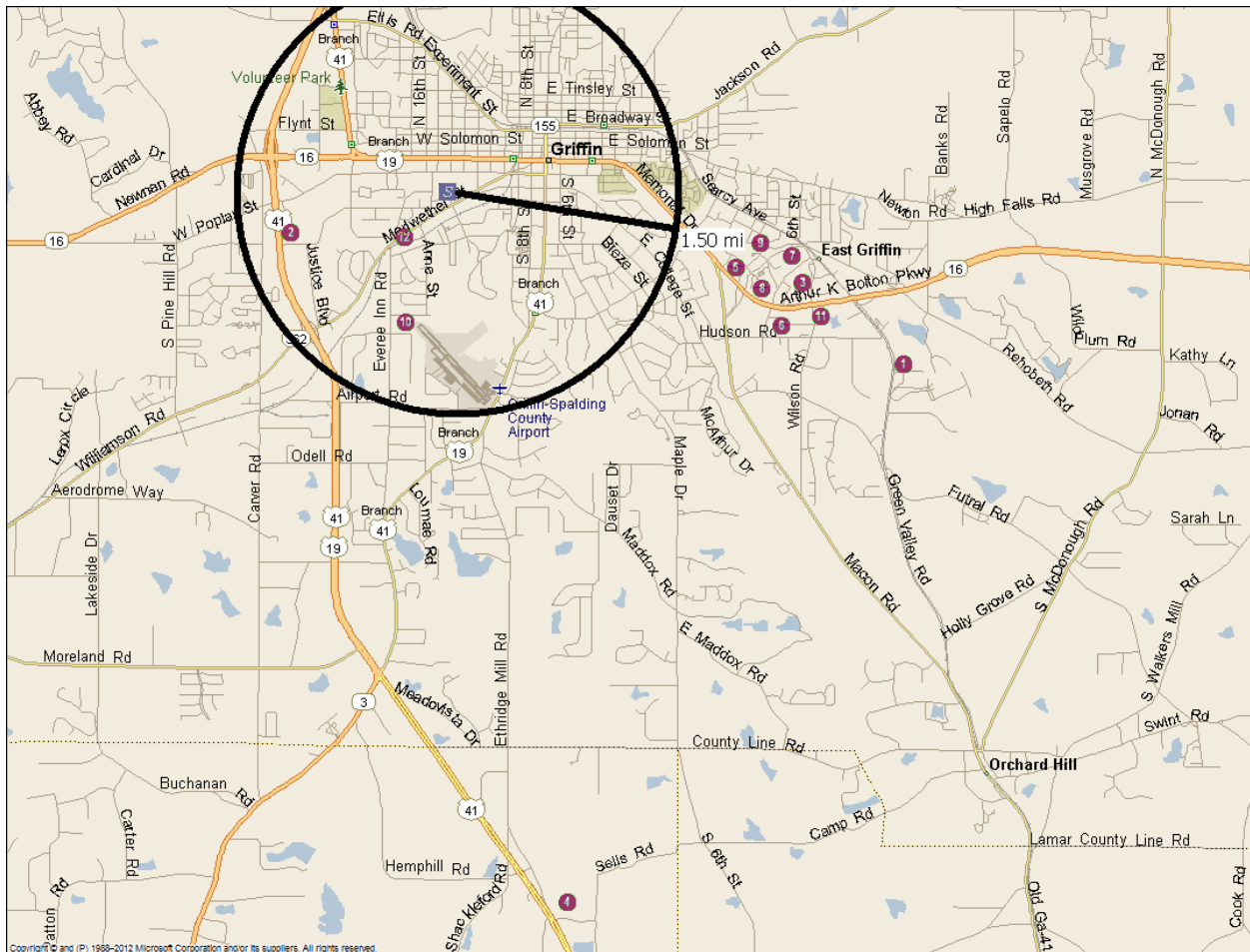
*2015 data is through Dec

Total employment in the MSA increased from 2002 through 2014 for every year except for 2002 and from 2008 to 2010, when total employment decreased due to the recession. The decrease in total employment during 2009 was 5.9 percent, 2.1 percentage points more than the decrease experienced by the nation as a whole over the same time period. From February 2014 to February 2015, total employment in the MSA increased by 4.3, a larger increase than that of the nation over the same time period. From February 2014 to February 2015, unemployment in the MSA decreased by 1.1 percentage points, slightly less than that of the nation over the same time period. Overall, the local economy is currently in an expansion stage, as total employment rates are above pre-recessionary rates and unemployment rates have been declining since 2011.



5. Map of Site and Major Employment Concentrations

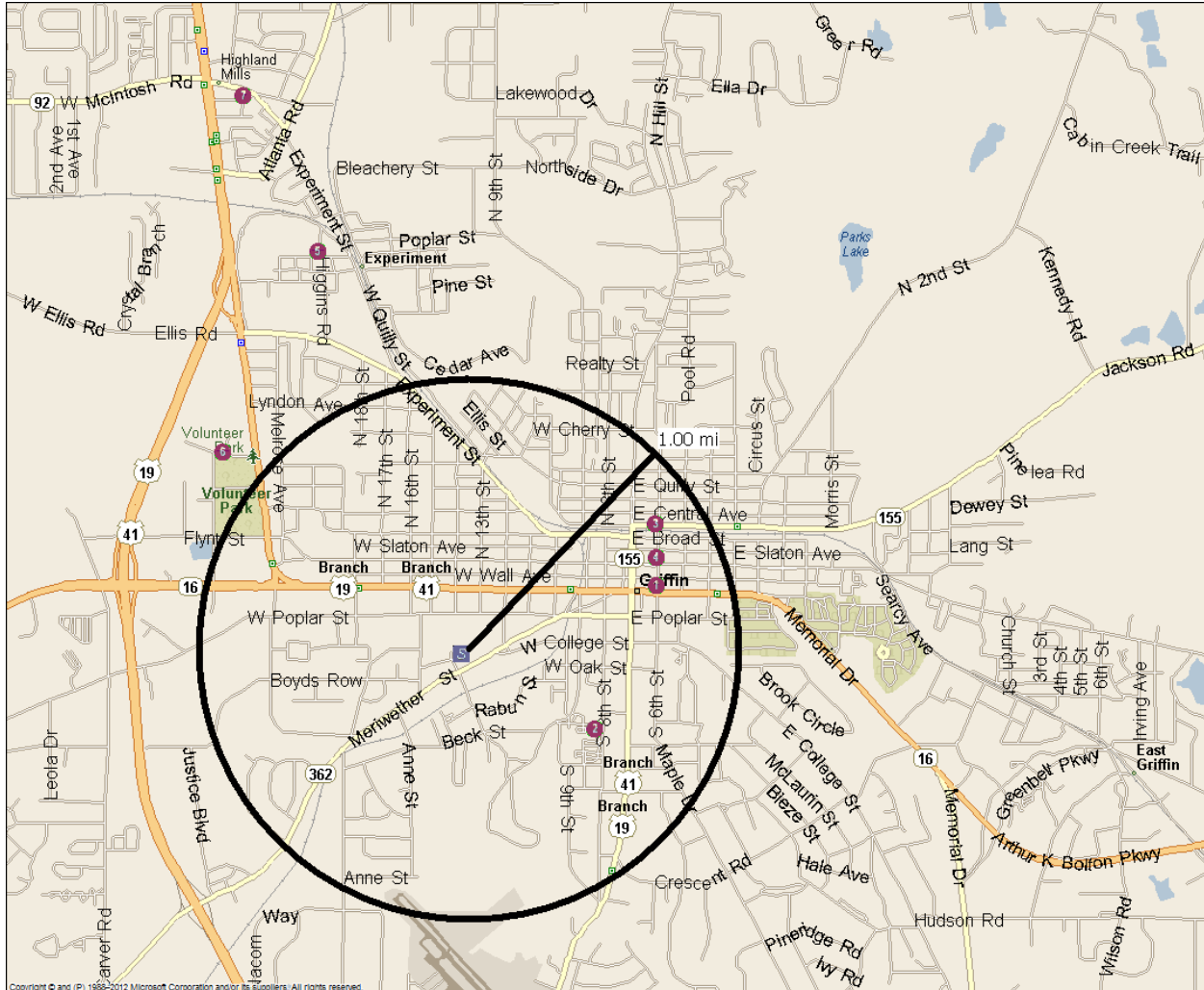
The following map and table details the largest manufacturing employers in Spalding County.



MAJOR MANUFACTURING EMPLOYERS-SPALDING COUNTY, GA

| Map # | Employer | Industry | Number Employed |
|-------|---------------------------------------|-----------------------|-----------------|
| 1 | Caterpillar Inc | Motors and Generators | 900 |
| 2 | 1888 Mills, Inc. | Linens | 288 |
| 3 | Norcom, Inc. | Paper Products | 200 |
| 4 | Supreme Corporation | Metal Fabrication | 200 |
| 5 | Coveris Holding Corp. | Paper Products | 160 |
| 6 | International Paper Company | Paper Products | 140 |
| 7 | Bridgestone Bandag, LLC | Rubber | 130 |
| 8 | Ware, Industries, Inc. | Metal Fabrication | 100 |
| 9 | Vernay Manufacturing, Inc. | Rubber | 79 |
| 10 | Osmose, Inc. | Wood Processing | 75 |
| 11 | Swanton Welding & Machining Co., Inc. | Metal Fabrication | 75 |
| 12 | Aviation Fuel Club | Chemical | n/a |

Source: Griffin-Spalding Development Authority, December 2014, Novogradac & Company LLP, May 2015



MAJOR NON-MANUFACTURING EMPLOYERS-SPALDING COUNTY, GA

| Map # | Employer | Industry | Number Employed |
|-------|--|------------|-----------------|
| 1 | Griffin-Spalding County School System | Education | 1,550 |
| 2 | Spalding Regional Medical Center | Hospital | 900 |
| 3 | Spalding County | Government | 601 |
| 4 | City of Griffin | Government | 490 |
| 5 | University of Georgia - Griffin Campus | Education | 405 |
| 6 | Southern Crescent Technical College | Education | 360 |
| 7 | AT&T | Utilities | 126 |

Source: Griffin-Spalding Development Authority, December 2014, Novogradac & Company LLP, May 2015

Conclusion

Total employment in the MSA has been steadily increasing since 2010. Meanwhile, employment in Spalding County remains below pre-recession levels. Similar to what occurred nationally, the unemployment rate increased significantly in 2008 and 2009 and reached a peak rate of 10.5 percent in 2010. The unemployment rate in the MSA and nation has been decreasing since 2011. As of February 2015, the MSA unemployment rate was slightly above the unemployment rate of the US; however, the high rate of growth in total employment indicates a recovery in the MSA in line with the nation. Note that job growth locally in Spalding County has been more limited since the peak of the recession.

The largest employers in the PMA are in retail trade, educational services, manufacturing and construction. Lower skilled-employment sector employees in these industries are likely to have incomes in line with the Subject's income restrictions. The City of Griffin has made significant investment in the manufacturing industry, most recently with the Lakes at Green Valley mixed-use development. Overall, the local economy in Griffin appears to be slowly recovering from the effects of the recession, and has not yet recovered to the level of the national economy.

G. PROJECT-SPECIFIC 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 senior household will pay is 40 percent of its adjusted 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). However, very few senior households have more than two persons. Therefore, we have used 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.

3. Demand

The demand for the Subject will be derived from two sources: existing households and new households. These calculations are illustrated in the following tables.

3A. Demand from New Households

The number of new households entering the market is the first level of demand calculated. We have utilized June 2017, the anticipated date of market entry, as the base year for the analysis. Therefore, 2014 household population estimates are inflated to June 2017 by interpolation of the difference between 2014 estimates and 2019 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. In the following tables this calculation is identified as Step 1. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in June 2017. This number takes the overall growth from 2014 to 2017 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.

3B. Demand from Existing Households

Demand for existing households is estimated by summing three sources of potential tenants. The first source (2a.) 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 CHAS data based on appropriate income levels.

The second source (2b.) 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.

3C. Elderly Homeowners Likely to Convert to Rentership

The third source is those 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. Per DCA guidelines, the number of homeowners converting to renters is capped at no more than two percent of the total demand.

3D. Other

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

4. NET DEMAND, CAPTURE RATES AND STABILIZATION CALCULATIONS

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 2013 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 have deducted the following units from the demand analysis.

- Comparable/competitive LIHTC and bond units (vacant or occupied) that have been funded, are under construction, or placed in service in 2013 and 2014.
- Vacancies in projects placed in service prior to 2013 that have not reached stabilized occupancy (i.e. at least 90 percent occupied).
- Comparable/competitive conventional or market rate units that are proposed, are under construction, or have entered the market from 2013 to present. 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.

According to the Georgia Department of Community Affairs, the only property that have been awarded tax credits since 2013 in the Subject's Primary Market Area is Meriwether Redevelopment Phase I, which will target families. Meriwether Redevelopment Phase I will include 84 units, with 42 RAD program units and 42 LIHTC units without a subsidy. There will be 48 two-bedroom units and 36 three-bedroom units, and the units will be two-story townhomes, which will not compete with the flats offered in the elevator-served Subject building. The anticipate rents for the RAD units are \$575 for two-bedroom units and \$701 for three-bedroom units, with only \$90 of those rents to be paid by tenants. The proposed asking rents for the LIHTC units without a RAD program subsidy will be \$544 for two-bedroom units and \$610 for three-bedroom units. The two-bedroom units at 60 percent AMI have a proposed rent within just \$6 of the proposed two-bedroom rents for the age-restricted units at the Subject. Since these units will not target seniors, nor will the townhouse nature of the units be conducive to senior living, particularly for those with any mobility concerns, they are not considered as comparable supply in this report.

PMA Occupancy

Per DCA's guidelines, we have determined the average occupancy rate based on all available competitive conventional and LIHTC properties in the PMA. We have provided a combined average occupancy level for the PMA based on the total competitive units in the PMA.

GENERAL PMA OCCUPANCY OVERVIEW

| Property Name | Units | Overall Occupancy | Type | Tenancy | Included/Excluded | Reason for Exclusion | Distance from Subject (miles) |
|---|--------------|-------------------|----------------------|---------|-------------------|--------------------------|-------------------------------|
| 431 N. Fifth St | 1 | N/Av | LIHTC | Family | Excluded | Only one unit | 1.5 |
| 935 Ray St. | 1 | N/Av | LIHTC | Family | Excluded | Only one unit | 1.2 |
| 412 W. Quilly St. | 1 | N/Av | LIHTC | Family | Excluded | Only one unit | 1.1 |
| 1307 Edgewood Ave. | 1 | N/Av | LIHTC | Family | Excluded | Only one unit | 0.7 |
| 1319 Edgewood Ave. | 1 | N/Av | LIHTC | Family | Excluded | Only one unit | 0.7 |
| 1321 Edgewood Ave. | 1 | N/Av | LIHTC | Family | Excluded | Only one unit | 0.7 |
| 1333 Edgewood Ave. | 1 | N/Av | LIHTC | Family | Excluded | Only one unit | 0.7 |
| Glenco Trace Apartments | 72 | 100.0% | LIHTC | Senior | Included | n/a | 2.4 |
| Marian Point | 24 | 95.8% | LIHTC/Market | Family | Excluded | Dissimilar Building Type | 0.5 |
| Meriwether Redevelopment Phase I | 84 | U/C | LIHTC/Public Housing | Family | Excluded | Under Construction | 0.1 |
| Poplar Grove | 36 | 91.7% | LIHTC/Market | Family | Excluded | Dissimilar Building Type | 0.4 |
| St. Phillip Villas | 60 | 100.0% | LIHTC/Market | Family | Included | n/a | 1.6 |
| Heritage Apartments | 120 | 99.2% | Section 8 | Family | Excluded | Subsidized | 0.3 |
| Regency Apartments | 80 | 100.0% | Section 8 | Family | Excluded | Subsidized | 0.2 |
| Northside Hills | 100 | 99.0% | Section 8 | Family | Excluded | Subsidized | 1.0 |
| St. George's Court | 100 | 100.0% | Section 8 | Family | Excluded | Subsidized | 0.8 |
| 330 East College Apartments | 18 | 100.0% | Market | Family | Included | n/a | 1.0 |
| Ashford Place | 112 | 98.2% | Market | Family | Included | n/a | 1.3 |
| Carlisle Apartments | 16 | 93.8% | Market | Family | Excluded | Size and condition | 3.0 |
| Garden Gate Apartments | 72 | 100.0% | Market | Family | Included | n/a | 2.5 |
| Grandview Apartments | 36 | N/A | Market | Family | Excluded | Age/Condition | 2.2 |
| Griffin Crossing Apartments | 272 | 99.3% | Market | Family | Included | n/a | 2.4 |
| Pine Hill Apartments | 128 | 98.4% | Market | Family | Excluded | Dissimilar Building Type | 2.0 |
| Versailles Apartments | 80 | N/A | Market | Family | Excluded | Age/Condition | 0.3 |
| Walden Pointe Apartments Homes | 216 | 98.1% | Market | Family | Included | n/a | 1.5 |
| Willow Creek Apartments | 53 | 98.1% | Market | Family | Excluded | Dissimilar Building Type | 2.5 |
| Units in PMA Reporting Occupancy | 1,479 | 98.8% | | | | | |

U/C - Under Construction

N/A - Not Available

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.

| Renter Household Income Distribution 2015-2019 | | | | | | | |
|--|-------|--------|-------------------------------|--------|-------|--------|----------------|
| Meriwether Redevelopment Phase II | | | | | | | |
| PMA | | | | | | | |
| | 2015 | | Projected Mkt Entry June 2017 | | 2019 | | Percent Growth |
| | # | % | # | % | # | % | |
| \$0-9,999 | 635 | 22.6% | 701 | 23.7% | 773 | 24.8% | 17.8% |
| \$10,000-19,999 | 740 | 26.3% | 768 | 25.9% | 798 | 25.6% | 7.3% |
| \$20,000-29,999 | 368 | 13.1% | 400 | 13.5% | 435 | 14.0% | 15.4% |
| \$30,000-39,999 | 301 | 10.7% | 306 | 10.3% | 311 | 10.0% | 3.2% |
| \$40,000-49,999 | 282 | 10.0% | 289 | 9.8% | 297 | 9.5% | 5.0% |
| \$50,000-59,999 | 162 | 5.8% | 166 | 5.6% | 171 | 5.5% | 5.6% |
| \$60,000-74,999 | 110 | 3.9% | 117 | 3.9% | 124 | 4.0% | 11.9% |
| \$75,000-99,999 | 115 | 4.1% | 116 | 3.9% | 118 | 3.8% | 2.5% |
| \$100,000-124,999 | 42 | 1.5% | 39 | 1.3% | 36 | 1.2% | -15.3% |
| \$125,000-149,999 | 19 | 0.7% | 19 | 0.6% | 19 | 0.6% | -3.3% |
| \$150,000-199,999 | 21 | 0.8% | 19 | 0.7% | 17 | 0.6% | -21.9% |
| \$200,000+ | 18 | 0.6% | 19 | 0.6% | 20 | 0.6% | 7.9% |
| Total | 2,813 | 100.0% | 2,960 | 100.0% | 3,119 | 100.0% | 9.8% |

| Households by Tenure Projected Mkt Entry June 2017 | | |
|--|--------|------------|
| | Number | Percentage |
| Renter | 2,960 | 24.4% |
| Owner | 9,179 | 75.6% |
| Total | 12,139 | 100.0% |

| Renter Household Size for Projected Mkt Entry June 2017 | | |
|---|--------|------------|
| Size | Number | Percentage |
| 1 | 1,515 | 51.18% |
| 2 | 872 | 29.48% |
| 3 | 272 | 9.20% |
| 4 | 83 | 2.82% |
| 5+ | 217 | 7.33% |
| Total | 2,960 | 100% |

50 Percent AMI with ACC Subsidy

Calculation of New Renter Household Demand by Income Cohort by % of AMI

| Percent of AMI Level | | 50% with ACC | | | |
|---|---|-----------------------|-------------------|--------|----------------|
| Minimum Income Limit | | \$0 | | | |
| Maximum Income Limit | | \$25,800 2 | | | |
| Income Category | New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry June 2017 | | Renter Households | | within Bracket |
| | Income Brackets | Percent within Cohort | | | |
| \$0-9,999 | 34.72 | 23.7% | 9,999 | 100.0% | 35 |
| \$10,000-19,999 | 38.01 | 25.9% | 9,999 | 100.0% | 38 |
| \$20,000-29,999 | 19.83 | 13.5% | 5,800 | 58.0% | 12 |
| \$30,000-39,999 | 15.15 | 10.3% | | 0.0% | 0 |
| \$40,000-49,999 | 14.32 | 9.8% | | 0.0% | 0 |
| \$50,000-59,999 | 8.24 | 5.6% | | 0.0% | 0 |
| \$60,000-74,999 | 5.78 | 3.9% | | 0.0% | 0 |
| \$75,000-99,999 | 5.76 | 3.9% | | 0.0% | 0 |
| \$100,000-124,999 | 1.93 | 1.3% | | 0.0% | 0 |
| \$125,000-149,999 | 0.93 | 0.6% | | 0.0% | 0 |
| \$150,000-199,999 | 0.96 | 0.7% | | 0.0% | 0 |
| \$200,000+ | 0.93 | 0.6% | | 0.0% | 0 |
| | 147 | 100.0% | | | 84 |
| Percent of renter households within limits versus total number of renter households | | | | | 57.47% |

Calculation of Potential Household Demand by Income Cohort by % of AMI

| Percent of AMI Level | | 50% with ACC | | | |
|---|--|-----------------------|-------------------|--------|---------|
| Minimum Income Limit | | \$0 | | | |
| Maximum Income Limit | | \$25,800 2 | | | |
| Income Category | Total Renter Households PMA Prj Mrkt Entry June 2017 | | Households within | | Bracket |
| | Income Brackets | Percent within Cohort | | | |
| \$0-9,999 | 701 | 23.7% | \$9,999 | 100.0% | 701 |
| \$10,000-19,999 | 768 | 25.9% | \$9,999 | 100.0% | 768 |
| \$20,000-29,999 | 400 | 13.5% | \$5,800 | 58.0% | 232 |
| \$30,000-39,999 | 306 | 10.3% | | 0.0% | 0 |
| \$40,000-49,999 | 289 | 9.8% | | 0.0% | 0 |
| \$50,000-59,999 | 166 | 5.6% | | 0.0% | 0 |
| \$60,000-74,999 | 117 | 3.9% | | 0.0% | 0 |
| \$75,000-99,999 | 116 | 3.9% | | 0.0% | 0 |
| \$100,000-124,999 | 39 | 1.3% | | 0.0% | 0 |
| \$125,000-149,999 | 19 | 0.6% | | 0.0% | 0 |
| \$150,000-199,999 | 19 | 0.7% | | 0.0% | 0 |
| \$200,000+ | 19 | 0.6% | | 0.0% | 0 |
| | 2,960 | 100.0% | | | 1,701 |
| Percent of renter households within limits versus total number of renter households | | | | | 57.47% |

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2015 Median Income

Change from 2015 to Prj Mrkt Entry June 2017

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

| |
|---------------------|
| Yes |
| Senior |
| Rural |
| 40% |
| \$36,926 |
| \$44,145 |
| \$7,219 |
| 19.5% |
| 3.3% |
| 3.3% |
| Two year adjustment |
| 1.0000 |
| \$25,800 |
| \$25,800 |
| 2 |
| 50% with ACC |
| \$0 |
| \$0.00 |

| Persons in Household | 0BR | 1BR | 2BR | 3BR | 4BR | 5BR | Total |
|----------------------|-----|-----|-----|-----|-----|-----|-------|
| 1 | 0% | 95% | 5% | 0% | 0% | 0% | 100% |
| 2 | 0% | 50% | 50% | 0% | 0% | 0% | 100% |
| 3 | 0% | 0% | 60% | 40% | 0% | 0% | 100% |
| 4 | 0% | 0% | 0% | 80% | 20% | 0% | 100% |
| 5+ | 0% | 0% | 0% | 70% | 30% | 0% | 100% |

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry June 2017

| | | |
|--|--|--------------|
| Income Target Population | | 50% with ACC |
| New Renter Households PMA | | 147 |
| Percent Income Qualified | | 57.5% |
| New Renter Income Qualified Households | | 84 |

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2015

Demand form Rent Overburdened Households

| | | |
|--|--|--------------|
| Income Target Population | | 50% with ACC |
| Total Existing Demand | | 2,960 |
| Income Qualified | | 57.5% |
| Income Qualified Renter Households | | 1,701 |
| Percent Rent Overburdened Prj Mrkt Entry June 2017 | | 31.1% |
| Rent Overburdened Households | | 528 |

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

| | | |
|--|--|-------|
| Income Qualified Renter Households | | 1,701 |
| Percent Living in Substandard Housing | | 0.9% |
| Households Living in Substandard Housing | | 16 |

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

| | | |
|---|-------|--------------|
| Income Target Population | | 50% with ACC |
| Total Senior Homeowners | | 9179 |
| Rural Versus Urban | 0.12% | |
| Senior Demand Converting from Homeownership | | 11 |

Total Demand

| | | |
|---|------|-----|
| Total Demand from Existing Households | | 555 |
| Adjustment Factor - Leakage from SMA | 100% | 0 |
| Adjusted Demand from Existing Households | | 555 |
| Total New Demand | | 84 |
| Total Demand (New Plus Existing Households) | | 640 |

| | | |
|---|--|------|
| Demand from Seniors Who Convert from Homeownership | | 11 |
| Percent of Total Demand From Homeownership Conversion | | 1.7% |
| Is this Demand Over 2 percent of Total Demand? | | No |

By Bedroom Demand

| | | |
|---------------|--------|-----|
| One Person | 51.2% | 328 |
| Two Persons | 29.5% | 189 |
| Three Persons | 9.2% | 59 |
| Four Persons | 2.8% | 18 |
| Five Persons | 7.3% | 47 |
| Total | 100.0% | 640 |

To place Person Demand into Bedroom Type Units

| | | |
|---|-----|-----|
| Of one-person households in 1BR units | 95% | 311 |
| Of two-person households in 1BR units | 50% | 94 |
| 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 | 5% | 16 |
| Of two-person households in 2BR units | 50% | 94 |
| Of three-person households in 2BR units | 60% | 35 |
| Of four-person households in 2BR units | 0% | 0 |
| 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% | 24 |
| Of four-person households in 3BR units | 80% | 14 |
| Of five-person households in 3BR units | 70% | 33 |
| 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 | 20% | 4 |
| Of five-person households in 4BR units | 30% | 14 |
| Total Demand | | 640 |

| | |
|-------------------------|--------------|
| Total Demand by Bedroom | 50% with ACC |
| 1 BR | 406 |
| 2 BR | 111 |
| Total Demand | 516 |

| | |
|--|--------------|
| Additions To Supply 2015 to Prj Mrkt Entry June 2017 | 50% with ACC |
| 0 BR | 0 |
| 1 BR | 0 |
| 2 BR | 0 |
| 3 BR | 0 |
| 4 BR | 0 |
| 5 BR | 0 |
| Total | 0 |

| | |
|------------|--------------|
| Net Demand | 50% with ACC |
| 1 BR | 406 |
| 2 BR | 111 |
| Total | 516 |

| | |
|----------------------|--------------|
| Developer's Unit Mix | 50% with ACC |
| 1 BR | 16 |
| 2 BR | 1 |
| Total | 17 |

| | |
|-----------------------|--------------|
| Capture Rate Analysis | 50% with ACC |
| 1 BR | 3.9% |
| 2 BR | 0.9% |
| Total | 3.3% |

50 Percent AMI with no ACC Subsidy

Calculation of New Renter Household Demand by Income Cohort by % of AMI

| Percent of AMI Level | | 50% with no ACC | | | |
|---|---|-----------------------|----------------------------------|---------------------------|-----------------|
| Minimum Income Limit | | \$18,120 | | | |
| Maximum Income Limit | | \$25,800 2 | | | |
| Income Category | New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry June 2017 | | Renter Households within Bracket | | Income Brackets |
| | Mrkt Entry June 2017 | Percent within Cohort | Percent within Cohort | Households within Bracket | |
| \$0-9,999 | 34.72 | 23.7% | | 0 | |
| \$10,000-19,999 | 38.01 | 25.9% | 1,880 | 18.8% | 7 |
| \$20,000-29,999 | 19.83 | 13.5% | 5,800 | 58.0% | 12 |
| \$30,000-39,999 | 15.15 | 10.3% | | 0.0% | 0 |
| \$40,000-49,999 | 14.32 | 9.8% | | 0.0% | 0 |
| \$50,000-59,999 | 8.24 | 5.6% | | 0.0% | 0 |
| \$60,000-74,999 | 5.78 | 3.9% | | 0.0% | 0 |
| \$75,000-99,999 | 5.76 | 3.9% | | 0.0% | 0 |
| \$100,000-124,999 | 1.93 | 1.3% | | 0.0% | 0 |
| \$125,000-149,999 | 0.93 | 0.6% | | 0.0% | 0 |
| \$150,000-199,999 | 0.96 | 0.7% | | 0.0% | 0 |
| \$200,000+ | 0.93 | 0.6% | | 0.0% | 0 |
| | 147 | 100.0% | | | 19 |
| Percent of renter households within limits versus total number of renter households | | | | | 12.72% |

Calculation of Potential Household Demand by Income Cohort by % of AMI

| Percent of AMI Level | | 50% with no ACC | | | |
|---|--|-----------------------|---------------------------|---------------------------|-----------------|
| Minimum Income Limit | | \$18,120 | | | |
| Maximum Income Limit | | \$25,800 2 | | | |
| Income Category | Total Renter Households PMA Prj Mrkt Entry June 2017 | | Households within Bracket | | Income Brackets |
| | Mrkt Entry June 2017 | Percent within Cohort | Percent within Cohort | Households within Bracket | |
| \$0-9,999 | 701 | 23.7% | | 0 | |
| \$10,000-19,999 | 768 | 25.9% | \$1,880 | 18.8% | 144 |
| \$20,000-29,999 | 400 | 13.5% | \$5,800 | 58.0% | 232 |
| \$30,000-39,999 | 306 | 10.3% | | 0.0% | 0 |
| \$40,000-49,999 | 289 | 9.8% | | 0.0% | 0 |
| \$50,000-59,999 | 166 | 5.6% | | 0.0% | 0 |
| \$60,000-74,999 | 117 | 3.9% | | 0.0% | 0 |
| \$75,000-99,999 | 116 | 3.9% | | 0.0% | 0 |
| \$100,000-124,999 | 39 | 1.3% | | 0.0% | 0 |
| \$125,000-149,999 | 19 | 0.6% | | 0.0% | 0 |
| \$150,000-199,999 | 19 | 0.7% | | 0.0% | 0 |
| \$200,000+ | 19 | 0.6% | | 0.0% | 0 |
| | 2,960 | 100.0% | | | 377 |
| Percent of renter households within limits versus total number of renter households | | | | | 12.72% |

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)
 Location of Subject (Rural versus Urban)
 Percent of Income for Housing
 2000 Median Income
 2015 Median Income
 Change from 2015 to Prj Mrkt Entry June 2017
 Total Percent Change
 Average Annual Change
 Inflation Rate
 Maximum Allowable Income
 Maximum Allowable Income Inflation Adjusted
 Maximum Number of Occupants
 Rent Income Categories
 Initial Gross Rent for Smallest Unit
 Initial Gross Rent for Smallest Unit Inflation Adjusted

| |
|---------------------|
| Yes |
| Senior |
| Rural |
| 40% |
| \$36,926 |
| \$44,145 |
| \$7,219 |
| 19.5% |
| 3.3% |
| 3.3% |
| Two year adjustment |
| 1.0000 |
| \$25,800 |
| \$25,800 |
| 2 |
| 50% with no ACC |
| \$604 |
| \$604.00 |

| Persons in Household | 0BR | 1BR | 2BR | 3BR | 4BR | 5BR | Total |
|----------------------|-----|-----|-----|-----|-----|-----|-------|
| 1 | 0% | 95% | 5% | 0% | 0% | 0% | 100% |
| 2 | 0% | 50% | 50% | 0% | 0% | 0% | 100% |
| 3 | 0% | 0% | 60% | 40% | 0% | 0% | 100% |
| 4 | 0% | 0% | 0% | 80% | 20% | 0% | 100% |
| 5+ | 0% | 0% | 0% | 70% | 30% | 0% | 100% |

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry June 2017

| | | |
|--|--|-----------------|
| Income Target Population | | 50% with no ACC |
| New Renter Households PMA | | 147 |
| Percent Income Qualified | | 12.7% |
| New Renter Income Qualified Households | | 19 |

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2015

Demand from Rent Overburdened Households

| | | |
|--|--|-----------------|
| Income Target Population | | 50% with no ACC |
| Total Existing Demand | | 2,960 |
| Income Qualified | | 12.7% |
| Income Qualified Renter Households | | 377 |
| Percent Rent Overburdened Prj Mrkt Entry June 2017 | | 31.1% |
| Rent Overburdened Households | | 117 |

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

| | | |
|--|--|------|
| Income Qualified Renter Households | | 377 |
| Percent Living in Substandard Housing | | 0.9% |
| Households Living in Substandard Housing | | 4 |

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

| | | |
|---|-------|-----------------|
| Income Target Population | | 50% with no ACC |
| Total Senior Homeowners | | 9179 |
| Rural Versus Urban | 0.03% | |
| Senior Demand Converting from Homeownership | | 3 |

Total Demand

| | | |
|---|------|-----|
| Total Demand from Existing Households | | 123 |
| Adjustment Factor - Leakage from SMA | 100% | 0 |
| Adjusted Demand from Existing Households | | 123 |
| Total New Demand | | 19 |
| Total Demand (New Plus Existing Households) | | 142 |

| | | |
|---|--|------|
| Demand from Seniors Who Convert from Homeownership | | 3 |
| Percent of Total Demand From Homeownership Conversion | | 1.9% |
| Is this Demand Over 2 percent of Total Demand? | | No |

By Bedroom Demand

| | | |
|---------------|--------|-----|
| One Person | 51.2% | 73 |
| Two Persons | 29.5% | 42 |
| Three Persons | 9.2% | 13 |
| Four Persons | 2.8% | 4 |
| Five Persons | 7.3% | 10 |
| Total | 100.0% | 142 |

To place Person Demand into Bedroom Type Units

| | | |
|---|-----|-----|
| Of one-person households in 1BR units | 95% | 69 |
| Of two-person households in 1BR units | 50% | 21 |
| 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 | 5% | 4 |
| Of two-person households in 2BR units | 50% | 21 |
| Of three-person households in 2BR units | 60% | 8 |
| Of four-person households in 2BR units | 0% | 0 |
| 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% | 5 |
| Of four-person households in 3BR units | 80% | 3 |
| Of five-person households in 3BR units | 70% | 7 |
| 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 | 20% | 1 |
| Of five-person households in 4BR units | 30% | 3 |
| Total Demand | | 142 |

| | |
|-------------------------|-----------------|
| Total Demand by Bedroom | 50% with no ACC |
| 1 BR | 90 |
| 2 BR | 25 |
| Total Demand | 115 |

| | |
|--|-----------------|
| Additions To Supply 2015 to Prj Mrkt Entry June 2017 | 50% with no ACC |
| 0 BR | 0 |
| 1 BR | 0 |
| 2 BR | 0 |
| 3 BR | 0 |
| 4 BR | 0 |
| 5 BR | 0 |
| Total | 0 |

| | |
|------------|-----------------|
| Net Demand | 50% with no ACC |
| 1 BR | 90 |
| 2 BR | 25 |
| Total | 115 |

| | |
|----------------------|-----------------|
| Developer's Unit Mix | 50% with no ACC |
| 1 BR | 16 |
| 2 BR | 1 |
| Total | 17 |

| | |
|-----------------------|-----------------|
| Capture Rate Analysis | 50% with no ACC |
| 1 BR | 17.8% |
| 2 BR | 4.1% |
| Total | 14.8% |

60 Percent AMI without consideration of ACC

Calculation of New Renter Household Demand by Income Cohort by % of AMI

| Percent of AMI Level | | 60% | | | |
|---|---|----------------------|----------------------------------|-----------------------|-----------------------|
| Minimum Income Limit | | \$18,330 | | | |
| Maximum Income Limit | | \$30,960 | | 2 | |
| Income Category | New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry June 2017 | | Renter Households within Bracket | | Percent within Cohort |
| | Income Brackets | Mrkt Entry June 2017 | Income Brackets | Percent within Cohort | |
| \$0-9,999 | 34.72 | 23.7% | | 0.0% | 0 |
| \$10,000-19,999 | 38.01 | 25.9% | 1,670 | 16.7% | 6 |
| \$20,000-29,999 | 19.83 | 13.5% | 9,999 | 100.0% | 20 |
| \$30,000-39,999 | 15.15 | 10.3% | 960 | 9.6% | 1 |
| \$40,000-49,999 | 14.32 | 9.8% | | 0.0% | 0 |
| \$50,000-59,999 | 8.24 | 5.6% | | 0.0% | 0 |
| \$60,000-74,999 | 5.78 | 3.9% | | 0.0% | 0 |
| \$75,000-99,999 | 5.76 | 3.9% | | 0.0% | 0 |
| \$100,000-124,999 | 1.93 | 1.3% | | 0.0% | 0 |
| \$125,000-149,999 | 0.93 | 0.6% | | 0.0% | 0 |
| \$150,000-199,999 | 0.96 | 0.7% | | 0.0% | 0 |
| \$200,000+ | 0.93 | 0.6% | | 0.0% | 0 |
| | 147 | 100.0% | | | 28 |
| Percent of renter households within limits versus total number of renter households | | | | | 18.85% |

Calculation of Potential Household Demand by Income Cohort by % of AMI

| Percent of AMI Level | | 60% | | | |
|---|--|----------------------|---------------------------|-----------------------|-----------------------|
| Minimum Income Limit | | \$18,330 | | | |
| Maximum Income Limit | | \$30,960 | | 2 | |
| Income Category | Total Renter Households PMA Prj Mrkt Entry June 2017 | | Households within Bracket | | Percent within Cohort |
| | Income Brackets | Mrkt Entry June 2017 | Income Brackets | Percent within Cohort | |
| \$0-9,999 | 701 | 23.7% | | 0.0% | 0 |
| \$10,000-19,999 | 768 | 25.9% | \$1,670 | 16.7% | 128 |
| \$20,000-29,999 | 400 | 13.5% | \$9,999 | 100.0% | 400 |
| \$30,000-39,999 | 306 | 10.3% | \$960 | 9.6% | 29 |
| \$40,000-49,999 | 289 | 9.8% | | 0.0% | 0 |
| \$50,000-59,999 | 166 | 5.6% | | 0.0% | 0 |
| \$60,000-74,999 | 117 | 3.9% | | 0.0% | 0 |
| \$75,000-99,999 | 116 | 3.9% | | 0.0% | 0 |
| \$100,000-124,999 | 39 | 1.3% | | 0.0% | 0 |
| \$125,000-149,999 | 19 | 0.6% | | 0.0% | 0 |
| \$150,000-199,999 | 19 | 0.7% | | 0.0% | 0 |
| \$200,000+ | 19 | 0.6% | | 0.0% | 0 |
| | 2,960 | 100.0% | | | 558 |
| Percent of renter households within limits versus total number of renter households | | | | | 18.85% |

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)

Location of Subject (Rural versus Urban)

Percent of Income for Housing

2000 Median Income

2015 Median Income

Change from 2015 to Prj Mrkt Entry June 2017

Total Percent Change

Average Annual Change

Inflation Rate

Maximum Allowable Income

Maximum Allowable Income Inflation Adjusted

Maximum Number of Occupants

Rent Income Categories

Initial Gross Rent for Smallest Unit

Initial Gross Rent for Smallest Unit Inflation Adjusted

| | | |
|----------|---------------------|--------|
| Yes | | |
| Senior | | |
| Rural | | |
| 40% | | |
| \$36,926 | | |
| \$44,145 | | |
| \$7,219 | | |
| 19.5% | | |
| 3.3% | | |
| 3.3% | Two year adjustment | 1.0000 |
| \$30,960 | | |
| \$30,960 | | |
| \$2 | | |
| 60% | | |
| \$611 | | |
| \$611.00 | | |

| Persons in Household | 0BR | 1BR | 2BR | 3BR | 4BR | 5BR | Total |
|----------------------|-----|-----|-----|-----|-----|-----|-------|
| 1 | 0% | 95% | 5% | 0% | 0% | 0% | 100% |
| 2 | 0% | 50% | 50% | 0% | 0% | 0% | 100% |
| 3 | 0% | 0% | 60% | 40% | 0% | 0% | 100% |
| 4 | 0% | 0% | 0% | 80% | 20% | 0% | 100% |
| 5+ | 0% | 0% | 0% | 70% | 30% | 0% | 100% |

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry June 2017

| | | |
|--|--|-------|
| Income Target Population | | 60% |
| New Renter Households PMA | | 147 |
| Percent Income Qualified | | 18.9% |
| New Renter Income Qualified Households | | 28 |

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2015

Demand form Rent Overburdened Households

| | | |
|--|--|-------|
| Income Target Population | | 60% |
| Total Existing Demand | | 2,960 |
| Income Qualified | | 18.9% |
| Income Qualified Renter Households | | 558 |
| Percent Rent Overburdened Prj Mrkt Entry June 2017 | | 31.1% |
| Rent Overburdened Households | | 173 |

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

| | | |
|--|--|------|
| Income Qualified Renter Households | | 558 |
| Percent Living in Substandard Housing | | 0.9% |
| Households Living in Substandard Housing | | 5 |

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

| | | |
|---|-------|------|
| Income Target Population | | 60% |
| Total Senior Homeowners | | 9179 |
| Rural Versus Urban | 0.04% | |
| Senior Demand Converting from Homeownership | | 4 |

Total Demand

| | | |
|---|------|-----|
| Total Demand from Existing Households | | 182 |
| Adjustment Factor - Leakage from SMA | 100% | 0 |
| Adjusted Demand from Existing Households | | 182 |
| Total New Demand | | 28 |
| Total Demand (New Plus Existing Households) | | 210 |

| | | |
|---|--|------|
| Demand from Seniors Who Convert from Homeownership | | 4 |
| Percent of Total Demand From Homeownership Conversion | | 1.7% |
| Is this Demand Over 2 percent of Total Demand? | | No |

By Bedroom Demand

| | | |
|---------------|--------|-----|
| One Person | 51.2% | 107 |
| Two Persons | 29.5% | 62 |
| Three Persons | 9.2% | 19 |
| Four Persons | 2.8% | 6 |
| Five Persons | 7.3% | 15 |
| Total | 100.0% | 210 |

To place Person Demand into Bedroom Type Units

| | | |
|---|-----|-----|
| Of one-person households in 1BR units | 95% | 102 |
| Of two-person households in 1BR units | 50% | 31 |
| 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 | 5% | 5 |
| Of two-person households in 2BR units | 50% | 31 |
| Of three-person households in 2BR units | 60% | 12 |
| Of four-person households in 2BR units | 0% | 0 |
| 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% | 8 |
| Of four-person households in 3BR units | 80% | 5 |
| Of five-person households in 3BR units | 70% | 11 |
| 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 | 20% | 1 |
| Of five-person households in 4BR units | 30% | 5 |
| Total Demand | | 210 |

| | |
|-------------------------|-----|
| Total Demand by Bedroom | 60% |
| 1 BR | 133 |
| 2 BR | 36 |
| Total Demand | 169 |

| | |
|--|-----|
| Additions To Supply 2015 to Prj Mrkt Entry June 2017 | 60% |
| 0 BR | 0 |
| 1 BR | 0 |
| 2 BR | 0 |
| 3 BR | 0 |
| 4 BR | 0 |
| 5 BR | 0 |
| Total | 0 |

| | |
|------------|-----|
| Net Demand | 60% |
| 1 BR | 133 |
| 2 BR | 36 |
| Total | 169 |

| | |
|----------------------|-----|
| Developer's Unit Mix | 60% |
| 1 BR | 61 |
| 2 BR | 7 |
| Total | 68 |

| | |
|-----------------------|-------|
| Capture Rate Analysis | 60% |
| 1 BR | 45.8% |
| 2 BR | 19.3% |
| Total | 40.1% |

60 Percent AMI with ACC

Calculation of New Renter Household Demand by Income Cohort by % of AMI

| Percent of AMI Level | | 60% AMI with ACC | | | |
|---|---|-----------------------|----------------------------------|-----------------------|-----------------------|
| Minimum Income Limit | | \$0 | | | |
| Maximum Income Limit | | \$30,960 2 | | | |
| Income Category | New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry June 2017 | | Renter Households within Bracket | | Percent within Cohort |
| | Income Brackets | Percent within Cohort | Income Brackets | Percent within Cohort | |
| \$0-9,999 | 34.72 | 23.7% | 9,999 | 100.0% | 35 |
| \$10,000-19,999 | 38.01 | 25.9% | 9,999 | 100.0% | 38 |
| \$20,000-29,999 | 19.83 | 13.5% | 9,999 | 100.0% | 20 |
| \$30,000-39,999 | 15.15 | 10.3% | 960 | 9.6% | 1 |
| \$40,000-49,999 | 14.32 | 9.8% | | 0.0% | 0 |
| \$50,000-59,999 | 8.24 | 5.6% | | 0.0% | 0 |
| \$60,000-74,999 | 5.78 | 3.9% | | 0.0% | 0 |
| \$75,000-99,999 | 5.76 | 3.9% | | 0.0% | 0 |
| \$100,000-124,999 | 1.93 | 1.3% | | 0.0% | 0 |
| \$125,000-149,999 | 0.93 | 0.6% | | 0.0% | 0 |
| \$150,000-199,999 | 0.96 | 0.7% | | 0.0% | 0 |
| \$200,000+ | 0.93 | 0.6% | | 0.0% | 0 |
| | 147 | 100.0% | | | 94 |
| Percent of renter households within limits versus total number of renter households | | | | | 64.15% |

Calculation of Potential Household Demand by Income Cohort by % of AMI

| Percent of AMI Level | | 60% AMI with ACC | | | |
|---|--|-----------------------|---------------------------|-----------------------|-----------------------|
| Minimum Income Limit | | \$0 | | | |
| Maximum Income Limit | | \$30,960 2 | | | |
| Income Category | Total Renter Households PMA Prj Mrkt Entry June 2017 | | Households within Bracket | | Percent within Cohort |
| | Income Brackets | Percent within Cohort | Income Brackets | Percent within Cohort | |
| \$0-9,999 | 701 | 23.7% | \$9,999 | 100.0% | 701 |
| \$10,000-19,999 | 768 | 25.9% | \$9,999 | 100.0% | 768 |
| \$20,000-29,999 | 400 | 13.5% | \$9,999 | 100.0% | 400 |
| \$30,000-39,999 | 306 | 10.3% | \$960 | 9.6% | 29 |
| \$40,000-49,999 | 289 | 9.8% | | 0.0% | 0 |
| \$50,000-59,999 | 166 | 5.6% | | 0.0% | 0 |
| \$60,000-74,999 | 117 | 3.9% | | 0.0% | 0 |
| \$75,000-99,999 | 116 | 3.9% | | 0.0% | 0 |
| \$100,000-124,999 | 39 | 1.3% | | 0.0% | 0 |
| \$125,000-149,999 | 19 | 0.6% | | 0.0% | 0 |
| \$150,000-199,999 | 19 | 0.7% | | 0.0% | 0 |
| \$200,000+ | 19 | 0.6% | | 0.0% | 0 |
| | 2,960 | 100.0% | | | 1,899 |
| Percent of renter households within limits versus total number of renter households | | | | | 64.15% |

| | |
|---|---------------------------------|
| Does the Project Benefit from Rent Subsidy? (Y/N) | Yes |
| Type of Housing (Family vs Senior) | Senior |
| Location of Subject (Rural versus Urban) | Rural |
| Percent of Income for Housing | 40% |
| 2000 Median Income | \$36,926 |
| 2015 Median Income | \$44,145 |
| Change from 2015 to Prj Mrkt Entry June 2017 | \$7,219 |
| Total Percent Change | 19.5% |
| Average Annual Change | 3.3% |
| Inflation Rate | 3.3% Two year adjustment 1.0000 |
| Maximum Allowable Income | \$30,960 |
| Maximum Allowable Income Inflation Adjusted | \$30,960 |
| Maximum Number of Occupants | \$2 |
| Rent Income Categories | 60% AMI with ACC |
| Initial Gross Rent for Smallest Unit | \$611 |
| Initial Gross Rent for Smallest Unit Inflation Adjusted | \$611.00 |

| Persons in Household | 0BR | 1BR | 2BR | 3BR | 4BR | 5BR | Total |
|----------------------|-----|-----|-----|-----|-----|-----|-------|
| 1 | 0% | 95% | 5% | 0% | 0% | 0% | 100% |
| 2 | 0% | 50% | 50% | 0% | 0% | 0% | 100% |
| 3 | 0% | 0% | 60% | 40% | 0% | 0% | 100% |
| 4 | 0% | 0% | 0% | 80% | 20% | 0% | 100% |
| 5+ | 0% | 0% | 0% | 70% | 30% | 0% | 100% |

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry June 2017

| | |
|--|------------------|
| Income Target Population | 60% AMI with ACC |
| New Renter Households PMA | 147 |
| Percent Income Qualified | 64.1% |
| New Renter Income Qualified Households | 94 |

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2015

Demand form Rent Overburdened Households

| | |
|--|------------------|
| Income Target Population | 60% AMI with ACC |
| Total Existing Demand | 2,960 |
| Income Qualified | 64.1% |
| Income Qualified Renter Households | 1,899 |
| Percent Rent Overburdened Prj Mrkt Entry June 2017 | 31.1% |
| Rent Overburdened Households | 590 |

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

| | |
|--|-------|
| Income Qualified Renter Households | 1,899 |
| Percent Living in Substandard Housing | 0.9% |
| Households Living in Substandard Housing | 18 |

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

| | |
|---|------------------|
| Income Target Population | 60% AMI with ACC |
| Total Senior Homeowners | 9179 |
| Rural Versus Urban | 0.12% |
| Senior Demand Converting from Homeownership | 11 |

Total Demand

| | |
|---|------|
| Total Demand from Existing Households | 619 |
| Adjustment Factor - Leakage from SMA | 100% |
| Adjusted Demand from Existing Households | 619 |
| Total New Demand | 94 |
| Total Demand (New Plus Existing Households) | 713 |

| | |
|---|------|
| Demand from Seniors Who Convert from Homeownership | 11 |
| Percent of Total Demand From Homeownership Conversion | 1.5% |
| Is this Demand Over 2 percent of Total Demand? | No |

By Bedroom Demand

| | | |
|---------------|--------|-----|
| One Person | 51.2% | 365 |
| Two Persons | 29.5% | 210 |
| Three Persons | 9.2% | 66 |
| Four Persons | 2.8% | 20 |
| Five Persons | 7.3% | 52 |
| Total | 100.0% | 713 |

To place Person Demand into Bedroom Type Units

| | | |
|---|-----|-----|
| Of one-person households in 1BR units | 95% | 347 |
| Of two-person households in 1BR units | 50% | 105 |
| 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 | 5% | 18 |
| Of two-person households in 2BR units | 50% | 105 |
| Of three-person households in 2BR units | 60% | 39 |
| Of four-person households in 2BR units | 0% | 0 |
| 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% | 26 |
| Of four-person households in 3BR units | 80% | 16 |
| Of five-person households in 3BR units | 70% | 37 |
| 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 | 20% | 4 |
| Of five-person households in 4BR units | 30% | 16 |
| Total Demand | | 713 |

| | |
|-------------------------|------------------|
| Total Demand by Bedroom | 60% AMI with ACC |
| 1 BR | 452 |
| 2 BR | 123 |
| Total Demand | 575 |

| | |
|--|------------------|
| Additions To Supply 2015 to Prj Mrkt Entry June 2017 | 60% AMI with ACC |
| 0 BR | 0 |
| 1 BR | 0 |
| 2 BR | 0 |
| 3 BR | 0 |
| 4 BR | 0 |
| 5 BR | 0 |
| Total | 0 |

| | |
|------------|------------------|
| Net Demand | 60% AMI with ACC |
| 1 BR | 452 |
| 2 BR | 123 |
| Total | 575 |

| | |
|----------------------|------------------|
| Developer's Unit Mix | 60% AMI with ACC |
| 1 BR | 23 |
| 2 BR | 3 |
| Total | 26 |

| | |
|-----------------------|------------------|
| Capture Rate Analysis | 60% AMI with ACC |
| 1 BR | 5.1% |
| 2 BR | 2.4% |
| Total | 4.5% |

Overall LIHTC with ACC Subsidy

Calculation of New Renter Household Demand by Income Cohort by % of AMI

| Percent of AMI Level | | Overall LIHTC with ACC Subsidy | | | | |
|---|--|--------------------------------|-------------------------------------|-----------------------|----------------|--|
| Minimum Income Limit | | \$0 | | | | |
| Maximum Income Limit | | \$30,960 2 | | | | |
| Income Category | New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry June 2017 | | Renter Households within Bracket | | | |
| | Income Brackets | Percent within Cohort | Income Brackets | Percent within Cohort | within Bracket | |
| \$0-9,999 | 34.72 | 23.7% | 9,999 | 100.0% | 35 | |
| \$10,000-19,999 | 38.01 | 25.9% | 9,999 | 100.0% | 38 | |
| \$20,000-29,999 | 19.83 | 13.5% | 9,999 | 100.0% | 20 | |
| \$30,000-39,999 | 15.15 | 10.3% | 960 | 9.6% | 1 | |
| \$40,000-49,999 | 14.32 | 9.8% | | 0.0% | 0 | |
| \$50,000-59,999 | 8.24 | 5.6% | | 0.0% | 0 | |
| \$60,000-74,999 | 5.78 | 3.9% | | 0.0% | 0 | |
| \$75,000-99,999 | 5.76 | 3.9% | | 0.0% | 0 | |
| \$100,000-124,999 | 1.93 | 1.3% | | 0.0% | 0 | |
| \$125,000-149,999 | 0.93 | 0.6% | | 0.0% | 0 | |
| \$150,000-199,999 | 0.96 | 0.7% | | 0.0% | 0 | |
| \$200,000+ | 0.93 | 0.6% | | 0.0% | 0 | |
| | 147 | 100.0% | | | 94 | |
| Percent of renter households within limits versus total number of renter households | | | | | 64.15% | |

Calculation of Potential Household Demand by Income Cohort by % of AMI

| Percent of AMI Level | | Overall LIHTC with ACC Subsidy | | | | |
|---|---|--------------------------------|------------------------------|-----------------------|----------------|--|
| Minimum Income Limit | | \$0 | | | | |
| Maximum Income Limit | | \$30,960 2 | | | | |
| Income Category | Total Renter Households PMA Prj Mrkt Entry June 2017 | | Households within Bracket | | | |
| | Income Brackets | Percent within Cohort | Income Brackets | Percent within Cohort | within Bracket | |
| \$0-9,999 | 701 | 23.7% | \$9,999 | 100.0% | 701 | |
| \$10,000-19,999 | 768 | 25.9% | \$9,999 | 100.0% | 768 | |
| \$20,000-29,999 | 400 | 13.5% | \$9,999 | 100.0% | 400 | |
| \$30,000-39,999 | 306 | 10.3% | \$960 | 9.6% | 29 | |
| \$40,000-49,999 | 289 | 9.8% | | 0.0% | 0 | |
| \$50,000-59,999 | 166 | 5.6% | | 0.0% | 0 | |
| \$60,000-74,999 | 117 | 3.9% | | 0.0% | 0 | |
| \$75,000-99,999 | 116 | 3.9% | | 0.0% | 0 | |
| \$100,000-124,999 | 39 | 1.3% | | 0.0% | 0 | |
| \$125,000-149,999 | 19 | 0.6% | | 0.0% | 0 | |
| \$150,000-199,999 | 19 | 0.7% | | 0.0% | 0 | |
| \$200,000+ | 19 | 0.6% | | 0.0% | 0 | |
| | 2,960 | 100.0% | | | 1,899 | |
| Percent of renter households within limits versus total number of renter households | | | | | 64.15% | |

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)
 Location of Subject (Rural versus Urban)
 Percent of Income for Housing
 2000 Median Income
 2015 Median Income
 Change from 2015 to Prj Mrkt Entry June 2017
 Total Percent Change
 Average Annual Change
 Inflation Rate
 Maximum Allowable Income
 Maximum Allowable Income Inflation Adjusted
 Maximum Number of Occupants
 Rent Income Categories
 Initial Gross Rent for Smallest Unit
 Initial Gross Rent for Smallest Unit Inflation Adjusted

| |
|--------------------------------|
| Yes |
| Senior |
| Rural |
| 40% |
| \$36,926 |
| \$44,145 |
| \$7,219 |
| 19.5% |
| 3.3% |
| 3.3% |
| Two year adjustment 1.0000 |
| \$30,960 |
| \$30,960 |
| 2 |
| Overall LIHTC with ACC Subsidy |
| \$0 |
| \$0.00 |

| Persons in Household | 0BR | 1BR | 2BR | 3BR | 4BR | 5BR | Total |
|----------------------|-----|-----|-----|-----|-----|-----|-------|
| 1 | 0% | 95% | 5% | 0% | 0% | 0% | 100% |
| 2 | 0% | 50% | 50% | 0% | 0% | 0% | 100% |
| 3 | 0% | 0% | 60% | 40% | 0% | 0% | 100% |
| 4 | 0% | 0% | 0% | 80% | 20% | 0% | 100% |
| 5+ | 0% | 0% | 0% | 70% | 30% | 0% | 100% |

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry June 2017

| | | |
|--|--|--------------------------------|
| Income Target Population | | Overall LIHTC with ACC Subsidy |
| New Renter Households PMA | | 147 |
| Percent Income Qualified | | 64.1% |
| New Renter Income Qualified Households | | 94 |

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2015

Demand from Rent Overburdened Households

| | | |
|--|--|--------------------------------|
| Income Target Population | | Overall LIHTC with ACC Subsidy |
| Total Existing Demand | | 2,960 |
| Income Qualified | | 64.1% |
| Income Qualified Renter Households | | 1,899 |
| Percent Rent Overburdened Prj Mrkt Entry June 2017 | | 31.1% |
| Rent Overburdened Households | | 590 |

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

| | | |
|--|--|-------|
| Income Qualified Renter Households | | 1,899 |
| Percent Living in Substandard Housing | | 0.9% |
| Households Living in Substandard Housing | | 18 |

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

| | | |
|---|-------|--------------------------------|
| Income Target Population | | Overall LIHTC with ACC Subsidy |
| Total Senior Homeowners | | 9179 |
| Rural Versus Urban | 0.12% | |
| Senior Demand Converting from Homeownership | | 11 |

Total Demand

| | | |
|---|------|-----|
| Total Demand from Existing Households | | 619 |
| Adjustment Factor - Leakage from SMA (use 115% for DCA) | 100% | 0 |
| Adjusted Demand from Existing Households | | 619 |
| Total New Demand | | 94 |
| Total Demand (New Plus Existing Households) | | 713 |

| | | |
|---|--|------|
| Demand from Seniors Who Convert from Homeownership | | 11 |
| Percent of Total Demand From Homeownership Conversion | | 1.5% |
| Is this Demand Over 20 percent of Total Demand? | | No |

By Bedroom Demand

| | | |
|---------------|--------|-----|
| One Person | 51.2% | 365 |
| Two Persons | 29.5% | 210 |
| Three Persons | 9.2% | 66 |
| Four Persons | 2.8% | 20 |
| Five Persons | 7.3% | 52 |
| Total | 100.0% | 713 |

To place Person Demand into Bedroom Type Units

| | | |
|---|-----|------------|
| Of one-person households in 1BR units | 95% | 347 |
| Of two-person households in 1BR units | 50% | 105 |
| 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 | 5% | 18 |
| Of two-person households in 2BR units | 50% | 105 |
| Of three-person households in 2BR units | 60% | 39 |
| Of four-person households in 2BR units | 0% | 0 |
| 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% | 26 |
| Of four-person households in 3BR units | 80% | 16 |
| Of five-person households in 3BR units | 70% | 37 |
| 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 | 20% | 4 |
| Of five-person households in 4BR units | 30% | 16 |
| Total Demand | | 713 |

| <u>Total Demand by Bedroom</u> | <u>Overall LIHTC with ACC Subsidy</u> |
|--------------------------------|---------------------------------------|
| 1 BR | 452 |
| 2 BR | 123 |
| Total Demand | 575 |

| <u>Additions To Supply 2015 to Prj Mrkt Entry June 2017</u> | <u>Overall LIHTC with ACC Subsidy</u> |
|---|---------------------------------------|
| 0 BR | 0 |
| 1 BR | 0 |
| 2 BR | 0 |
| 3 BR | 0 |
| 4 BR | 0 |
| 5 BR | 0 |
| Total | 0 |

| <u>Net Demand</u> | <u>Overall LIHTC with ACC Subsidy</u> |
|-------------------|---------------------------------------|
| 1 BR | 452 |
| 2 BR | 123 |
| Total | 575 |

| <u>Developer's Unit Mix</u> | <u>Overall LIHTC with ACC Subsidy</u> |
|-----------------------------|---------------------------------------|
| 1 BR | 77 |
| 2 BR | 8 |
| Total | 85 |

| <u>Capture Rate Analysis</u> | <u>Overall LIHTC with ACC Subsidy</u> |
|------------------------------|---------------------------------------|
| 1 BR | 17.0% |
| 2 BR | 6.5% |
| Total | 14.8% |

Overall LIHTC with No ACC Subsidy Considered

Calculation of New Renter Household Demand by Income Cohort by % of AMI

| Percent of AMI Level | | | Overall LIHTC with no ACC | | |
|---|--|--------|---------------------------|-----------------------|-------------------------------------|
| Minimum Income Limit | | | \$18,120 | | |
| Maximum Income Limit | | | \$30,960 2 | | |
| Income Category | New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry June 2017 | | Income Brackets | Percent within Cohort | Renter Households within Bracket |
| | \$0-9,999 | 34.72 | | | |
| \$10,000-19,999 | 38.01 | 25.9% | 1,880 | 18.8% | 7 |
| \$20,000-29,999 | 19.83 | 13.5% | 9,999 | 100.0% | 20 |
| \$30,000-39,999 | 15.15 | 10.3% | 960 | 9.6% | 1 |
| \$40,000-49,999 | 14.32 | 9.8% | | 0.0% | 0 |
| \$50,000-59,999 | 8.24 | 5.6% | | 0.0% | 0 |
| \$60,000-74,999 | 5.78 | 3.9% | | 0.0% | 0 |
| \$75,000-99,999 | 5.76 | 3.9% | | 0.0% | 0 |
| \$100,000-124,999 | 1.93 | 1.3% | | 0.0% | 0 |
| \$125,000-149,999 | 0.93 | 0.6% | | 0.0% | 0 |
| \$150,000-199,999 | 0.96 | 0.7% | | 0.0% | 0 |
| \$200,000+ | 0.93 | 0.6% | | 0.0% | 0 |
| | 147 | 100.0% | | | 28 |
| Percent of renter households within limits versus total number of renter households | | | | | 19.40% |

Calculation of Potential Household Demand by Income Cohort by % of AMI

| Percent of AMI Level | | | Overall LIHTC with no ACC | | |
|---|---|--------|---------------------------|-----------------------|------------------------------|
| Minimum Income Limit | | | \$18,120 | | |
| Maximum Income Limit | | | \$30,960 2 | | |
| Income Category | Total Renter Households PMA Prj Mrkt Entry June 2017 | | Income Brackets | Percent within Cohort | Households within Bracket |
| | \$0-9,999 | 701 | | | |
| \$10,000-19,999 | 768 | 25.9% | \$1,880 | 18.8% | 144 |
| \$20,000-29,999 | 400 | 13.5% | \$9,999 | 100.0% | 400 |
| \$30,000-39,999 | 306 | 10.3% | \$960 | 9.6% | 29 |
| \$40,000-49,999 | 289 | 9.8% | | 0.0% | 0 |
| \$50,000-59,999 | 166 | 5.6% | | 0.0% | 0 |
| \$60,000-74,999 | 117 | 3.9% | | 0.0% | 0 |
| \$75,000-99,999 | 116 | 3.9% | | 0.0% | 0 |
| \$100,000-124,999 | 39 | 1.3% | | 0.0% | 0 |
| \$125,000-149,999 | 19 | 0.6% | | 0.0% | 0 |
| \$150,000-199,999 | 19 | 0.7% | | 0.0% | 0 |
| \$200,000+ | 19 | 0.6% | | 0.0% | 0 |
| | 2,960 | 100.0% | | | 574 |
| Percent of renter households within limits versus total number of renter households | | | | | 19.40% |

Does the Project Benefit from Rent Subsidy? (Y/N)

Type of Housing (Family vs Senior)
 Location of Subject (Rural versus Urban)
 Percent of Income for Housing
 2000 Median Income
 2015 Median Income
 Change from 2015 to Prj Mrkt Entry June 2017
 Total Percent Change
 Average Annual Change
 Inflation Rate
 Maximum Allowable Income
 Maximum Allowable Income Inflation Adjusted
 Maximum Number of Occupants
 Rent Income Categories
 Initial Gross Rent for Smallest Unit
 Initial Gross Rent for Smallest Unit Inflation Adjusted

| |
|---------------------------|
| Yes |
| Senior |
| Rural |
| 40% |
| \$36,926 |
| \$44,145 |
| \$7,219 |
| 19.5% |
| 3.3% |
| 3.3% |
| Two year adjustment |
| 1,000% |
| \$30,960 |
| \$30,960 |
| 2 |
| Overall LIHTC with no ACC |
| \$0 |
| \$0.00 |

| Persons in Household | OBR | 1BR | 2BR | 3BR | 4BR | 5BR | Total |
|----------------------|-----|-----|-----|-----|-----|-----|-------|
| 1 | 0% | 95% | 5% | 0% | 0% | 0% | 100% |
| 2 | 0% | 50% | 50% | 0% | 0% | 0% | 100% |
| 3 | 0% | 0% | 60% | 40% | 0% | 0% | 100% |
| 4 | 0% | 0% | 0% | 80% | 20% | 0% | 100% |
| 5+ | 0% | 0% | 0% | 70% | 30% | 0% | 100% |

STEP 1 Please refer to text for complete explanation.

Demand from New Renter Households 2015 to Prj Mrkt Entry June 2017

| | | |
|--|--|---------------------------|
| Income Target Population | | Overall LIHTC with no ACC |
| New Renter Households PMA | | 147 |
| Percent Income Qualified | | 19.4% |
| New Renter Income Qualified Households | | 28 |

STEP 2a. Please refer to text for complete explanation.

Demand from Existing Households 2015

Demand from Rent Overburdened Households

| | | |
|--|--|---------------------------|
| Income Target Population | | Overall LIHTC with no ACC |
| Total Existing Demand | | 2,960 |
| Income Qualified | | 19.4% |
| Income Qualified Renter Households | | 574 |
| Percent Rent Overburdened Prj Mrkt Entry June 2017 | | 31.1% |
| Rent Overburdened Households | | 178 |

STEP 2b. Please refer to text for complete explanation.

Demand from Living in Substandard Housing

| | | |
|--|--|------|
| Income Qualified Renter Households | | 574 |
| Percent Living in Substandard Housing | | 0.9% |
| Households Living in Substandard Housing | | 5 |

STEP 2c. Please refer to text for complete explanation.

Senior Households Converting from Homeownership

| | | |
|---|-------|---------------------------|
| Income Target Population | | Overall LIHTC with no ACC |
| Total Senior Homeowners | | 9179 |
| Rural Versus Urban | 0.04% | |
| Senior Demand Converting from Homeownership | | 4 |

Total Demand

| | | |
|---|------|-----|
| Total Demand from Existing Households | | 187 |
| Adjustment Factor - Leakage from SMA (use 115% for DCA) | 100% | 0 |
| Adjusted Demand from Existing Households | | 187 |
| Total New Demand | | 28 |
| Total Demand (New Plus Existing Households) | | 216 |

| | | |
|---|--|------|
| Demand from Seniors Who Convert from Homeownership | | 4 |
| Percent of Total Demand From Homeownership Conversion | | 1.7% |
| Is this Demand Over 2 percent of Total Demand? | | No |

By Bedroom Demand

| | | |
|---------------|--------|-----|
| One Person | 51.2% | 111 |
| Two Persons | 29.5% | 64 |
| Three Persons | 9.2% | 20 |
| Four Persons | 2.8% | 6 |
| Five Persons | 7.3% | 16 |
| Total | 100.0% | 216 |

To place Person Demand into Bedroom Type Units

| | | |
|---|-----|-----|
| Of one-person households in 1BR units | 95% | 105 |
| Of two-person households in 1BR units | 50% | 32 |
| 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 | 5% | 6 |
| Of two-person households in 2BR units | 50% | 32 |
| Of three-person households in 2BR units | 60% | 12 |
| Of four-person households in 2BR units | 0% | 0 |
| 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% | 8 |
| Of four-person households in 3BR units | 80% | 5 |
| Of five-person households in 3BR units | 70% | 11 |
| 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 | 20% | 1 |
| Of five-person households in 4BR units | 30% | 5 |
| Total Demand | | 216 |

| Total Demand by Bedroom | Overall LIHTC with no ACC |
|-------------------------|---------------------------|
| 1 BR | 137 |
| 2 BR | 37 |
| Total Demand | 174 |

| Additions To Supply 2015 to Prj Mrkt Entry June 2017 | Overall LIHTC with no ACC |
|--|---------------------------|
| 0 BR | 0 |
| 1 BR | 0 |
| 2 BR | 0 |
| 3 BR | 0 |
| 4 BR | 0 |
| 5 BR | 0 |
| Total | 0 |

| Net Demand | Overall LIHTC with no ACC |
|------------|---------------------------|
| 1 BR | 137 |
| 2 BR | 37 |
| Total | 174 |

| Developer's Unit Mix | Overall LIHTC with no ACC |
|----------------------|---------------------------|
| 1 BR | 77 |
| 2 BR | 8 |
| Total | 85 |

| Capture Rate Analysis | Overall LIHTC with no ACC |
|-----------------------|---------------------------|
| 1 BR | 56.3% |
| 2 BR | 21.4% |
| Total | 48.8% |

Conclusions

We have conducted such an analysis 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 senior renter households in the PMA is expected to increase between 2015 and 2019.
- 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.

As the demand analysis illustrates, the Subject's capture rates at the 50 percent AMI level for units with ACC subsidy assistance will range from 0.9 to 3.9 percent, with an overall capture rate of 3.3 percent. The Subject's capture rates at 50 percent AMI without the ACC subsidy assistance are 4.1 to 17.8 percent, with an overall capture rate of 14.8 percent.

The Subject's 60 percent AMI capture rates without the consideration of the 26 ACC units at 60 percent AMI range from 19.3 to 45.8 percent, with an overall capture rate of 40.1 percent. The Subject's 60 percent AMI units with the ACC subsidy have capture rates ranging from 2.4 to 5.1 percent, with an overall capture rate of 4.5 percent for these units.

The overall LIHTC capture rate for all 85 units proposed, without consideration of the ACC subsidy that will be in place for 43 of the 85 total units, is 48.8 percent. The overall capture rate for the project's 50 and 60 percent units with consideration of the ACC subsidy that will be in place is 14.8 percent. Since the property will operate with the ACC rental assistance, and the 48.8 percent overall capture rate without consideration of the ACC subsidy does not truly reflect the depth of support for this type of property in the PMA, we believe there is adequate senior demand for the Subject.

CAPTURE RATE ANALYSIS CHART

| Unit Size | Income Limits | Units Proposed | Total Demand | Supply | Net Demand | Capture Rate | Absorption | Average Market Rent | Market Rents Min-Max | Proposed Rents |
|-----------------------------|-------------------|----------------|--------------|--------|------------|--------------|--------------|---------------------|----------------------|----------------|
| 1BR @ 50% with no ACC | \$18,120-\$25,800 | 16 | 90 | 0 | 90 | 17.8% | Four Months | \$550 | \$334-\$644 | \$460* |
| 2BR @ 50% with no ACC | \$19,950-\$25,800 | 1 | 25 | 0 | 25 | 4.0% | One Month | \$620 | \$367-\$756 | \$460 |
| 1BR @ 50% with ACC | \$0-\$25,800 | 16 | 406 | 0 | 406 | 3.9% | Two Months | \$550 | \$334-\$644 | \$460* |
| 2BR @ 50% with ACC | \$0-\$25,800 | 1 | 111 | 0 | 111 | 0.9% | One Month | \$620 | \$367-\$756 | \$460 |
| 1BR @ 60% with no ACC | \$18,330-\$30,960 | 61 | 133 | 0 | 133 | 45.9% | Six Months | \$550 | \$334-\$644 | \$450 |
| 2BR @ 60% with no ACC | \$22,650-\$30,960 | 7 | 36 | 0 | 36 | 19.4% | Two Months | \$620 | \$367-\$756 | \$550 |
| 1BR @ 60% with ACC | \$0-\$30,960 | 23 | 452 | 0 | 452 | 5.1% | Three Months | \$550 | \$334-\$644 | \$450-\$460* |
| 2BR @ 60% with ACC | \$0-\$30,960 | 3 | 123 | 0 | 123 | 2.4% | One Month | \$620 | \$367-\$756 | \$460-\$550 |
| 1BR Overall with no ACC | \$18,120-\$30,960 | 77 | 137 | 0 | 137 | 56.2% | Eight Months | \$550 | \$334-\$644 | \$450-\$460* |
| 2BR Overall with no ACC | \$19,950-\$30,960 | 8 | 37 | 0 | 37 | 21.6% | Three Months | \$620 | \$367-\$756 | \$460-\$550 |
| 1BR Overall with ACC | \$0-\$30,960 | 77 | 452 | 0 | 452 | 17.0% | Six Months | \$550 | \$334-\$644 | \$450-\$460* |
| 2BR Overall with ACC | \$0-\$30,960 | 8 | 123 | 0 | 123 | 6.5% | Two Months | \$620 | \$367-\$756 | \$460-\$550 |
| 50% AMI Overall with no ACC | \$18,120-\$25,800 | 17 | 115 | 0 | 115 | 14.8% | Four Months | \$550-\$620 | \$334-\$756 | \$460* |
| 50% AMI Overall with ACC | \$0-\$25,800 | 17 | 516 | 0 | 516 | 3.3% | Two Months | \$550-\$620 | \$334-\$756 | \$460* |
| 60% Overall with no ACC | \$18,330-\$30,960 | 68 | 169 | 0 | 169 | 40.2% | Eight Months | \$550-\$620 | \$334-\$756 | \$450-\$550 |
| 60% Overall with ACC | \$0-\$30,960 | 68 | 575 | 0 | 575 | 11.8% | Six Months | \$550-\$620 | \$334-\$756 | \$450-\$550 |
| LIHTC Overall with no ACC | \$18,120-\$30,960 | 85 | 174 | 0 | 174 | 48.8% | Eight Months | \$550-\$620 | \$334-\$756 | \$450-\$550 |
| LIHTC Overall with ACC | \$0-\$30,960 | 85 | 575 | 0 | 575 | 14.8% | Six Months | \$550-\$620 | \$334-\$756 | \$450-\$550 |

*Note, the maximum allowable 50 percent AMI net rent of \$443/gross rent of \$604 was used in determining the minimum income required for the units with ACC rental assistance.

ACC - Annual Contribution Contract subsidy through the Griffin Housing Authority

Demand and Net Demand

| | HH at 50% AMI with ACC Subsidy (\$0-\$25,800) | HH at 50% AMI with no ACC Subsidy (\$18,120-\$25,800) | HH at 60% AMI with no Subsidy (\$18,330-\$30,960) | HH at 60% AMI with ACC Subsidy (\$0-\$30,960) | All Tax Credit Households with No ACC Subsidy | All Tax Credit Households with ACC Subsidy |
|--|---|---|---|---|---|--|
| Demand from New Households (age and income appropriate) | 84 | 19 | 28 | 94 | 28 | 94 |
| PLUS | + | + | + | + | + | + |
| Demand from Existing Renter Households - Substandard Housing | 16 | 4 | 5 | 18 | 5 | 18 |
| PLUS | + | + | + | + | + | + |
| Demand from Existing Renter Households - Rent Overburdened Households | 528 | 117 | 173 | 590 | 178 | 590 |
| PLUS | + | + | + | + | + | + |
| Secondary Market Demand adjustment IF ANY Subject to 15% Limitation | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub Total | 628 | 140 | 206 | 702 | 211 | 702 |
| Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable) | 11 | 3 | 4 | 11 | 4 | 11 |
| Equals Total Demand | 639 | 143 | 210 | 713 | 215 | 713 |
| Less | - | - | - | - | - | - |
| Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market | 0 | 0 | 0 | 0 | 0 | 0 |
| Equals Net Demand | 639 | 143 | 210 | 713 | 215 | 713 |

H. COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes nine “true” comparable properties containing 930 total units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in this section. A map illustrating the location of the Subject in relation to comparable properties is also presented. 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.

The availability of LIHTC data is considered average for a small city such as Griffin. There is one comparable age-restricted property in the PMA, as well as one family property with a significant share of seniors. With the small number of senior properties within the PMA, we identified two additional senior LIHTC properties as comparables that both operate without rental assistance. All of the comparable LIHTC senior properties are located within 15.2 miles of the Subject.

The availability of market rate data is considered good, and we evaluated five comparables with one and two-bedroom garden-style units for this analysis. None of the comparable market rate options in Griffin offer elevator-served buildings or are age-restricted. As such, garden-style units with first floor accessible units were utilized as comparables. We believe these properties represent some of the more comparable market rate alternatives for seniors in the local market.

Overall PMA Overview

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

Meriwether Redevelopment Phase II, Griffin, GA; Market Study

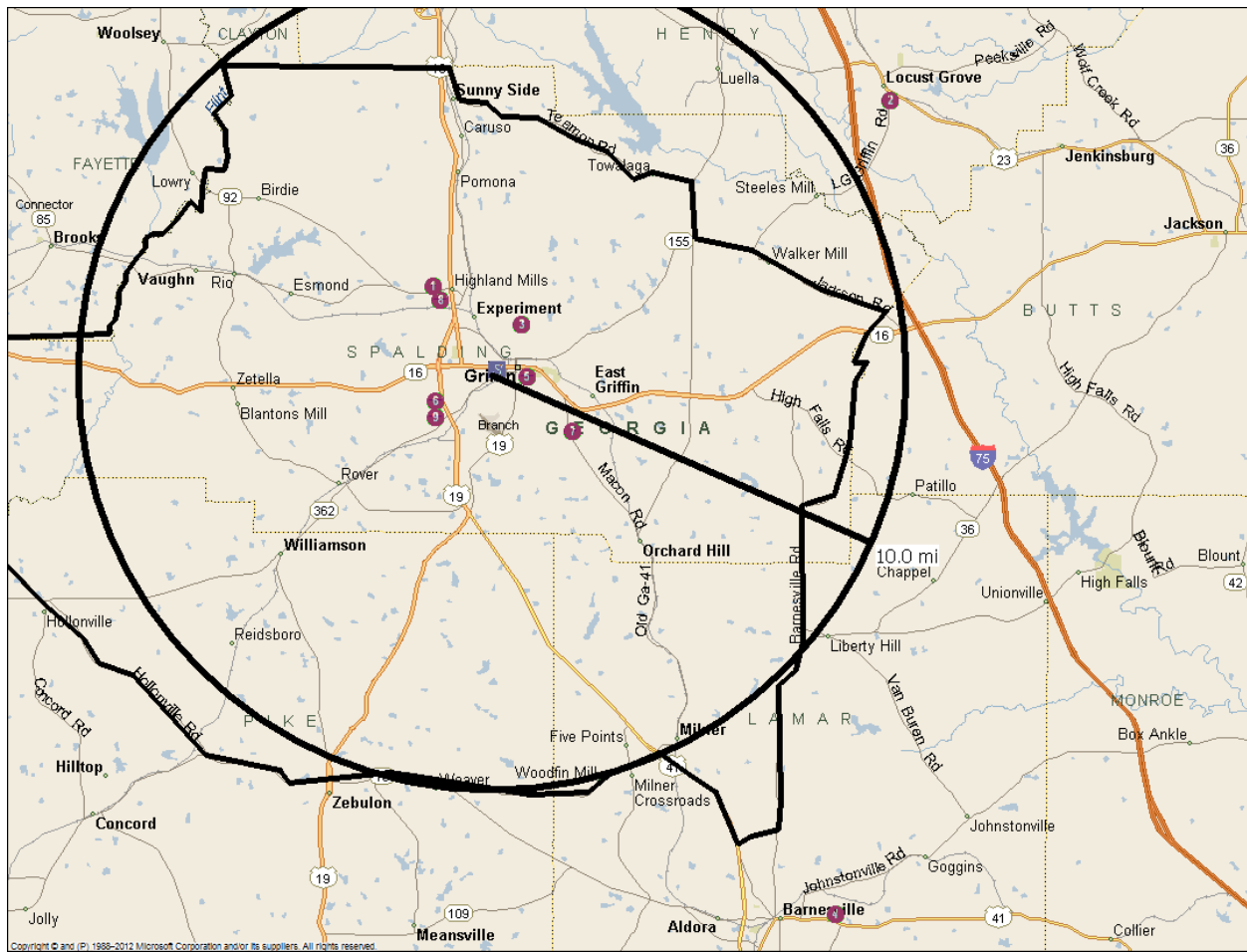
GENERAL PMA OCCUPANCY OVERVIEW

| Property Name | Units | Overall Occupancy | Type | Tenancy | Included/Excluded | Reason for Exclusion | Distance from Subject (miles) |
|---|--------------|-------------------|----------------------|---------|-------------------|--------------------------|-------------------------------|
| 431 N. Fifth St | 1 | N/Av | LIHTC | Family | Excluded | Only one unit | 1.5 |
| 935 Ray St. | 1 | N/Av | LIHTC | Family | Excluded | Only one unit | 1.2 |
| 412 W. Quilly St. | 1 | N/Av | LIHTC | Family | Excluded | Only one unit | 1.1 |
| 1307 Edgewood Ave. | 1 | N/Av | LIHTC | Family | Excluded | Only one unit | 0.7 |
| 1319 Edgewood Ave. | 1 | N/Av | LIHTC | Family | Excluded | Only one unit | 0.7 |
| 1321 Edgewood Ave. | 1 | N/Av | LIHTC | Family | Excluded | Only one unit | 0.7 |
| 1333 Edgewood Ave. | 1 | N/Av | LIHTC | Family | Excluded | Only one unit | 0.7 |
| Glenco Trace Apartments | 72 | 100.0% | LIHTC | Senior | Included | n/a | 2.4 |
| Marian Point | 24 | 95.8% | LIHTC/Market | Family | Excluded | Dissimilar Building Type | 0.5 |
| Meriwether Redevelopment Phase I | 84 | U/C | LIHTC/Public Housing | Family | Excluded | Under Construction | 0.1 |
| Poplar Grove | 36 | 91.7% | LIHTC/Market | Family | Excluded | Dissimilar Building Type | 0.4 |
| St. Phillip Villas | 60 | 100.0% | LIHTC/Market | Family | Included | n/a | 1.6 |
| Heritage Apartments | 120 | 99.2% | Section 8 | Family | Excluded | Subsidized | 0.3 |
| Regency Apartments | 80 | 100.0% | Section 8 | Family | Excluded | Subsidized | 0.2 |
| Northside Hills | 100 | 99.0% | Section 8 | Family | Excluded | Subsidized | 1.0 |
| St. George's Court | 100 | 100.0% | Section 8 | Family | Excluded | Subsidized | 0.8 |
| 330 East College Apartments | 18 | 100.0% | Market | Family | Included | n/a | 1.0 |
| Ashford Place | 112 | 98.2% | Market | Family | Included | n/a | 1.3 |
| Carlisle Apartments | 16 | 93.8% | Market | Family | Excluded | Size and condition | 3.0 |
| Garden Gate Apartments | 72 | 100.0% | Market | Family | Included | n/a | 2.5 |
| Grandview Apartments | 36 | N/A | Market | Family | Excluded | Age/Condition | 2.2 |
| Griffin Crossing Apartments | 272 | 99.3% | Market | Family | Included | n/a | 2.4 |
| Pine Hill Apartments | 128 | 98.4% | Market | Family | Excluded | Dissimilar Building Type | 2.0 |
| Versailles Apartments | 80 | N/A | Market | Family | Excluded | Age/Condition | 0.3 |
| Walden Pointe Apartments Homes | 216 | 98.1% | Market | Family | Included | n/a | 1.5 |
| Willow Creek Apartments | 53 | 98.1% | Market | Family | Excluded | Dissimilar Building Type | 2.5 |
| Units in PMA Reporting Occupancy | 1,479 | 98.8% | | | | | |

U/C - Under Construction

N/A - Not Available

Comparable Rental Property Map



COMPARABLE PROPERTIES

| # | Property Name | City | Type | Tenancy | Distance to Subject |
|---|--------------------------------|--------------|--------------|---------|---------------------|
| 1 | Glenco Trace Apartments | Griffin | LIHTC | Senior | 2.6 miles |
| 2 | Shoal Creek Manor | Locust Grove | LIHTC | Senior | 11.7 miles |
| 3 | St. Phillip Villas | Griffin | LIHTC/Market | Family | 1.4 miles |
| 4 | Villas On Forsyth | Barnesville | LIHTC/Market | Senior | 15.2 miles |
| 5 | 330 East College Apartments | Griffin | Market | Family | 0.9 miles |
| 6 | Ashford Place | Griffin | Market | Family | 1.6 miles |
| 7 | Garden Gate Apartments | Griffin | Market | Family | 2.4 miles |
| 8 | Griffin Crossing Apartments | Griffin | Market | Family | 2.2 miles |
| 9 | Walden Pointe Apartments Homes | Griffin | Market | Family | 1.7 miles |

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

SUMMARY MATRIX

| Comp # | Project | Distance | Type / Built / Renovated | Market / Subsidy | Units | # | % | Restriction | Rent (Adj.) | Size (SF) | Max Rent? | Wait List? | Units Vacant | Vacancy Rate | |
|---------|--|------------|---|---------------------------------|--------------|-----|--------|-------------|-------------|-----------|-----------|------------|--------------|--------------|-------|
| Subject | Meriwether Redevelopment Phase II 426 South 15th Street Griffin, GA 30224 Spalding County | n/a | Lowrise (age-restricted) (3 stories) 2017 / n/a | @50% (ACC), @60%, @60% (ACC) | 1BR / 1BA | 16 | 18.80% | @50% | \$460 | 650 | n/a | | N/A | N/A | |
| | | | | | 1BR / 1BA | 38 | 44.70% | @60% | \$450 | 650 | no | N/A | N/A | | |
| | | | | | 1BR / 1BA | 23 | 27.10% | @60% | \$460 | 650 | n/a | N/A | N/A | | |
| | | | | | 2BR / 1BA | 1 | 1.20% | @50% | \$460 | 850 | n/a | N/A | N/A | | |
| | | | | | 2BR / 1BA | 4 | 4.70% | @60% | \$550 | 850 | no | N/A | N/A | | |
| | | | | | 2BR / 1BA | 3 | 3.50% | @60% | \$460 | 850 | n/a | N/A | N/A | | |
| | | | | | | 85 | 100% | | | | | | | N/A | N/A |
| 1 | Glenco Trace Apartments 1624 Hallmark Drive Griffin, GA 30223 Spalding County | 2.6 miles | One-story (age-restricted) 2000 / n/a | @50% & @60% | 1BR / 1BA | 42 | 58.30% | @50% | \$337 | 750 | no | Yes | 0 | 0.00% | |
| | | | | | 1BR / 1BA | 14 | 19.40% | @60% | \$337 | 750 | no | Yes | 0 | 0.00% | |
| | | | | | 2BR / 1BA | 12 | 16.70% | @50% | \$370 | 900 | no | Yes | 0 | 0.00% | |
| | | | | | 2BR / 1BA | 4 | 5.60% | @60% | \$370 | 900 | no | Yes | 0 | 0.00% | |
| | | | | | | 72 | 100% | | | | | | | 0 | 0.00% |
| 2 | Shoal Creek Manor 120 LG Griffin Road Locust Grove, GA 30248 Henry County | 11.7 miles | Midrise (age-restricted) (4 stories) 2011 / n/a | @50%, @60% | 2BR / 2BA | N/A | N/A | @50% | \$538 | 1,008 | yes | Yes | 0 | N/A | |
| | | | | | 2BR / 2BA | N/A | N/A | @60% | \$634 | 1,008 | yes | Yes | 0 | N/A | |
| | | | | | | 66 | 100% | | | | | | | 0 | 0.00% |
| | | | | | | | | | | | | | | | |
| 3 | St. Phillip Villas 829 N Hill Street Griffin, GA 30223 Spalding County | 1.4 miles | Garden (2 stories) 2002 / n/a | @50%, @60%, Market | 1BR / 1BA | 4 | 6.70% | @50% | \$472 | 975 | no | No | 0 | 0.00% | |
| | | | | | 1BR / 1BA | 4 | 6.70% | @60% | \$472 | 975 | no | No | 0 | 0.00% | |
| | | | | | 1BR / 1BA | 4 | 6.70% | Market | \$497 | 975 | n/a | No | 0 | 0.00% | |
| | | | | | 2BR / 2BA | 12 | 20.00% | @50% | \$545 | 1,175 | no | No | 0 | 0.00% | |
| | | | | | 2BR / 2BA | 20 | 33.30% | @60% | \$580 | 1,175 | no | No | 0 | 0.00% | |
| | | | | | 2BR / 2BA | 4 | 6.70% | Market | \$580 | 1,175 | n/a | No | 0 | 0.00% | |
| | | | | | 3BR / 2BA | 4 | 6.70% | @50% | \$631 | 1,350 | no | No | 0 | 0.00% | |
| | | | | | 3BR / 2BA | 4 | 6.70% | @60% | \$646 | 1,350 | no | No | 0 | 0.00% | |
| | | | | | 3BR / 2BA | 4 | 6.70% | Market | \$646 | 1,350 | n/a | No | 0 | 0.00% | |
| | | | | | | 60 | 100% | | | | | | | | 0 |
| 4 | Villas On Forsyth 101 Virginia Ave Barnesville, GA 30204 Lamar County | 15.2 miles | One-story (age-restricted) 2009 / n/a | @50%, @50% (HOME), @60%, Market | 1BR / 1BA | 14 | 33.30% | @50% | \$385 | 896 | no | Yes | 0 | 0.00% | |
| | | | | | 1BR / 1BA | 2 | 4.80% | @50% | \$385 | 896 | no | Yes | 0 | 0.00% | |
| | | | | | 1BR / 1BA | 5 | 11.90% | Market | \$519 | 896 | n/a | Yes | 0 | 0.00% | |
| | | | | | 2BR / 1BA | 13 | 31.00% | @50% | \$446 | 1,100 | no | Yes | 0 | 0.00% | |
| | | | | | 2BR / 1BA | 3 | 7.10% | @50% | \$446 | 1,100 | no | Yes | 0 | 0.00% | |
| | | | | | 2BR / 1BA | 1 | 2.40% | @60% | \$515 | 1,100 | no | Yes | 0 | 0.00% | |
| | | | | | 2BR / 1BA | 4 | 9.50% | Market | \$554 | 1,100 | n/a | Yes | 0 | 0.00% | |
| | 42 | 100% | | | | | | | | 0 | 0.00% | | | | |
| 5 | 330 East College Apartments 330 E College St Griffin, GA 30224 Spalding County | 0.9 miles | Garden (2 stories) 1971 / n/a | Market | 1BR / 1BA | 9 | 50.00% | Market | \$632 | 800 | n/a | Yes | 0 | 0.00% | |
| | | | | | 2BR / 1BA | 9 | 50.00% | Market | \$715 | 1,100 | n/a | Yes | 0 | 0.00% | |
| | | | | | | 18 | 100% | | | | | | | 0 | 0.00% |
| 6 | Ashford Place 657 Carver Road Griffin, GA 30224 Spalding County | 1.6 miles | Garden (2 stories) 1989 / 2005 | Market | 1BR / 1BA | 32 | 28.60% | Market | \$647 | 745 | n/a | Yes | 0 | 0.00% | |
| | | | | | 2BR / 2BA | 56 | 50.00% | Market | \$695 | 1,080 | n/a | No | 1 | 1.80% | |
| | | | | | 3BR / 2BA | 24 | 21.40% | Market | \$816 | 1,240 | n/a | No | 1 | 4.20% | |
| | | | | | | 112 | 100% | | | | | | | 2 | 1.80% |
| 7 | Garden Gate Apartments 1308 Rhodes Lane Griffin, GA 30224 Spalding County | 2.4 miles | One-story 1987 / n/a | Market | Studio / 1BA | 14 | 19.40% | Market | \$415 | 288 | n/a | No | 0 | 0.00% | |
| | | | | | 1BR / 1BA | 54 | 75.00% | Market | \$489 | 586 | n/a | No | 0 | 0.00% | |
| | | | | | 2BR / 1BA | 4 | 5.60% | Market | \$599 | 725 | n/a | No | 0 | 0.00% | |
| | | | | | | 72 | 100% | | | | | | | 0 | 0.00% |
| 8 | Griffin Crossing Apartments 1597 West McIntosh Road Griffin, GA 30223 Spalding County | 2.2 miles | Garden (2 stories) 1986 / 2006 | Market | 1BR / 1BA | 80 | 29.40% | Market | \$643 | 824 | n/a | No | 0 | 0.00% | |
| | | | | | 2BR / 2BA | 168 | 61.80% | Market | \$755 | 944 | n/a | No | 2 | 1.20% | |
| | | | | | 3BR / 2BA | 24 | 8.80% | Market | \$750 | 1,090 | n/a | No | 0 | 0.00% | |
| | | | | | | 272 | 100% | | | | | | | 2 | 0.70% |
| 9 | Walden Pointe Apartment Homes 701 Carver Road Griffin, GA 30223 Spalding County | 1.7 miles | Garden (3 stories) 1998 / n/a | Market | 1BR / 1BA | 72 | 33.30% | Market | \$635 | 998 | n/a | No | 0 | 0.00% | |
| | | | | | 2BR / 2BA | 112 | 51.90% | Market | \$725 | 1,280 | n/a | No | 4 | 3.60% | |
| | | | | | 3BR / 2BA | 32 | 14.80% | Market | \$835 | 1,480 | n/a | No | 0 | 0.00% | |
| | | | | | | 216 | 100% | | | | | | | 4 | 1.90% |

Meriwether Redevelopment Phase II, Griffin, GA; Market Study

| RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market. | | | | |
|---|--|-------------------------------|--|-------------------------------------|
| One Bedroom One Bath | | | | |
| Two Bedrooms One Bath | | | | |
| | Property | Average | Property | Average |
| RENT | Ashford Place | \$647 | Griffin Crossing Apartments (2BA) | \$755 |
| | Griffin Crossing Apartments | \$643 | Walden Pointe Apartment Homes (2BA) | \$725 |
| | Walden Pointe Apartment Homes | \$635 | 330 East College Apartments | \$715 |
| | 330 East College Apartments | \$632 | Ashford Place (2BA) | \$695 |
| | Villas On Forsyth * (M) | \$519 | Shoal Creek Manor * (2BA 60%) | \$634 |
| | St. Phillip Villas * (M) | \$497 | Garden Gate Apartments | \$599 |
| | Garden Gate Apartments | \$489 | St. Phillip Villas * (2BA 60%) | \$580 |
| | St. Phillip Villas * (50%) | \$472 | St. Phillip Villas * (2BA M) | \$580 |
| | St. Phillip Villas * (60%) | \$472 | Villas On Forsyth * (M) | \$554 |
| | Meriwether Redevelopment Phase II * (50%) | \$460 | Meriwether Redevelopment Phase II * (60%) | \$550 |
| | Meriwether Redevelopment Phase II * (60%) | \$460 | St. Phillip Villas * (2BA 50%) | \$545 |
| | Meriwether Redevelopment Phase II * (60%) | \$450 | Shoal Creek Manor * (2BA 50%) | \$538 |
| | Villas On Forsyth * (50%) | \$385 | Villas On Forsyth * (60%) | \$515 |
| | Villas On Forsyth * (50%) | \$385 | Meriwether Redevelopment Phase II * (50%) | \$460 |
| | Glenco Trace Apartments * (50%) | \$337 | Meriwether Redevelopment Phase II * (60%) | \$460 |
| | Glenco Trace Apartments * (60%) | \$337 | Villas On Forsyth * (50%) | \$446 |
| | | | Villas On Forsyth * (50%) | \$446 |
| | | | Glenco Trace Apartments * (50%) | \$370 |
| | | | Glenco Trace Apartments * (60%) | \$370 |
| | SQUARE FOOTAGE | Walden Pointe Apartment Homes | 998 | Walden Pointe Apartment Homes (2BA) |
| St. Phillip Villas * (50%) | | 975 | St. Phillip Villas * (2BA 50%) | 1,175 |
| St. Phillip Villas * (60%) | | 975 | St. Phillip Villas * (2BA 60%) | 1,175 |
| St. Phillip Villas * (M) | | 975 | St. Phillip Villas * (2BA M) | 1,175 |
| Villas On Forsyth * (50%) | | 896 | Villas On Forsyth * (50%) | 1,100 |
| Villas On Forsyth * (50%) | | 896 | Villas On Forsyth * (50%) | 1,100 |
| Villas On Forsyth * (M) | | 896 | Villas On Forsyth * (60%) | 1,100 |
| Griffin Crossing Apartments | | 824 | Villas On Forsyth * (M) | 1,100 |
| 330 East College Apartments | | 800 | 330 East College Apartments | 1,100 |
| Glenco Trace Apartments * (50%) | | 750 | Ashford Place (2BA) | 1,080 |
| Glenco Trace Apartments * (60%) | | 750 | Shoal Creek Manor * (2BA 50%) | 1,008 |
| Ashford Place | | 745 | Shoal Creek Manor * (2BA 60%) | 1,008 |
| Meriwether Redevelopment Phase II * (50%) | | 650 | Griffin Crossing Apartments (2BA) | 944 |
| Meriwether Redevelopment Phase II * (60%) | | 650 | Glenco Trace Apartments * (50%) | 900 |
| Meriwether Redevelopment Phase II * (60%) | | 650 | Glenco Trace Apartments * (60%) | 900 |
| Garden Gate Apartments | | 586 | Meriwether Redevelopment Phase II * (50%) | 850 |
| | | | Meriwether Redevelopment Phase II * (60%) | 850 |
| | | | Meriwether Redevelopment Phase II * (60%) | 850 |
| | | | Garden Gate Apartments | 725 |
| RENT PER SQUARE FOOT | | Ashford Place | \$0.87 | Garden Gate Apartments |
| | Garden Gate Apartments | \$0.83 | Griffin Crossing Apartments (2BA) | \$0.80 |
| | 330 East College Apartments | \$0.79 | 330 East College Apartments | \$0.65 |
| | Griffin Crossing Apartments | \$0.78 | Meriwether Redevelopment Phase II * (60%) | \$0.65 |
| | Meriwether Redevelopment Phase II * (50%) | \$0.71 | Ashford Place (2BA) | \$0.64 |
| | Meriwether Redevelopment Phase II * (60%) | \$0.71 | Shoal Creek Manor * (2BA 60%) | \$0.63 |
| | Meriwether Redevelopment Phase II * (60%) | \$0.69 | Walden Pointe Apartment Homes (2BA) | \$0.57 |
| | Walden Pointe Apartment Homes | \$0.64 | Meriwether Redevelopment Phase II * (50%) | \$0.54 |
| | Villas On Forsyth * (M) | \$0.58 | Meriwether Redevelopment Phase II * (60%) | \$0.54 |
| | St. Phillip Villas * (M) | \$0.51 | Shoal Creek Manor * (2BA 50%) | \$0.53 |
| | St. Phillip Villas * (50%) | \$0.48 | Villas On Forsyth * (M) | \$0.50 |
| | St. Phillip Villas * (60%) | \$0.48 | St. Phillip Villas * (2BA 60%) | \$0.49 |
| | Glenco Trace Apartments * (50%) | \$0.45 | St. Phillip Villas * (2BA M) | \$0.49 |
| | Glenco Trace Apartments * (60%) | \$0.45 | Villas On Forsyth * (60%) | \$0.47 |
| | Villas On Forsyth * (50%) | \$0.43 | St. Phillip Villas * (2BA 50%) | \$0.46 |
| | Villas On Forsyth * (50%) | \$0.43 | Glenco Trace Apartments * (50%) | \$0.41 |
| | | | Glenco Trace Apartments * (60%) | \$0.41 |
| | | | Villas On Forsyth * (50%) | \$0.41 |
| | | | Villas On Forsyth * (50%) | \$0.41 |

PROPERTY PROFILE REPORT

Glenco Trace Apartments

| | |
|-------------------------------|---|
| Effective Rent Date | 5/13/2015 |
| Location | 1624 Hallmark Drive Griffin, GA 30223 Spalding County |
| Distance | 2.6 miles |
| Units | 72 |
| Vacant Units | 0 |
| Vacancy Rate | 0.0% |
| Type | One-story (age-restricted) |
| Year Built/Renovated | 2000 / N/A |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | St. George's Court |
| Tenant Characteristics | Seniors 62+, Average age of 70; Griffin and out-of-state |
| Contact Name | Misty Sullivan |
| Phone | 770-228-9115 |



Market Information

| | |
|-----------------------------|----------------|
| Program | @50% & @60% |
| Annual Turnover Rate | 15% |
| Units/Month Absorbed | N/A |
| HCV Tenants | 5% |
| Leasing Pace | Within 2 Weeks |
| Annual Chg. in Rent | None |
| Concession | None |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|-----------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | One-story | 42 | 750 | \$400 | \$0 | @50% | Yes | 0 | 0.0% | no | None |
| 1 | 1 | One-story | 14 | 750 | \$400 | \$0 | @60% | Yes | 0 | 0.0% | no | None |
| 2 | 1 | One-story | 12 | 900 | \$450 | \$0 | @50% | Yes | 0 | 0.0% | no | None |
| 2 | 1 | One-story | 4 | 900 | \$450 | \$0 | @60% | Yes | 0 | 0.0% | no | None |

Unit Mix

| @50% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | @60% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|-----------|-------|-------------|-------|-----------|-----------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$400 | \$0 | \$400 | -\$66 | \$334 | 1BR / 1BA | \$400 | \$0 | \$400 | -\$66 | \$334 |
| 2BR / 1BA | \$450 | \$0 | \$450 | -\$83 | \$367 | 2BR / 1BA | \$450 | \$0 | \$450 | -\$83 | \$367 |

Glenco Trace Apartments, continued

Amenities

In-Unit

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

Blinds
Central A/C
Dishwasher
Ceiling Fan
Hand Rails
Refrigerator

Security

None

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Picnic Area

Central Laundry
On-Site Management

Premium

None

Other

Library, Gazebo, Shuffle

Comments

Most tenants are from the city of Griffin and surrounding areas of the county. The property maintains a waiting list of approximately 50 households. The property includes senior programming such as seminars, bingo, and occasional meals.

PROPERTY PROFILE REPORT

Shoal Creek Manor

| | |
|-------------------------------|---|
| Effective Rent Date | 5/06/2015 |
| Location | 120 LG Griffin Road Locust Grove, GA 30248 Henry County |
| Distance | 11.7 miles |
| Units | 66 |
| Vacant Units | 0 |
| Vacancy Rate | 0.0% |
| Type | Midrise (age-restricted) (4 stories) |
| Year Built/Renovated | 2011 / N/A |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | None identified |
| Tenant Characteristics | 55+ |
| Contact Name | Shanelle |
| Phone | 678-759-1313 |



Market Information

| | |
|-----------------------------|------------|
| Program | @50%, @60% |
| Annual Turnover Rate | 5% |
| Units/Month Absorbed | N/A |
| HCV Tenants | 4% |
| Leasing Pace | Pre-leased |
| Annual Chg. in Rent | None |
| Concession | 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 |
|------|-------|---------------------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 2 | 2 | Midrise (4 stories) | N/A | 1,008 | \$538 | \$0 | @50% | Yes | 0 | N/A | yes | None |
| 2 | 2 | Midrise (4 stories) | N/A | 1,008 | \$634 | \$0 | @60% | Yes | 0 | N/A | yes | None |

Unit Mix

| @50% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | @60% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|-----------|-------|-------------|-------|-----------|-----------|-----------|-------|-------------|-------|-----------|
| 2BR / 2BA | \$538 | \$0 | \$538 | \$0 | \$538 | 2BR / 2BA | \$634 | \$0 | \$634 | \$0 | \$634 |

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Oven
Washer/Dryer hookup

Blinds
Central A/C
Ceiling Fan
Microwave
Refrigerator

Security

None

Services

None

Property

Business Center/Computer Lab
Elevators
Central Laundry
On-Site Management

Clubhouse/Meeting
Exercise Facility
Off-Street Parking

Premium

None

Other

Library, garden

Comments

The property's waiting list is approximately two years.

Shoal Creek Manor, continued

Photos



PROPERTY PROFILE REPORT

St. Phillip Villas

| | |
|-------------------------------|--|
| Effective Rent Date | 5/15/2015 |
| Location | 829 N Hill Street Griffin, GA 30223 Spalding County |
| Distance | 1.4 miles |
| Units | 60 |
| Vacant Units | 0 |
| Vacancy Rate | 0.0% |
| Type | Garden (2 stories) |
| Year Built/Renovated | 2002 / N/A |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | Griffin Crossing, Pine Hill Apts, and Marian Point |
| Tenant Characteristics | Mixed local tenancy; a majority are older, approximately 25 percent over age 60. |
| Contact Name | Melinda |
| Phone | 770.229.4008 |



Market Information

| | |
|-----------------------------|--------------------------------|
| Program | @50%, @60%, Market |
| Annual Turnover Rate | 25% |
| Units/Month Absorbed | N/A |
| HCV Tenants | 20% |
| Leasing Pace | Within two weeks to two months |
| Annual Chg. in Rent | Two-bedrooms: Increased 1.5% |
| Concession | None |

Utilities

| | |
|-------------------------|--------------------------|
| A/C | not included -- central |
| Cooking | not included -- gas |
| Water Heat | not included -- gas |
| Heat | not included -- electric |
| Other Electric | not included |
| Water | included |
| Sewer | included |
| Trash Collection | included |

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (2 stories) | 4 | 975 | \$535 | \$0 | @50% | No | 0 | 0.0% | no | None |
| 1 | 1 | Garden (2 stories) | 4 | 975 | \$535 | \$0 | @60% | No | 0 | 0.0% | no | None |
| 1 | 1 | Garden (2 stories) | 4 | 975 | \$560 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 2 | 2 | Garden (2 stories) | 12 | 1,175 | \$625 | \$0 | @50% | No | 0 | 0.0% | no | None |
| 2 | 2 | Garden (2 stories) | 20 | 1,175 | \$660 | \$0 | @60% | No | 0 | 0.0% | no | None |
| 2 | 2 | Garden (2 stories) | 4 | 1,175 | \$660 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 3 | 2 | Garden (2 stories) | 4 | 1,350 | \$730 | \$0 | @50% | No | 0 | 0.0% | no | None |
| 3 | 2 | Garden (2 stories) | 4 | 1,350 | \$745 | \$0 | @60% | No | 0 | 0.0% | no | None |
| 3 | 2 | Garden (2 stories) | 4 | 1,350 | \$745 | \$0 | Market | No | 0 | 0.0% | N/A | None |

St. Phillip Villas, continued

Unit Mix

| @50% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | @60% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|-----------|-------|-------------|--------|-----------|-----------|-----------|-------|-------------|--------|-----------|
| 1BR / 1BA | \$535 | \$0 | \$535 | -\$66 | \$469 | 1BR / 1BA | \$535 | \$0 | \$535 | -\$66 | \$469 |
| 2BR / 2BA | \$625 | \$0 | \$625 | -\$83 | \$542 | 2BR / 2BA | \$660 | \$0 | \$660 | -\$83 | \$577 |
| 3BR / 2BA | \$730 | \$0 | \$730 | -\$102 | \$628 | 3BR / 2BA | \$745 | \$0 | \$745 | -\$102 | \$643 |

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|-----------|-------|-------------|--------|-----------|
| 1BR / 1BA | \$560 | \$0 | \$560 | -\$66 | \$494 |
| 2BR / 2BA | \$660 | \$0 | \$660 | -\$83 | \$577 |
| 3BR / 2BA | \$745 | \$0 | \$745 | -\$102 | \$643 |

Amenities

In-Unit

Balcony/Patio
 Carpeting
 Coat Closet
 Exterior Storage
 Oven
 Walk-In Closet

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

Security

Perimeter Fencing

Services

None

Property

Basketball Court
 Clubhouse/Meeting
 Central Laundry
 On-Site Management
 Playground

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

Premium

None

Other

None

Comments

The property manager indicated that there is a significant share of seniors (more than 25 percent) residing at this property, despite its lack of an elevator to access upper floor units. The manager does not maintain a waiting list due to high renter traffic.

PROPERTY PROFILE REPORT

Villas On Forsyth

| | |
|-------------------------------|---|
| Effective Rent Date | 5/13/2015 |
| Location | 101 Virginia Ave Barnesville, GA 30204 Lamar County |
| Distance | 15.2 miles |
| Units | 42 |
| Vacant Units | 0 |
| Vacancy Rate | 0.0% |
| Type | One-story (age-restricted) |
| Year Built/Renovated | 2009 / N/A |
| Marketing Began | 12/01/2008 |
| Leasing Began | 2/20/2009 |
| Last Unit Leased | N/A |
| Major Competitors | None in the area |
| Tenant Characteristics | Seniors 55+ with and average age of 65. 50% are previous homeowners |
| Contact Name | Misty Sullivan |
| Phone | (770) 358-4880 |



Market Information

| | |
|-----------------------------|---------------------------------|
| Program | @50%, @50% (HOME), @60%, Market |
| Annual Turnover Rate | 10% |
| Units/Month Absorbed | 8 |
| HCV Tenants | 5% |
| Leasing Pace | Within 1 week |
| Annual Chg. in Rent | None |
| Concession | 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 | One-story | 14 | 896 | \$385 | \$0 | @50% | Yes | 0 | 0.0% | no | None |
| 1 | 1 | One-story | 2 | 896 | \$385 | \$0 | @50% (HOME) | Yes | 0 | 0.0% | no | None |
| 1 | 1 | One-story | 5 | 896 | \$519 | \$0 | Market | Yes | 0 | 0.0% | N/A | None |
| 2 | 1 | One-story | 13 | 1,100 | \$446 | \$0 | @50% | Yes | 0 | 0.0% | no | None |
| 2 | 1 | One-story | 3 | 1,100 | \$446 | \$0 | @50% (HOME) | Yes | 0 | 0.0% | no | None |
| 2 | 1 | One-story | 1 | 1,100 | \$515 | \$0 | @60% | Yes | 0 | 0.0% | no | None |
| 2 | 1 | One-story | 4 | 1,100 | \$554 | \$0 | Market | Yes | 0 | 0.0% | N/A | None |

Unit Mix

| @50% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent | @60% | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|-----------|-------|-------------|-------|-----------|-----------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$385 | \$0 | \$385 | \$0 | \$385 | 2BR / 1BA | \$515 | \$0 | \$515 | \$0 | \$515 |
| 2BR / 1BA | \$446 | \$0 | \$446 | \$0 | \$446 | | | | | | |

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|-----------|-------|-------------|-------|-----------|
| 1BR / 1BA | \$519 | \$0 | \$519 | \$0 | \$519 |
| 2BR / 1BA | \$554 | \$0 | \$554 | \$0 | \$554 |

Villas On Forsyth, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Microwave
Pull Cords
Walk-In Closet

Blinds
Central A/C
Exterior Storage
Hand Rails
Oven
Refrigerator
Washer/Dryer

Security

None

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Recreation Areas

Exercise Facility
On-Site Management

Premium

None

Other

Library, garden,

Comments

The regional manager we interviewed stated this property has a waiting list of approximately 100 households for the one or two-bedroom units. Management indicated that there is a significant demand for additional senior LIHTC housing in the area. The property includes service programming with activities such as seminars, bingo, and occasional meals or parties.

330 East College Apartments, continued

Comments

There are 18 garage spaces total (one per unit) and there is no additional fee. There are currently two households on the waiting list. The property does not accept housing vouchers. The contact, Dunson Properties, manages other properties in the area. More information on these properties can be found on www.dunsonproperties.com.

PROPERTY PROFILE REPORT

Ashford Place

Effective Rent Date 5/11/2015
Location 657 Carver Road
 Griffin, GA 30224
 Spalding County
Distance 1.6 miles
Units 112
Vacant Units 2
Vacancy Rate 1.8%
Type Garden (2 stories)
Year Built/Renovated 1989 / 2005
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Walden Pointe, Griffin Crossing
Tenant Characteristics Mixed local tenancy
Contact Name Tracy
Phone 770.229.5572



Market Information

Program Market
Annual Turnover Rate N/A
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace Within two weeks
Annual Chg. in Rent Increase 5%
Concession None

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (2 stories) | 32 | 745 | \$710 | \$0 | Market | Yes | 0 | 0.0% | N/A | None |
| 2 | 2 | Garden (2 stories) | 56 | 1,080 | \$775 | \$0 | Market | No | 1 | 1.8% | N/A | None |
| 3 | 2 | Garden (2 stories) | 24 | 1,240 | \$915 | \$0 | Market | No | 1 | 4.2% | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|-----------|-------|-------------|--------|-----------|
| 1BR / 1BA | \$710 | \$0 | \$710 | -\$66 | \$644 |
| 2BR / 2BA | \$775 | \$0 | \$775 | -\$83 | \$692 |
| 3BR / 2BA | \$915 | \$0 | \$915 | -\$102 | \$813 |

Ashford Place, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Fireplace
Garbage Disposal
Refrigerator

Blinds
Central A/C
Dishwasher
Furnishing
Oven
Washer/Dryer hookup

Security

None

Services

None

Property

Clubhouse/Meeting
Central Laundry
On-Site Management
Sport Court
Tennis Court

Exercise Facility
Off-Street Parking
Playground
Swimming Pool

Premium

None

Other

None

Comments

The property does not accept Housing Choice Vouchers. The contact was unable to provide the property's annual turnover rate. Tenants pay a monthly fee of \$35, \$45 and \$65 for water and sewer, depending on unit type, which is included in quoted rents. Waiting list typically ranges from 30 to 60 days.

PROPERTY PROFILE REPORT

Garden Gate Apartments

Effective Rent Date 5/11/2015
Location 1308 Rhodes Lane
 Griffin, GA 30224
 Spalding County
Distance 2.4 miles
Units 72
Vacant Units 0
Vacancy Rate 0.0%
Type One-story
Year Built/Renovated 1987 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Willow Creek
Tenant Characteristics Singles
Contact Name Jaime
Phone 678.606.9836



Market Information

Program Market
Annual Turnover Rate 35%
Units/Month Absorbed N/A
HCV Tenants 5%
Leasing Pace Pre-leased
Annual Chg. in Rent Increase 3%
Concession None

Utilities

A/C not included -- wall
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 |
|------|-------|-----------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 0 | 1 | One-story | 14 | 288 | \$415 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 1 | 1 | One-story | 54 | 586 | \$489 | \$0 | Market | No | 0 | 0.0% | N/A | None |
| 2 | 1 | One-story | 4 | 725 | \$599 | \$0 | Market | No | 0 | 0.0% | N/A | None |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|--------------|-----------|-------|-------------|-------|-----------|
| Studio / 1BA | \$415 | \$0 | \$415 | \$0 | \$415 |
| 1BR / 1BA | \$489 | \$0 | \$489 | \$0 | \$489 |
| 2BR / 1BA | \$599 | \$0 | \$599 | \$0 | \$599 |

Amenities

In-Unit

Balcony/Patio
 Carpeting
 Dishwasher
 Garbage Disposal
 Refrigerator
 Washer/Dryer hookup

Blinds
 Coat Closet
 Ceiling Fan
 Oven
 Wall A/C

Security

Patrol
 Perimeter Fencing

Services

None

Property

Central Laundry
 On-Site Management

Off-Street Parking

Premium

None

Other

None

Garden Gate Apartments, continued

Comments

Dishwashers and washer/dryer hookups are only offered in the one and two-bedroom units.

Garden Gate Apartments, continued

Photos



PROPERTY PROFILE REPORT

Griffin Crossing Apartments

| | |
|-------------------------------|---|
| Effective Rent Date | 5/06/2015 |
| Location | 1597 West McIntosh Road Griffin, GA 30223 Spalding County |
| Distance | 2.2 miles |
| Units | 272 |
| Vacant Units | 2 |
| Vacancy Rate | 0.7% |
| Type | Garden (2 stories) |
| Year Built/Renovated | 1986 / 2006 |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | Walden Point and Ashford Place |
| Tenant Characteristics | Mixed local tenancy. |
| Contact Name | India |
| Phone | 770.228.6994 |



Market Information

| | |
|-----------------------------|------------------|
| Program | Market |
| Annual Turnover Rate | 36% |
| Units/Month Absorbed | N/A |
| HCV Tenants | 0% |
| Leasing Pace | Within one month |
| Annual Chg. in Rent | No change |
| Concession | None |

Utilities

| | |
|-------------------------|-------------------------|
| A/C | not included -- central |
| Cooking | not included -- gas |
| Water Heat | not included -- gas |
| Heat | not included -- gas |
| 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) | 80 | 824 | \$623 | \$0 | Market | No | 0 | 0.0% | N/A | AVG* |
| 1 | 1 | Garden (2 stories) | 0 | 824 | \$645 | \$0 | Market | No | 0 | N/A | N/A | HIGH |
| 1 | 1 | Garden (2 stories) | 0 | 824 | \$602 | \$0 | Market | No | 0 | N/A | N/A | LOW |
| 2 | 2 | Garden (2 stories) | 168 | 944 | \$735 | \$0 | Market | No | 2 | 1.2% | N/A | AVG* |
| 2 | 2 | Garden (2 stories) | 0 | 944 | \$785 | \$0 | Market | No | 0 | N/A | N/A | HIGH |
| 2 | 2 | Garden (2 stories) | 0 | 944 | \$684 | \$0 | Market | No | 0 | N/A | N/A | LOW |
| 3 | 2 | Garden (2 stories) | 24 | 1,090 | \$730 | \$0 | Market | No | 0 | 0.0% | N/A | AVG* |
| 3 | 2 | Garden (2 stories) | 0 | 1,090 | \$777 | \$0 | Market | No | 0 | N/A | N/A | HIGH |
| 3 | 2 | Garden (2 stories) | 0 | 1,090 | \$685 | \$0 | Market | No | 0 | N/A | N/A | LOW |

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|---------------|-------|---------------|-------|---------------|
| 1BR / 1BA | \$602 - \$645 | \$0 | \$602 - \$645 | \$21 | \$623 - \$666 |
| 2BR / 2BA | \$684 - \$785 | \$0 | \$684 - \$785 | \$21 | \$705 - \$806 |
| 3BR / 2BA | \$685 - \$777 | \$0 | \$685 - \$777 | \$21 | \$706 - \$798 |

Griffin Crossing Apartments, continued

Amenities

In-Unit

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

Carpeting
Coat Closet
Ceiling Fan
Oven
Walk-In Closet

Security

In-Unit Alarm
Intercom (Phone)
Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Exercise Facility
On-Site Management
Playground

Clubhouse/Meeting
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

The property does not accept Housing Choice Vouchers. Contact claimed that the rent for two and three bedrooms is similar because historically there has been far less demand for three-bedroom units.

PROPERTY PROFILE REPORT

Walden Pointe Apartments Homes

| | |
|-------------------------------|---|
| Effective Rent Date | 5/06/2015 |
| Location | 701 Carver Road Griffin, GA 30223 Spalding County |
| Distance | 1.7 miles |
| Units | 216 |
| Vacant Units | 4 |
| Vacancy Rate | 1.9% |
| Type | Garden (3 stories) |
| Year Built/Renovated | 1998 / N/A |
| Marketing Began | N/A |
| Leasing Began | N/A |
| Last Unit Leased | N/A |
| Major Competitors | Ashford Place, Griffin Crossing |
| Tenant Characteristics | Approximately 50 percent local, 50 percent moving for work. Mix of families, professionals and seniors. |
| Contact Name | Jenny |
| Phone | 770-228-3366 |



Market Information

| | |
|-----------------------------|---------------|
| Program | Market |
| Annual Turnover Rate | 25% |
| Units/Month Absorbed | n/a |
| HCV Tenants | 0% |
| Leasing Pace | A few weeks |
| Annual Chg. in Rent | Increased 12% |
| Concession | None |

Utilities

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

Unit Mix (face rent)

| Beds | Baths | Type | Units | Size (SF) | Rent | Concession (monthly) | Restriction | Waiting List | Vacant | Vacancy Rate | Max Rent? | Range |
|------|-------|--------------------|-------|-----------|-------|----------------------|-------------|--------------|--------|--------------|-----------|-------|
| 1 | 1 | Garden (3 stories) | 72 | 998 | \$635 | \$0 | Market | No | 0 | 0.0% | N/A | AVG* |
| 1 | 1 | Garden (3 stories) | 0 | 998 | \$655 | \$0 | Market | No | 0 | N/A | N/A | HIGH |
| 1 | 1 | Garden (3 stories) | 0 | 998 | \$605 | \$0 | Market | No | 0 | N/A | N/A | LOW |
| 2 | 2 | Garden (3 stories) | 112 | 1,280 | \$725 | \$0 | Market | No | 4 | 3.6% | N/A | AVG* |
| 2 | 2 | Garden (3 stories) | 0 | 1,280 | \$750 | \$0 | Market | No | 0 | N/A | N/A | HIGH |
| 2 | 2 | Garden (3 stories) | 0 | 1,280 | \$700 | \$0 | Market | No | 0 | N/A | N/A | LOW |
| 3 | 2 | Garden (3 stories) | 32 | 1,480 | \$835 | \$0 | Market | No | 0 | 0.0% | N/A | AVG* |
| 3 | 2 | Garden (3 stories) | 0 | 1,480 | \$850 | \$0 | Market | No | 0 | N/A | N/A | HIGH |
| 3 | 2 | Garden (3 stories) | 0 | 1,480 | \$820 | \$0 | Market | No | 0 | N/A | N/A | LOW |

Walden Pointe Apartments Homes, continued

Unit Mix

| Market | Face Rent | Conc. | Concd. Rent | Util. | Adj. Rent |
|-----------|---------------|-------|---------------|-------|---------------|
| 1BR / 1BA | \$605 - \$655 | \$0 | \$605 - \$655 | \$0 | \$605 - \$655 |
| 2BR / 2BA | \$700 - \$750 | \$0 | \$700 - \$750 | \$0 | \$700 - \$750 |
| 3BR / 2BA | \$820 - \$850 | \$0 | \$820 - \$850 | \$0 | \$820 - \$850 |

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Garbage Disposal
Oven
Washer/Dryer hookup

Blinds
Central A/C
Ceiling Fan
Microwave
Refrigerator

Security

In-Unit Alarm
Patrol

Services

None

Property

Car Wash
Courtyard
Garage
Off-Street Parking
Picnic Area
Swimming Pool

Clubhouse/Meeting
Exercise Facility
Central Laundry
On-Site Management
Playground
Tennis Court

Premium

None

Other

None

Comments

The property does not accept Housing Choice Vouchers. The contact indicated that turnover at the property has been quite low in the last year compared to past year. The contact noted that while many tenants are local, a significant portion originate from other parts of Georgia and out of state, moving to work at the university or at Caterpillar. The difference in rents is based on view; a unit on the third story with a "community view" will have the lowest rental rate, while a unit on the first story with a "wooded view" will have the highest rental rate.

2. The following information is provided as required by DCA:

Housing Choice Vouchers

TENANTS WITH VOUCHERS

| Comparable Property | Type | Housing Choice Voucher Tenants |
|-------------------------------|--------|--------------------------------|
| Glenco Trace Apartments | LIHTC | 5% |
| Shoal Creek Manor | LIHTC | 4% |
| St. Phillip Villas | LIHTC | 20% |
| Villas On Forsyth | LIHTC | 5% |
| 330 East College Apartments | Market | 0% |
| Ashford Place | Market | 0% |
| Garden Gate Apartments | Market | 5% |
| Griffin Crossing Apartments | Market | 0% |
| Walden Pointe Apartment Homes | Market | 0% |
| Average | | 4% |

As illustrated in the table above, all four comparable LIHTC properties reported voucher usage, with an average of nine percent. The average voucher usage at all comparable properties in the PMA was four percent. Most market rate properties do not have any voucher tenants. The local market does not appear to be dependent on voucher tenants, and we anticipate that the Subject will maintain a voucher tenancy of approximately ten percent or less.

Lease Up History

Meriwether Redevelopment Phase I is under construction and will be adjacent to the Subject to the south and east. Phase I is a LIHTC family property with two and three-bedroom townhouse units. Lease-up data is not yet available for this property, which will not compete with the Subject for renters, given the fact this property will require residents to use stairs regularly in the townhouse units.

We were able to obtain absorption information from one LIHTC property located outside the PMA in Barnesville, which is Villas on Forsyth, a 42-unit, age-restricted LIHTC and market rate property. Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Villas on Forsyth reported an absorption rate of eight units per month, equaling a five month lease-up period.

With the healthy LIHTC vacancy rate among properties with a significant share of seniors, waiting lists at most properties, and the Subject’s new construction, elevator-serviced design, we believe that the Subject’s units could reasonably expect to lease 13 to 15 units per month. At this rate, the Subject would reach a stabilized occupancy of 93 percent within five to six months.

Phased Developments

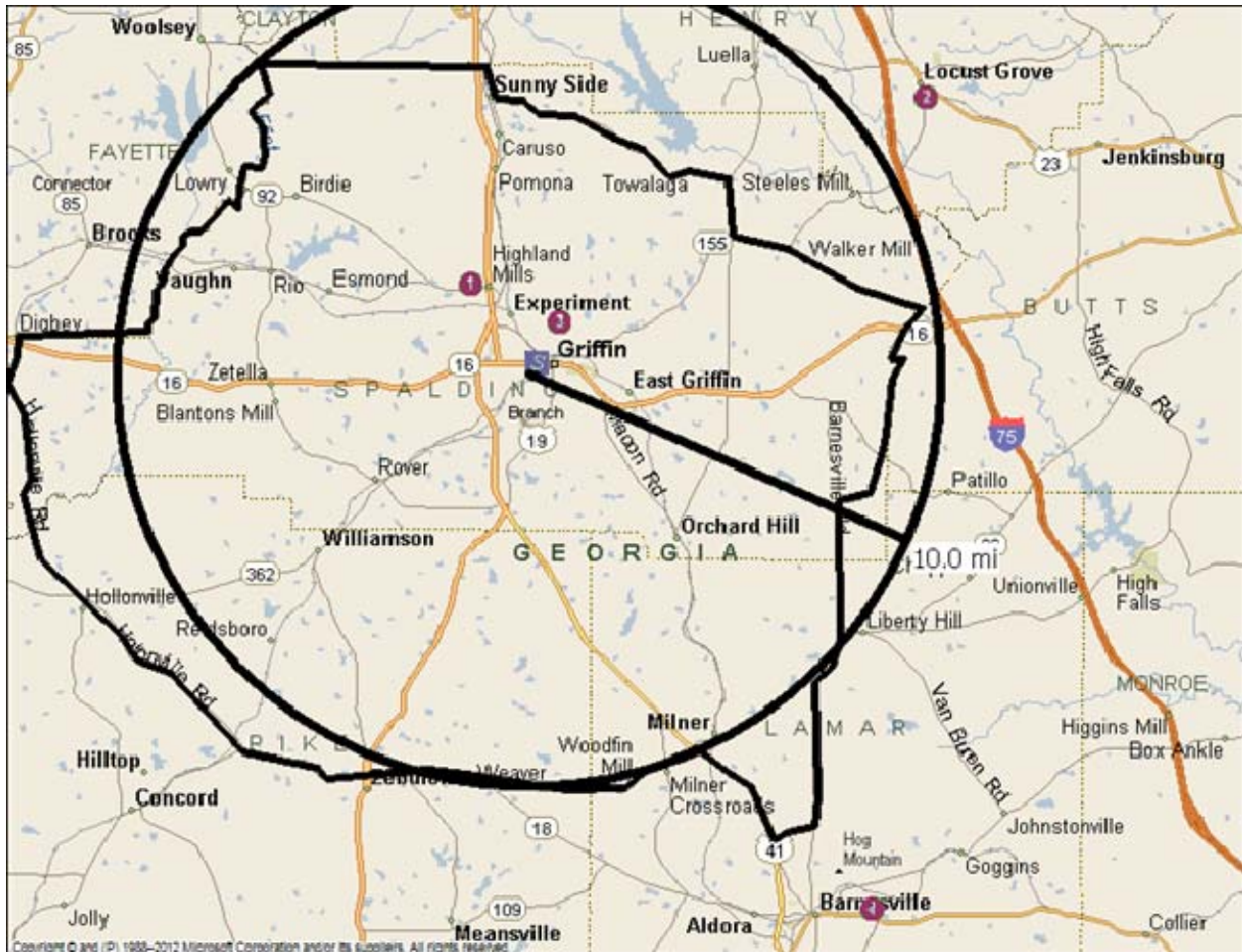
The Subject is a senior development that will be adjacent to a new family development, Meriwether Redevelopment Phase I, which will offer two and three-bedroom townhouses. The style of these units will not be conducive to senior living with the use of stairs required, and as such there will be no competitive overlap between these two properties.

Rural Areas

The Subject is not located in a rural area.

3. Competitive Project Map

The following map and table indicate all competitive LIHTC and bond properties in the Subject’s PMA that are existing, proposed, or under construction. Note that all the LIHTC properties are age-restricted with the exception of St. Phillip Villas, which offers one and two-bedroom units in two-story walk-up buildings. According to management, at least 25 percent of the residents at this property are seniors, in part due to the inadequate supply of senior LIHTC housing in Griffin. Given the significant share of seniors at this community, and the fact that it is the closest comparable to the Subject in terms of distance, we have evaluated this community as a comparable in this report.



| Map # | Name | Units | Occupancy | Type | Tenancy | Miles from Subject |
|-------|-------------------------|-------|-----------|--------------|---------|--------------------|
| 1 | Glenco Trace Apartments | 72 | 100.0% | LIHTC | Senior | 2.4 |
| 2 | Shoal Creek Manor | 66 | 100.0% | LIHTC | Senior | 11.5 |
| 3 | St. Phillip Villas | 60 | 100.0% | LIHTC/Market | Family | 1.6 |
| 4 | Villas on Forsyth | 42 | 100.0% | LIHTC | Senior | 14.2 |

4. Amenities

A detailed description of amenities included in both the Subject and the comparable properties can be found in the amenity matrix below. The matrix has been color coded. Those properties that offer an amenity that the Subject does not offer are shaded in red, while those properties that do not offer an amenity that the Subject does offer are shaded in blue. Thus, the inferior properties can be identified by the blue and the superior properties can be identified by the red.

Meriwether Redevelopment Phase II, Griffin, GA; Market Study

UNIT MATRIX REPORT

| | Meriwether Redevelopment Phase II | Glenco Trace Apartments | Shoal Creek Manor | St. Phillip Villas | Villas On Forsyth | 330 East College Apartments | Ashford Place | Garden Gate Apartments | Griffin Crossing Apartments | Walden Pointe Apartment Homes |
|---------------------------------------|---|--------------------------------|--------------------------------------|-----------------------|--|-----------------------------------|--------------------|------------------------------|-----------------------------------|--|
| Comp # | Subject | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| Property Information | | | | | | | | | | |
| Property Type | Lowrise (age-restricted) (3 stories) | One-story (age-restricted) | Midrise (age-restricted) (4 stories) | Garden (2 stories) | One-story (age-restricted) | Garden (2 stories) | Garden (2 stories) | One-story | Garden (2 stories) | Garden (3 stories) |
| Year Built / Renovated | 2017 / n/a | 2000 / n/a | 2011 / n/a | 2002 / n/a | 2009 / n/a | 1971 / n/a | 1989 / 2005 | 1987 / n/a | 1986 / 2006 | 1998 / n/a |
| Market (Conv.)/Subsidy Type | @50% (ACC), @60%, @60% (ACC) | @50% & @60% | @50%, @60% | Market | @50%, @50% (HOME), @60%, Market | Market | Market | Market | Market | Market |
| Utility Adjustments | | | | | | | | | | |
| 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 | yes | no | yes | no | yes | yes | no | no | no |
| Sewer | no | yes | no | yes | no | yes | yes | no | no | no |
| Trash Collection | yes | yes | yes | yes | yes | yes | yes | yes | no | yes |
| In-Unit Amenities | | | | | | | | | | |
| Balcony/Patio | no | yes | yes | yes | yes | yes | yes | yes | no | yes |
| Blinds | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Carpeting | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Central A/C | yes | yes | yes | yes | yes | yes | yes | no | yes | yes |
| Coat Closet | yes | yes | no | yes | no | no | yes | yes | yes | no |
| Dishwasher | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Exterior Storage | no | yes | no | yes | yes | no | no | no | no | no |
| Ceiling Fan | yes | yes | yes | no | no | no | no | yes | yes | yes |
| Fireplace | no | no | no | no | no | no | yes | no | no | no |
| Furnishing | no | no | no | no | no | no | yes | no | no | no |
| Garbage Disposal | no | yes | yes | yes | yes | no | yes | yes | yes | yes |
| Hand Rails | yes | yes | no | no | yes | no | no | no | no | no |
| Microwave | yes | no | yes | no | yes | no | no | no | no | yes |
| Oven | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Pull Cords | no | yes | no | no | yes | no | no | no | no | no |
| Refrigerator | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| Walk-In Closet | no | no | no | yes | yes | no | no | no | yes | no |
| Wall A/C | no | no | no | no | no | no | no | yes | no | no |
| Washer/Dryer | no | no | no | no | yes | no | no | no | no | no |
| Washer/Dryer hookup | no | yes | yes | yes | no | yes | yes | yes | yes | yes |
| Property Amenities | | | | | | | | | | |
| Basketball Court | no | no | no | yes | no | no | no | no | no | no |
| Business Center/Computer Lab | yes | no | yes | yes | no | no | no | no | yes | no |
| Car Wash | no | no | no | no | no | no | no | no | no | yes |
| Clubhouse/Meeting Room/Community Room | yes | yes | yes | yes | yes | no | yes | no | yes | yes |
| Courtyard | no | no | no | no | no | no | no | no | no | yes |
| Elevators | yes | no | yes | no | no | yes | no | no | no | no |
| Exercise Facility | yes | no | yes | yes | yes | no | yes | no | yes | yes |
| Garage | no | no | no | no | no | yes | no | no | no | yes |
| Laundry Facilities | yes | yes | yes | yes | no | yes | yes | yes | no | yes |
| Off-Street Parking | yes | yes | yes | yes | yes | yes | yes | yes | yes | yes |
| On-Site Management | yes | yes | yes | yes | yes | no | yes | yes | yes | yes |
| Picnic Area | yes | yes | no | yes | no | no | no | no | yes | yes |
| Playground | no | no | no | yes | no | no | yes | no | yes | yes |
| Recreation Areas | no | no | no | no | yes | no | no | no | no | no |
| Sport Court | no | no | no | no | no | no | yes | no | no | no |
| Swimming Pool | no | no | no | no | no | no | yes | no | yes | yes |
| Tennis Court | no | no | no | no | no | no | yes | no | no | yes |
| Garage Fee | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$50.00 |
| Security | | | | | | | | | | |
| In-Unit Alarm | no | no | no | no | no | no | no | no | yes | yes |
| Intercom (Phone) | yes | no | no | no | no | no | no | no | yes | no |
| Limited Access | yes | no | yes | no | no | no | no | no | no | no |
| Patrol | no | no | no | no | no | no | no | yes | no | yes |
| Perimeter Fencing | no | no | no | yes | no | no | no | yes | yes | no |
| Other Amenities | | | | | | | | | | |
| Other | Covered Porch, Deck, Lounges, Gazebo | Library, Gazebo, Shuffle Board | Library, garden | n/a | Library, garden, shuffleboard, horsehoes, path | n/a | n/a | n/a | n/a | n/a |

The Subject’s unit amenities will be generally inferior to the LIHTC and market rate comparables. Some disadvantages for the Subject include the lack of a balcony or patio, garbage disposals, and washer/dryer hookups, which are common at most of the selected comparable properties. In addition, the Subject will lack emergency pull cords or call buttons, which are offered at Glenco Trace Apartments in Griffin and Villas on Forsyth in Barnesville. Walk-in closets are offered at three comparables, including two LIHTC comparables. The Subject will include handrails appropriately positioned within the units, which will provide a small marketing advantage over most of the comparables without this feature. Only Glenco Trace Apartments and Villas on Forsyth include hand rails in the units. Note that we have considered the Subject’s unit amenities in our estimation of achievable rents.

In terms of property amenities, most of the comparables are inferior to the Subject, with the exception of Ashford Place, Griffin Crossing Apartments and Walden Pointe Apartment Homes, which have superior property amenities that include recreational features such as swimming pools and tennis courts. The property amenities at the Subject are similar to slightly superior to the LIHTC comparable properties, which will help offset some of the unit amenity disadvantages for the Subject. Overall, as a senior development with interior corridors and secure entry, we believe that the proposed amenities will allow the Subject to effectively compete in the market.

5. The Subject will target senior households aged 55 and older.

We have included all senior apartment properties in the PMA. In addition to the age restricted LIHTC properties in the PMA, it was noted that the market rate comparables and the property St. Phillip Villas have some senior renters. The properties provided estimates as to their degree of senior tenancy.

SHARE OF SENIOR TENANTS

| Property Name | Type | Tenant Characteristics |
|-------------------------------|--------|------------------------|
| St. Phillip Villas | LIHTC | 25 percent seniors |
| 330 East College Apartments | Market | Majority are seniors |
| Ashford Place | Market | Small share of seniors |
| Garden Gate Apartments | Market | Very few seniors |
| Griffin Crossing Apartments | Market | Small share of seniors |
| Walden Pointe Apartment Homes | Market | Small share of seniors |

The St. Phillip Villas property has a 25 percent share of residents age 60 and older according to management. As such, given the share of seniors at this property, it was included as a LIHTC comparable, despite having general occupancy targeting. The most comparable market rate property, 330 East College Apartments, is comprised of a majority of seniors, while the other four market rate properties have more limited shares of seniors.

6. Vacancy

The following table illustrates the vacancy rates in the market.

| OVERALL VACANCY | | | | |
|-------------------------------|---------------------------------|--------------------|---------------------|---------------------|
| Property Name | Rent Structure | Total Units | Vacant Units | Vacancy Rate |
| Glenco Trace Apartments* | @50% & @60% | 72 | 0 | 0.0% |
| Shoal Creek Manor* | @50%, @60% | 66 | 0 | 0.0% |
| St. Phillip Villas | @50%, @60%, Market | 60 | 0 | 0.0% |
| Villas On Forsyth* | @50%, @50% (HOME), @60%, Market | 42 | 0 | 0.0% |
| 330 East College Apartments | Market | 18 | 0 | 0.0% |
| Ashford Place | Market | 112 | 2 | 1.8% |
| Garden Gate Apartments | Market | 72 | 0 | 0.0% |
| Griffin Crossing Apartments | Market | 272 | 2 | 0.7% |
| Walden Pointe Apartment Homes | Market | 216 | 4 | 1.9% |
| LIHTC Total | | 231 | 0 | 0.0% |
| Market Rate Total | | 699 | 8 | 1.1% |
| Total | | 930 | 8 | 0.9% |

*Age-restricted property

As illustrated, vacancy rates in the market range from zero to 1.9 percent, averaging just 0.9 percent. None of the LIHTC comparables are operating with vacancies, indicating strong demand for affordable housing in this market.

The age-restricted LIHTC comparable properties, including Glenco Trace Apartments, Shoal Creek Manor, and Villas on Forsyth, are all maintaining waiting lists. The senior LIHTC properties have historically maintained low vacancy rates, which bodes well for the proposed Subject.

The market rate properties in the PMA also have very low vacancy rates of zero to 1.9 percent, and an average vacancy rate of just 1.1 percent. This indicates a high demand for not only senior rental housing the market, but general occupancy market rate rental housing as well.

As an age-restricted property, we anticipate that the Subject will perform similarly to the age-restricted comparables and will maintain a low vacancy rate of five percent or less. If allocated, we do not believe that the Subject will impact the performance of the general occupancy market rate comparables as they have low to moderate senior tenancies, and many seniors at these market rate properties would not likely income-qualify for the LIHTC units at the Subject. We anticipate that based on capture rates and waiting lists at existing properties, the opening of the Subject will not significantly impact these existing properties.

7. Properties Under Construction and Proposed

We spoke with Anne Cleveland, Planning Administrator with the City of Griffin Planning & Zoning Department. According to Ms. Cleveland, there are no proposed, recently completed, or under construction multifamily developments in the area other than Meriwether Redevelopment Phase I, which includes 84 family units that are a mix of 42 RAD program units and 42 LIHTC units. This phase will consist of two and three-bedroom townhome style apartments and will be adjacent to the Subject to the south and east. These townhouse units at Meriwether Redevelopment Phase I, which are currently under construction, will not compete with the Subject for senior renters, given their townhouse style design that requires the frequent use of stairs within the unit. Ms. Cleveland noted that the only building permits Griffin has approved in recent months have been for single family homes.

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 | Type | Property Amenities | Unit Features | Location | Age / Condition | Unit Size | Overall Comparison |
|---|--------------------------------|-------------------|--------------------|-------------------|----------|-------------------|-----------|--------------------|
| 1 | Glenco Trace Apartments | LIHTC | Inferior | Superior | Similar | Inferior | Superior | 0 |
| 2 | Shoal Creek Manor | LIHTC | Similar | Superior | Inferior | Similar | Superior | 10 |
| 3 | St. Phillip Villas | LIHTC/Market | Similar | Superior | Similar | Slightly Inferior | Superior | 15 |
| 4 | Villas On Forsyth | LIHTC/HOME/Market | Similar | Superior | Inferior | Similar | Superior | 10 |
| 5 | 330 East College Apartments | Market | Inferior | Slightly Superior | Similar | Inferior | Superior | -5 |
| 6 | Ashford Place | Market | Superior | Superior | Similar | Inferior | Superior | 20 |
| 7 | Garden Gate Apartments | Market | Inferior | Superior | Similar | Inferior | Inferior | -20 |
| 8 | Griffin Crossing Apartments | Market | Similar | Superior | Similar | Inferior | Superior | 10 |
| 9 | Walden Pointe Apartments Homes | Market | Superior | Superior | Similar | Inferior | 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 50 and 60 percent AMI rents in the following table.

LIHTC Rent Comparison - @50%

| Property Name | 1BR | 2BR |
|--|----------------|----------------|
| Meriwether Redevelopment Phase II (Subject) | \$460** | \$460** |
| MSA HOLD Harmless Maximum (Net) - 2010 | \$512 | \$603 |
| MSA Maximum (Net) - 2015 | \$443 | \$520 |
| Glenco Trace Apartments* | \$334 | \$367 |
| Shoal Creek Manor* | - | \$538 |
| St. Phillip Villas | \$469 | \$542 |
| Villas On Forsyth* | \$385 | \$446 |
| Average (excluding Subject) | \$396 | \$473 |
| Achievable NOVOCO Rent | \$443 | \$500 |

*Age-restricted property

**ACC Subsidy rents (Residents will pay 30 percent of their income toward rent.

LIHTC Rent Comparison - @60%

| Property Name | 1BR | 2BR |
|--|------------------------|------------------------|
| Meriwether Redevelopment Phase II (Subject) | \$450 - \$460** | \$460** - \$550 |
| MSA HOLD Harmless Maximum (Net) - 2010 | \$647 | \$765 |
| MSA Maximum (Net) - 2015 | \$564 | \$665 |
| Glenco Trace Apartments* | \$334 | \$367 |
| Shoal Creek Manor* | - | \$634 |
| St. Phillip Villas | \$469 | \$577 |
| Villas On Forsyth* | - | \$515 |
| Average (excluding Subject) | \$402 | \$523 |
| Achievable NOVOCO Rent | \$450 | \$550 |

*Age-restricted property

**ACC Subsidy rents (Residents will pay 30 percent of their income toward rent.

The Subject's proposed 50 percent AMI rents of \$460 will operate with an ACC subsidy through the local Griffin Housing Authority, and the subsidy contract rents will be \$460 for both one and two-bedroom units. The average tenant-paid rent is anticipated to be \$122, as with the ACC rental assistance tenants will pay 30 percent of their incomes toward rent. With this in place, the contract rents are considered achievable. However, if the ACC subsidy were not in place, with the high demand in the market for affordable housing, it is our opinion the one-bedroom units could achieve the maximum allowable 50 percent AMI rent, while the two-bedroom units could achieve a LIHTC rent of \$500.

The Subject's proposed 60 percent AMI one-bedroom rent of \$450 is above the rent at Glenco Trace Apartments, but is below the rent for the family property with several senior residents, St. Phillip Villas. According to management at Glenco Trace Apartments, this property has kept rents at a low level to limit the amount of turnover, as management noted the current residents have been sensitive about rent increases when they have occurred in the past. Note that Shoal Creek Manor and The Villas on Forsyth do not have one-bedroom units at 60 percent AMI. As such, there could be additional latent demand in the area for one-bedroom units that allow for residents with incomes as high as the 60 percent AMI maximum. We have concluded to an achievable 60 percent AMI one-bedroom LIHTC rent of \$450.

The Subject's proposed two-bedroom rent is above the rents at Villas on Forsyth and Glenco Trace Apartments, but is below the rents at Shoal Creek Manor and St. Phillip Villas. Shoal Creek Manor is the most similar property to the Subject in terms of age, condition, and building type, as this is a four-story, elevator-serviced building. Shoal Creek Manor is in an inferior location to the Subject. As such, while Glenco Trace Apartments is achieving relatively low 60 percent AMI two-bedroom rents, it is our opinion significantly higher two-bedroom senior LIHTC rents are achievable in the PMA. With Shoal Creek Manor offering superior unit features and significantly larger units, we have tempered our rents downward from this property's rent in estimating achievable rent for the Subject's two-bedroom 60 percent AMI units. It is our opinion that given the unit similarities and differences between the Subject and the comparables, as well as the Subject's competitive position against the LIHTC comparables, we have estimated the achievable LIHTC two-bedroom rent to be \$550 at 60 percent AMI.

The Subject's proposed 60 percent AMI units with an ACC subsidy will have subsidy contract rents of \$460 for both one and two-bedroom units. The average tenant-paid rent is anticipated to be \$122, as with the ACC rental assistance tenants will pay 30 percent of their incomes toward rent. With this in place, the contract rents are considered achievable. However, if the ACC subsidy were not in place, with the high demand in the market for affordable housing, it is our opinion the units could achieve the same rents as the 60 percent AMI units without ACC subsidy assistance.

Overall, the Subject's proposed rents appear reasonable when compared to the rents at the comparables and particularly when taking into account the strong demand for senior LIHTC units we identified, where there are no vacancies in these units, and all the senior properties maintain waiting lists.

Analysis of “Market Rents”

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

When comparing the Subject’s rents to the average market rent, we have not included rents at lower AMI levels given that this artificially lowers the average market rent as those rents are constricted. 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 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison.

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

Subject Comparison to "Market Rents"

| Unit Type | Subject | Surveyed Min | Surveyed Max | Surveyed Average | Subject Rent Advantage |
|----------------|---------|--------------|--------------|------------------|------------------------|
| 1 BR @ 50% ACC | \$460 | \$334 | \$644 | \$550 | 16% |
| 2 BR @ 50% ACC | \$460 | \$367 | \$756 | \$620 | 26% |
| 1 BR @ 60% ACC | \$460 | \$334 | \$644 | \$550 | 16% |
| 2 BR @ 60% ACC | \$460 | \$367 | \$756 | \$620 | 26% |
| 1 BR @ 60% | \$450 | \$334 | \$644 | \$550 | 18% |
| 2 BR @ 60% | \$550 | \$367 | \$756 | \$620 | 11% |

Note: ACC units will operate with a subsidy and residents will pay 30 percent of their income toward rent.

As illustrated the Subject’s proposed 50 percent LIHTC/ACC rents, 60 percent LIHTC/ACC rents, and 60 percent AMI tax credit rents are below the surveyed averages of the comparables. The proposed rents represent rent advantages of 11 to 26 percent versus average “market rents”, suggesting the rents as proposed should be achievable in the Griffin market, where demand for affordable housing is significant.

The Subject will be most similar to 330 East College Apartments in terms of location, as this property is within less than 1.0 mile of the Subject. In addition, it is the only market rate comparable with a significant number of senior tenants. This property has inferior property amenities and has the most similar unit amenities to the Subject among the market rate comparables. While this older property is inferior in age, the units are larger than the units at the Subject. The rents at 330 East College Apartments are \$629 for a one-bedroom unit and \$712 for a two-bedroom unit. Given these rents, the proposed 60 percent AMI rents of \$450 for one-bedroom units and \$550 for two-bedroom units appear achievable.

Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer significant advantages compared to the average rents being achieved at comparable properties.

9. LIHTC Competition – DCA Funded Properties within the PMA

There is one LIHTC project planned or under construction within the PMA. Meriwether Redevelopment Phase I, which was allocated tax credits in 2013, is under construction and will open later this year. Meriwether Redevelopment Phase I includes 84 family units that are a mix of 42 RAD program units with rental assistance and 42 LIHTC units at 60 percent AMI. This property will consist of two and three-bedroom townhouse style apartments and will be adjacent to the Subject to the south and east. These townhouse units at Meriwether Redevelopment Phase I will not compete with the Subject for senior renters, given their townhouse style design that requires the frequent use of stairs within the unit. The anticipated LIHTC rents for the units at 60 percent AMI are \$544 for two-bedroom units and \$610 for three-bedroom units.

10. Rental Trends in the PMA

The following table is a summary of the tenure patterns of the housing stock in the PMA.

TENURE PATTERNS - ELDERLY POPULATION (AGE 55+)

| | PMA | | | |
|----------------------------------|----------------------|-------------------|-----------------------|-------------------|
| | Owner-Occupied Units | | Renter-Occupied Units | |
| <i>Year</i> | <i>Number</i> | <i>Percentage</i> | <i>Number</i> | <i>Percentage</i> |
| 2000 | - | - | - | - |
| 2010 | 8,115 | 76.8% | 2,455 | 23.2% |
| 2015 | 8,789 | 75.8% | 2,813 | 24.2% |
| Projected Mkt Entry June 2017 | 9,179 | 75.6% | 2,960 | 24.4% |
| 2019 | 9,603 | 75.5% | 3,119 | 24.5% |

Source: ESRI Demographics 2015, Novogradac & Company LLP, May 2015

Owner-occupied senior housing units account for more than three-quarters of the market, while renter occupied senior housing units account for the remaining 24.2 percent. Nationally, approximately 87 percent of senior households are homeowners and 13 percent of senior households are renters. The PMA has a higher percentage of senior renter households than the nation as a whole, which is a positive indicator for the Subject’s units. Note that senior renter households are expected to grow by 147, or 5.2 percent.

Historical Vacancy

The following table illustrates the historical vacancy at the comparable properties when available.

| HISTORICAL VACANCY | | | | | | | |
|-------------------------------|-----------|-------------|--------------|--------------|--------------|--------------|--------------|
| Comparable Property | Type | Total Units | 2QTR 2010 | 1QTR 2012 | 1QTR 2013 | 2QTR 2014 | 2QTR 2015 |
| Glenco Trace Apartments | One-story | 72 | N/A | N/A | N/A | N/A | 0.00% |
| Shoal Creek Manor | Midrise | 66 | N/A | N/A | N/A | N/A | 0.00% |
| St. Phillip Villas | Garden | 60 | N/A | 1.70% | 5.00% | 5.00% | 0.00% |
| Villas On Forsyth | One-story | 42 | 0.00% | N/A | N/A | N/A | 0.00% |
| 330 East College Apartments | Garden | 18 | N/A | N/A | N/A | N/A | 0.00% |
| Ashford Place | Garden | 112 | 2.70% | 5.40% | 9.80% | 6.20% | 1.80% |
| Garden Gate Apartments | One-story | 72 | N/A | 1.40% | N/A | N/A | 0.00% |
| Griffin Crossing Apartments | Garden | 272 | 5.90% | 7.40% | 16.20% | 4.00% | 0.70% |
| Walden Pointe Apartment Homes | Garden | 216 | N/A | 6.00% | 8.80% | 0.50% | 1.90% |
| | | 930 | 2.90% | 4.40% | 9.90% | 3.90% | 0.90% |

As illustrated in the previous table, the average vacancy rate in the local market has improved since second quarter 2010. The high vacancy rates at Griffin Crossing Apartments in 2013 skewed the average vacancy rate that year. Generally speaking, the vacancy rates have been low at most points when we have surveyed the market. The current vacancy rate is the lowest overall vacancy rate over this historical period.

Change in Rental Rates

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

| RENT GROWTH | | |
|-------------------------------|-------------------|------------------------------|
| Comparable Property | Rent Structure | Rent Growth |
| Glenco Trace Apartments | LIHTC | None |
| Shoal Creek Manor | LIHTC | None |
| St. Phillip Villas | LIHTC/Market | Two-bedrooms: Increased 1.5% |
| Villas On Forsyth | LIHTC/HOME/Market | None |
| 330 East College Apartments | Market | None |
| Ashford Place | Market | Increased 5% |
| Garden Gate Apartments | Market | Increased 3% |
| Griffin Crossing Apartments | Market | None |
| Walden Pointe Apartment Homes | Market | Increased 1.2 to 4.3% |

Four of the comparable properties in the PMA reported rent increases. In general, the market rate properties increased rents by 1.2 to five percent, while the LIHTC property St. Phillip Villas increased rents 1.5 percent on two-bedroom units. The other LIHTC units surveyed did not experience rent increases between 2014 and 2015. The manager at Glenco Trace and Villas on Forsyth, Misty Sullivan, stated that they have not increased rents in the past year at these senior properties because there was more turnover than normal in the past when rents were increased by less than five percent. Given this trend among senior properties we surveyed, we anticipate that the Subject will be able to achieve occasional rent increases once it has stabilized at 93 percent occupancy or higher, per DCA guidelines. However, the frequency and amount of achievable rent increases will likely vary depending on the market conditions and occupancy at the Subject.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to RealtyTrac, Griffin experienced a foreclosure rate of one in every 698 housing units in April 2015. Nationally, one in every 1,295 homes was in foreclosure and one in every 1,414 homes in Georgia was in foreclosure. The number of homes listed for sale on RealtyTrac is 368 in Spalding County. Note that as a senior LIHTC rental property, we would expect no tenants at the Subject will be considering purchasing a home. Per our site visit, there were a few vacant structures, both single family and commercial, within the Subject's neighborhood. It should be noted that the Subject's neighborhood is part of the area that has been marked for development by the City of Griffin. It is likely that some of these structures that are vacant in the area will be demolished as a part of the City's redevelopment efforts.

12. Primary Housing Void

The only senior LIHTC property within the PMA is fully-occupied and maintains a waiting list. The senior comparables we evaluated from just outside the PMA are also performing well, with no vacancies and waiting lists. The family LIHTC property with a 25 percent share of senior residents is also 100 percent occupied. These trends, combined with a growing base of senior renter households, suggest an existing and growing void in the market for low-income senior rental housing. We believe that the Subject's units will help to fill this void.

13. Effect of Subject on Other Affordable Units in Market

The senior LIHTC comparables have no vacancies and maintain waiting lists. Property managers indicated that there is a strong need for additional senior units in the Griffin area and other nearby communities. The Subject will operate with 43 LIHTC units with an ACC subsidy and 42 units that will not be subsidized and will target renters with incomes of up to 60 percent of AMI. We anticipate that with the relatively wide band of income eligibility the Subject will offer, it should be able to achieve stabilized occupancy of 93 percent or higher, per DCA guidelines, without impacting occupancy rates at the existing comparable LIHTC properties. Note that while some seniors at the family property St. Phillip Villas might consider moving to the Subject to be in an age-restricted community, we believe there is sufficient support in the PMA from area low-income family renters to fill any units that may be vacated by seniors. Management at most of the market rate comparables indicated that their properties are not typically impacted by traffic from a significant number of low-income seniors. Additionally, they did not believe that the addition of the Subject to the PMA rental market would impact their performance.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject as proposed. The three existing senior LIHTC comparables we surveyed for this comparable analysis are performing well, with no vacancies and waiting lists at each property. The family LIHTC property used as a comparable is also performing well with no vacancies. This property has a 25 percent share of seniors. In terms of rents, the Subject's proposed 50 percent AMI units and several 60 percent AMI units will operate with an ACC subsidy through the local Griffin Housing Authority, and the subsidy contract rents will be \$460 for both one and two-bedroom units. The average tenant-paid rent is anticipated to be \$122, as with the ACC rental assistance tenants will pay 30 percent of their incomes toward rent. Hypothetically, with the subsidy tenants may be able to pay as little as \$0 for these units. With this subsidy in place, the contract rents are considered achievable for units with the ACC subsidy. The Subject's proposed 60 percent AMI LIHTC one-bedroom rent of \$450 and two-bedroom rent of \$550 are considered achievable based on our comparison to the most similar age-restricted properties, including Shoal Creek Manor, a midrise property located in Locust Grove, northeast of Griffin. The proposed rents represent rent advantages of 11 to 26 percent versus average "market rents", suggesting the rents as proposed should be achievable in the Griffin market, where demand for affordable housing is significant. Overall, it is our opinion the Subject is generally well positioned to achieve a stabilized occupancy rate of 93 percent or higher without significantly impacting other existing affordable properties.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

We were able to obtain absorption information from one LIHTC property located outside the PMA in Barnesville, which is Villas on Forsyth, a 42-unit, age-restricted LIHTC and market rate property. Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Villas on Forsyth reported an absorption rate of eight units per month, equaling a five month lease-up period.

Meriwether Redevelopment Phase I is under construction and will be adjacent to the Subject to the south and east. Meriwether Redevelopment Phase I is a LIHTC family property with two and three-bedroom townhouse units. Lease-up data is not yet available for this property, which will not compete with the Subject for renters, given the fact this property will require residents to use stairs regularly in the townhouse units.

With the healthy LIHTC vacancy rate among properties with a significant share of seniors, waiting lists at most properties, and the Subject's new construction, elevator-serviced design, we believe that the Subject's units could reasonably expect to lease 13 to 15 units per month. At this rate, the Subject would reach a stabilized occupancy of 93 percent within five to six months.

J. INTERVIEWS

Griffin Housing Authority

According to Anissa Freeman, administrative assistant at the Griffin Housing Authority, there is currently a 50 household waiting list for the 250 public housing units the authority manages. The Housing Authority does not keep a waiting list for Section 8 vouchers. Ms. Freeman noted that there are currently 96 voucher holders in Spalding County. The following table illustrates the current gross fair market rents.

| 2014 Fair Market Rents | |
|------------------------|-------|
| 1BR | \$756 |
| 2BR | \$896 |

The Subject’s proposed gross LIHTC rents are all below the 2014 Fair Market Rents, and as such, households with a voucher will be eligible to live at the Subject with no additional out of pocket costs except 30 percent of their income towards rent. Note that half of the Subject’s units will operate with an ACC subsidy, and as such only the 42 LIHTC units without ACC subsidy assistance will likely receive any support from households with a voucher.

City of Griffin Planning and Zoning Department

We spoke with Anne Cleveland, Planning Administrator with the City of Griffin Planning & Zoning Department. According to Ms. Cleveland, there are no proposed, recently completed, or under construction multifamily developments in the area other than Meriwether Redevelopment Phase I, which includes 84 family units that are a mix of 42 RAD program units and 42 LIHTC units. This phase will consist of two and three-bedroom townhome style apartments and will be adjacent to the Subject to the south and east. These townhouse units at Meriwether Redevelopment Phase I, which are currently under construction, will not compete with the Subject for senior renters, given their townhouse style design that requires the frequent use of stairs within the unit. Ms. Cleveland noted that the only building permits the City has approved in recent months have been for single family homes.

Griffin Senior Center

We were unable to reach a representative with the Spalding County Senior Center; however, the Spalding County Parks & Recreation Department maintains the facility and provides useful information on the internet. The facility is located at 855 Memorial Drive in Griffin, approximately 1.7 miles from the Subject site. This facility provides many activities for seniors including billiards, fitness activities, weekly classes on a variety of topics, a game room, a sewing/art room, and a large meeting/dining hall. Examples of weekly programming include line dancing, bingo, travel clubs, cards, arts and crafts, and others. Annual membership for the senior center is \$25 per senior, and is free for seniors 65 and older.

Additional interviews can be found in the comments section of the property profiles.

K. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

- Overall, between 2010 and 2015, population growth in the PMA was less than that of the nation and the MSA. However, the total senior population in the PMA experienced annual increases of 1.5 percent from 2010 to 2015. This is below the 3.0 percent increase in the MSA over the same time period. Senior population in the PMA is projected to increase at by 3.0 percent annually through market entry for the Subject.

Senior households in the MSA grew by 2.7 percent annually from 2010 to 2015, which is slower than the MSA rate of 5.5 percent and similar to the nation as a whole. Senior households in the PMA are projected to grow at a rate of 2.4 percent annually through market entry in 2017.

Senior households earning under \$40,000 in income in the PMA comprise almost 60 percent of all senior households. The Subject will target a significant share of the households in these income cohorts under \$40,000.

Senior renter households in the PMA with two persons or less comprise approximately 80 percent of senior renter households in 2015. This percentage is projected to remain stable into the foreseeable future. These one and two-person renter households will be those targeted by the Subject.

- Total employment in the MSA has been steadily increasing since 2010. In Spalding County, employment has increased by 325 jobs since January 2013. Similar to what occurred throughout the nation, the unemployment rate increased significantly in 2008 and 2009 and reached a peak rate of 10.5 percent in 2010. The unemployment rate in the MSA and nation has been decreasing since 2011. As of February 2015, the unemployment rate was above the unemployment rate of the US; however, the high rate of growth in total employment indicates a recovery in the MSA in line with the nation.

The largest employers in the PMA are in retail trade, educational services, manufacturing and construction. Lower skilled-employment sector employees in these industries are likely to have incomes in line with the Subject's income restrictions. The City of Griffin has made significant investment in the manufacturing industry, most recently with the Lakes at Green Valley mixed-use development. Overall, the local economy in Griffin appears to be slowly recovering from the effects of the recession, and has not yet recovered to the level of the national economy.

- The Subject's capture rates at the 50 percent AMI level for units with ACC subsidy assistance will range from 0.9 to 3.9 percent, with an overall capture rate of 3.3 percent. The Subject's capture rates at 50 percent AMI without the ACC subsidy assistance are 4.1 to 17.8 percent, with an overall capture rate of 14.8 percent.

The Subject's 60 percent AMI capture rates without the consideration of the 26 ACC units at 60 percent AMI range from 19.3 to 45.8 percent, with an overall capture rate of 40.1 percent. The Subject's 60 percent AMI units with the ACC subsidy have capture rates ranging from 2.4 to 5.1 percent, with an overall capture rate of 4.5 percent for these units.

The overall LIHTC capture rate for all 85 units proposed, without consideration of the ACC subsidy that will be in place for 43 of the 85 total units, is 48.8 percent. The overall capture rate for the project's 50 and 60 percent units with consideration of the ACC subsidy that will be in place is 14.8 percent. Since the property will operate with the ACC rental assistance, and the 48.8 percent overall capture rate without consideration of the ACC subsidy does not truly reflect the depth of support for this type of property in the PMA, we believe there is adequate senior demand for the Subject.

- We were able to obtain absorption information from one LIHTC property located outside the PMA in Barnesville, which is Villas on Forsyth, a 42-unit, age-restricted LIHTC and market rate property. Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. Villas on Forsyth reported an absorption rate of eight units per month, equaling a five month lease-up period. This property opened in 2009.

Meriwether Redevelopment Phase I is under construction and will be adjacent to the Subject to the south and east. Meriwether Redevelopment Phase I is a LIHTC family property with two and three-bedroom townhouse units. Lease-up data is not yet available for this property, which will not compete with the Subject for renters, given the fact this property will require residents to use stairs regularly in the townhouse units.

With the healthy LIHTC vacancy rate among properties with a significant share of seniors, waiting lists at most properties, and the Subject's new construction, elevator-serviced design, we believe that the Subject's units could reasonably expect to lease 13 to 15 units per month. At this rate, the Subject would reach a stabilized occupancy of 93 percent within five to six months.

- Vacancy rates in the market range from zero to 1.9 percent, averaging just 0.9 percent. None of the LIHTC comparables are operating with vacancies, indicating strong demand for affordable housing in this market.

The age-restricted LIHTC comparable properties, including Glenco Trace Apartments, Shoal Creek Manor, and Villas on Forsyth, are all maintaining waiting lists. The senior LIHTC properties have historically maintained low vacancy rates, which bodes well for the proposed Subject.

The market rate properties in the PMA also have very low vacancy rates of zero to 1.9 percent, and an average vacancy rate of just 1.1 percent. This indicates a high demand for not only senior rental housing the market, but general occupancy market rate rental housing as well.

As an age-restricted property, we anticipate that the Subject will perform similarly to the age-restricted comparables and will maintain a low vacancy rate of five percent or less. If allocated, we do not believe that the Subject will impact the performance of the general occupancy market rate comparables as they have low to moderate senior tenancies, and many seniors at these market rate properties would not likely income-qualify for the LIHTC units at the Subject. We anticipate that based on capture rates and waiting lists at existing properties, the opening of the Subject will not significantly impact these existing properties.

- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject as proposed. The three existing senior LIHTC comparables we surveyed for this comparable analysis are performing well, with no vacancies and waiting lists at each property. The family LIHTC property used as a comparable is also performing well with no vacancies. This property has a 25 percent share of seniors. In terms of rents, the Subject's proposed 50 percent AMI units and several 60 percent AMI units will operate with an ACC subsidy through the local Griffin Housing Authority, and the subsidy contract rents will be \$460 for both one and two-bedroom units. The average tenant-paid rent is anticipated to be \$122, as with the ACC rental assistance tenants will pay 30 percent of their incomes toward rent. Hypothetically, with the subsidy tenants may be able to pay as little as \$0 for these units. With this subsidy in place, the contract rents are considered achievable for units with the ACC subsidy. The Subject's proposed 60 percent AMI LIHTC one-bedroom rent of \$450 and two-bedroom rent of \$550 are considered achievable based on our comparison to the most similar age-restricted properties, including Shoal Creek Manor, a midrise property located in Locust Grove, northeast of Griffin. The proposed rents represent rent advantages of 11 to 26 percent versus average "market rents", suggesting the rents as proposed should be achievable in the Griffin market, where demand for affordable housing is significant. Overall, it is our opinion the Subject is generally well positioned to achieve a stabilized occupancy rate of 93 percent or higher without significantly impacting other existing affordable properties.

Recommendations

- We have no recommendations at this time.

L. SIGNED STATEMENT REQUIREMENTS

I affirm that I (or one of the persons signing below) have 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 was 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 rental housing 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.



H. Blair Kincer, MAI, CRE
LEED Certified Associate
Partner
6-1-2015
Date



Edward R. Mitchell
Manager
6-1-2015
Date



Brian Gault
Real Estate Analyst
6-1-2015
Date



Ben Adams
Real Estate Researcher
6-1-2015
Date



Sterling Battle
Real Estate Researcher
6-1-2015
Date

M. MARKET STUDY REPRESENTATION

Novogradac & Company LLP states that DCA may rely on the representation made in the market study provided and this document is assignable to other lenders that are parties to the DCA loan transaction.



H. Blair Kincer, MAI, CRE
LEED Certified Associate
Partner
6-1-2015
Date



Edward R. Mitchell
Manager
6-1-2015
Date



Brian Gault
Real Estate Analyst
6-1-2015
Date



Ben Adams
Real Estate Researcher
6-1-2015
Date



Sterling Battle
Real Estate Researcher
6-1-2015
Date

N. 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 4206 – State of Kentucky
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. GA-805 – State of Mississippi
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. 1101008 – State of Washington
Certified General Real Estate Appraiser, No. CG360 – State of West 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

H. Blair Kincer

Qualifications

Page 3

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

EDWARD R. MITCHELL

I. Education

Master of Science – Financial Planning
University of Alabama, Tuscaloosa, Alabama

Graduate Certificate (Half Master's) Conflict Management, Negotiation, and Mediation
University of Alabama, Tuscaloosa, Alabama

Bachelor of Science – Human Environmental Science
University of Alabama, Tuscaloosa, Alabama

Associate of Arts – Real Estate Management
San Antonio College, San Antonio, Texas

II. Work History

Manager - Valuation; Novogradac & Company LLP; Atlanta, Georgia
Senior Real Estate Analyst; Novogradac & Company LLP; Atlanta, Georgia
Senior Appraiser; Valbridge Property Advisors; Atlanta, Georgia
Managing Partner; Consolidated Equity, Inc.; Atlanta, Georgia and Jacksonville, Florida
Senior Appraiser; Schultz, Carr, Bissette & Associates; Atlanta, Georgia
Disposition Manager; Resolution Trust Corporation (RTC); San Antonio & Dallas, Texas

III. Relevant Experience

- Managed and prepared market studies and appraisals throughout the U.S. for proposed family and senior Low-Income Housing Tax Credit (LIHTC), market rate, HOME financed, USDA Rural Development, and HUD subsidized properties.
- Managed and prepared HUD rent comparability studies (RCS).
- Performed HUD MAP Quality Control market study and appraisal reviews.
- Over 20 years' experience in real estate appraisal, investment, development, and construction. Past appraisal assignments include all types of vacant and improved commercial property and special use properties such as rail corridors, Right-of-Way projects, and recycling plants.

IV. Licensure

- State Certified General Real Property Appraiser (Georgia)
- Licensed Real Estate Salesperson (Georgia)
- Appraisal Institute – Candidate for Designation

STATEMENT OF PROFESSIONAL QUALIFICATIONS

BRIAN GAULT

I. Education

Ohio University, Athens, Ohio
Bachelor of Science in Journalism, Certification in Environmental Studies

II. Professional Experience

Real Estate Analyst, Novogradac & Company LLP, August 2014 – Present
Vice President/Project Director, Vogt Santer Insights, July 2010 – June 2014
Project Director/Director of Southeast Operations, VWB Research, October 2002 – June 2010
Field Analyst/Project Director, Danter Company, February 2000 – October 2002

III. Research Assignments

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Authored more than 1,500 market feasibility studies or letters for affordable, market rate and student rental housing. These reports have been utilized by developers, syndicators, state housing finance agencies, and lenders to assist in the financial underwriting, planning and design of rental properties. Analysis typically includes: unit mix determination, demand estimation, rental rate analysis, competitive property evaluation and overall market feasibility analysis.
- Completed field research for more than 200 projects in more than 40 states while employed in the industry.
- Interviewed, trained, and coordinated staff of seven to nine field analysts working nationwide while with previous employers.
- Experienced in data collection for commercial space used in retail, office or overall commercial space analyses.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Sterling Battle

I. Education

The University of South Florida, Tampa, FL
Bachelor of Science degree in Finance

II. Professional Experience

Real Estate Researcher, Novogradac & Company LLP, September 2014 – Present
Real Estate Research Intern, Framework Group Development LLC, September 2013- September 2014

III. Research Assignments

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- 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.
- Assisted with numerous appraisals of new construction and existing LIHTC and market-rate properties.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

BEN ADAMS

I. Education

Otterbein University, Westerville, Ohio
Master of Business Administration, Concentration in Operations Research
Bachelor of Arts; Major: Economics; Minors: Mathematics, Environmental Studies

II. Professional Experience

Real Estate Researcher, Novogradac & Company LLP, April 2015 – Present
Market Analyst, Bowen National Research, June 2012-August 2013
Property Management, Kaufman Development, 2013

III. Research Assignments

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- 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.
- Assisted with numerous appraisals of new construction and existing LIHTC and market-rate properties.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.