



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

**ROMANA-RILEY LOFTS
1108 East Anderson Street
Savannah, Chatham County, Georgia 31404**

**Effective Date: May 3, 2016
Report Date: May 24, 2016**

Prepared For

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W.H. Gross Construction Company
1209 East King Avenue
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Prepared By

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May 24, 2016

Mr. Bill Gross
W.H. Gross Construction Company
1209 East King Avenue
Kingsland, GA 31548

Re: Market Study for Romana-Riley Lofts in Savannah, Georgia

Dear Mr. Gross:

At your request, Novogradac & Company LLP performed a market study of the senior rental market in the Savannah, Chatham 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 Romana-Riley Lofts, a proposed Housing for Older Persons (HFOP) development that will consist of 57 units. The units will be restricted to senior households age 55 and older earning 50 and 60 percent of the AMI, or less. The Subject will also offer unrestricted market rate units.

We previously completed market studies of Romana-Riley Lofts for Georgia Department of Community Affairs in June 2013, May 2014, and May 2015.

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,



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CCIM
Partner
Novogradac & Company LLP



Edward R. Mitchell, MAI
Manager



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Senior Analyst

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.

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Addendum

A. EXECUTIVE SUMMARY AND CONCLUSIONS

EXECUTIVE SUMMARY AND CONCLUSIONS

1. Project Description:

Romana-Riley Lofts (the Subject) will be located at 1108 East Anderson Street in Savannah, Chatham County, Georgia. The site also includes a small parcel of land located at the southwest corner of the intersection of East Anderson Street and Waters Avenue. The Subject will target seniors age 55 and older (HFOP). The Subject will consist of 27 new construction units and 30 historic rehabilitation and adaptive reuse units in a building that formerly operated as a school. Both buildings will be elevator-serviced. The new construction building will consist of brick and fiber cement siding while the historic building consists of a brick exterior. The following table illustrates the unit mix including bedrooms/bathrooms, square footage, income targeting, rents, and utility allowance.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2015 LIHTC	2015 HUD
						Maximum Allowable Gross Rent	Fair Market Rents
<i>50% AMI</i>							
1BR/1BA	640	6	\$422	\$153	\$575	\$575	\$778
2BR/1BA	864	3	\$508	\$182	\$690	\$690	\$922
2BR/1BA	916	1	\$508	\$182	\$690	\$690	\$922
2BR/2BA	1,005	2	\$508	\$182	\$690	\$690	\$922
<i>60% AMI</i>							
1BR/1BA	640	11	\$537	\$153	\$690	\$690	\$778
2BR/1BA	864	14	\$646	\$182	\$828	\$828	\$922
2BR/1BA	916	5	\$646	\$182	\$828	\$828	\$922
2BR/2BA	1,005	6	\$646	\$182	\$828	\$828	\$922
<i>Market Rate</i>							
1BR/1BA	640	3	\$615	N/Ap	N/Ap	N/Ap	N/Ap
2BR/2BA	1,005	6	\$735	N/Ap	N/Ap	N/Ap	N/Ap
Total		57					

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

The Subject will offer the following amenities: blinds, carpeting, central air conditioning, dishwasher, oven, refrigerator, garbage disposal, hand rails, pull cords, and washer/dryer. With regards to community amenities, the Subject will offer a clubhouse/community room, elevators, exercise facility, business center/computer lab, on-site management, and off-street parking. The Subject will be

competitive with the comparable properties in terms of amenities.

2. Site Description/Evaluation:

The Subject site is bisected by the intersection of E. Anderson Street and Waters Avenue. The Subject's residential buildings will be located on one parcel. A portion of the Subject's parking will be located on the adjacent parcel across the street.

The Subject site is located in a mixed-use neighborhood that includes Live Oak Public Library, small neighborhood commercial uses, places of worship, and single-family homes in fair to good condition. There is a Chatham Area Transit bus stop adjacent to the Subject site. All locational amenities are located within 2.1 miles of the Subject site, which can be attributed to the Subject's central location near Savannah's historic area.

The Subject parcels are partially improved with a vacant school building that will be adapted and renovated into multifamily units. Accessory uses include a parking lot. Immediate surrounding land uses primarily include single-family homes in fair to good condition, a multifamily building in fair condition, a vacant commercial building, and houses of worship. Overall, the Subject will be a conforming use in the neighborhood and the site appears appropriate for senior multifamily rental units.

Positive attributes of the site include a walkable neighborhood and an adjacent bus line. The Subject site does not have any negative attributes.

3. Market Area Definition:

The boundaries of the PMA are as follows:

- North - Savannah River
- South - Derenne Avenue/Highway 21
- East - Wilmington River
- West - Interstate 516/Highway 17

This area includes the majority of the city of Savannah. The area was defined based on interviews with local market participants as well as property managers at comparable properties. Based upon site inspection, the Subject site is located in the historic area of Savannah that consists of predominantly older residential and commercial uses. This area differs in character to the southern Savannah area, which is suburban in nature. Several property managers

indicated that a significant portion of their tenants come from the immediate Savannah area. Due to access provided by thoroughfares such as Interstate 16, Highway 21, Southwest Bypass, and Harry Truman Parkway, several property managers indicated that residents come from throughout Chatham County. Per GA DCA's 2015 market study guidelines, GA DCA does not take into account leakage from the PMA. The farthest PMA boundary is approximately 4.1 miles from the Subject.

4. Community Demographic Data:

The PMA is expected to experience moderate senior population and household growth from 2015 through 2020. Senior population growth in the PMA is expected to increase at an annual rate of 2.2 percent from 2015 through 2020, which is slightly lower than the national rate. The senior population in the PMA will increase at a slower rate than that of the MSA through 2020. Owner-occupied housing units dominate the housing market in the PMA. However, senior renter-occupied units accounted for 39.1 percent of the total housing stock in the PMA in 2015. This rate is significantly higher than the national average of 13.0 percent for senior households. The Subject will target senior households earning \$17,250 to \$29,460 for its LIHTC units. The market rate units will not have a maximum income restriction. As the previous table illustrates, approximately 38.9 percent of households in the PMA earned incomes between \$10,000 and \$29,999 in 2015. For the projected market entry date of June 2018, this percentage is projected to remain the same. As the senior population and number of households increase, there is expected to be a greater number of lower-income senior renters seeking affordable housing.

According to www.RealtyTrac.com, one in every 1,155 homes in Savannah, GA was in foreclosure, as of March 2016. Nationally, one in every 1,212 homes was in foreclosure and one in every 1,109 homes in Georgia was in foreclosure. As indicated, Savannah has a lower foreclosure rate than Georgia but a slightly higher rate than the nation as a whole. Overall, it appears that the local market is faring better than the state in terms of foreclosure rates. We witnessed few abandoned homes in the Subject's immediate neighborhood.

5. Economic Data:

The largest employers in Savannah are in the manufacturing, education, health care/social assistance, and government sectors. Employment in the PMA is greatest in the accommodation/food services, health care/social assistance, retail trade, and educational services sectors, which together account for almost 55 percent of the total employment in the PMA. This is significantly higher than the nation as a whole. The MSA experienced a 5.4 percent decrease in total employment in 2009 and a 6.5 percent decrease in 2010. The decrease in employment suggests that the national recession negatively impacted the local area. The nation as a whole experienced a smaller decline in total employment during the same time period. From December 2014 to December 2015, total employment increased 2.9 percent in the MSA, but has yet to reach pre-recessionary total employment levels which peaked in 2007. Since 2012, the unemployment rate in the MSA has steadily declined. Between December 2014 and December 2015, the unemployment rate in the MSA decreased from 6.1 percent to 5.0 percent.

According to Molly Olson, a Business Development Coordinator at the Savannah Economic Development Authority, 2014 and 2015 were positive years in terms of job growth and expansions in the Savannah area. In 2014 and 2015, there were 15 new projects that created approximately 668 jobs and have brought over \$305 million in investment to the Savannah area.

According to the Worker Adjustment and Retraining Notification (WARN) list provided by the Savannah Economic Development Authority, several companies have issued WARN notices in Savannah from 2014 through 2016 YTD. In total, there were 1,324 layoffs or job losses during this time period.

6. Project-Specific Affordability And Demand Analysis:

The following table illustrates the Subject’s capture rates.

CAPTURE RATE ANALYSIS CHART

Unit Size	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
1 BR @ 50% AMI	6	145	28	117	5.1%	3 months	\$743	\$435-\$1,131	\$422
2 BR @ 50% AMI	6	153	2	151	4.0%	3 months	\$861	\$505-\$1,400	\$508
50% AMI Overall	12	298	30	268	4.5%	3 months	\$743-\$861	\$435-\$1,400	\$422-\$508
1 BR @ 60% AMI	11	123	52	71	15.4%	3 months	\$773	\$445-\$1,131	\$537
2 BR @ 60% AMI	25	130	2	128	19.5%	3 months	\$926	\$565-\$1,400	\$646
60% AMI Overall	36	254	54	200	18.0%	3 months	\$773-\$926	\$445-\$1,400	\$537-\$646
1 BR @ Market	3	499	0	499	0.6%	3 months	\$871	\$514-\$1,131	\$615
2 BR @ Market	6	527	0	527	1.1%	3 months	\$1,043	\$582-\$1,400	\$735
Market Overall	9	1,026	0	1,026	0.9%	3 months	\$871-\$1,043	\$514-\$1,400	\$615-\$735
1 BR Overall (LIHTC only)	17	215	80	135	12.6%	3 months	\$743	\$435-\$1,131	\$422-\$615
2 BR Overall (LIHTC only)	31	227	4	223	13.9%	3 months	\$861	\$505-\$1,400	\$508-\$735
Overall (LIHTC only)	48	441	84	357	13.4%	3 months	\$743-\$861	\$435-\$1,400	\$422-\$735

As the previous table demonstrates, the Subject’s capture rates are within GA DCA’s capture rate threshold.

7. Competitive Rental Analysis:

The availability of senior LIHTC data is considered good. We have included four senior LIHTC properties, two of which are located in the PMA. Pinewood Village and Sheppard Station are located in Pooler, GA. Because Pooler is considered part of the larger Savannah market, we believe that Pinewood Village and Sheppard Station are good indicators of achievable senior LIHTC and unrestricted rents in the market. Due to the availability of senior LIHTC data, we have excluded family LIHTC properties in the PMA. Three of the comparable senior properties offer unrestricted units. We have supplemented the market rate data with one conventional property in the PMA and two located just outside of the PMA, The Fountains at Chatham Parkway and Walden at Chatham Center, in order to provide achievable rents for newer unrestricted properties in the market that do not target students. Overall, the availability of LIHTC and market rate data is considered good.

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%	\$422	\$435	\$1,131	\$743	76%
2 BR @ 50%	\$508	\$505	\$1,400	\$861	70%
1 BR @ 60%	\$537	\$445	\$1,131	\$773	44%
2 BR @ 60%	\$646	\$565	\$1,400	\$926	43%
1 BR @ Market	\$615	\$514	\$1,131	\$871	42%
2 BR @ Market	\$735	\$582	\$1,400	\$1,043	42%

The Subject's proposed 50 and 60 percent AMI rents and market rents will have a significant rent advantage over the surveyed average rents in the market. The Subject will be in excellent condition and will offer a competitive amenity package as well as a competitive location. Overall, the Subject's proposed rents are on the lower end of the range and appear to be feasible in the market given the low vacancy rates and presence of waiting lists at the comparable properties.

8. Absorption/Stabilization Estimate:

We were able to obtain absorption information from several LIHTC and market rate properties in Savannah. Several of these properties have been used as comparables in our report.

ABSORPTION

Comparable Property	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Pinewood Village	LIHTC	Senior	2014	64	21
The Hue	Market	Family	2013	149	17
Savannah Gardens III	LIHTC/Market	Family	2012	95	14
Sustainable Fellwood III	LIHTC	Senior	2012	100	30
Sustainable Fellwood II	LIHTC/Market	Family	2011	110	18
Savannah Gardens I	LIHTC	Family	2010	115	11

As illustrated in the previous table, the properties constructed between 2010 and 2014 reported absorption rates of 11 to 30 units per month, with an average of 19 units per month. Pinewood Village is the newest senior LIHTC property in the market. It is located outside of the PMA. This property experienced an absorption rate of 21

units per month. It should be noted that Pinewood Village is managed by the same entity as Sheppard Station and many of its units were filled by households on Sheppard Station's waiting list. Sustainable Fellwood III is the newest senior LIHTC property located in the PMA. This property experienced an absorption rate of 30 units per month. Sustainable Fellwood III benefits from being a subsequent phase of an existing development and it offers project-based rental assistance for 44 percent of its units, which the Subject will not. Based upon this information, we would expect the Subject to experience a slower absorption pace when compared to Sustainable Fellwood III. Based upon the surveyed properties, we expect the Subject to experience an absorption pace of 20 units per month, which equates to an absorption period of approximately three months for the Subject to reach 93 percent occupancy.

9. Overall Conclusion:

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Approximately 39.8 percent of the seniors in the PMA will be renters as of the Subject's market entry date, which is considerably higher than the national rate at 13.0 percent. There are two proposed senior LIHTC developments in the Subject's PMA. However, both of these properties are renovations of existing properties and it is expected that most tenants will remain in place or move back to the properties following renovation. The Subject's strengths include its location, age/condition, and in-unit amenities. The Subject's primary weaknesses are its somewhat small unit sizes. Additionally, the Subject has a heavy concentration (65 percent) of two-bedroom units when compared to the market. The comparable senior properties reported vacancy rates of zero to 2.0 percent, with an average of 0.4 percent. The presence of waiting lists at the senior LIHTC comparables is a positive indication of a strong senior rental market. We believe that the Subject's proposed rents are reasonable and achievable.

Summary Table:

Development Name:	Romana-Riley Lofts	Total # Units: 57
Location:	1108 East Anderson Street	# LIHTC Units: 48
	Savannah, Chatham County, Georgia 31404	
PMA Boundary:	North: Savannah River; West: Interstate 516/Highway 17; South: Derenne Avenue/Highway 21; East: Wilmington River	
	Farthest Boundary Distance to Subject:	4.1 miles

Rental Housing Stock (found on page 104)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	4	542	2	99.6%
Market-Rate Housing	2	236	2	99.2%
<i>Assisted/Subsidized Housing not to include LIHTC</i>	N/Ap	N/Ap	N/Ap	N/Ap
LIHTC	2	306	0	100.0%
Stabilized Comps	4	542	2	99.6%
Properties in Construction & Lease Up	N/Ap	N/Ap	N/Ap	N/Ap

*Only includes properties in PMA

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
6	1BR at 50% AMI	1	640	\$422	\$743	\$1.16	76%	\$1,100	\$1.09
3	2BR at 50% AMI	1	864	\$508	\$861	\$1.00	70%	\$1,369	\$1.13
1	2BR at 50% AMI	1	916	\$508	\$861	\$0.94	70%	\$1,369	\$1.13
2	2BR at 50% AMI	2	1,005	\$508	\$861	\$0.86	70%	\$1,369	\$1.13
11	1BR at 60% AMI	1	640	\$537	\$773	\$1.21	44%	\$1,100	\$1.09
14	2BR at 60% AMI	1	864	\$646	\$926	\$1.07	43%	\$1,369	\$1.13
5	2BR at 60% AMI	1	916	\$646	\$926	\$1.01	43%	\$1,369	\$1.13
6	2BR at 60% AMI	2	1,005	\$646	\$926	\$0.92	43%	\$1,369	\$1.13
3	1BR at Mkt	1	640	\$615	\$871	\$1.36	42%	\$1,100	\$1.09
6	2BR at Mkt	2	1,005	\$735	\$1,043	\$1.04	42%	\$1,369	\$1.13

Demographic Data (found on page 31)

	2010		2015		2018	
Renter Households	4,526	37.00%	5,129	39.10%	5,482	39.80%
Income-Qualified Renter HHs (LIHTC)	823	18.18%	932	18.18%	997	18.18%

Targeted Income-Qualified Renter Household Demand (found on pages 43-61)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	43	37	149	N/Ap	64
Existing Households (Overburdened + Substandard)	N/Ap	335	285	1,150	N/Ap	495
Homeowner conversion (Seniors)	N/Ap	6	6	26	N/Ap	11
Total Primary Market Demand						
Less Comparable/Competitive Supply	N/Ap	30	54	0	N/Ap	84
Adjusted Income-qualified Renter HHs**	N/Ap	355	274	1,325	N/Ap	486

Capture Rates (found on page 58)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	4.5%	18.0%	0.9%	N/Ap	13.4%

*Includes LIHTC and unrestricted (when applicable)

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION**Project Address and
Development Location:**

The Subject will be located at 1108 East Anderson Street in Savannah, Chatham County, Georgia. The site also includes a small parcel of land located at the southwest corner of the intersection of East Anderson Street and Waters Avenue. The Subject site has frontage on Waters Avenue, East Henry Street, and East Anderson Street.

Construction Type:

The Subject will consist of 27 new construction units and 30 historic rehabilitation and adaptive reuse units in a building that formerly operated as a school. Both buildings will be elevator-serviced. The new construction building will consist of brick and fiber cement siding while the historic building consists of a brick exterior. The Subject site is bisected by the intersection of E. Anderson Street and Waters Avenue. The Subject's residential buildings will be located on one parcel. A portion of the Subject's parking will be located on the adjacent parcel across the street.

Occupancy Type:

HFOP – 55+.

Special Population Target:

None.

**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:**

None of the units will operate with Project-Based Rental Assistance.

**Proposed Development
Amenities:**

See following property profile.

Romana - Riley Lofts											
Location	1108 East Anderson Street Savannah, GA 31404 Chatham County (verified)										
Units	57										
Type	Lowrise - New Construction/ Conversion (age-restricted)										
Year Built / Renovated	Proposed										
Tenant Characteristics	Seniors ages 55 and older (HFOP)										
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	6	640	\$422	\$0	@50%	N/A	N/A	N/A	yes
1	1	Lowrise	11	640	\$537	\$0	@60%	N/A	N/A	N/A	yes
1	1	Lowrise	3	640	\$615	\$0	Market	N/A	N/A	N/A	N/A
2	1	Lowrise	3	864	\$508	\$0	@50%	N/A	N/A	N/A	yes
2	1	Lowrise	1	916	\$508	\$0	@50%	N/A	N/A	N/A	yes
2	2	Lowrise	2	1,005	\$508	\$0	@50%	N/A	N/A	N/A	yes
2	1	Lowrise	14	864	\$646	\$0	@60%	N/A	N/A	N/A	yes
2	1	Lowrise	5	916	\$646	\$0	@60%	N/A	N/A	N/A	yes
2	2	Lowrise	6	1,005	\$646	\$0	@60%	N/A	N/A	N/A	yes
2	2	Lowrise	6	1,005	\$735	\$0	Market	N/A	N/A	N/A	N/A
Amenities											
In-Unit	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Hand Rails Oven Pull Cords Refrigerator Washer/Dryer Washer/Dryer hookup					Security	Intercom Limited Access				
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Elevators Exercise Facility Off-Street Parking On-Site Management					Premium	none				
Services	none					Other	Exterior covered porch w/seating in central area				
Comments											
The property will be located at the southeast corner of the intersection of East Henry Street and Waters Avenue. The site also includes a small parcel of land located at the southwest corner of the intersection of East Anderson Street and Waters Avenue in Savannah, Chatham County, Georgia. The Subject will target seniors age 55 and older (HFOP). The Subject will consist of 27 new construction units and 30 historic rehabilitation and adaptive reuse units in a building that formerly operated as a school. Both buildings will be elevator-serviced. The new construction building will consist of brick and fiber cement siding while the historic building consists of a brick exterior. The existing building is vacant. The property's projected utility allowance estimates are \$153 and \$182 for the one and two-bedroom units, respectively.											

Scope of Renovations:	The Subject will consist of new construction units as well as adaptive reuse units. The Subject's sponsor estimates that the total construction cost will equate to approximately \$113,000 per unit.
Current Rents:	The Subject will be a combination of new construction and the adaptive reuse of a historic school building, which is currently vacant. Therefore, there are no current rents to report.
Current Occupancy:	Not applicable.
Current Tenant Income:	Not applicable.
Placed in Service Date:	According to the sponsor, the Subject will enter the market in June 2018.
Conclusion:	The Subject will consist of new construction and the adaptive reuse of a historic school building. We believe that the Subject will be in excellent condition following construction. We assume that the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

C. SITE EVALUATION

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

Brendan Kelly visited the site on May 3, 2016.

2. Physical Features of the Site:

The following illustrates the physical features of the site.

Frontage:

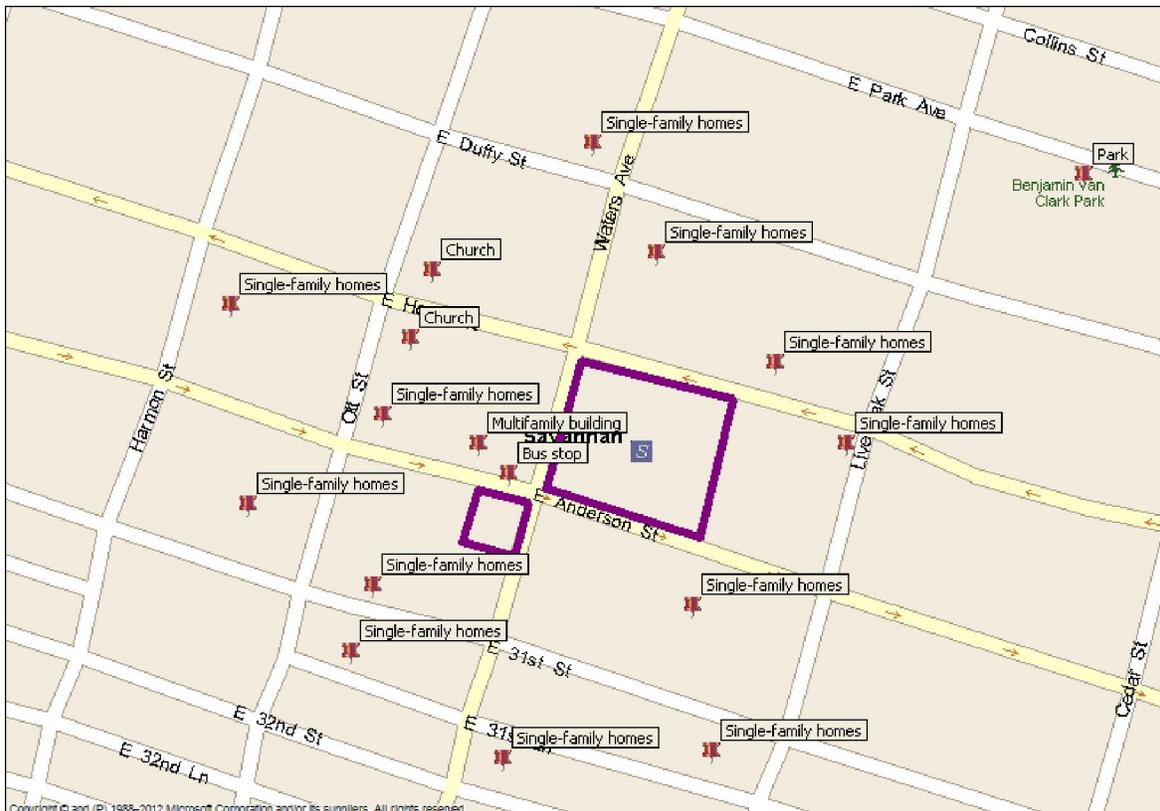
The Subject site has frontage on Waters Avenue, East Henry Street, and East Anderson Street.

Visibility/Views:

The site has excellent access and visibility from Waters Avenue, East Henry Street, and East Anderson Street. Views from the site primarily include single-family homes in fair to good condition, a multifamily building in fair condition, a vacant commercial building, and houses of worship. The multifamily building did not offer signage with contact information. We also researched this property online but could not find information. Therefore, information for this property is not available. Views are considered average. The Subject site has frontage along East Henry Street, Waters Avenue, and East Anderson Street will provide the Subject with good visibility as these are well-trafficked neighborhood thoroughfares.

Surrounding Uses:

The following map and pictures illustrate the surrounding land uses.



The surrounding uses are generally in average condition. The single-family homes in the Subject's neighborhood are historical in nature and are in fair to good condition. Residential uses in the immediate neighborhood appeared to be well-occupied. There are few commercial uses in the Subject's immediate neighborhood.

Positive/Negative Attributes of Site: Positive attributes of the site include a walkable neighborhood and an adjacent bus line. The Subject site does not have any negative attributes.

3. Physical Proximity to Locational Amenities:

The Subject site is located at the intersection of Waters Avenue and East Anderson Street in a mixed-use neighborhood that includes Live Oak Public Library, small neighborhood commercial uses, places of worship, and single-family homes in fair to good condition. There is a Chatham Area Transit bus stop adjacent to the Subject site. All locational amenities are located within 2.1 miles of the Subject site, which can be attributed to the Subject's central location near Savannah's historic area.

Overall, the Subject will have good visibility and the community presents a good location for an affordable senior housing development. The Subject is projected to have a positive impact on the local neighborhood.

4. Pictures of Site and Adjacent Uses:



Subject (existing building)



Subject (existing building)



Subject (existing building)



Subject (existing building)



Green space and concrete pad on Subject site



Subject (vacant SW corner lot)



Parking lot and single-family homes adjacent to existing building



Multifamily building immediately west of Subject



Single-family homes in Subject's neighborhood



Duplex in Subject's neighborhood



Vacant commercial building west of Subject



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Duplex in Subject's neighborhood



View east on E. Anderson St.



View west on E. Anderson St.



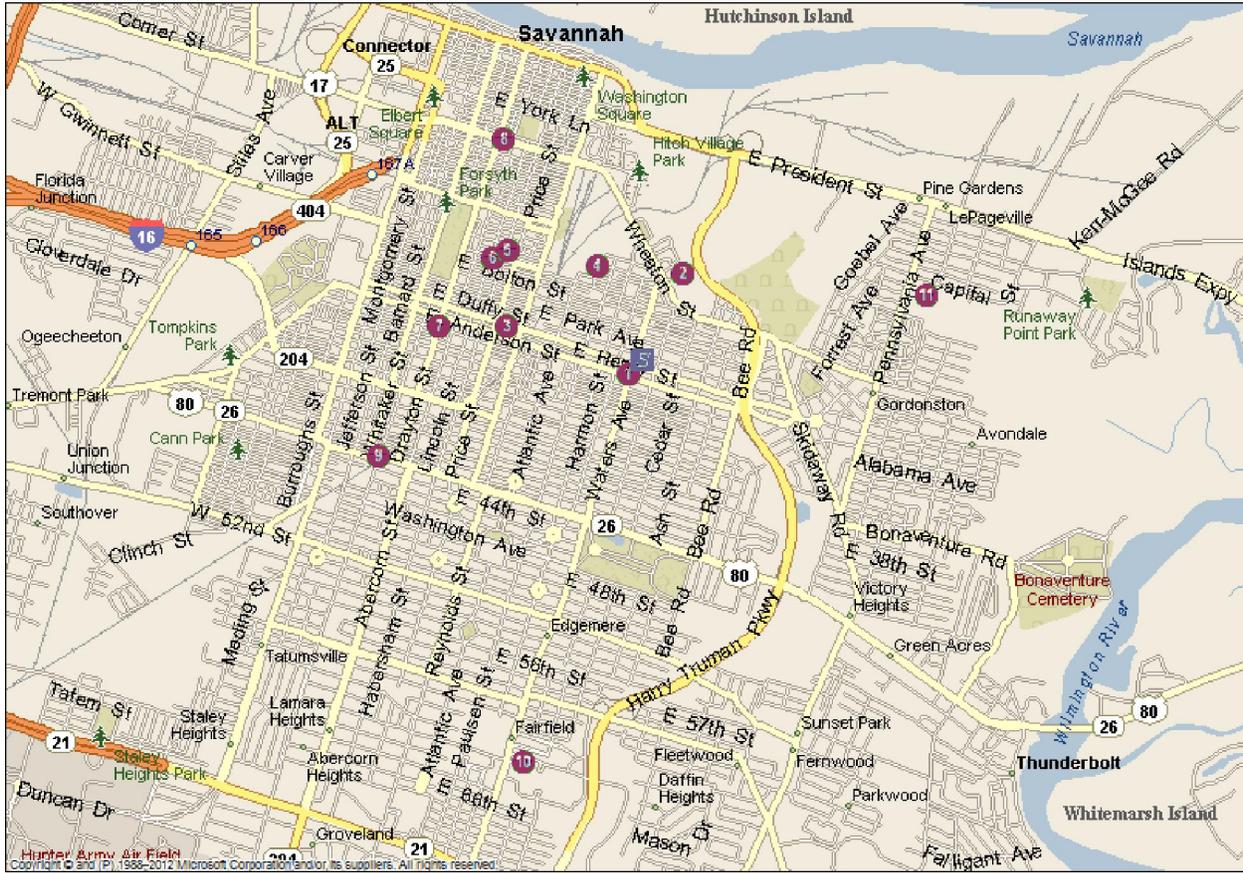
View north on Waters Ave.



View south on Waters Ave.

5. Proximity to Locational Amenities:

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



Distances from Local Services

Map #	Service/Amenity	Distance from Subject
1	Bus Stop	Adjacent
2	Frank W. Spencer Elementary School	0.5 miles
3	Live Oak Public Library	0.6 miles
4	Hubert Middle School	0.7 miles
5	Kroger (grocery store and pharmacy)	1.1 miles
6	CVS Pharmacy	1.1 miles
7	Savannah Police Department	1.1 miles
8	Downtown Savannah (employment center)	1.6 miles
9	Senior Citizens Inc. (senior center)	1.8 miles
10	Memorial University Medical Center	2.1 miles
11	Savannah High School	2.1 miles

6. Description of Land Uses:

The Subject parcels are partially improved with a vacant school building that will be adapted and renovated into multifamily units. Accessory uses include a parking lot. Immediate surrounding land uses primarily include single-family homes in fair to good condition, a multifamily building in fair condition, a vacant commercial building, and houses of worship. Overall, the Subject will be a conforming use in the neighborhood and the site appears appropriate for senior multifamily rental units.

7. Public Safety Issues:

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

2015 CRIME RISK INDICES

	PMA	Savannah, GA MSA
Total Crime*	189	152
Personal Crime*	171	121
Murder	356	218
Rape	95	82
Robbery	325	201
Assault	102	85
Property Crime*	191	156
Burglary	203	162
Larceny	188	155
Motor Vehicle Theft	183	144

Source: ESRI Demographics 2015, Novogradac & Company LLP, March 2016

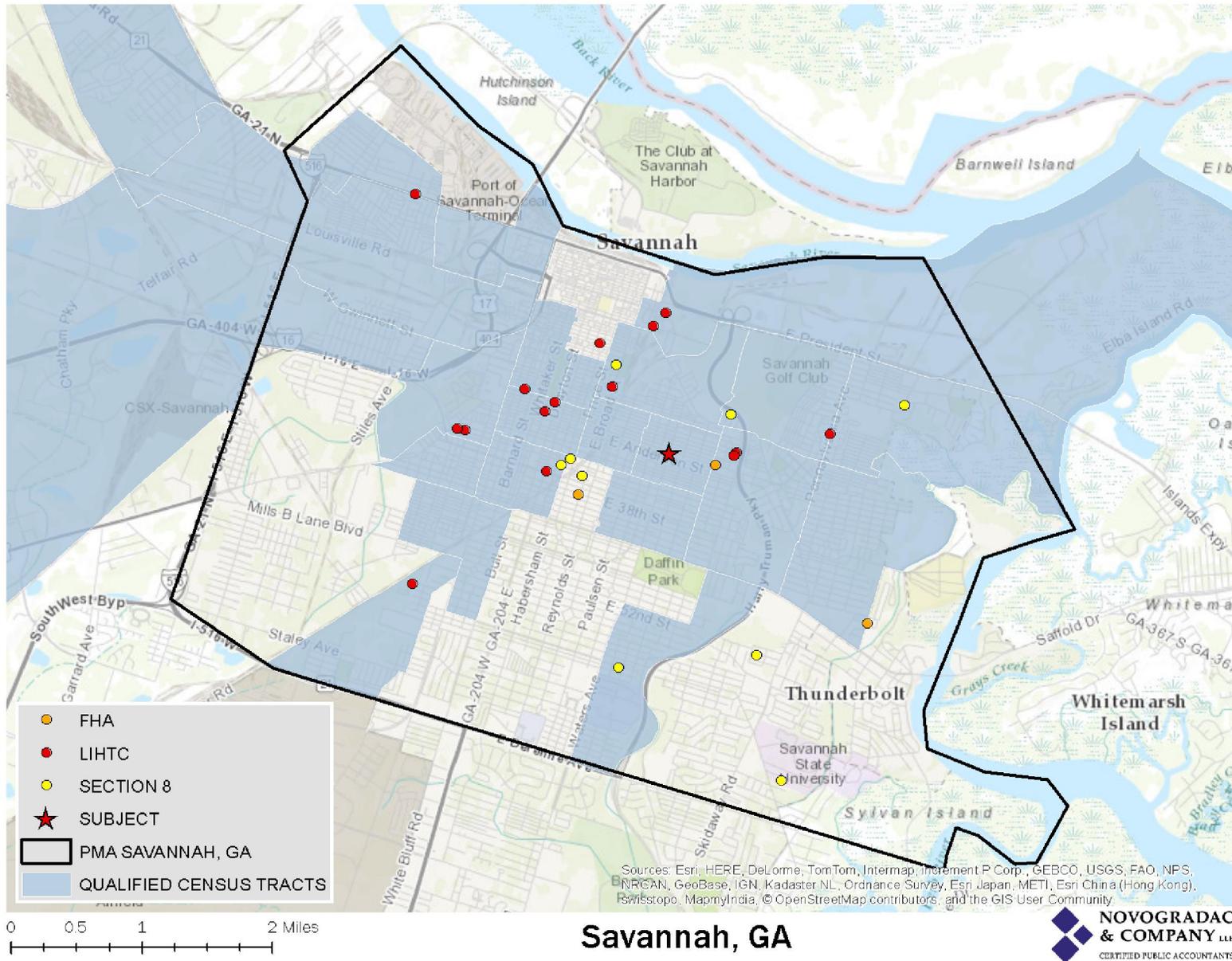
*Unweighted aggregations

The total crime risk index in the PMA is higher than the MSA, and both the PMA and MSA have higher total crime risk indices than the nation as a whole. Observations of the PMA as well as the Subject’s immediate neighborhood, and interviews with market participants reflect that crime is not a significant concern but a reality. The Subject will offer limited access entry and an intercom system. Most of the comparables offer some form of security. The Subject will be similar to slightly superior in terms of security features when compared to most of the comparable properties.

8. Existing Assisted Rental Housing Property Map:

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

Property	Address	City	State	Zip Code	Type	Tenancy	Map Color	Included/ Excluded	Reason for Exclusion	Distance from Subject	
Rose of Sharon	322 E. Taylor St.	Savannah	GA	31401	LIHTC/FHA	Elderly	Red Star	Included	N/Ap	1.4 miles	
Savannah Gardens I	515 Pennsylvania Ave.	Savannah	GA	31404	LIHTC/FHA	Family		Excluded	Tenancy not comparable	1.6 miles	
Savannah Gardens III	515 Pennsylvania Ave.	Savannah	GA	31404	LIHTC	Family		Excluded	Tenancy not comparable	1.6 miles	
Heritage Place	700 W. 35th St.	Savannah	GA	31415	LIHTC	Family		Excluded	Tenancy not comparable	1.8 miles	
Heritage Corner & Heritage Row	824 W. 35th St.	Savannah	GA	31415	LIHTC	Family		Excluded	Tenancy not comparable	1.9 miles	
Hitch Village Phase I	280 Randolph St.	Savannah	GA	31401	LIHTC	Family		Excluded	Proposed	1.1 miles	
Hitch Village Phase II	220 McAllister St.	Savannah	GA	31401	LIHTC	Family		Excluded	Proposed	1.3 miles	
Montgomery Landing	714 W. 57th St.	Savannah	GA	31405	LIHTC	Family		Excluded	Tenancy not comparable	2.8 miles	
Sister's Court	222 E. 37th St.	Savannah	GA	31401	LIHTC/HOME	Elderly		Excluded	Under renovation	1.3 miles	
Savannah Gardens V	515 Pennsylvania Ave.	Savannah	GA	31404	LIHTC	Family		Excluded	Tenancy not comparable	1.6 miles	
Savannah Gardens II	515 Pennsylvania Ave.	Savannah	GA	31404	LIHTC/HUD 202	Elderly		Excluded	Subsidized	1.6 miles	
Savannah Gardens IV	515 Pennsylvania Ave.	Savannah	GA	31404	LIHTC/Market	Family		Excluded	Tenancy not comparable	1.6 miles	
Sustainable Fellwood I	1300 Bay St.	Savannah	GA	31415	LIHTC/PHA/Market	Family		Excluded	Tenancy not comparable	3.3 miles	
Sustainable Fellwood II	1300 Bay St.	Savannah	GA	31415	LIHTC/PHA/Market	Family		Excluded	Tenancy not comparable	3.3 miles	
Sustainable Fellwood III	1300 Bay St.	Savannah	GA	31415	LIHTC/PHA/Market	Elderly		Included	N/Ap	3.2 miles	
Ashley Midtown I	1518 E. Park Ave.	Savannah	GA	31404	LIHTC/PHA/Market	Family		Excluded	Tenancy not comparable	0.6 miles	
Ashley Midtown II	1519 E. Park Ave.	Savannah	GA	31404	LIHTC/PHA/Market	Family		Excluded	Tenancy not comparable	0.6 miles	
SNAP I, II, III	1 W. Henry St.	Savannah	GA	31401	LIHTC/Section 8/FHA	Family		Excluded	Rent subsidized; tenancy not comparable	1.0 miles	
Telfair Arms	17 E. Park Ave.	Savannah	GA	31401	LIHTC/Section 8/FHA	Elderly		Excluded	Subsidized, proposed for renovation	1.1 miles	
Green Growth I	709 E Broad St.	Savannah	GA	31401	Market/HoDAG	Family		Excluded	More comparable properties available.	1.1 miles	
Courtney Station Apartments	285 W. Park Ave.	Savannah	GA	31401	Market/HoDAG	Family	Excluded	Could not obtain information.	1.3 miles		
Cars V Inc	1915 E. 51st Street	Savannah	GA	31404	Section 8	Disabled	Yellow Star	Excluded	Rent subsidized; tenancy not comparable	2.4 miles	
Chatham Assoc For Res Sev Inc I	1300 Richardson St.	Savannah	GA	31404	Section 8	Disabled		Excluded	Rent subsidized; tenancy not comparable	0.8 miles	
Chatham Assoc For Res Sev Inc II	1221 E. 59th St.	Savannah	GA	31404	Section 8	Disabled		Excluded	Rent subsidized; tenancy not comparable	1.8 miles	
Georgia Infirmary A/ Habersham Place	410 E. 35th St.	Savannah	GA	31401	Section 8	Disabled		Excluded	Rent subsidized; tenancy not comparable	1.0 miles	
Georgia Infirmary B/ Habersham Place	512 Hamilton Ct.	Savannah	GA	31401	Section 8	Disabled		Excluded	Rent subsidized; tenancy not comparable	1.0 miles	
Ponderosa Forest Apts	4920 Laroche Ave.	Savannah	GA	31404	Section 8	Family		Excluded	Rent subsidized; tenancy not comparable	3.2 miles	
Presidential Plaza I	2800 Capital St.	Savannah	GA	31404	Section 8	Family		Excluded	Rent subsidized; tenancy not comparable	2.4 miles	
Presidential Plaza II	2800 Capital St.	Savannah	GA	31404	Section 8/FHA	Family		Excluded	Rent subsidized; tenancy not comparable	2.4 miles	
St. Johns Villa Apartments	506 Blair St.	Savannah	GA	31401	Section 8	Elderly		Excluded	Subsidized	1.1 miles	
Thomas Francis Williams Court Apts	1900 Lincoln St.	Savannah	GA	31401	Section 8/FHA	Elderly		Excluded	Subsidized	1.1 miles	
Jasmine Place	2323 Downing St.	Savannah	GA	31404	Market/FHA	Family		Orange Star	Excluded	Tenancy not comparable	2.5 miles
Veranda at Midtown	1415 Henry St.	Savannah	GA	31404	Market/PBRA/FHA	Elderly			Included	N/Ap	0.4 miles
East Broad Apts	533 E. 38th St.	Savannah	GA	31401	FHA	Family			Excluded	Tenancy not comparable	1.1 miles
Romana-Riley Lofts	1108 East Anderson St.	Savannah	GA	31404	LIHTC	Elderly		Red Star	SUBJECT	-	-



Savannah, GA



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

At the time of our inspection, there were road/infrastructure improvements being completed approximately two blocks south of the Subject on Waters Avenue.

**10. Access, Ingress/Egress and
Visibility of site:**

The Subject site is accessed via Waters Avenue, East Anderson Street, and East Henry Street. These are two-lane neighborhood thoroughfares that experience moderate to heavy traffic. Overall, the Subject's access and visibility are considered excellent.

11. Environmental Concerns:

None visible upon site inspection.

12. Conclusion:

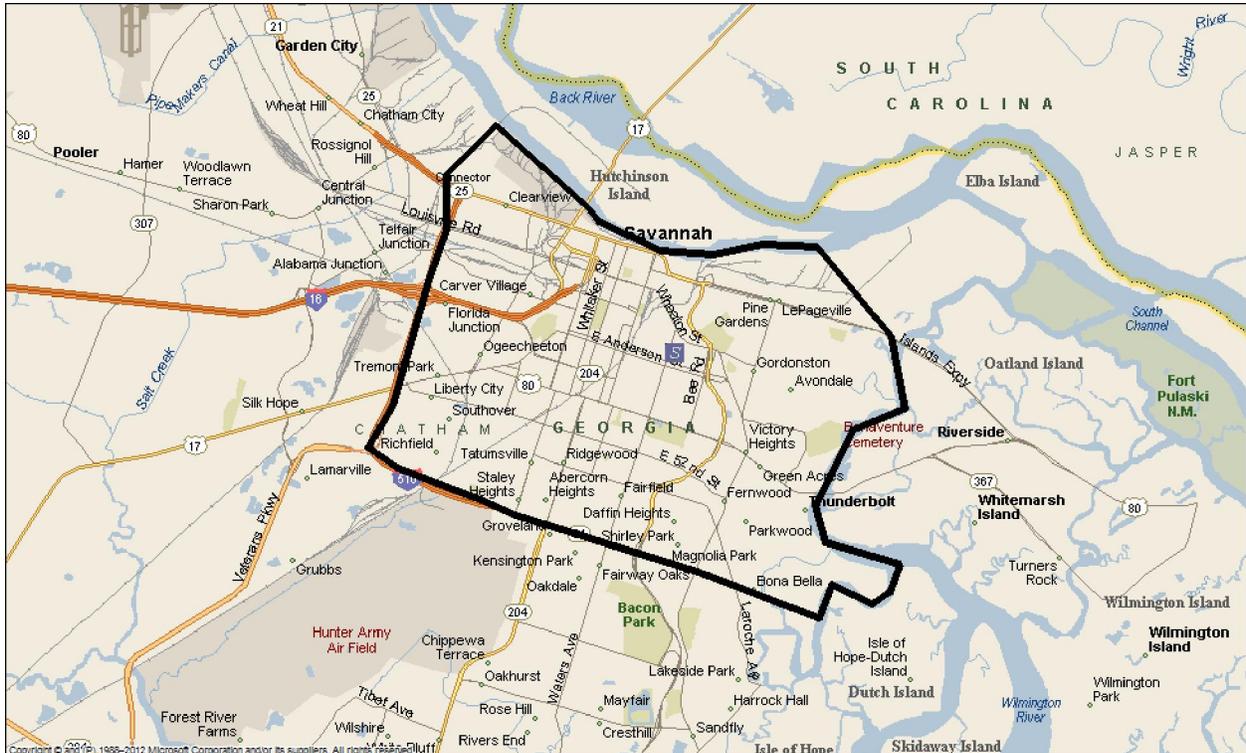
The Subject parcels are located at the intersection of Waters Avenue and East Anderson Street. Immediate surrounding land uses primarily include single-family homes in fair to good condition, a multifamily building in fair condition, a vacant commercial building, and houses of worship. The Subject will be a compatible use within the immediate neighborhood.

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 Savannah, GA MSA are areas of growth or contraction. The Savannah, GA MSA is comprised of Bryan, Chatham, and Effingham Counties.

The boundaries of the PMA are as follows:

- North -Savannah River
- South - Derenne Avenue/Highway 21
- East - Wilmington River
- West - Interstate 516/Highway 17

This area includes the majority of the city of Savannah. The area was defined based on interviews with local market participants as well as property managers at comparable properties. Based upon our site inspection, the Subject site is located in the historic area of Savannah that

consists of predominantly older residential and commercial uses. This area differs in character to the southern Savannah area, which is suburban in nature. Several property managers indicated that a significant portion of their tenants come from the immediate Savannah area. Due to access provided by thoroughfares such as Interstate 16, Highway 21, Southwest Bypass, and Harry Truman Parkway, several property managers indicated that residents come from throughout Chatham County. Per GA DCA's 2016 market study guidelines, GA DCA does not take into account leakage from the PMA. The farthest PMA boundary is approximately 4.1 miles from the Subject.

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 the Savannah, GA MSA are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and 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 the MSA, the PMA and nationally from 2000 through 2020.

TOTAL POPULATION

Year	PMA		Savannah, 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	84,288	-	292,995	-	281,421,906	-
2010	82,662	-0.2%	347,611	1.9%	308,745,538	1.0%
2015	84,674	0.5%	370,063	1.2%	318,536,439	0.6%
Projected Mkt Entry June 2018	86,519	0.7%	385,020	1.4%	325,586,685	0.8%
2020	87,836	0.7%	395,704	1.4%	330,622,575	0.8%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2016

TOTAL SENIOR POPULATION (55+)

Year	PMA		Savannah, 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	18,470	-	59,353	-	59,266,437	-
2010	18,855	0.2%	79,161	3.3%	76,750,713	3.0%
2015	21,230	2.4%	93,514	3.5%	87,809,032	2.7%
Projected Mkt Entry June 2018	22,591	2.2%	100,860	2.7%	93,796,460	2.3%
2020	23,563	2.2%	106,107	2.7%	98,073,194	2.3%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2016

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2015	Projected Mkt Entry June 2018	2020
0-4	5,871	5,717	5,562	5,637	5,691
5-9	6,397	4,984	5,194	5,151	5,121
10-14	6,344	4,493	4,680	4,871	5,007
15-19	6,776	7,605	6,831	6,996	7,114
20-24	7,551	10,447	10,299	9,890	9,598
25-29	6,101	6,619	7,028	7,060	7,083
30-34	5,362	5,208	5,747	5,962	6,116
35-39	5,620	4,292	4,550	4,891	5,134
40-44	5,647	4,354	4,215	4,409	4,547
45-49	5,280	4,917	4,380	4,358	4,343
50-54	4,872	5,171	4,958	4,703	4,520
55-59	3,691	4,725	5,175	5,125	5,089
60-64	3,183	4,264	4,665	4,984	5,212
65-69	2,892	3,024	3,904	4,119	4,273
70-74	2,855	2,217	2,761	3,257	3,612
75-79	2,557	1,785	1,830	2,118	2,324
80-84	1,808	1,413	1,366	1,428	1,472
85+	1,484	1,427	1,529	1,559	1,581
Total	84,291	82,662	84,674	86,519	87,837

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2016

NUMBER OF ELDERLY AND NON-ELDERLY

Year	PMA			Savannah, GA MSA		
	Total Population	Non-Elderly	Elderly (55+)	Total Population	Non-Elderly	Elderly (55+)
2000	84,291	65,821	18,470	293,000	233,647	59,353
2010	82,662	63,807	18,855	347,611	268,450	79,161
2015	84,674	63,444	21,230	370,063	276,549	93,514
Projected Mkt Entry June 2018	86,519	63,928	22,591	385,020	284,160	100,860
2020	87,837	64,274	23,563	395,704	289,597	106,107

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2016

Total population in the PMA is projected to increase at a 0.7 percent annual rate from 2015 to 2020, a growth rate below that of the MSA and nation as a whole during the same time period. The slow projected growth in the general population is typical of densely populated urban areas such as the PMA. However, senior population growth in the PMA is expected to increase at an annual rate of 2.2 percent from 2015 through 2020, which is slightly lower than the national rate. The senior population in the PMA will increase at a slower rate than that of the MSA through 2020. In 2015, approximately 47 percent of the PMA's population was 29 years old or younger. The PMA demonstrates a larger 20 to 29 age population when compared to other age cohorts. The presence of a younger population in the PMA is likely due to the draw of Savannah College of Art & Design (SCAD), Savannah Technical College, and Savannah State University.

2. Household Trends

2a. Total Number of Households, Average Household Size

TOTAL NUMBER OF HOUSEHOLDS

Year	PMA		Savannah, 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	33,092	-	111,104	-	105,480,101	-
2010	31,610	-0.4%	131,868	1.9%	116,716,292	1.1%
2015	32,546	0.6%	141,103	1.3%	120,746,349	0.7%
Projected Mkt Entry June 2018	33,362	0.9%	147,082	1.5%	123,506,223	0.8%
2020	33,945	0.9%	151,353	1.5%	125,477,562	0.8%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2016

TOTAL NUMBER OF HOUSEHOLDS 55+

Year	PMA		Savannah, 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	12,714	-	37,881	-	36,459,725	-
2010	12,218	-0.4%	47,307	2.5%	45,892,687	2.6%
2015	13,118	1.4%	54,298	2.8%	50,825,452	2.0%
Projected Mkt Entry June 2018	13,780	1.7%	59,153	3.1%	54,466,104	2.5%
2020	14,253	1.7%	62,622	3.1%	57,066,571	2.5%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2016

AVERAGE HOUSEHOLD SIZE

Year	PMA		Savannah, 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	2.47	-	2.56	-	2.59	-
2010	2.42	-0.2%	2.53	-0.1%	2.58	-0.1%
2015	2.41	-0.1%	2.52	-0.1%	2.57	0.0%
Projected Mkt Entry June 2018	2.40	0.0%	2.52	0.0%	2.57	0.0%
2020	2.40	0.0%	2.52	0.0%	2.57	0.0%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2016

Similar to population trends, total household growth in the PMA is projected to increase at a rate below that of the MSA. However, projected senior household growth of 1.7 percent annually between 2015 and 2020 in the PMA is higher than the projected general household growth during the same time period. Senior household growth in the PMA and MSA will increase at a rate greater than households of all ages over the next several years. The average household size in the PMA is projected to decline slightly in the PMA with a nominal annual change of 0.1 percent. The average household sizes in the MSA and nation are projected to remain stable through 2020.

2b. Households by Tenure

The following table illustrates senior household growth by tenure from 2000 through 2020.

PMA TENURE PATTERNS OF SENIORS 55+

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	8,692	68.4%	4,022	31.6%
2010	7,692	63.0%	4,526	37.0%
2015	7,989	60.9%	5,129	39.1%
Projected Mkt Entry				
June 2018	8,298	60.2%	5,482	39.8%
2020	8,518	59.8%	5,734	40.2%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2016

Owner-occupied housing units dominate the housing market in the PMA. However, senior renter-occupied units accounted for 39.1 percent of the total housing stock in the PMA in 2015. This rate is significantly higher than the national average of 13.0 percent for senior households.

2c. Households by Income

The following table depicts senior household income distribution in 2010, 2015, market entry, and 2020 for the PMA.

HOUSEHOLD INCOME DISTRIBUTION 55+ - PMA

Income Cohort	2010		2015		Projected Mkt Entry June 2018		2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,052	16.8%	2,473	18.9%	2,669	19.4%	2,809	19.7%
\$10,000-19,999	2,742	22.4%	2,967	22.6%	3,126	22.7%	3,240	22.7%
\$20,000-29,999	1,921	15.7%	2,138	16.3%	2,235	16.2%	2,304	16.2%
\$30,000-39,999	1,198	9.8%	1,356	10.3%	1,424	10.3%	1,473	10.3%
\$40,000-49,999	953	7.8%	1,004	7.7%	1,050	7.6%	1,083	7.6%
\$50,000-59,999	802	6.6%	832	6.3%	871	6.3%	898	6.3%
\$60,000-74,999	804	6.6%	806	6.1%	833	6.0%	853	6.0%
\$75,000-99,999	776	6.4%	639	4.9%	649	4.7%	657	4.6%
\$100,000-124,999	323	2.6%	337	2.6%	342	2.5%	346	2.4%
\$125,000-149,999	218	1.8%	201	1.5%	203	1.5%	205	1.4%
\$150,000-199,999	186	1.5%	162	1.2%	169	1.2%	174	1.2%
\$200,000+	243	2.0%	204	1.6%	209	1.5%	213	1.5%
Total	12,218	100.0%	13,118	100.0%	13,780	100.0%	14,253	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, April 2016

The Subject will target senior households earning \$17,250 to \$29,460 for its LIHTC units. The market rate units will not have a maximum income restriction. As the previous table illustrates, approximately 38.9 percent of households in the PMA earned incomes between \$10,000 and \$29,999 in 2015. For the projected market entry date of June 2018, this percentage is projected to remain the same.

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

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

RENTER HOUSEHOLDS BY NUMBER OF PERSONS 55+ - PMA

	2010		2015		Projected Mkt Entry June 2018		2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
With 1 Person	2,395	52.9%	2,826	55.1%	3,038	55.4%	3,189	55.6%
With 2 Persons	967	21.4%	1,124	21.9%	1,206	22.0%	1,264	22.0%
With 3 Persons	459	10.2%	499	9.7%	523	9.5%	540	9.4%
With 4 Persons	325	7.2%	312	6.1%	335	6.1%	351	6.1%
With 5+ Persons	379	8.4%	368	7.2%	381	6.9%	390	6.8%
Total Renter	4,526	100.0%	5,129	100.0%	5,482	100.0%	5,734	100.0%

Source: Ribbon Demographics 2014, Novogradac & Company LLP, April 2016

The largest senior renter household cohort has remained a one-person household since 2010, followed by two and three-person households. These three cohorts are projected to remain the largest through 2020. In 2015, the one and two-person households accounted for approximately 77 percent of renter households in the PMA. The Subject will target one and two-person households. Therefore, the strong presence of one to two-person renter households in the PMA bodes well for the Subject's units.

2e and f. Elderly and HFOP

Per DCA's guidelines, elderly household populations will be based on households who are 62 years and older and HFOP populations will be based on households who are 55 years or older according to the census.

Conclusion

The PMA is expected to experience moderate senior population and household growth from 2015 through 2020. Senior population growth in the PMA is expected to increase at an annual rate of 2.2 percent from 2015 through 2020, which is slightly lower than the national rate. The senior population in the PMA will increase at a slower rate than that of the MSA through 2020. Owner-occupied housing units dominate the housing market in the PMA. However, senior renter-occupied units accounted for 39.1 percent of the total housing stock in the PMA in 2015. This rate is significantly higher than the national average of 13.0 percent for senior households. The Subject will target senior households earning \$17,250 to \$29,460 for its LIHTC units. The market rate units will not have a maximum income restriction. As the previous table illustrates, approximately 38.9 percent of households in the PMA earned incomes between \$10,000 and \$29,999 in 2015. For the projected market entry date of June 2018, this percentage is projected to remain the same. As the senior population and number of households increase, there is expected to be a greater number of lower-income senior renters seeking affordable housing.

F. EMPLOYMENT TRENDS

EMPLOYMENT TRENDS

The Savannah MSA is comprised of Bryan, Chatham, and Effingham Counties, and is the third largest metropolitan area in the state of Georgia. Savannah is located approximately 20 miles inland from the Atlantic Ocean and immediately south of the Georgia/South Carolina border. The city is home to the headquarters of Gulfstream Aerospace Corporation, a manufacturer of business aircraft and the largest local employer. Savannah's location on the Atlantic coast provides for both a thriving tourism industry as well as the fourth largest port in the United States. According to the Savannah Area Chamber of Commerce, the Port of Savannah is the fastest growing port in the United States. The Savannah Harbor Expansion Project will further expand the port enabling it to accommodate larger shipping vessels. Savannah also has excellent access to major interstates, including Interstate 95, which runs south to Miami, Florida and north to the Maine-Canada border.

1. Total Jobs

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

Total Jobs in Chatham County, Georgia

Year	Total Employment	% Change
2005	118,847	-
2006	122,727	3.16%
2007	128,394	4.41%
2008	127,004	-1.09%
2009	119,831	-5.99%
2010	114,777	-4.40%
2011	116,625	1.58%
2012	119,704	2.57%
2013	122,144	2.00%
2014	118,627	-2.96%
2015 YTD Average	124,080	4.39%
Dec-14	122,605	-
Dec-15	126,114	2.78%

Source: U.S. Bureau of Labor Statistics

YTD as of December 2015

As illustrated in the table above, Chatham County experienced a weakening economy during the national recession. The county began feeling the effects of the downturn in 2008. Chatham County employment increased every year between 2011 and 2015, with the exception of 2014. Between December 2014 and 2015, total covered employment increased 2.78 percent, indicating a growing economy.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Chatham County, as of the Second Quarter 2015.

Second Quarter 2015 Covered Employment Chatham County, Georgia

	Number	Percent
Total, all industries	129,518	-
Goods-producing	20,958	-
Natural resources and mining	95	0.07%
Construction	5,091	3.93%
Manufacturing	15,772	12.18%
Service-providing	108,560	-
Trade, transportation, and utilities	34,265	26.46%
Information	1,799	1.39%
Financial activities	5,400	4.17%
Professional and business services	16,363	12.63%
Education and health services	22,781	17.59%
Leisure and hospitality	23,231	17.94%
Other services	4,235	3.27%
Unclassified	486	0.38%

Source: Bureau of Labor Statistics, 2015

Employment by industry in Chatham County is heavily concentrated in trade, transportation, and utilities as well as leisure and hospitality. These industries are somewhat vulnerable in economic downturns and are historically volatile industries, with the exception of utilities. However, education and health services are the third largest industries in the county. Education and health services are typically considered stable employment sectors.

2015 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Accommodation/Food Services	5,744	16.3%	10,915,815	7.4%
Health Care/Social Assistance	5,435	15.5%	20,205,674	13.7%
Retail Trade	4,105	11.7%	17,089,319	11.6%
Educational Services	4,015	11.4%	13,529,510	9.2%
Other Services (excl Publ Adm)	2,176	6.2%	7,548,482	5.1%
Construction	2,167	6.2%	9,392,204	6.4%
Manufacturing	1,637	4.7%	15,651,841	10.6%
Public Administration	1,611	4.6%	7,099,307	4.8%
Transportation/Warehousing	1,566	4.5%	6,200,837	4.2%
Admin/Support/Waste Mgmt Svcs	1,566	4.5%	6,242,568	4.2%
Prof/Scientific/Tech Services	1,368	3.9%	9,981,082	6.8%
Arts/Entertainment/Recreation	901	2.6%	3,193,724	2.2%
Wholesale Trade	770	2.2%	3,742,526	2.5%
Finance/Insurance	692	2.0%	7,026,905	4.8%
Information	605	1.7%	2,965,498	2.0%
Real Estate/Rental/Leasing	561	1.6%	2,759,067	1.9%
Utilities	190	0.5%	1,190,608	0.8%
Agric/Forestry/Fishing/Hunting	58	0.2%	1,941,156	1.3%
Mining	0	0.0%	997,794	0.7%
Mgmt of Companies/Enterprises	0	0.0%	115,436	0.1%
Total Employment	35,167	100.0%	147,789,353	100.0%

Source: ESRI Demographics 2010, Novogradac & Company LLP, March 2016

The largest industries in the PMA are accommodation/food services, health care/social assistance, retail trade, and educational services. Together, these four industries comprise nearly 55 percent of total employment in the PMA. Accommodation/food services, health care/social assistance, and educational services are overrepresented in the PMA when compared to the nation, while the manufacturing, professional/scientific/tech services, finance/insurance, and agricultural/forestry/fishing/hunting sectors are underrepresented in the PMA when compared to the nation.

3. Major Employers

The following table identifies the major employers in the county.

MAJOR EMPLOYERS

Chatham County, GA

#	Company	Industry	Number of Employees
1	Gulfstream Aerospace Corporation	Manufacturing	10,126
2	Memorial University Medical Center	Healthcare	5,000
3	Savannah-Chatham County Board of Education	Education	4,808
4	Ft. Stewart/Hunter Army Airfield	Civilian personnel	4,637
5	St. Joseph's/Candler Health System	Hospital	3,304
6	City of Savannah	Government	2,795
7	Chatham County	Government	1,600
8	Savannah College of Art & Design	Education	1,590
9	Georgia Ports Authority	Ship terminal operation	988
10	International Paper	Paper Manufacturing	661

Source: Savannah Economic Development Authority, April 2016

Gulfstream Aerospace Corporation is the largest employer in the area with more than 10,000 employees. The majority of employment opportunities in the MSA are in the manufacturing, healthcare, education and government sectors. Many of the area's major employers employ workers across a range of wage and income levels.

BRAC Impact

According to the 2005 BRAC report, the Home Station Training Site moved from the 188th Fighter Wing, Fort Smith Air Guard Station (AGS), Arkansas to Savannah, Georgia.

Expansions/Contractions

According to Molly Olson, a Business Development Coordinator at the Savannah Economic Development Authority, 2014 and 2015 were positive years in terms of job growth and expansions in the Savannah area. In 2014 and 2015, there were 15 new projects that created approximately 668 jobs and have brought over \$305 million in investment to the Savannah area. Following are some job expansions that have been announced since January 2016.

- OA Logistics, a distribution company based in Pooler, GA announced in February that it would be expanding its east coast operations by constructing a new \$1.1 million distribution center in Savannah. The expansion is projected to bring 200 to 300 jobs over the next 16 to 18 months.
- PolyCase Ammunition, an ammunition manufacturer announced it would be expanding its current operation by \$10 million, creating 100 to 200 new jobs in the Savannah area. No further details were available.
- BRAM Industries, an Israeli-based plastics manufacturing company, recently announced its plans to invest \$3 million in its first U.S. manufacturing plant at the Commerce Center in Savannah. Approximately 60 new jobs are expected to be created following construction of the new facility.
- Safavieh, a furniture and designer rug manufacturer, is opening a second warehouse. Approximately 100 new jobs are expected to be created.

According to the Worker Adjustment and Retraining Notification (WARN) list provided by the Savannah Economic Development Authority, several companies have issued WARN notices in Savannah from 2014 through 2016 YTD, detailed in the following table.

SAVANNAH, GEORGIA LAYOFFS/CLOSURES 2014 - YTD 2016

Effective	Company	City	Layoff/Closure	Number of Employees
12/15/2015	Gulfstream	Savannah	Closure	349
6/30/2015	First Student	Savannah	Closure	564
3/20/2015	L-3 Army Sustainment Division	Savannah	Layoff	82
9/1/2014	United Arab Shipping Company	Savannah	Layoff	82
4/5/2014	Veolia Transportation	Savannah	Closure	205
1/4/2014	Roalink Workforce Solutions	Savannah	Layoff	42
Total				1,324

Source: Savannah Economic Development Authority, 4/2016

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the Savannah, GA MSA and nation from 2001 to December 2015.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Savannah, GA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2001	138,215	-	3.5%	-	136,933,000	-	4.7%	-
2002	142,209	2.9%	4.2%	0.7%	136,485,000	-0.3%	5.8%	1.1%
2003	145,054	2.0%	4.2%	0.0%	137,736,000	0.9%	6.0%	0.2%
2004	152,921	5.4%	4.1%	-0.1%	139,252,000	1.1%	5.5%	-0.5%
2005	158,112	3.4%	4.4%	0.3%	141,730,000	1.8%	5.1%	-0.4%
2006	164,431	4.0%	3.9%	-0.5%	144,427,000	1.9%	4.6%	-0.5%
2007	172,008	4.6%	3.8%	-0.1%	146,047,000	1.1%	4.6%	0.0%
2008	170,941	-0.6%	5.5%	1.7%	145,362,000	-0.5%	5.8%	1.2%
2009	161,731	-5.4%	8.5%	3.0%	139,877,000	-3.8%	9.3%	3.5%
2010	151,157	-6.5%	9.8%	1.3%	139,064,000	-0.6%	9.6%	0.3%
2011	153,212	1.4%	9.8%	0.1%	139,869,000	0.6%	8.9%	-0.7%
2012	157,358	2.7%	8.9%	-0.9%	142,469,000	1.9%	8.1%	-0.8%
2013	159,129	1.1%	7.9%	-1.0%	143,929,000	1.0%	7.4%	-0.7%
2014	161,262	1.3%	7.0%	-0.9%	146,305,000	1.7%	6.2%	-1.2%
2015 YTD Average*	163,848	1.6%	5.7%	-1.4%	148,833,417	1.7%	5.3%	-0.9%
Dec-2014	161,896	-	6.1%	-	147,190,000	-	5.4%	-
Dec-2015	166,578	2.9%	5.0%	-1.1%	149,703,000	1.7%	4.8%	-0.6%

Source: U.S. Bureau of Labor Statistics April 2016

*2015 data is through Mar

Total employment in the MSA has fluctuated over the last 10 years, with increases from 2005 through 2007 and 2011 through 2015. The MSA experienced a 5.4 percent decrease in total employment in 2009 and a 6.5 percent decrease in 2010, while the nation experienced a decrease of 3.8 and 0.6 percent in 2009 and 2010, respectively. From December 2014 to December 2015, total employment increased 2.9 percent in the MSA, but has yet to reach pre-recessionary total employment levels which peaked in 2007.

The unemployment rate in the MSA has also fluctuated over the past 10 years. Between 2008 and 2011, the unemployment rate within the MSA increased from 3.8 percent to 9.8 percent. Since 2012, the unemployment rate in the MSA has steadily declined. Between December 2014 and December 2015, the unemployment rate in the MSA decreased from 6.1 percent to 5.0

percent, while the national unemployment rate decreased from 5.4 percent to 4.8 percent during the same period.

5. Map of Site and Major Employment Concentrations

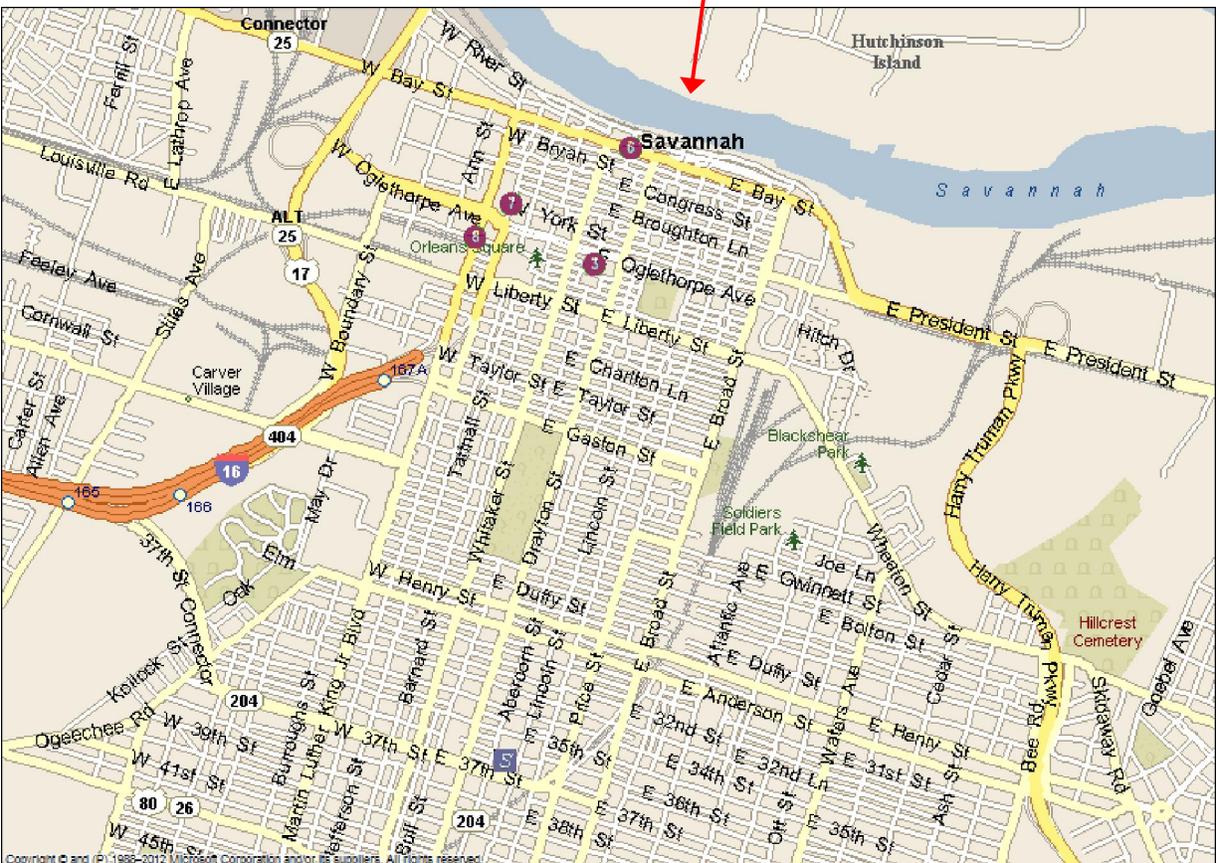
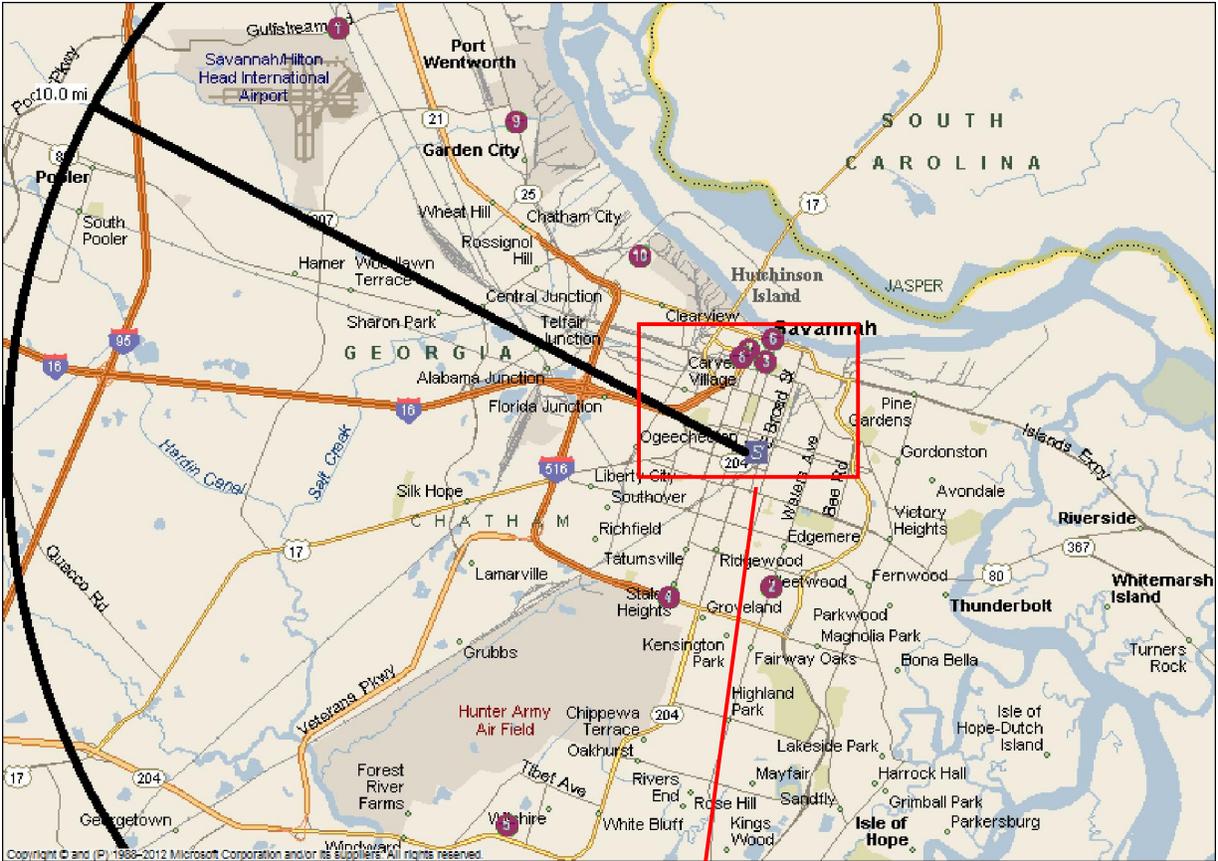
The following map and table details the largest employers in Chatham County, GA.

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8	Savannah College of Art & Design	Education	1,590
9	Georgia Ports Authority	Ship terminal operation	988
10	International Paper	Paper Manufacturing	661

Source: Savannah Economic Development Authority, April 2016



Conclusion

The largest employers in Savannah are in the manufacturing, education, health care/social assistance, and government sectors. Employment in the PMA is greatest in the accommodation/food services, health care/social assistance, retail trade, and educational services sectors, which together account for almost 55 percent of the total employment in the PMA. This is significantly higher than the nation as a whole. The MSA experienced a 5.4 percent decrease in total employment in 2009 and a 6.5 percent decrease in 2010. The decrease in employment suggests that the national recession negatively impacted the local area. The nation as a whole experienced a smaller decline in total employment during the same time period. From December 2014 to December 2015, total employment increased 2.9 percent in the MSA, but has yet to reach pre-recessionary total employment levels which peaked in 2007. Since 2012, the unemployment rate in the MSA has steadily declined. Between December 2014 and December 2015, the unemployment rate in the MSA decreased from 6.1 percent to 5.0 percent.

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 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. The Subject’s market rate units will not have a maximum allowable income level. For the purposes of this demand analysis, we utilized a maximum income limit of \$75,000 for the market rate units.

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 2018, the anticipated date of market entry, as the base year for the analysis. Therefore, 2015 household population estimates are inflated to June 2018 by interpolation of the difference between 2015 estimates and 2020 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 2018. This number takes the overall growth from 2015 to June 2018 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. It should be noted that per DCA guidelines, we have lowered demand from seniors who convert to homeownership to be at or below 2.0 percent of 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 2014 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 2014 and 2015.
- Vacancies in projects placed in service prior to 2014 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 2014 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, there were several properties awarded LIHTC in the PMA in 2014 or 2015.

- Hitch Village Phase I was allocated in 2014 and will offer 72 total units, 57 of which will be LIHTC, to families/general households. This property will not directly compete with the Subject.
- Sister’s Court Apartments was allocated tax credits in 2014. It is an existing LIHTC development restricted to elderly households (62+). As part of the substantial renovation, all of this property’s tenants have been relocated. The renovation is expected to be complete by the spring of 2017. We conservatively removed Sister’s Court Apartments’ 77 LIHTC units from the demand analysis.
- Telfair Arms was allocated tax credits in 2015 and will be restricted to elderly households (62+). The property currently offers 53 LIHTC units, 45 of which operate with a Section 8 project-based subsidy. The unit mix and rent restrictions are expected to remain the same following the renovation. The renovation is expected to be completed in 2017. We removed the seven unsubsidized one-bedroom 60 percent units from the demand analysis.
- Hitch Village Phase II was allocated tax credits in 2015 and will target families/general households. This property will not directly compete with the Subject.

The following table illustrates the total number of units removed based on existing properties as well as new properties to the market area that have been allocated, placed in service, or stabilizing between 2014 and present.

Additions To Supply (Cumulative)/Existing Units	50%	60%	Market Rate	Overall
One Bedroom	28	52	0	80
Two Bedroom	2	2	0	4
Total	30	54	0	84

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.

PMA OCCUPANCY

#	Comparable Property	Rent Structure	Location	Tenancy	Total Units	Occupied Units	Occupancy Rate
1	Rose Of Sharon	LIHTC	Savannah	Senior	206	206	100.0%
2	Sustainable Fellwood III	LIHTC/Market	Savannah	Senior	100	100	100.0%
3	Veranda At Midtown	Market	Savannah	Senior	100	98	98.0%

The previous table illustrates senior occupancy in the PMA, not including subsidized properties. Overall, occupancy is considered high. Therefore, we believe a PMA occupancy rate of 95 percent or higher is reasonable.

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.

None of the Subject's units will operate with PBRA and the Subject is proposed; therefore, there are no existing tenants. We have conducted the Demand Analysis based upon the 57 units proposed at the Subject.

Capture Rates

The previous calculations and derived capture rates are illustrated in the following tables.

Renter Household Income Distribution 2015 to Projected Market Entry June 2018					
Romana-Riley Lofts					
PMA					
	2015		Projected Mkt Entry June 2018		Percent Growth
	#	%	#	%	
\$0-9,999	1,436	28.0%	1,573	28.7%	8.7%
\$10,000-19,999	1,295	25.3%	1,375	25.1%	5.8%
\$20,000-29,999	613	12.0%	654	11.9%	6.3%
\$30,000-39,999	534	10.4%	559	10.2%	4.4%
\$40,000-49,999	367	7.2%	388	7.1%	5.4%
\$50,000-59,999	249	4.9%	267	4.9%	6.5%
\$60,000-74,999	217	4.2%	235	4.3%	7.5%
\$75,000-99,999	133	2.6%	136	2.5%	2.1%
\$100,000-124,999	114	2.2%	118	2.1%	3.0%
\$125,000-149,999	67	1.3%	73	1.3%	7.8%
\$150,000-199,999	48	0.9%	46	0.8%	-3.3%
\$200,000+	54	1.1%	58	1.1%	5.8%
Total	5,129	100.0%	5,482	100.0%	6.4%

Renter Household Income Distribution Projected Market Entry June 2018			
Romana-Riley Lofts			
	PMA		
	Projected Mkt Entry June 2018		Change 2015 to Prj Mrkt Entry June 2018
	#	%	
\$0-9,999	1,573	28.7%	101
\$10,000-19,999	1,375	25.1%	88
\$20,000-29,999	654	11.9%	42
\$30,000-39,999	559	10.2%	36
\$40,000-49,999	388	7.1%	25
\$50,000-59,999	267	4.9%	17
\$60,000-74,999	235	4.3%	15
\$75,000-99,999	136	2.5%	9
\$100,000-124,999	118	2.1%	8
\$125,000-149,999	73	1.3%	5
\$150,000-199,999	46	0.8%	3
\$200,000+	58	1.1%	4
Total	5,482	100.0%	353

Tenure Prj Mrkt Entry June 2018	
Renter	39.8%
Owner	60.2%
Total	100.0%

Renter Household Size for Prj Mrkt Entry June 2018		
Size	Number	Percentage
1 Person	3,038	55.4%
2 Person	1,206	22.0%
3 Person	523	9.5%
4 Person	335	6.1%
5+ Person	381	6.9%
Total	5,482	100.0%

Renter Household Size for 2000		
Size	Number	Percentage
1 Person	6,202	37.0%
2 Person	4,075	24.3%
3 Person	2,598	15.5%
4 Person	1,782	10.6%
5+ Person	2,084	12.5%
Total	16,742	100.0%

50% AMI

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

Percent of AMI Level		50%			
Minimum Income Limit		\$17,250			
Maximum Income Limit		\$24,550		2	
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry June 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Households	Percent			
\$0-9,999	101.25	28.7%		0.0%	0
\$10,000-19,999	88.49	25.1%	\$2,749	27.5%	24
\$20,000-29,999	42.09	11.9%	\$4,550	45.5%	19
\$30,000-39,999	35.98	10.2%		0.0%	0
\$40,000-49,999	24.96	7.1%		0.0%	0
\$50,000-59,999	17.18	4.9%		0.0%	0
\$60,000-74,999	15.13	4.3%		0.0%	0
\$75,000-99,999	8.76	2.5%		0.0%	0
\$100,000-124,999	7.57	2.1%		0.0%	0
\$125,000-149,999	4.69	1.3%		0.0%	0
\$150,000-199,999	2.99	0.8%		0.0%	0
\$200,000+	3.71	1.1%		0.0%	0
	353	100.0%			43
Percent of renter households within limits versus total number of renter households					12.32%

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

Percent of AMI Level		50%			
Minimum Income Limit		\$17,250			
Maximum Income Limit		\$24,550		2	
Income Category	Total Renter Households PMA Prj Mrkt Entry June 2018		Income Brackets	Percent within Cohort	Households within Bracket
	Households	Percent			
\$0-9,999	1,573	28.7%		0.0%	0
\$10,000-19,999	1,375	25.1%	\$2,749	27.5%	378
\$20,000-29,999	654	11.9%	\$4,550	45.5%	298
\$30,000-39,999	559	10.2%		0.0%	0
\$40,000-49,999	388	7.1%		0.0%	0
\$50,000-59,999	267	4.9%		0.0%	0
\$60,000-74,999	235	4.3%		0.0%	0
\$75,000-99,999	136	2.5%		0.0%	0
\$100,000-124,999	118	2.1%		0.0%	0
\$125,000-149,999	73	1.3%		0.0%	0
\$150,000-199,999	46	0.8%		0.0%	0
\$200,000+	58	1.1%		0.0%	0
	5,482	100.0%			676
Percent of renter households within limits versus total number of renter households					12.32%

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 2018

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

No		
Senior		
Urban		
40%		
\$25,107		
\$27,452		
\$2,345		
9.3%		
1.6%		
1.6%	Two year adjustment	1.0000
\$24,550		
\$24,550		
2		
50%		
\$575		
\$575.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	60%	40%	0%	0%	0%	100%
2	0%	20%	80%	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 2018

Income Target Population	50%
New Renter Households PMA	353
Percent Income Qualified	12.3%
New Renter Income Qualified Households	43

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population	50%
Total Existing Demand	5,482
Income Qualified	12.3%
Income Qualified Renter Households	676
Percent Rent Overburdened Prj Mrkt Entry June 2018	48.5%
Rent Overburdened Households	327

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	676
Percent Living in Substandard Housing	1.2%
Households Living in Substandard Housing	8

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

Senior Households Converting from Homeownership

Income Target Population	50%
Total Senior Homeowners	8298
Rural Versus Urban	0.075%
Senior Demand Converting from Homeownership	6

Total Demand

Total Demand from Existing Households		342
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		342
Total New Demand		43
Total Demand (New Plus Existing Households)		385

Demand from Seniors Who Convert from Homeownership	6
Percent of Total Demand From Homeownership Conversion	1.6%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	55.4%	213
Two Persons	22.0%	85
Three Persons	9.5%	37
Four Persons	6.1%	24
Five Persons	6.9%	27
Total	100.0%	385

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	60%	128
Of two-person households in 1BR units	20%	17
Of one-person households in 2BR units	40%	85
Of two-person households in 2BR units	80%	68
Of three-person households in 2BR units	60%	22
Of three-person households in 3BR units	40%	15
Of four-person households in 3BR units	80%	19
Of five-person households in 3BR units	70%	19
Of four-person households in 4BR units	20%	5
Of five-person households in 4BR units	30%	8
Total Demand		385
Check		OK

Total Demand by Bedroom	50%
1 BR	145
2 BR	153
Total Demand	298

Additions To Supply 2015 to Prj Mrkt Entry June 2018	50%
1 BR	28
2 BR	2
Total	30

Net Demand	50%
1 BR	117
2 BR	151
Total	268

Developer's Unit Mix	50%
1 BR	6
2 BR	6
Total	12

Capture Rate Analysis	50%
1 BR	5.1%
2 BR	4.0%
Total	4.5%

60%AMI

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

Percent of AMI Level		60%			
Minimum Income Limit		\$20,700			
Maximum Income Limit		\$29,460		2	
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry June 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
	\$0-9,999	101.25			
\$10,000-19,999	88.49	25.1%		0.0%	0
\$20,000-29,999	42.09	11.9%	\$8,760	87.6%	37
\$30,000-39,999	35.98	10.2%		0.0%	0
\$40,000-49,999	24.96	7.1%		0.0%	0
\$50,000-59,999	17.18	4.9%		0.0%	0
\$60,000-74,999	15.13	4.3%		0.0%	0
\$75,000-99,999	8.76	2.5%		0.0%	0
\$100,000-124,999	7.57	2.1%		0.0%	0
\$125,000-149,999	4.69	1.3%		0.0%	0
\$150,000-199,999	2.99	0.8%		0.0%	0
\$200,000+	3.71	1.1%		0.0%	0
	353	100.0%			37
Percent of renter households within limits versus total number of renter households					10.45%

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

Percent of AMI Level		60%			
Minimum Income Limit		\$20,700			
Maximum Income Limit		\$29,460		2	
Income Category	Total Renter Households PMA Prj Mrkt Entry June 2018		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	1,573			
\$10,000-19,999	1,375	25.1%		0.0%	0
\$20,000-29,999	654	11.9%	\$8,760	87.6%	573
\$30,000-39,999	559	10.2%		0.0%	0
\$40,000-49,999	388	7.1%		0.0%	0
\$50,000-59,999	267	4.9%		0.0%	0
\$60,000-74,999	235	4.3%		0.0%	0
\$75,000-99,999	136	2.5%		0.0%	0
\$100,000-124,999	118	2.1%		0.0%	0
\$125,000-149,999	73	1.3%		0.0%	0
\$150,000-199,999	46	0.8%		0.0%	0
\$200,000+	58	1.1%		0.0%	0
	5,482	100.0%			573
Percent of renter households within limits versus total number of renter households					10.45%

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 2018

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

No		
Senior		
Urban		
40%		
\$25,107		
\$27,452		
\$2,345		
9.3%		
1.6%		
1.6%	Two year adjustment	1.0000
\$29,460		
\$29,460		
2		
60%		
\$690		
\$690.00		

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	60%	40%	0%	0%	0%	100%
2	0%	20%	80%	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 2018

Income Target Population		60%
New Renter Households PMA		353
Percent Income Qualified		10.5%
New Renter Income Qualified Households		37

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

Income Target Population		60%
Total Existing Demand		5,482
Income Qualified		10.5%
Income Qualified Renter Households		573
Percent Rent Overburdened Prj Mrkt Entry June 2018		48.5%
Rent Overburdened Households		278

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

Demand from Living in Substandard Housing

Income Qualified Renter Households		573
Percent Living in Substandard Housing		1.2%
Households Living in Substandard Housing		7

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

Senior Households Converting from Homeownership

Income Target Population		60%
Total Senior Homeowners		8298
Rural Versus Urban	0.078%	
Senior Demand Converting from Homeownership		6

Total Demand

Total Demand from Existing Households		291
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		291
Total New Demand		37
Total Demand (New Plus Existing Households)		328

Demand from Seniors Who Convert from Homeownership		6
Percent of Total Demand From Homeownership Conversion		2.0%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	55.4%	182
Two Persons	22.0%	72
Three Persons	9.5%	31
Four Persons	6.1%	20
Five Persons	6.9%	23
Total	100.0%	328

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	60%	109
Of two-person households in 1BR units	20%	14
Of one-person households in 2BR units	40%	73
Of two-person households in 2BR units	80%	58
Of three-person households in 2BR units	60%	19
Of three-person households in 3BR units	40%	13
Of four-person households in 3BR units	80%	16
Of five-person households in 3BR units	70%	16
Of four-person households in 4BR units	20%	4
Of five-person households in 4BR units	30%	7
Total Demand		328
Check		OK

Total Demand by Bedroom	60%
1 BR	123
2 BR	130
Total Demand	254

Additions To Supply 2015 to Prj Mrkt Entry June 2018	60%
1 BR	52
2 BR	2
Total	54

Net Demand	60%
1 BR	71
2 BR	128
Total	200

Developer's Unit Mix	60%
1 BR	11
2 BR	25
Total	36

Capture Rate Analysis	60%
1 BR	15.4%
2 BR	19.5%
Total	18.0%

Market Rate

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

Percent of AMI Level		Market Rate			
Minimum Income Limit		\$18,450			
Maximum Income Limit		\$75,000 2			
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry June 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
	Households	%			
\$0-9,999	101.25	28.7%		0.0%	0
\$10,000-19,999	88.49	25.1%	\$1,549	15.5%	14
\$20,000-29,999	42.09	11.9%	\$9,999	100.0%	42
\$30,000-39,999	35.98	10.2%	\$9,999	100.0%	36
\$40,000-49,999	24.96	7.1%	\$9,999	100.0%	25
\$50,000-59,999	17.18	4.9%	\$9,999	100.0%	17
\$60,000-74,999	15.13	4.3%	\$14,999	100.0%	15
\$75,000-99,999	8.76	2.5%		0.0%	0
\$100,000-124,999	7.57	2.1%		0.0%	0
\$125,000-149,999	4.69	1.3%		0.0%	0
\$150,000-199,999	2.99	0.8%		0.0%	0
\$200,000+	3.71	1.1%		0.0%	0
	353	100.0%			149
Percent of renter households within limits versus total number of renter households					42.25%

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

Percent of AMI Level		Market Rate			
Minimum Income Limit		\$18,450			
Maximum Income Limit		\$75,000 2			
Income Category	Total Renter Households PMA Prj Mrkt Entry June 2018		Income Brackets	Percent within Cohort	Households within Bracket
	Households	%			
\$0-9,999	1,573	28.7%		0.0%	0
\$10,000-19,999	1,375	25.1%	\$1,549	15.5%	213
\$20,000-29,999	654	11.9%	\$9,999	100.0%	654
\$30,000-39,999	559	10.2%	\$9,999	100.0%	559
\$40,000-49,999	388	7.1%	\$9,999	100.0%	388
\$50,000-59,999	267	4.9%	\$9,999	100.0%	267
\$60,000-74,999	235	4.3%	\$14,999	100.0%	235
\$75,000-99,999	136	2.5%		0.0%	0
\$100,000-124,999	118	2.1%		0.0%	0
\$125,000-149,999	73	1.3%		0.0%	0
\$150,000-199,999	46	0.8%		0.0%	0
\$200,000+	58	1.1%		0.0%	0
	5,482	100.0%			2,316
Percent of renter households within limits versus total number of renter households					42.25%

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 2018

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

No
Senior
Urban
40%
\$25,107
\$27,452
\$2,345
9.3%
1.6%
1.6%
Two year adjustment
1.0000
\$75,000
\$75,000
\$2
Market Rate
\$615
\$615.00

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	60%	40%	0%	0%	0%	100%
2	0%	20%	80%	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 2018

	Market Rate
Income Target Population	
New Renter Households PMA	353
Percent Income Qualified	42.2%
New Renter Income Qualified Households	149

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

	Market Rate
Income Target Population	
Total Existing Demand	5,482
Income Qualified	42.2%
Income Qualified Renter Households	2,316
Percent Rent Overburdened Prj Mrkt Entry June 2018	48.5%
Rent Overburdened Households	1122

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	2,316
Percent Living in Substandard Housing	1.2%
Households Living in Substandard Housing	28

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

Senior Households Converting from Homeownership

	Market Rate
Income Target Population	
Total Senior Homeowners	8298
Rural Versus Urban	0.310%
Senior Demand Converting from Homeownership	26

Total Demand

Total Demand from Existing Households		1,176
Adjustment Factor - Leakage from SMA	100%	0
Adjusted Demand from Existing Households		1176
Total New Demand		149
Total Demand (New Plus Existing Households)		1,325

Demand from Seniors Who Convert from Homeownership		26
Percent of Total Demand From Homeownership Conversion		1.9%
Is this Demand Over 2 percent of Total Demand?		No

By Bedroom Demand

One Person	55.4%	734
Two Persons	22.0%	291
Three Persons	9.5%	126
Four Persons	6.1%	81
Five Persons	6.9%	92
Total	100.0%	1,325

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	60%	441
Of two-person households in 1BR units	20%	58
Of one-person households in 2BR units	40%	294
Of two-person households in 2BR units	80%	233
Of three-person households in 2BR units	60%	76
Of three-person households in 3BR units	40%	51
Of four-person households in 3BR units	80%	65
Of five-person households in 3BR units	70%	64
Of four-person households in 4BR units	20%	16
Of five-person households in 4BR units	30%	28
Total Demand		1,325
Check		OK

Total Demand by Bedroom	Market Rate
1 BR	499
2 BR	527
Total Demand	1,026

Additions To Supply 2015 to Prj Mrkt Entry June 2018	Market Rate
1 BR	0
2 BR	0
Total	0

Net Demand	Market Rate
1 BR	499
2 BR	527
Total	1,026

Developer's Unit Mix	Market Rate
1 BR	3
2 BR	6
Total	9

Capture Rate Analysis	Market Rate
1 BR	0.6%
2 BR	1.1%
Total	0.9%

Overall

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

Percent of AMI Level		Overall			
Minimum Income Limit		\$17,250			
Maximum Income Limit		\$29,460		2	
Income Category	New Renter Households - Total Change in Households PMA 2015 to Prj Mrkt Entry June 2018		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	101.25	28.7%		0.0%	0
\$10,000-19,999	88.49	25.1%	\$2,749	27.5%	24
\$20,000-29,999	42.09	11.9%	\$9,460	94.6%	40
\$30,000-39,999	35.98	10.2%		0.0%	0
\$40,000-49,999	24.96	7.1%		0.0%	0
\$50,000-59,999	17.18	4.9%		0.0%	0
\$60,000-74,999	15.13	4.3%		0.0%	0
\$75,000-99,999	8.76	2.5%		0.0%	0
\$100,000-124,999	7.57	2.1%		0.0%	0
\$125,000-149,999	4.69	1.3%		0.0%	0
\$150,000-199,999	2.99	0.8%		0.0%	0
\$200,000+	3.71	1.1%		0.0%	0
	353	100.0%			64
Percent of renter households within limits versus total number of renter households					18.18%

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

Percent of AMI Level		Overall			
Minimum Income Limit		\$17,250			
Maximum Income Limit		\$29,460		2	
Income Category	Total Renter Households PMA Prj Mrkt Entry June 2018		Income Brackets	Percent within Cohort	Households within Bracket
\$0-9,999	1,573	28.7%		0.0%	0
\$10,000-19,999	1,375	25.1%	\$2,749	27.5%	378
\$20,000-29,999	654	11.9%	\$9,460	94.6%	619
\$30,000-39,999	559	10.2%		0.0%	0
\$40,000-49,999	388	7.1%		0.0%	0
\$50,000-59,999	267	4.9%		0.0%	0
\$60,000-74,999	235	4.3%		0.0%	0
\$75,000-99,999	136	2.5%		0.0%	0
\$100,000-124,999	118	2.1%		0.0%	0
\$125,000-149,999	73	1.3%		0.0%	0
\$150,000-199,999	46	0.8%		0.0%	0
\$200,000+	58	1.1%		0.0%	0
	5,482	100.0%			997
Percent of renter households within limits versus total number of renter households					18.18%

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 2018

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

No	
Senior	
Urban	
40%	
\$25,107	
\$27,452	
\$2,345	
9.3%	
1.6%	
1.6%	Two year adjustment
	1.0000
\$29,460	
\$29,460	
2	
Overall	
\$575	
\$575.00	

Persons in Household	0BR	1BR	2BR	3BR	4BR	5BR	Total
1	0%	60%	40%	0%	0%	0%	100%
2	0%	20%	80%	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 2018

	Overall
Income Target Population	
New Renter Households PMA	353
Percent Income Qualified	18.2%
New Renter Income Qualified Households	64

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

Demand from Existing Households 2015

Demand from Rent Overburdened Households

	Overall
Income Target Population	
Total Existing Demand	5,482
Income Qualified	18.2%
Income Qualified Renter Households	997
Percent Rent Overburdened Prj Mrkt Entry June 2018	48.5%
Rent Overburdened Households	483

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

Demand from Living in Substandard Housing

Income Qualified Renter Households	997
Percent Living in Substandard Housing	1.2%
Households Living in Substandard Housing	12

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

Senior Households Converting from Homeownership

	Overall
Income Target Population	
Total Senior Homeowners	8298
Rural Versus Urban	0.130%
Senior Demand Converting from Homeownership	11

Total Demand

Total Demand from Existing Households		506
Adjustment Factor - Leakage from SMA (use 115% for DCA)	100%	0
Adjusted Demand from Existing Households		506
Total New Demand		64
Total Demand (New Plus Existing Households)		570

Demand from Seniors Who Convert from Homeownership	11
Percent of Total Demand From Homeownership Conversion	1.9%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	55.4%	316
Two Persons	22.0%	125
Three Persons	9.5%	54
Four Persons	6.1%	35
Five Persons	6.9%	40
Total	100.0%	570

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	60%	190
Of two-person households in 1BR units	20%	25
Of one-person households in 2BR units	40%	126
Of two-person households in 2BR units	80%	100
Of three-person households in 2BR units	60%	33
Of three-person households in 3BR units	40%	22
Of four-person households in 3BR units	80%	28
Of five-person households in 3BR units	70%	28
Of four-person households in 4BR units	20%	7
Of five-person households in 4BR units	30%	12
Total Demand		570
Check		OK

Total Demand by Bedroom	Overall
1 BR	215
2 BR	227
Total Demand	441

Additions To Supply 2015 to Prj Mrkt Entry June 2018	Overall
1 BR	80
2 BR	4
Total	84

Net Demand	Overall
1 BR	135
2 BR	223
Total	357

Developer's Unit Mix	Overall
1 BR	17
2 BR	31
Total	48

Capture Rate Analysis	Overall
1 BR	12.6%
2 BR	13.9%
Total	13.4%

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 households 55+ in the PMA is expected to increase 6.4 percent between 2015 and June 2018.
- We removed Sister’s Court Apartments 77 units restricted at 50 and 60 percent AMI and Telfair Arms’ seven one-bedroom 60 percent AMI units from the demand analysis. Both properties are existing and most of the current tenants are expected to be income qualified following renovation. Therefore, we believe the capture rates are conservative.
- The Subject has a heavy concentration (65 percent) of two-bedroom units when compared to the market. The two-bedroom units at Sustainable Fellwood III and Sheppard Station are fully occupied, which is evidence of two-bedroom demand in the market.
- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from outside of the PMA 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.

CAPTURE RATE ANALYSIS CHART

Unit Size	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Proposed Rents
1 BR @ 50% AMI	6	145	28	117	5.1%	3 months	\$743	\$435-\$1,131	\$422
2 BR @ 50% AMI	6	153	2	151	4.0%	3 months	\$861	\$505-\$1,400	\$508
50% AMI Overall	12	298	30	268	4.5%	3 months	\$743-\$861	\$435-\$1,400	\$422-\$508
1 BR @ 60% AMI	11	123	52	71	15.4%	3 months	\$773	\$445-\$1,131	\$537
2 BR @ 60% AMI	25	130	2	128	19.5%	3 months	\$926	\$565-\$1,400	\$646
60% AMI Overall	36	254	54	200	18.0%	3 months	\$773-\$926	\$445-\$1,400	\$537-\$646
1 BR @ Market	3	499	0	499	0.6%	3 months	\$871	\$514-\$1,131	\$615
2 BR @ Market	6	527	0	527	1.1%	3 months	\$1,043	\$582-\$1,400	\$735
Market Overall	9	1,026	0	1,026	0.9%	3 months	\$871-\$1,043	\$514-\$1,400	\$615-\$735
1 BR Overall (LIHTC only)	17	215	80	135	12.6%	3 months	\$743	\$435-\$1,131	\$422-\$615
2 BR Overall (LIHTC only)	31	227	4	223	13.9%	3 months	\$861	\$505-\$1,400	\$508-\$735
Overall (LIHTC only)	48	441	84	357	13.4%	3 months	\$743-\$861	\$435-\$1,400	\$422-\$735

Demand and Net Demand

	HH at 50% AMI	HH at 60% AMI	HH at Market Rate	All Tax Credit Households
Demand from New Households (age and income appropriate)	43	37	149	64
PLUS	+	+	+	+
Demand from Existing Renter Households - Substandard Housing	8	7	28	12
PLUS	+	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	327	278	1122	483
PLUS	+	+	+	+
Secondary Market Demand adjustment IF ANY Subject to 15% Limitation	0	0	0	0
Sub Total	379	322	1300	559
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	6	6	26	11
Equals Total Demand	385	328	1325	570
Less	-	-	-	-
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the projected market	30	54	0	84
Equals Net Demand	355	274	1325	486

As the analysis illustrates, the Subject's 50 percent capture rates range from 4.0 to 5.1 percent, with an overall capture rate of 4.5 percent. The Subject's 60 percent AMI capture rates range from 15.4 to 19.5 percent, with an overall capture rate of 18.0 percent. The Subject's market rate capture rates range from 0.6 to 1.1 percent, with an overall capture rate of 0.9 percent. The overall capture rate for the Subject's 50 and 60 percent units is 13.4 percent. Therefore, we believe there is adequate demand for the Subject.

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 eight comparable properties containing 1,259 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided in the addenda. A map illustrating the location of the Subject in relation to comparable properties is also provided in the addenda. 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 senior LIHTC data is considered good. We have included four senior LIHTC properties, two of which are located in the PMA. Pinewood Village and Sheppard Station are located in Pooler, GA. Because Pooler is considered part of the larger Savannah market, we believe that Pinewood Village and Sheppard Station are good indicators of achievable senior LIHTC and unrestricted rents in the market. Due to the availability of senior LIHTC data, we have excluded family LIHTC properties in the PMA. Three of the comparable senior properties offer unrestricted units. We have supplemented the market rate data with one conventional property in the PMA and two located just outside of the PMA, The Fountains at Chatham Parkway and Walden at Chatham Center, in order to provide achievable rents for newer unrestricted properties in the market that do not target students. Overall, the availability of LIHTC and market rate data is considered good.

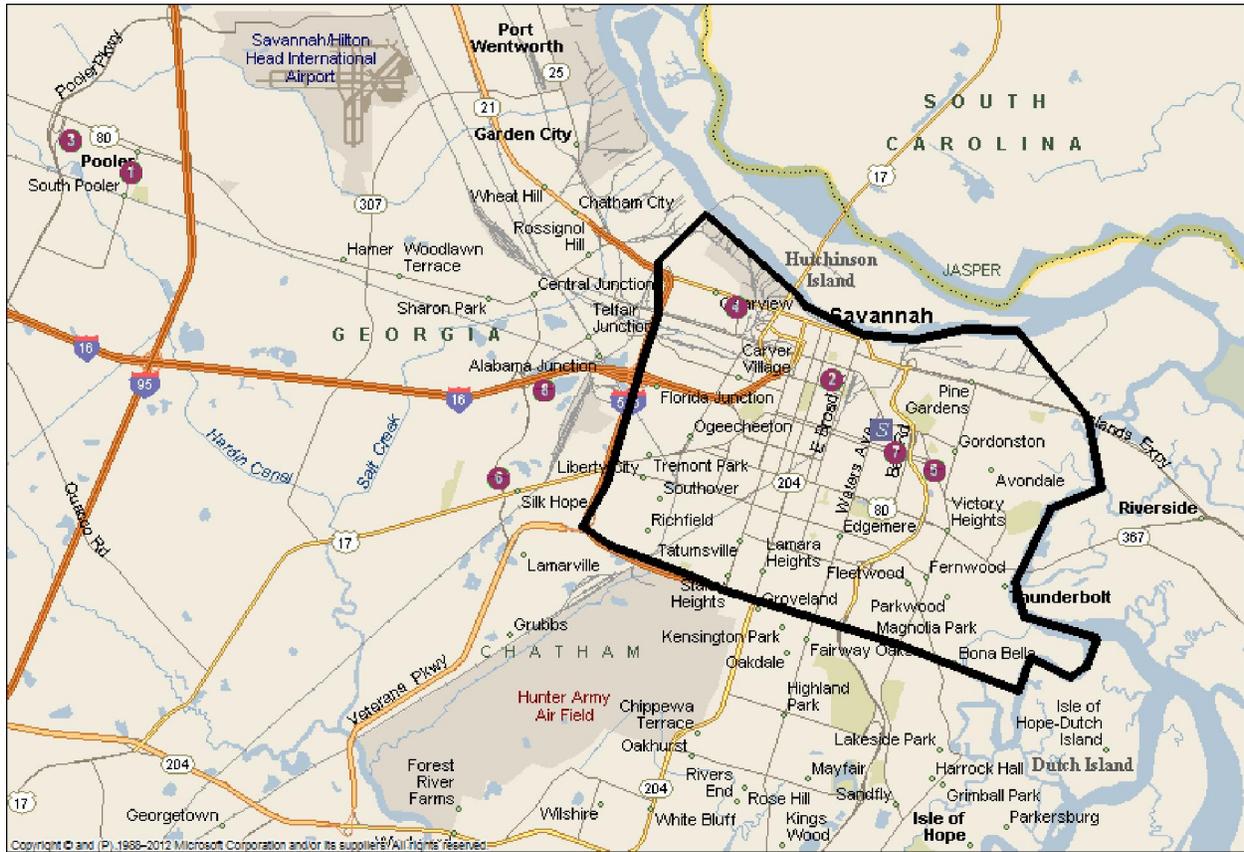
Excluded Properties

The following table illustrates properties within the PMA that have been excluded from our analysis.

EXCLUDED PROPERTIES

Property	City	Type	Tenancy	Reason for Exclusion
Savannah Gardens I	Savannah	LIHTC/FHA	Family	Tenancy not comparable
Savannah Gardens III	Savannah	LIHTC	Family	Tenancy not comparable
Heritage Place	Savannah	LIHTC	Family	Tenancy not comparable
Heritage Comer & Heritage Row	Savannah	LIHTC	Family	Tenancy not comparable
Montgomery Landing	Savannah	LIHTC	Family	Tenancy not comparable
Sister's Court	Savannah	LIHTC/HOME	Elderly	Under construction
Savannah Gardens V	Savannah	LIHTC	Family	Under construction
Savannah Gardens II	Savannah	LIHTC/HUD 202	Elderly	Subsidized
Savannah Gardens IV	Savannah	LIHTC/Market	Family	Tenancy not comparable
Sustainable Fellwood I	Savannah	LIHTC/PHA/Market	Family	Tenancy not comparable
Sustainable Fellwood II	Savannah	LIHTC/PHA/Market	Family	Tenancy not comparable
Ashley Midtown I	Savannah	LIHTC/PHA/Market	Family	Tenancy not comparable
Ashley Midtown II	Savannah	LIHTC/PHA/Market	Family	Tenancy not comparable
SNAP I, II, III	Savannah	LIHTC/Section 8/FHA	Family	Rent subsidized; tenancy not comparable
Telfair Arms	Savannah	LIHTC/Section 8/FHA	Elderly	Subsidized
Green Growth I	Savannah	Market/HoDAG	Family	More comparable properties available.
Courtney Station Apartments	Savannah	Market/HoDAG	Family	Tenancy not comparable
Cars V Inc	Savannah	Section 8	Disabled	Rent subsidized; tenancy not comparable
Chatham Assoc For Res Sev Inc I	Savannah	Section 8	Disabled	Rent subsidized; tenancy not comparable
Chatham Assoc For Res Sev Inc II	Savannah	Section 8	Disabled	Rent subsidized; tenancy not comparable
Georgia Infirmary A/ Habersham Place	Savannah	Section 8	Disabled	Rent subsidized; tenancy not comparable
Georgia Infirmary B/ Habersham Place	Savannah	Section 8	Disabled	Rent subsidized; tenancy not comparable
Ponderosa Forest Apts	Savannah	Section 8	Family	Rent subsidized; tenancy not comparable
Presidential Plaza I	Savannah	Section 8	Family	Rent subsidized; tenancy not comparable
Presidential Plaza II	Savannah	Section 8/FHA	Family	Rent subsidized; tenancy not comparable
St. Johns Villa Apartments	Savannah	Section 8	Elderly	Subsidized
Thomas Francis Williams Court Apts	Savannah	Section 8/FHA	Elderly	Subsidized
Jasmine Place	Savannah	Market/FHA	Family	Tenancy not comparable
East Broad Apts	Savannah	FHA	Family	Tenancy not comparable

Comparable Rental Property Map



COMPARABLE PROPERTIES

#	Property Name	City	Tenancy	Type	Distance
1	Pinewood Village	Pooler	Senior	LIHTC	12.0 miles
2	Rose Of Sharon	Savannah	Senior	LIHTC	1.4 miles
3	Sheppard Station	Pooler	Senior	LIHTC/Market	12.9 miles
4	Sustainable Fellwood III	Savannah	Senior	LIHTC/Market	3.2 miles
5	Chelsea At Five Points	Savannah	Family	Market	1.1 miles
6	The Fountains At Chatham Parkway	Savannah	Family	Market	5.5 miles
7	Veranda At Midtown	Savannah	Senior	Market	0.4 miles
8	Walden At Chatham Center	Savannah	Family	Market	6.3 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	Romana - Riley Lofts 1108 East Anderson Street Savannah, GA 31404 Chatham County	n/a	Lowrise (age-restricted) Proposed	LIHTC/Market	1BR / 1BA	6	10.50%	@50%	\$422	640	yes		N/A	N/A
					1BR / 1BA	11	19.30%	@60%	\$537	640	yes	N/A	N/A	
					1BR / 1BA	3	5.30%	Market	\$615	640	n/a	N/A	N/A	
					2BR / 1BA	3	5.30%	@50%	\$508	864	yes	N/A	N/A	
					2BR / 1BA	1	1.80%	@50%	\$508	916	yes	N/A	N/A	
					2BR / 1BA	14	24.60%	@60%	\$646	864	yes	N/A	N/A	
					2BR / 1BA	5	8.80%	@60%	\$646	916	yes	N/A	N/A	
					2BR / 2BA	2	3.50%	@50%	\$508	1,005	yes	N/A	N/A	
					2BR / 2BA	6	10.50%	@60%	\$646	1,005	yes	N/A	N/A	
					2BR / 2BA	6	10.50%	Market	\$735	1,005	n/a	N/A	N/A	
					57	100%						N/A	N/A	
1	Pinewood Village 755 S. Rogers Street Pooler, GA 31322 Chatham County	12 miles	One-story (age-restricted) 2014	LIHTC	1BR / 1BA	7	10.90%	@50%	\$435	822	yes	Yes	0	0.00%
					1BR / 1BA	25	39.10%	@60%	\$445	822	no	Yes	0	0.00%
					2BR / 1BA	6	9.40%	@50%	\$505	1,028	yes	Yes	0	0.00%
					2BR / 1BA	25	39.10%	@60%	\$565	1,028	no	Yes	0	0.00%
					2BR / 1BA	1	1.60%	Non-Rental	N/A	1,028	n/a	N/A	0	0.00%
					64	100%						0	0.00%	
2	Rose Of Sharon 322 East Taylor Street Savannah, GA 31401 Chatham County	1.4 miles	Highrise (age-restricted) (12 stories) 1972 / 2007	LIHTC	Studio / 1BA	44	21.40%	@60%	\$454	418	no	Yes	0	0.00%
					1BR / 1BA	140	68.00%	@60%	\$507	602	no	Yes	0	0.00%
					1BR / 1BA	22	10.70%	@60%	\$507	627	no	Yes	0	0.00%
						206	100%						0	0.00%
3	Sheppard Station 215 Brighton Woods Dr Pooler, GA 31322 Chatham County	12.9 miles	Lowrise (age-restricted) (3 stories) 2009	LIHTC/Market	1BR / 1BA	25	38.50%	@50%	\$469	815	yes	Yes	0	0.00%
					1BR / 1BA	1	1.50%	@60%	\$469	815	no	Yes	0	0.00%
					1BR / 1BA	7	10.80%	Market	\$514	815	n/a	Yes	0	0.00%
					2BR / 1BA	24	36.90%	@50%	\$508	1,000	yes	Yes	0	0.00%
					2BR / 1BA	2	3.10%	@60%	\$582	1,000	no	Yes	0	0.00%
					2BR / 1BA	6	9.20%	Market	\$582	1,000	n/a	Yes	0	0.00%
						65	100%						0	0.00%
4	Sustainable Fellwood III Exley Street Savannah, GA 31415 Chatham County	3.2 miles	Midrise (age-restricted) (4 stories) 2012	LIHTC/Market	1BR / 1BA	41	41.00%	@60%	\$577	732	yes	Yes	0	0.00%
					1BR / 1BA	37	37.00%	@60% (PBRA)	N/A	732	n/a	Yes	0	0.00%
					1BR / 1BA	7	7.00%	Market	\$657	732	n/a	No	0	0.00%
					2BR / 2BA	5	5.00%	@60%	\$697	951	yes	Yes	0	0.00%
					2BR / 2BA	7	7.00%	@60% (PBRA)	N/A	951	n/a	Yes	0	0.00%
					2BR / 2BA	3	3.00%	Market	\$790	951	n/a	No	0	0.00%
						100	100%						0	0.00%
5	Chelsea At Five Points 1910 Skidaway Rd Savannah, GA 31404 Chatham County	1.1 miles	Garden (2 stories) 1947 / 1983	Market	1BR / 1BA	24	17.60%	Market	\$635	700	n/a	No	0	0.00%
					2BR / 1BA	112	82.40%	Market	\$695	850	n/a	No	0	0.00%
						136	100%					0	0.00%	
6	The Fountains At Chatham Parkway 1699 Chatham Parkway Savannah, GA 31405 Chatham County	5.5 miles	Garden (2 stories) 2007-2008	Market	Studio / 1BA	44	12.50%	Market	\$851	575	n/a	Yes	1	2.30%
					1BR / 1BA	44	12.50%	Market	\$971	741	n/a	Yes	1	2.30%
					1BR / 1BA	44	12.50%	Market	\$991	801	n/a	Yes	1	2.30%
					1BR / 1BA	22	6.20%	Market	\$1,026	830	n/a	Yes	2	9.10%
					1BR / 1BA	22	6.20%	Market	\$1,026	888	n/a	Yes	1	4.50%
					2BR / 2BA	44	12.50%	Market	\$1,200	957	n/a	Yes	1	2.30%
					2BR / 2BA	22	6.20%	Market	\$1,230	1,055	n/a	Yes	1	4.50%
					2BR / 2BA	44	12.50%	Market	\$1,315	1,090	n/a	Yes	1	2.30%
					3BR / 2BA	33	9.40%	Market	\$1,570	1,291	n/a	Yes	1	3.00%
					3BR / 2BA	33	9.40%	Market	\$1,608	1,371	n/a	Yes	1	3.00%
						352	100%						11	3.10%
7	Veranda At Midtown 1414 East Anderson Street Savannah, GA 31404 Chatham County	0.4 miles	Midrise (age-restricted) (4 stories) 2005	Market/PBRA	1BR / 1BA	2	2.00%	Market	\$689	659	n/a	Yes	0	0.00%
					1BR / 1BA	6	6.00%	Market	\$689	664	n/a	Yes	1	16.70%
					1BR / 1BA	3	3.00%	Market	\$689	736	n/a	Yes	0	0.00%
					1BR / 1BA	2	2.00%	PBRA	N/A	654	n/a	Yes	0	0.00%
					1BR / 1BA	7	7.00%	PBRA	N/A	659	n/a	Yes	0	0.00%
					1BR / 1BA	27	27.00%	PBRA	N/A	664	n/a	Yes	1	3.70%
					1BR / 1BA	12	12.00%	PBRA	N/A	673	n/a	Yes	0	0.00%
					1BR / 1BA	5	5.00%	PBRA	N/A	696	n/a	Yes	0	0.00%
					1BR / 1BA	20	20.00%	PBRA	N/A	736	n/a	Yes	0	0.00%
					2BR / 1BA	16	16.00%	PBRA	N/A	918	n/a	Yes	0	0.00%
						100	100%						2	2.00%
8	Walden At Chatham Center 100 Walden Lane Savannah, GA 31405 Chatham County	6.3 miles	Garden (3 stories) 2003	Market	1BR / 1BA	N/A	N/A	Market	\$1,003	642	n/a	No	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$1,069	797	n/a	No	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$1,097	883	n/a	No	N/A	N/A
					1BR / 1BA	N/A	N/A	Market	\$1,131	1,013	n/a	No	N/A	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,129	1,131	n/a	No	1	N/A
					2BR / 2BA	N/A	N/A	Market	\$1,400	1,211	n/a	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	\$1,556	1,358	n/a	No	N/A	N/A
					3BR / 2BA	N/A	N/A	Market	\$1,670	1,412	n/a	No	0	N/A
						236	100%						14	5.90%

RENT AND SQUARE FOOTAGE RANKING -- All rents adjusted for utilities and concessions extracted from the market.								
Effective Rent Date:		Apr-16	Units Surveyed:		1259	Weighted Occupancy:		97.90%
			Market Rate		824	Market Rate		96.70%
			Tax Credit		435	Tax Credit		100.00%
One Bedroom One Bath			Two Bedrooms One Bath			Two Bedrooms Two Bath		
RENT	Property	Average	Property	Average	Property	Average	Property	Average
	Walden At Chatham Center	\$1,131	Walden At Chatham Center (2BA)	\$1,400	Walden At Chatham Center	\$1,400	Walden At Chatham Center	\$1,400
	Walden At Chatham Center	\$1,097	The Fountains At Chatham Parkway (2BA)	\$1,315	The Fountains At Chatham Parkway	\$1,315	The Fountains At Chatham Parkway	\$1,315
	Walden At Chatham Center	\$1,069	The Fountains At Chatham Parkway (2BA)	\$1,230	The Fountains At Chatham Parkway	\$1,230	The Fountains At Chatham Parkway	\$1,230
	The Fountains At Chatham Parkway	\$1,026	The Fountains At Chatham Parkway (2BA)	\$1,200	The Fountains At Chatham Parkway	\$1,200	The Fountains At Chatham Parkway	\$1,200
	The Fountains At Chatham Parkway	\$1,026	Walden At Chatham Center (2BA)	\$1,129	Walden At Chatham Center	\$1,129	Walden At Chatham Center	\$1,129
	Walden At Chatham Center	\$1,003	Sustainable Fellwood III * (2BA M)	\$790	Sustainable Fellwood III * (M)	\$790	Sustainable Fellwood III * (M)	\$790
	The Fountains At Chatham Parkway	\$991	Sustainable Fellwood III * (2BA 60%)	\$697	Romana - Riley Lofts * (M)	\$735	Romana - Riley Lofts * (M)	\$735
	The Fountains At Chatham Parkway	\$971	Chelsea At Five Points	\$695	Sustainable Fellwood III * (60%)	\$697	Sustainable Fellwood III * (60%)	\$697
	Veranda At Midtown	\$689	Romana - Riley Lofts * (60%)	\$646	Chelsea At Five Points (1BA)	\$695	Chelsea At Five Points (1BA)	\$695
	Veranda At Midtown	\$689	Romana - Riley Lofts * (60%)	\$646	Romana - Riley Lofts * (60%)	\$646	Romana - Riley Lofts * (60%)	\$646
	Veranda At Midtown	\$689	Sheppard Station * (60%)	\$582	Sheppard Station * (1BA 60%)	\$582	Sheppard Station * (1BA 60%)	\$582
	Sustainable Fellwood III * (M)	\$657	Sheppard Station * (M)	\$582	Sheppard Station * (1BA M)	\$582	Sheppard Station * (1BA M)	\$582
	Chelsea At Five Points	\$635	Pinewood Village * (60%)	\$565	Pinewood Village * (1BA 60%)	\$565	Pinewood Village * (1BA 60%)	\$565
	Romana - Riley Lofts * (M)	\$615	Romana - Riley Lofts * (50%)	\$508	Romana - Riley Lofts * (50%)	\$508	Romana - Riley Lofts * (50%)	\$508
	Sustainable Fellwood III * (60%)	\$577	Romana - Riley Lofts * (50%)	\$508	Sheppard Station * (1BA 50%)	\$508	Sheppard Station * (1BA 50%)	\$508
	Romana - Riley Lofts * (60%)	\$537	Sheppard Station * (50%)	\$508	Pinewood Village * (1BA 50%)	\$505	Pinewood Village * (1BA 50%)	\$505
	Sheppard Station * (M)	\$514	Pinewood Village * (50%)	\$505				
	Rose Of Sharon * (60%)	\$507						
	Rose Of Sharon * (60%)	\$507						
	Sheppard Station * (50%)	\$469						
	Sheppard Station * (60%)	\$469						
	Pinewood Village * (60%)	\$445						
	Pinewood Village * (50%)	\$435						
	Romana - Riley Lofts * (50%)	\$422						
SQUARE FOOTAGE	Property	Average	Property	Average	Property	Average	Property	Average
	Walden At Chatham Center	1,013	Walden At Chatham Center (2BA)	1,211	Walden At Chatham Center	1,211	Walden At Chatham Center	1,211
	The Fountains At Chatham Parkway	888	Walden At Chatham Center (2BA)	1,131	Walden At Chatham Center	1,131	Walden At Chatham Center	1,131
	Walden At Chatham Center	883	The Fountains At Chatham Parkway (2BA)	1,090	The Fountains At Chatham Parkway	1,090	The Fountains At Chatham Parkway	1,090
	The Fountains At Chatham Parkway	830	The Fountains At Chatham Parkway (2BA)	1,055	The Fountains At Chatham Parkway	1,055	The Fountains At Chatham Parkway	1,055
	Pinewood Village * (50%)	822	Pinewood Village * (50%)	1,028	Pinewood Village * (1BA 50%)	1,028	Pinewood Village * (1BA 50%)	1,028
	Pinewood Village * (60%)	822	Pinewood Village * (60%)	1,028	Pinewood Village * (1BA 60%)	1,028	Pinewood Village * (1BA 60%)	1,028
	Sheppard Station * (50%)	815	Sheppard Station * (50%)	1,000	Romana - Riley Lofts * (50%)	1,005	Romana - Riley Lofts * (50%)	1,005
	Sheppard Station * (60%)	815	Sheppard Station * (60%)	1,000	Romana - Riley Lofts * (60%)	1,005	Romana - Riley Lofts * (60%)	1,005
	Sheppard Station * (M)	815	Sheppard Station * (M)	1,000	Romana - Riley Lofts * (M)	1,005	Romana - Riley Lofts * (M)	1,005
	The Fountains At Chatham Parkway	801	The Fountains At Chatham Parkway (2BA)	957	Sheppard Station * (1BA 50%)	1,000	Sheppard Station * (1BA 50%)	1,000
	Walden At Chatham Center	797	Sustainable Fellwood III * (2BA 60%)	951	Sheppard Station * (1BA 60%)	1,000	Sheppard Station * (1BA 60%)	1,000
	The Fountains At Chatham Parkway	741	Sustainable Fellwood III * (2BA M)	951	Sheppard Station * (1BA M)	1,000	Sheppard Station * (1BA M)	1,000
	Veranda At Midtown	736	Romana - Riley Lofts * (50%)	916	The Fountains At Chatham Parkway	957	The Fountains At Chatham Parkway	957
	Sustainable Fellwood III * (60%)	732	Romana - Riley Lofts * (60%)	916	Sustainable Fellwood III * (60%)	951	Sustainable Fellwood III * (60%)	951
	Sustainable Fellwood III * (M)	732	Romana - Riley Lofts * (50%)	864	Sustainable Fellwood III * (M)	951	Sustainable Fellwood III * (M)	951
	Chelsea At Five Points	700	Romana - Riley Lofts * (60%)	864	Chelsea At Five Points (1BA)	850	Chelsea At Five Points (1BA)	850
	Veranda At Midtown	664	Chelsea At Five Points	850				
	Veranda At Midtown	659						
	Walden At Chatham Center	642						
	Romana - Riley Lofts * (50%)	640						
	Romana - Riley Lofts * (60%)	640						
	Romana - Riley Lofts * (M)	640						
	Rose Of Sharon * (60%)	627						
	Rose Of Sharon * (60%)	602						
RENT PER SQUARE FOOT	Property	Average	Property	Average	Property	Average	Property	Average
	Walden At Chatham Center	\$1.56	The Fountains At Chatham Parkway (2BA)	\$1.25	The Fountains At Chatham Parkway	\$1.25	The Fountains At Chatham Parkway	\$1.25
	Walden At Chatham Center	\$1.34	The Fountains At Chatham Parkway (2BA)	\$1.21	The Fountains At Chatham Parkway	\$1.21	The Fountains At Chatham Parkway	\$1.21
	The Fountains At Chatham Parkway	\$1.31	The Fountains At Chatham Parkway (2BA)	\$1.17	The Fountains At Chatham Parkway	\$1.17	The Fountains At Chatham Parkway	\$1.17
	Walden At Chatham Center	\$1.24	Walden At Chatham Center (2BA)	\$1.16	Walden At Chatham Center	\$1.16	Walden At Chatham Center	\$1.16
	The Fountains At Chatham Parkway	\$1.24	Walden At Chatham Center (2BA)	\$1.00	Walden At Chatham Center	\$1.00	Walden At Chatham Center	\$1.00
	The Fountains At Chatham Parkway	\$1.24	Sustainable Fellwood III * (2BA M)	\$0.83	Sustainable Fellwood III * (M)	\$0.83	Sustainable Fellwood III * (M)	\$0.83
	The Fountains At Chatham Parkway	\$1.16	Chelsea At Five Points	\$0.82	Chelsea At Five Points (1BA)	\$0.82	Chelsea At Five Points (1BA)	\$0.82
	Walden At Chatham Center	\$1.12	Romana - Riley Lofts * (60%)	\$0.75	Romana - Riley Lofts * (M)	\$0.73	Romana - Riley Lofts * (M)	\$0.73
	Veranda At Midtown	\$1.05	Sustainable Fellwood III * (2BA 60%)	\$0.73	Sustainable Fellwood III * (60%)	\$0.73	Sustainable Fellwood III * (60%)	\$0.73
	Veranda At Midtown	\$1.04	Romana - Riley Lofts * (60%)	\$0.71	Romana - Riley Lofts * (60%)	\$0.64	Romana - Riley Lofts * (60%)	\$0.64
	Romana - Riley Lofts * (M)	\$0.96	Romana - Riley Lofts * (50%)	\$0.59	Sheppard Station * (1BA 60%)	\$0.58	Sheppard Station * (1BA 60%)	\$0.58
	Veranda At Midtown	\$0.94	Sheppard Station * (60%)	\$0.58	Sheppard Station * (1BA M)	\$0.58	Sheppard Station * (1BA M)	\$0.58
	Chelsea At Five Points	\$0.91	Sheppard Station * (M)	\$0.58	Pinewood Village * (1BA 60%)	\$0.55	Pinewood Village * (1BA 60%)	\$0.55
	Sustainable Fellwood III * (M)	\$0.90	Romana - Riley Lofts * (50%)	\$0.55	Sheppard Station * (1BA 50%)	\$0.51	Sheppard Station * (1BA 50%)	\$0.51
	Rose Of Sharon * (60%)	\$0.84	Pinewood Village * (60%)	\$0.55	Romana - Riley Lofts * (50%)	\$0.51	Romana - Riley Lofts * (50%)	\$0.51
	Romana - Riley Lofts * (60%)	\$0.84	Sheppard Station * (50%)	\$0.51	Pinewood Village * (1BA 50%)	\$0.49	Pinewood Village * (1BA 50%)	\$0.49
	Rose Of Sharon * (60%)	\$0.81	Pinewood Village * (50%)	\$0.49				
	Sustainable Fellwood III * (60%)	\$0.79						
	Romana - Riley Lofts * (50%)	\$0.66						
	Sheppard Station * (M)	\$0.63						
	Sheppard Station * (50%)	\$0.58						
	Sheppard Station * (60%)	\$0.58						
	Pinewood Village * (60%)	\$0.54						
	Pinewood Village * (50%)	\$0.53						

PROPERTY PROFILE REPORT

Pinewood Village

Effective Rent Date	3/18/2016
Location	755 S. Rogers Street Pooler, GA 31322 Chatham County
Distance	12 miles
Units	64
Vacant Units	0
Vacancy Rate	0.0%
Type	One-story (age-restricted)
Year Built/Renovated	2014 / N/A
Marketing Began	N/A
Leasing Began	9/30/2014
Last Unit Leased	12/31/2014
Major Competitors	N/A
Tenant Characteristics	Seniors age 55 and older; 64% over age 65
Contact Name	Renee
Phone	912-748-0495



Market Information

Program	@50%, @60%, Non-Rental
Annual Turnover Rate	6%
Units/Month Absorbed	21
HCV Tenants	16%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased 1 to 4%
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	7	822	\$435	\$0	@50%	Yes	0	0.0%	yes	None
1	1	One-story	25	822	\$445	\$0	@60%	Yes	0	0.0%	no	None
2	1	One-story	6	1,028	\$505	\$0	@50%	Yes	0	0.0%	yes	None
2	1	One-story	25	1,028	\$565	\$0	@60%	Yes	0	0.0%	no	None
2	1	One-story	1	1,028	N/A	\$0	Non-Rental	N/A	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	\$435	\$0	\$435	\$0	\$435	1BR / 1BA	\$445	\$0	\$445	\$0	\$445
2BR / 1BA	\$505	\$0	\$505	\$0	\$505	2BR / 1BA	\$565	\$0	\$565	\$0	\$565
Non-Rental	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
2BR / 1BA	N/A	\$0	N/A	\$0	N/A						

Pinewood Village, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Ceiling Fan
Hand Rails
Oven
Refrigerator

Blinds
Central A/C
Exterior Storage
Garbage Disposal
Microwave
Pull Cords
Washer/Dryer hookup

Security

None

Services

None

Property

Business Center/Computer Lab
Off-Street Parking

Central Laundry
On-Site Management

Premium

None

Other

None

Comments

The property maintains a waiting list of 45 households.

Pinewood Village, continued

Trend Report

Vacancy Rates

2Q15	1Q16
0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$420	\$0	\$420	\$420
2016	1	0.0%	\$435	\$0	\$435	\$435

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$490	\$0	\$490	\$490
2016	1	0.0%	\$505	\$0	\$505	\$505

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$429	\$0	\$429	\$429
2016	1	0.0%	\$445	\$0	\$445	\$445

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	\$557	\$0	\$557	\$557
2016	1	0.0%	\$565	\$0	\$565	\$565

Trend: Non-Rental

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	0.0%	N/A	\$0	N/A	N/A
2016	1	0.0%	N/A	\$0	N/A	N/A

Trend: Comments

2Q15 The property maintains a shared waiting list of 300 to 400 households with Sheppard Station.

1Q16 The property maintains a waiting list of 45 households.

Pinewood Village, continued

Photos



PROPERTY PROFILE REPORT

Rose Of Sharon

Effective Rent Date	3/22/2016
Location	322 East Taylor Street Savannah, GA 31401 Chatham County
Distance	1.4 miles
Units	206
Vacant Units	0
Vacancy Rate	0.0%
Type	Highrise (age-restricted) (12 stories)
Year Built/Renovated	1972 / 2007
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Sister's Court, Williams Court, Sheppard Station
Tenant Characteristics	Seniors 62+, most over the age of 65, relocating from large cities such as DC, NY and Chicago to retire
Contact Name	Karen
Phone	912-234-5417



Market Information

Program	@60%
Annual Turnover Rate	14%
Units/Month Absorbed	N/A
HCV Tenants	68%
Leasing Pace	Within three weeks
Annual Chg. in Rent	Increased 12 to 13%
Concession	None

Utilities

A/C	included -- central
Cooking	included -- gas
Water Heat	included -- gas
Heat	included -- gas
Other Electric	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
0	1	Highrise (12 stories)	44	418	\$576	\$0	@60%	Yes	0	0.0%	no	None
1	1	Highrise (12 stories)	140	602	\$660	\$0	@60%	Yes	0	0.0%	no	None
1	1	Highrise (12 stories)	22	627	\$660	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$576	\$0	\$576	-\$122	\$454
1BR / 1BA	\$660	\$0	\$660	-\$153	\$507

Rose Of Sharon, continued

Amenities

In-Unit

Cable/Satellite/Internet
Central A/C
Oven

Carpeting
Hand Rails
Refrigerator

Security

Intercom (Buzzer)
Limited Access
Video Surveillance

Services

None

Property

Clubhouse/Meeting
Central Laundry
Off-Street Parking
Service Coordination

Elevators
Non-shelter Services
On-Site Management

Premium

Hairdresser / Barber

Other

None

Comments

The waiting list consists of 20 households. Management reported that there is strong demand for affordable senior housing due to retirees relocating to Savannah. The property's first rent increase in six years occurred in 2015. Management was unsure why rents had not increased in several years.

Rose Of Sharon, continued

Trend Report

Vacancy Rates

1Q14	1Q15	2Q15	1Q16
1.9%	1.9%	0.0%	0.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	2.5%	\$587	\$0	\$587	\$434
2015	1	2.5%	\$587	\$0	\$587	\$434
2015	2	0.0%	\$587	\$0	\$587	\$434
2016	1	0.0%	\$660	\$0	\$660	\$507

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$511	\$0	\$511	\$389
2015	1	0.0%	\$511	\$0	\$511	\$389
2015	2	0.0%	\$511	\$0	\$511	\$389
2016	1	0.0%	\$576	\$0	\$576	\$454

Trend: Comments

- 1Q14** There is a waiting list of 20 households for the subsidized units. The LIHTC units without subsidy do not have a waiting list. According to management, 76 percent of the unsubsidized LIHTC units are filled by voucher holders.
- 1Q15** The property was converted from a hospital to apartments in 1972. There is a waiting list of 20 households with a wait from six months to a year in length. According to management, 76 percent of the LIHTC units are filled by voucher holders. Management reported that the high percentage of voucher users is due to most seniors at the property living on social security. Management reported that there is high demand for affordable senior housing in the area due to retirees relocating to the area from all over the country.
- 2Q15** The property was converted from a hospital to apartments in 1972. There is a waiting list of 20 households for the subsidized units. Management reported that the high percentage of voucher users is due to most seniors at the property living on social security. Management reported that there is strong demand for affordable senior housing in the area due to retirees relocating to the area from all over the country.
- 1Q16** The waiting list consists of 20 households. Management reported that there is strong demand for affordable senior housing due to retirees relocating to Savannah. The property's first rent increase in six years occurred in 2015. Management was unsure why rents had not increased in several years.

Photos



PROPERTY PROFILE REPORT

Sheppard Station

Effective Rent Date	3/18/2016
Location	215 Brighton Woods Dr Pooler, GA 31322 Chatham County
Distance	12.9 miles
Units	65
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (age-restricted) (3 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Seniors age 55 and older; 64% over age 65
Contact Name	Renee
Phone	912-748-0495



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	6%
Units/Month Absorbed	12
HCV Tenants	8%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased 2 to 4%
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	Lowrise (3 stories)	25	815	\$469	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Lowrise (3 stories)	1	815	\$469	\$0	@60%	Yes	0	0.0%	no	None
1	1	Lowrise (3 stories)	7	815	\$514	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Lowrise (3 stories)	24	1,000	\$508	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Lowrise (3 stories)	2	1,000	\$582	\$0	@60%	Yes	0	0.0%	no	None
2	1	Lowrise (3 stories)	6	1,000	\$582	\$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	\$469	\$0	\$469	\$0	\$469	1BR / 1BA	\$469	\$0	\$469	\$0	\$469
2BR / 1BA	\$508	\$0	\$508	\$0	\$508	2BR / 1BA	\$582	\$0	\$582	\$0	\$582
Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
1BR / 1BA	\$514	\$0	\$514	\$0	\$514						
2BR / 1BA	\$582	\$0	\$582	\$0	\$582						

Sheppard Station, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Hand Rails
Pull Cords
Washer/Dryer

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

Security

In-Unit Alarm

Services

None

Property

Business Center/Computer Lab
Elevators
Off-Street Parking
Picnic Area
Service Coordination

Clubhouse/Meeting
Exercise Facility
On-Site Management
Recreation Areas

Premium

None

Other

Horseshoe pit, shuffleboard,

Comments

The property maintains a waiting list of 45 households.

Sheppard Station, continued

Trend Report

Vacancy Rates

2Q13	2Q14	2Q15	1Q16
0.0%	0.0%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$427	\$0	\$427	\$427
2014	2	0.0%	\$439	\$0	\$439	\$439
2015	2	0.0%	\$454	\$0	\$454	\$454
2016	1	0.0%	\$469	\$0	\$469	\$469

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$462	\$0	\$462	\$462
2014	2	0.0%	\$477	\$0	\$477	\$477
2015	2	0.0%	\$492	\$0	\$492	\$492
2016	1	0.0%	\$508	\$0	\$508	\$508

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$427	\$0	\$427	\$427
2014	2	0.0%	\$439	\$0	\$439	\$439
2015	2	0.0%	\$454	\$0	\$454	\$454
2016	1	0.0%	\$469	\$0	\$469	\$469

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$462	\$0	\$462	\$462
2014	2	0.0%	\$552	\$0	\$552	\$552
2015	2	0.0%	\$567	\$0	\$567	\$567
2016	1	0.0%	\$582	\$0	\$582	\$582

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$489	\$0	\$489	\$489
2014	2	0.0%	\$489	\$0	\$489	\$489
2015	2	0.0%	\$499	\$0	\$499	\$499
2016	1	0.0%	\$514	\$0	\$514	\$514

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	2	0.0%	\$539	\$0	\$539	\$539
2014	2	0.0%	\$552	\$0	\$552	\$552
2015	2	0.0%	\$567	\$0	\$567	\$567
2016	1	0.0%	\$582	\$0	\$582	\$582

Trend: Comments

- 2Q13** Management was unaware of the number of tenants using Housing Choice Vouchers, although they are accepted at the property. There are over 500 households on the waiting list.
- 2Q14** The property maintains a 500 household waiting list.
- 2Q15** The property maintains a shared waiting list of 300 to 400 households with Pinewood Village, a new senior LIHTC development in Pooler. Management indicated that rents will increase within the next month.
- 1Q16** The property maintains a waiting list of 45 households.

Sheppard Station, continued

Photos



PROPERTY PROFILE REPORT

Sustainable Fellwood III

Effective Rent Date	3/22/2016
Location	Exley Street Savannah, GA 31415 Chatham County
Distance	3.2 miles
Units	100
Vacant Units	0
Vacancy Rate	0.0%
Type	Midrise (age-restricted) (4 stories)
Year Built/Renovated	2012 / N/A
Marketing Began	N/A
Leasing Began	3/15/2012
Last Unit Leased	N/A
Major Competitors	Veranda at Midtown, Rose of Sharon
Tenant Characteristics	Seniors 62+, mostly from Savannah
Contact Name	Sierra
Phone	912-480-4611



Market Information

Program	@60%, @60% (Project Based Rental)
Annual Turnover Rate	2%
Units/Month Absorbed	30
HCV Tenants	10%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 6 to 7%
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	Midrise (4 stories)	41	732	\$613	\$0	@60%	Yes	0	0.0%	yes	None
1	1	Midrise (4 stories)	37	732	N/A	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	7	732	\$693	\$0	Market	No	0	0.0%	N/A	None
2	2	Midrise (4 stories)	5	951	\$742	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Midrise (4 stories)	7	951	N/A	\$0	@60% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	N/A	None
2	2	Midrise (4 stories)	3	951	\$835	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$613	\$0	\$613	-\$36	\$577	1BR / 1BA	\$693	\$0	\$693	-\$36	\$657
2BR / 2BA	\$742	\$0	\$742	-\$45	\$697	2BR / 2BA	\$835	\$0	\$835	-\$45	\$790

Sustainable Fellwood III, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Hand Rails
Pull Cords
Washer/Dryer

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

Security

Intercom (Phone)
Limited Access

Services

None

Property

Business Center/Computer Lab
Elevators
Off-Street Parking
Recreation Areas

Clubhouse/Meeting
Exercise Facility
On-Site Management

Premium

None

Other

None

Comments

The waiting list consists of seven households. According to management, 11 units are currently offline due to water damage from a recent flood. There are no vacancies at the property except the units that are currently offline.

Sustainable Fellwood III, continued

Trend Report

Vacancy Rates

4Q13	2Q14	1Q15	1Q16
0.0%	1.0%	2.0%	0.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	\$583	\$0	\$583	\$547
2014	2	0.0%	\$619	\$0 - \$26	\$593	\$557
2015	1	2.6%	\$598	\$0 - \$26	\$572	\$536
2016	1	0.0%	\$613	\$0	\$613	\$577

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	\$702	\$0	\$702	\$657
2014	2	0.0%	\$732	\$0 - \$31	\$701	\$656
2015	1	0.0%	\$725	\$0 - \$31	\$694	\$649
2016	1	0.0%	\$742	\$0	\$742	\$697

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	\$639	\$0	\$639	\$603
2014	2	14.3%	\$678	\$28	\$650	\$614
2015	1	0.0%	\$678	\$28	\$650	\$614
2016	1	0.0%	\$693	\$0	\$693	\$657

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	\$739	\$0	\$739	\$694
2014	2	0.0%	\$820	\$34	\$786	\$741
2015	1	0.0%	\$820	\$34	\$786	\$741
2016	1	0.0%	\$835	\$0	\$835	\$790

Trend: Comments

4Q13 The contact noted that the property is an age-restricted property for seniors over the age of 62. The contact indicated that there is not currently a waiting list, nor are there any vacancies. The contact stated that the annual turnover rate is almost zero. The property does accept housing choice vouchers, but the contact could not provide an estimate for the number of tenants that currently use vouchers.

Management reported that there is a waiting list but could not estimate the number of households on the waiting list.

2Q14 Management indicated that the annual turnover rate and percentage of voucher holders are below 10 percent. There is a lengthy waiting list for the subsidized units.

1Q15 Management indicated that the annual turnover rate is very low at about two percent. There is a short waiting list for one-bedroom units.

1Q16 The waiting list consists of seven households. According to management, 11 units are currently offline due to water damage from a recent flood. There are no vacancies at the property except the units that are currently offline.

Sustainable Fellwood III, continued

Photos



PROPERTY PROFILE REPORT

Chelsea At Five Points

Effective Rent Date	3/18/2016
Location	1910 Skidaway Rd Savannah, GA 31404 Chatham County
Distance	1.1 miles
Units	136
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1947 / 1983
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Kingstown, Alhambra
Tenant Characteristics	Mostly from Savannah and Chatham County
Contact Name	Michael
Phone	912-232-6640



Market Information

Program	Market
Annual Turnover Rate	38%
Units/Month Absorbed	N/A
HCV Tenants	18%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 1 to 2%
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	24	700	\$635	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	112	850	\$695	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$635	\$0	\$635	\$0	\$635
2BR / 1BA	\$695	\$0	\$695	\$0	\$695

Amenities

In-Unit	Security	Services
Blinds Central A/C Oven	Video Surveillance	None
Carpet/Hardwood Dishwasher Refrigerator		
Property	Premium	Other
Central Laundry On-Site Management Swimming Pool	None	None
Off-Street Parking Picnic Area		

Chelsea At Five Points, continued

Comments

Management stated they offer two-bedroom units with vaulted ceilings and wrap around bars for an additional \$55 a month. The property does not maintain a waiting list.

Chelsea At Five Points, continued

Trend Report

Vacancy Rates

1Q15	2Q15	3Q15	1Q16
0.0%	0.0%	0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$625	\$0	\$625	\$625
2015	2	0.0%	\$625	\$0	\$625	\$625
2015	3	0.0%	\$625	\$0	\$625	\$625
2016	1	0.0%	\$635	\$0	\$635	\$635

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$685	\$0	\$685	\$685
2015	2	0.0%	\$685	\$0	\$685	\$685
2015	3	0.0%	\$685	\$0	\$685	\$685
2016	1	0.0%	\$695	\$0	\$695	\$695

Trend: Comments

1Q15	Management stated they offer two-bedroom units with vaulted ceilings and wrap around bars for an additional \$25 a month. The property does not keep a waiting list.
2Q15	N/A
3Q15	N/A
1Q16	Management stated they offer two-bedroom units with vaulted ceilings and wrap around bars for an additional \$55 a month. The property does not maintain a waiting list.

Photos



PROPERTY PROFILE REPORT

The Fountains At Chatham Parkway

Effective Rent Date	3/08/2016
Location	1699 Chatham Parkway Savannah, GA 31405 Chatham County
Distance	5.5 miles
Units	352
Vacant Units	11
Vacancy Rate	3.1%
Type	Garden (2 stories)
Year Built/Renovated	2007-2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Walden, Century Fenwick, Grand Oaks
Tenant Characteristics	Majority of the tenants are from Chatham County
Contact Name	Laydi
Phone	912-236-3771



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	29
HCV Tenants	0%
Leasing Pace	Pre-leased to two weeks
Annual Chg. in Rent	Increased 2 to 3%
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	not 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	Garden (2 stories)	44	575	\$820	\$0	Market	Yes	1	2.3%	N/A	None
1	1	Garden (2 stories)	44	741	\$940	\$0	Market	Yes	1	2.3%	N/A	None
1	1	Garden (2 stories)	44	801	\$960	\$0	Market	Yes	1	2.3%	N/A	None
1	1	Garden (2 stories)	22	830	\$995	\$0	Market	Yes	2	9.1%	N/A	None
1	1	Garden (2 stories)	22	888	\$995	\$0	Market	Yes	1	4.5%	N/A	None
2	2	Garden (2 stories)	44	957	\$1,169	\$0	Market	Yes	1	2.3%	N/A	None
2	2	Garden (2 stories)	22	1,055	\$1,199	\$0	Market	Yes	1	4.5%	N/A	None
2	2	Garden (2 stories)	44	1,090	\$1,284	\$0	Market	Yes	1	2.3%	N/A	None
3	2	Garden (2 stories)	33	1,291	\$1,539	\$0	Market	Yes	1	3.0%	N/A	None
3	2	Garden (2 stories)	33	1,371	\$1,577	\$0	Market	Yes	1	3.0%	N/A	None

The Fountains At Chatham Parkway, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$820	\$0	\$820	\$31	\$851
1BR / 1BA	\$940 - \$995	\$0	\$940 - \$995	\$31	\$971 - \$1,026
2BR / 2BA	\$1,169 - \$1,284	\$0	\$1,169 - \$1,284	\$31	\$1,200 - \$1,315
3BR / 2BA	\$1,539 - \$1,577	\$0	\$1,539 - \$1,577	\$31	\$1,570 - \$1,608

Amenities

In-Unit

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

Blinds
 Central A/C
 Dishwasher
 Ceiling Fan
 Microwave
 Refrigerator
 Washer/Dryer hookup

Security

Limited Access
 Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
 Clubhouse/Meeting
 Garage
 Off-Street Parking
 Picnic Area
 Wi-Fi

Car Wash
 Exercise Facility
 Central Laundry
 On-Site Management
 Swimming Pool

Premium

None

Other

Outdoor auditorium

Comments

The property operates on a LRO system. Rents for nearly all bedroom types have increased approximately three percent over the past year.

The Fountains At Chatham Parkway, continued

Trend Report

Vacancy Rates

1Q15	2Q15	3Q15	1Q16
2.8%	2.6%	0.3%	3.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.8%	\$952 - \$1,060	\$0 - \$16	\$936 - \$1,060	\$967 - \$1,091
2015	2	N/A	\$975 - \$1,081	\$17	\$958 - \$1,064	\$989 - \$1,095
2015	3	0.8%	\$920 - \$1,060	\$0	\$920 - \$1,060	\$951 - \$1,091
2016	1	3.8%	\$940 - \$995	\$0	\$940 - \$995	\$971 - \$1,026

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	6.4%	\$1,047 - \$1,122	\$16	\$1,031 - \$1,106	\$1,062 - \$1,137
2015	2	N/A	\$1,125 - \$1,145	\$17	\$1,108 - \$1,128	\$1,139 - \$1,159
2015	3	0.0%	\$1,130 - \$1,320	\$0	\$1,130 - \$1,320	\$1,161 - \$1,351
2016	1	2.7%	\$1,169 - \$1,284	\$0	\$1,169 - \$1,284	\$1,200 - \$1,315

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	3.0%	\$1,242 - \$1,352	\$16	\$1,226 - \$1,336	\$1,257 - \$1,367
2015	2	N/A	\$1,242 - \$1,420	\$17	\$1,225 - \$1,403	\$1,256 - \$1,434
2015	3	0.0%	\$1,337 - \$1,611	\$0	\$1,337 - \$1,611	\$1,368 - \$1,642
2016	1	3.0%	\$1,539 - \$1,577	\$0	\$1,539 - \$1,577	\$1,570 - \$1,608

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$847	\$0	\$847	\$878
2015	2	N/A	\$870	\$17	\$853	\$884
2015	3	0.0%	\$820	\$0	\$820	\$851
2016	1	2.3%	\$820	\$0	\$820	\$851

Trend: Comments

- 1Q15** The property does not accept Housing Choice Vouchers. The property operates on a LRO system. Rents for the studios increased seven percent, one-bedroom rents increased three to 11 percent on the two smallest floor plans and rents for the two-bedroom units decreased two to eight percent. Rents for the three-bedrooms increased two percent on the smaller unit type and decreased four percent on the larger unit type.
- 2Q15** The property operates on a LRO system. Rents for all bedroom types have increased approximately two percent in 2015. Rent ranges are due to lake views, laminate flooring, unit upgrades, and attached garage.
- 3Q15** The property operates on a LRO system. Rents for all bedroom types have increased approximately two percent in 2015. Rents for studio and one-bedroom rents were reported slightly lower than our previous survey, however, the contact noted rents have not decreased in 2015. Rent ranges are due to lake views, laminate flooring, unit upgrades, and attached garage. The current concession is first month free rent.
- 1Q16** The property operates on a LRO system. Rents for nearly all bedroom types have increased approximately three percent over the past year.

The Fountains At Chatham Parkway, continued

Photos



PROPERTY PROFILE REPORT

Veranda At Midtown

Effective Rent Date	4/21/2016
Location	1414 East Anderson Street Savannah, GA 31404 Chatham County
Distance	0.4 miles
Units	100
Vacant Units	2
Vacancy Rate	2.0%
Type	Midrise (age-restricted) (4 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Rose of Sharon
Tenant Characteristics	Seniors ages 62+; Average age is 65
Contact Name	Jamica
Phone	912-236-0683



Market Information

Program	Market, PBRA
Annual Turnover Rate	6%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
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	Midrise (4 stories)	2	659	\$725	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	6	664	\$725	\$0	Market	Yes	1	16.7%	N/A	None
1	1	Midrise (4 stories)	3	736	\$725	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	2	654	N/A	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	7	659	N/A	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	27	664	N/A	\$0	PBRA	Yes	1	3.7%	N/A	None
1	1	Midrise (4 stories)	12	673	N/A	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	5	696	N/A	\$0	PBRA	Yes	0	0.0%	N/A	None
1	1	Midrise (4 stories)	20	736	N/A	\$0	PBRA	Yes	0	0.0%	N/A	None
2	1	Midrise (4 stories)	16	918	N/A	\$0	PBRA	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	PBRA	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$725	\$0	\$725	-\$36	\$689	1BR / 1BA	N/A	\$0	N/A	-\$36	N/A
						2BR / 1BA	N/A	\$0	N/A	-\$45	N/A

Veranda At Midtown, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Dishwasher
Ceiling Fan
Hand Rails
Pull Cords
Washer/Dryer hookup

Blinds
Central A/C
Exterior Storage
Garbage Disposal
Oven
Refrigerator

Security

Limited Access

Services

None

Property

Clubhouse/Meeting
Exercise Facility
Off-Street Parking
Picnic Area

Elevators
Central Laundry
On-Site Management
Theatre

Premium

None

Other

Library

Comments

There is a waiting list for the market rate units. However, the number of households waiting was not available. None of the market rate units are filled with voucher holders. The PBRA waiting list is approximately two to three years in length and is maintained by the local housing authority.

Veranda At Midtown, continued

Trend Report

Vacancy Rates

1Q14	1Q15	2Q15	2Q16
2.0%	2.0%	0.0%	2.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	9.1%	\$675	\$0	\$675	\$639
2015	1	0.0%	\$725	\$0	\$725	\$689
2015	2	0.0%	\$725	\$0	\$725	\$689
2016	2	9.1%	\$725	\$0	\$725	\$689

Trend: PBRA

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	N/A	\$0	N/A	N/A
2015	1	N/A	N/A	\$0	N/A	N/A
2015	2	0.0%	N/A	\$0	N/A	N/A
2016	2	1.4%	N/A	\$0	N/A	N/A

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	6.2%	N/A	\$0	N/A	N/A
2015	1	0.0%	N/A	\$0	N/A	N/A
2015	2	0.0%	N/A	\$0	N/A	N/A
2016	2	0.0%	N/A	\$0	N/A	N/A

Trend: Comments

- 1Q14** There is a waiting list of approximately 20 households for the market rate units. None of the market rate units are filled with voucher holders. The PBRA waiting list is approximately two years in length and is maintained by the local housing authority.
- 1Q15** There is a waiting list of approximately 20 households for the market rate units. None of the market rate units are filled with voucher holders. The PBRA waiting list is approximately two years in length and is maintained by the local housing authority. Management reported that two of the one-bedroom PBRA units are vacant.
- 2Q15** There is a waiting list of approximately 20 households for market rate units. None of the market rate units are filled with voucher holders. The PBRA waiting list is approximately two years in length and is maintained by the local housing authority.
- 2Q16** There is a waiting list for the market rate units. However, the number of households waiting was not available. None of the market rate units are filled with voucher holders. The PBRA waiting list is approximately two to three years in length and is maintained by the local housing authority.

Veranda At Midtown, continued

Photos



PROPERTY PROFILE REPORT

Walden At Chatham Center

Effective Rent Date	3/08/2016
Location	100 Walden Lane Savannah, GA 31405 Chatham County
Distance	6.3 miles
Units	236
Vacant Units	14
Vacancy Rate	5.9%
Type	Garden (3 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Springs at Chatham, Fenwick, Avala, Savannah Qtrs
Tenant Characteristics	18% students, 4% senior are from Savannah.
Contact Name	Lu
Phone	912-238-8596



Market Information

Program	Market
Annual Turnover Rate	12%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one to two weeks
Annual Chg. in Rent	Increased 1 to 3%
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	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	642	\$972	\$0	Market	No	N/A	N/A	N/A	AVG
1	1	Garden (3 stories)	N/A	797	\$1,038	\$0	Market	No	N/A	N/A	N/A	AVG
1	1	Garden (3 stories)	N/A	883	\$1,066	\$0	Market	No	N/A	N/A	N/A	AVG
1	1	Garden (3 stories)	N/A	1,013	\$1,100	\$0	Market	No	N/A	N/A	N/A	AVG
2	2	Garden (3 stories)	N/A	1,131	\$1,098	\$0	Market	No	1	N/A	N/A	AVG
2	2	Garden (3 stories)	N/A	1,211	\$1,369	\$0	Market	No	N/A	N/A	N/A	AVG
3	2	Garden (3 stories)	N/A	1,358	\$1,525	\$0	Market	No	N/A	N/A	N/A	AVG
3	2	Garden (3 stories)	N/A	1,412	\$1,639	\$0	Market	No	0	N/A	N/A	AVG

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$972 - \$1,100	\$0	\$972 - \$1,100	\$31	\$1,003 - \$1,131
2BR / 2BA	\$1,098 - \$1,369	\$0	\$1,098 - \$1,369	\$31	\$1,129 - \$1,400
3BR / 2BA	\$1,525 - \$1,639	\$0	\$1,525 - \$1,639	\$31	\$1,556 - \$1,670

Walden At Chatham Center, continued

Amenities

In-Unit

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

Blinds
Central A/C
Dishwasher
Ceiling Fan
Oven
Walk-In Closet

Security

Patrol
Perimeter Fencing

Services

None

Property

Business Center/Computer Lab
Clubhouse/Meeting
Garage
Off-Street Parking
Picnic Area
Swimming Pool

Car Wash
Exercise Facility
Central Laundry
On-Site Management
Playground

Premium

None

Other

Dog park, putting green

Comments

Management reported that the local rental market is stable.

Walden At Chatham Center, continued

Trend Report

Vacancy Rates

1Q15	2Q15	3Q15	1Q16
1.7%	1.7%	1.7%	5.9%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	\$880 - \$1,100	\$0	\$880 - \$1,100	\$911 - \$1,131
2015	2	N/A	\$762 - \$877	\$0	\$762 - \$877	\$793 - \$908
2015	3	N/A	\$762 - \$877	\$0	\$762 - \$877	\$793 - \$908
2016	1	N/A	\$972 - \$1,100	\$0	\$972 - \$1,100	\$1,003 - \$1,131

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	\$1,150 - \$1,500	\$0	\$1,150 - \$1,500	\$1,181 - \$1,531
2015	2	N/A	\$985	\$0	\$985	\$1,016
2015	3	N/A	\$1,022 - \$1,369	\$0	\$1,022 - \$1,369	\$1,053 - \$1,400
2016	1	N/A	\$1,098 - \$1,369	\$0	\$1,098 - \$1,369	\$1,129 - \$1,400

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	N/A	\$1,350 - \$1,700	\$0	\$1,350 - \$1,700	\$1,381 - \$1,731
2015	2	N/A	\$1,350 - \$1,700	\$0	\$1,350 - \$1,700	\$1,381 - \$1,731
2015	3	N/A	\$1,350 - \$1,700	\$0	\$1,350 - \$1,700	\$1,381 - \$1,731
2016	1	N/A	\$1,525 - \$1,639	\$0	\$1,525 - \$1,639	\$1,556 - \$1,670

Trend: Comments

1Q15	Management stated that there are two parking spaces assigned per unit. Management reported that turnover is due to the property's location close to colleges.
2Q15	Management stated that there are two parking spaces assigned per unit. Management reported that turnover is due to the property's location close to colleges. The property utilizes a LRO and thus rent prices fluctuate daily. The contact was able to provide rental information on all unit types except the three-bedrooms and the largest two-bedroom units.
3Q15	Management stated that there are two parking spaces assigned per unit. Management reported that turnover is due to the property's location close to colleges. The property utilizes a LRO and thus rent prices fluctuate daily. The contact also stated that the last three-bedroom unit leased was priced low according to their LRO system. That is the reason for the large price discrepancy reported in the three-bedroom units. The contact was able to provide rental information on all unit types except the three-bedrooms and the largest two-bedroom units.
1Q16	Management reported that the local rental market is stable.

Photos



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

Housing Choice Vouchers

The following table illustrates the percentage of Housing Choice Voucher tenants at the comparable properties.

TENANTS WITH VOUCHERS				
Comparable Property	Rent Structure	Location	Tenancy	Housing Choice Voucher Tenants
Pinewood Village	LIHTC	Pooler	Senior	16%
Rose Of Sharon	LIHTC	Savannah	Senior	68%
Sheppard Station	LIHTC/Market	Pooler	Senior	8%
Sustainable Fellwood III	LIHTC/Market	Savannah	Senior	10%
Chelsea At Five Points	Market	Savannah	Family	18%
The Fountains At Chatham Parkway	Market	Savannah	Family	0%
Veranda At Midtown	Market	Savannah	Senior	0%
Walden At Chatham Center	Market	Savannah	Family	0%

As illustrated in the previous table, Housing Choice Voucher (HCV) reliance is low with the exception of Rose of Sharon, which has voucher usage of 68 percent. Rose of Sharon was constructed in 1972 and renovated in 2007. It is inferior to the proposed Subject in terms of age and condition. Pinewood Village, Sheppard Station, and Sustainable Fellwood III, all of which are senior LIHTC properties constructed between 2009 and 2014, have voucher usage of 16 percent or less. Rose of Sharon is considered to be an outlier. We expect the Subject to have voucher usage consistent with that reflected by the three newest senior comparables.

Waiting Lists

The following table illustrates the presence of waiting lists at the comparable properties, where applicable.

WAITING LISTS				
Comparable Property	Rent Structure	Location	Tenancy	Length of Waiting List
Pinewood Village	LIHTC	Pooler	Senior	Shared waiting list of 45 HHs with Sheppard Station
Rose Of Sharon	LIHTC	Savannah	Senior	20 households
Sheppard Station	LIHTC/Market	Pooler	Senior	Shared waiting list of 45 HHs with Pinewood Village
Sustainable Fellwood III	LIHTC/Market	Savannah	Senior	Seven households
Chelsea At Five Points	Market	Savannah	Family	None
The Fountains At Chatham Parkway	Market	Savannah	Family	Yes, length N/Av
Veranda At Midtown	Market	Savannah	Senior	Short WL for market rate; 2-3 year WL for subsidized
Walden At Chatham Center	Market	Savannah	Family	None

As the previous table illustrates, six of the eight comparables maintain waiting lists. The presence of waiting lists at the senior LIHTC comparables is a positive indication of a strong senior rental market. Based on the performance of the comparable properties, we expect the Subject to maintain a short waiting list, at a minimum, following stabilization.

Lease Up History

We were able to obtain absorption information from several LIHTC and market rate properties in Savannah. Several of these properties have been used as comparables in our report.

ABSORPTION

Comparable Property	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Pinewood Village	LIHTC	Senior	2014	64	21
The Hue	Market	Family	2013	149	17
Savannah Gardens III	LIHTC/Market	Family	2012	95	14
Sustainable Fellwood III	LIHTC	Senior	2012	100	30
Sustainable Fellwood II	LIHTC/Market	Family	2011	110	18
Savannah Gardens I	LIHTC	Family	2010	115	11

As illustrated in the previous table, the properties constructed between 2010 and 2014 reported absorption rates of 11 to 30 units per month, with an average of 19 units per month. Pinewood Village is the newest senior LIHTC property in the market. It is located outside of the PMA. This property experienced an absorption rate of 21 units per month. It should be noted that Pinewood Village is managed by the same entity as Sheppard Station and many of its units were filled by households on Sheppard Station's waiting list. Sustainable Fellwood III is the newest senior LIHTC property located in the PMA. This property experienced an absorption rate of 30 units per month. Sustainable Fellwood III benefits from being a subsequent phase of an existing development and it offers project-based rental assistance for 44 percent of its units, which the Subject will not. Based upon this information, we would expect the Subject to experience a slower absorption pace when compared to Sustainable Fellwood III. Based upon the surveyed properties, we expect the Subject to experience an absorption pace of 20 units per month, which equates to an absorption period of approximately three months for the Subject to reach 93 percent occupancy.

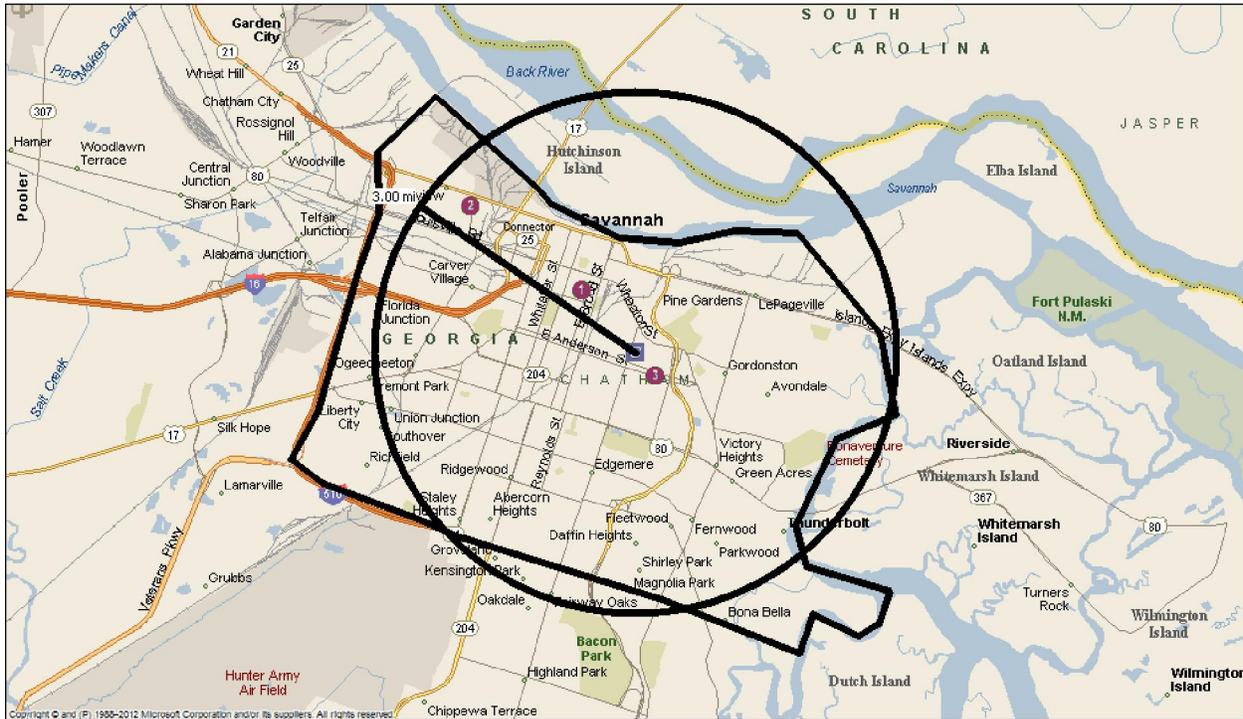
Phased Developments

The Subject is not part of a phased development.

Rural Areas

The Subject is not located in a rural area. There is adequate LIHTC and market rate multifamily data.

3. Competitive Project Map



COMPETITIVE PROJECTS MAP

#	Comparable Property	Rent Structure	Location	Tenancy	Distance
1	Rose Of Sharon	LIHTC	Savannah	Senior	1.4 miles
2	Sustainable Fellwood III	LIHTC/Market	Savannah	Senior	3.2 miles
3	Veranda At Midtown	Market	Savannah	Senior	0.4 miles

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.

UNIT MATRIX REPORT

	Romana - Riley Lofts	Pinewood Village	Rose Of Sharon	Sheppard Station	Sustainable Fellwood III	Chelsea At Five Points	The Fountains At Chatham Parkway	Veranda At Midtown	Walden At Chatham Center
Comp #	Subject	1	2	3	4	5	6	7	8
Property Information									
Property Type	NC/Conversion (age-restricted)	Duplex (age-restricted)	Highrise (age-restricted) (12 stories)	Lowrise (age-restricted) (3 stories)	Midrise (age-restricted) (4 stories)	Garden (2 stories)	Garden (2 stories)	Midrise (age-restricted) (4 stories)	Garden (3 stories)
Year Built / Renovated Market (Conv.)/Subsidy Type	Proposed LIHTC	2014 LIHTC	1972 / 2007 LIHTC	2009 LIHTC/Mkt	2012 LIHTC/Mkt	1947 / 1983 Market	2007-2008 Market	2005 Market	2003 Market
Utility Adjustments									
Cooking	no	no	yes	no	no	no	no	no	no
Water Heat	no	no	yes	no	no	no	no	no	no
Heat	no	no	yes	no	no	no	no	no	no
Other Electric	no	no	yes	no	no	no	no	no	no
Water	no	no	yes	no	yes	no	no	yes	no
Sewer	no	no	yes	no	yes	no	no	yes	no
Trash Collection	yes	yes	yes	yes	yes	yes	no	yes	no
In-Unit Amenities									
Balcony/Patio	yes	yes	no	yes	yes	no	yes	yes	yes
Blinds	yes	yes	no	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	no	no	yes	no	no	no	no	no	no
Carpet/Hardwood	no	no	no	no	no	yes	no	no	no
Carpeting	yes	yes	yes	yes	yes	no	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	no	no	no	no	no	no	yes	no	yes
Dishwasher	yes	yes	no	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	no	yes	no	no	yes	yes	yes
Ceiling Fan	no	yes	no	no	no	no	yes	yes	yes
Garbage Disposal	no	yes	no	no	yes	no	yes	yes	yes
Hand Rails	yes	yes	yes	yes	yes	no	no	yes	no
Microwave	no	yes	no	no	no	no	yes	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pull Cords	yes	yes	no	yes	yes	no	no	yes	no
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	no	no	no	no	no	no	yes	no	yes
Washer/Dryer	yes	no	no	yes	yes	no	no	no	no
Washer/Dryer hookup	yes	yes	no	yes	yes	no	yes	yes	yes
Property Amenities									
Business Center/Computer Lab	yes	yes	no	yes	yes	no	yes	no	yes
Car Wash	no	no	no	no	no	no	yes	no	yes
Clubhouse/Community Room	yes	no	yes	yes	yes	no	yes	yes	yes
Elevators	yes	no	yes	yes	yes	no	no	yes	no
Exercise Facility	yes	no	no	yes	yes	no	yes	yes	yes
Garage	no	no	no	no	no	no	yes	no	yes
Central Laundry	no	yes	yes	no	no	yes	yes	yes	yes
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	no	no	no	yes	no	yes	yes	yes	yes
Playground	no	no	no	no	no	no	no	no	yes
Recreation Areas	no	no	no	yes	yes	no	no	no	no
Service Coordination	no	no	yes	yes	no	no	no	no	no
Swimming Pool	no	no	no	no	no	yes	yes	no	yes
Theatre	no	no	no	no	no	no	no	yes	no
Wi-Fi	no	no	no	no	no	no	yes	no	no
Garage Fee	N/A	N/A	\$15.00	N/A	N/A	N/A	\$75.00	N/A	\$75.00
Security									
In-Unit Alarm	no	no	no	yes	no	no	no	no	no
Intercom (Buzzer)	yes	no	yes	no	no	no	no	no	no
Intercom (Phone)	no	no	no	no	yes	no	no	no	no
Limited Access	yes	no	yes	no	yes	no	yes	yes	no
Patrol	no	no	no	no	no	no	no	no	yes
Perimeter Fencing	no	no	no	no	no	no	yes	no	yes
Video Surveillance	no	no	yes	no	no	yes	no	no	no
Premium Amenities									
Hairdresser / Barber	no	no	yes	no	no	no	no	no	no
Other Amenities									
Other	Exterior covered porch w/seating in central area	n/a	n/a	Horseshoe pit, shuffleboard, library, garden	n/a	n/a	Outdoor auditorium	Library	Dog park, putting green

The Subject will offer in-unit washers and dryers, an amenity that is offered by two of the eight comparables. However, four of the remaining six comparables offer washer and dryer connections. Overall, the Subject will be slightly inferior to superior to the comparables in terms of unit amenities. The Subject’s common area amenity package will be competitive as the Subject will offer a business center/computer lab and an exercise facility. Three of the comparables offer swimming pools but these are family market rate properties and therefore this amenity is not typical for senior LIHTC properties in the market.

5. The Subject will target senior households age 55 and older. We have included all senior unsubsidized properties in the PMA with the exception of Sister’s Court Apartments. This LIHTC property is under renovation and is currently vacant. All tenants were relocated as part of the renovation. Therefore, we do not believe that this property should be utilized as a comparable. In order to supplement the market rate data, we have also included unrestricted family properties.

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY						
Comparable Property	Rent Structure	Location	Tenancy	Total Units	Vacant Units	Vacancy Rate
Pinewood Village	LIHTC	Pooler	Senior	64	0	0.0%
Rose Of Sharon*	LIHTC	Savannah	Senior	206	0	0.0%
Sheppard Station	LIHTC/Market	Pooler	Senior	65	0	0.0%
Sustainable Fellwood III*	LIHTC/Market	Savannah	Senior	100	0	0.0%
Chelsea At Five Points*	Market	Savannah	Family	136	0	0.0%
The Fountains At Chatham Parkway	Market	Savannah	Family	352	11	3.1%
Veranda At Midtown*	Market	Savannah	Senior	100	2	2.0%
Walden At Chatham Center	Market	Savannah	Family	236	14	5.9%
Total				1,259	27	2.1%

*Properties located in PMA.

The comparable properties reported vacancy rates of zero to 5.9 percent, with an average of 2.1 percent. The comparable senior properties reported vacancy rates of zero to 2.0 percent, with an average of 0.4 percent. Overall, the market is performing well. Based on the strong performance of the comparables, we expect the Subject to maintain a vacancy rate of five percent or less following stabilization.

7. Properties Under Construction and Proposed

According to the Georgia Department of Community Affairs, there were several properties awarded LIHTC in the PMA in 2014 or 2015.

Hitch Village Phase I was allocated tax credits in 2014 and will target families/general households.

1. Hitch Village Phase I will be located 1.1 miles from the Subject.
2. Hunt Companies is the sponsor.
3. The property will offer 72 units and will be replacement housing for public housing property.
4. The property will consist of one, two, and three-bedroom units.
5. The property will offer 57 LIHTC/PBRA units restricted at 60 percent of the AMI and 15 unrestricted units.
6. The estimated construction timeline is September 2015 to September 2016.

Because this property will target families and most units will be subsidized, we do not believe that it will directly compete with the Subject.

Sister's Court Apartments was allocated tax credits in 2014 and will be restricted to elderly households (62+).

1. Sister's Court Apartments is located 1.3 miles from the Subject.
2. National Church Residences is the sponsor.
3. The property will offer 77 LIHTC units following the renovation.
4. The property will consist of one and two-bedroom units.
5. Construction is underway and is expected to be complete by the spring of 2017.
6. The anticipated LIHTC rents for this project are \$288 to \$553 for the one-bedroom units and \$578 to \$642 for two-bedroom units.

We believe that Sister's Court Apartments will directly compete with the Subject following renovation.

Telfair Arms was allocated tax credits in 2015 and will be restricted to elderly households (62+).

1. Telfair Arms is located 1.1 miles from the Subject.
2. National Church Residences is the sponsor.
3. The property currently offer 53 LIHTC units, 45 of which operate with a Section 8 project-based subsidy. The unit mix and rent restrictions are expected to remain the same following the renovation.
4. The property consist of studio, one, and two-bedroom units.
5. The renovation is expected to be completed in 2017.
6. The proposed one-bedroom 60 percent rents absent subsidy are \$551. The remaining units are subsidized with tenants paying 30 percent of their income towards rent.

We believe that Telfair Arms seven unsubsidized one-bedroom 60 percent units will directly compete with the Subject following renovation.

Hitch Village Phase II was allocated tax credits in 2015 and will target families/general households.

1. Hitch Village Phase II will be located 1.3 miles from the Subject.
2. Hunt Companies is the sponsor.
3. The property will offer 100 units and will be replacement housing for public housing property.
4. The property will consist of one, two, three, and four-bedroom units.
5. The property will offer 80 units restricted to households earning 60 percent AMI and 20 unrestricted units. Of the 80 restricted units, 36 will operate with subsidy through the Rental Assistance Demonstration (RAD) program and 10 will operate with an Annual Contributions Contract (ACC).
6. Construction is expected to be completed in 2017.

Because this property will target families and a portion of the units will be subsidized, we do not believe that it will directly compete with the Subject.

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	Pinewood Village	LIHTC	Inferior	Slightly Superior	Slightly Inferior	Similar	Superior	0
2	Rose Of Sharon	LIHTC	Slightly Inferior	Inferior	Similar	Inferior	Inferior	-35
3	Sheppard Station	LIHTC/Market	Slightly Superior	Similar	Slightly Inferior	Similar	Superior	10
4	Sustainable Fellwood III	LIHTC/Market	Similar	Similar	Slightly Inferior	Similar	Similar	-5
5	Chelsea At Five Points	Market	Slightly Inferior	Inferior	Similar	Inferior	Similar	-25
6	The Fountains At Chatham Parkway	Market	Superior	Slightly Superior	Similar	Similar	Superior	25
7	Veranda At Midtown	Market	Slightly Superior	Slightly Superior	Similar	Slightly Inferior	Similar	5
8	Walden At Chatham Center	Market	Superior	Slightly Superior	Similar	Slightly 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 tables. It should be noted that Pinewood Village and Sheppard Station are managed by the same entity.

LIHTC Rent Comparison - @50%

Property Name	1BR	2BR
Romana - Riley Lofts (Subject)	\$422	\$508
LIHTC Maximum (Net)	\$422	\$508
Pinewood Village	\$435	\$505
Sheppard Station	\$469	\$508
Average (excluding Subject)	\$452	\$507

LIHTC Rent Comparison - @60%

Property Name	1BR	2BR
Romana - Riley Lofts (Subject)	\$537	\$646
LIHTC Maximum (Net)	\$537	\$646
Pinewood Village	\$445	\$565
Rose Of Sharon	\$507	-
Sheppard Station	\$469	\$582
Sustainable Fellwood III	\$577	\$697
Average (excluding Subject)	\$500	\$615

Pinewood Village was constructed in 2014 and is similar to the proposed Subject in terms of age and condition. The Subject will offer a slightly superior location and unit amenities when compared to Pinewood Village. However, Pinewood Village is superior to the proposed Subject in terms of unit sizes. The Subject will offer superior common area amenities when compared to Pinewood Village. Pinewood Village is achieving maximum allowable 50 percent AMI rents. Pinewood Village’s rents at 60 percent AMI are below the maximum allowable levels, despite the property being 100 percent occupied with a lengthy waiting list. Pinewood Village’s one and two-bedroom 60 percent rents are \$132 lower than the one and two-bedroom 60 percent rents at Sustainable Fellwood III, a new senior LIHTC comparable. Overall, we believe Pinewood Village’s 60 percent rents are artificially low and not indicative of achievable rents.

Sheppard Station was constructed in 2009 and is similar to the proposed Subject in terms of age and condition. The Subject will offer a slightly superior location when compared to Sheppard Station. However, Sheppard Station is slightly superior to superior to the proposed Subject in terms of common area amenities and unit sizes. The Subject will offer a similar in-unit amenity package when compared to Sheppard Station. Sheppard Station is achieving maximum allowable 50 percent AMI rents. Sheppard Station’s rents at 60 percent AMI are below the maximum allowable levels, despite the property being 100 percent occupied with a lengthy waiting list. Further, its one-bedroom 60 percent rents are understated as they are set at the same level as the one-bedroom 50 percent rents. Sheppard Station’s one and two-bedroom 60 percent rents are \$108 to \$115 lower than the one and two-bedroom 60 percent rents at Sustainable Fellwood III, a new senior LIHTC comparable. Overall, we believe Sheppard Station’s 60 percent rents are artificially low and not indicative of achievable rents.

The Subject will be slightly superior to superior to Rose of Sharon in terms of common area amenities, in-unit features, age/condition, and unit sizes. Therefore, we believe that the Subject should achieve rents above this property.

The Subject will be similar to Sustainable Fellwood III in terms of age/condition, unit sizes, and amenities. Sustainable Fellwood III is slightly inferior to the proposed Subject in terms of

location. It is currently 100 percent occupied with a short waiting list. Based upon the rents being achieved by Sustainable Fellwood III, we believe the Subject’s proposed rents are reasonable and achievable.

Overall, there is strong demand for senior LIHTC housing in the local market. We believe that the Subject’s rents are feasible as proposed despite its somewhat small unit sizes. Additionally, the Subject has a heavy concentration (65 percent) of two-bedroom units when compared to the market.

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%	\$422	\$435	\$1,131	\$743	76%
2 BR @ 50%	\$508	\$505	\$1,400	\$861	70%
1 BR @ 60%	\$537	\$445	\$1,131	\$773	44%
2 BR @ 60%	\$646	\$565	\$1,400	\$926	43%
1 BR @ Market	\$615	\$514	\$1,131	\$871	42%
2 BR @ Market	\$735	\$582	\$1,400	\$1,043	42%

The Subject’s proposed 50 and 60 percent AMI rents and market rents will have a significant rent advantage over the surveyed average rents in the market. The Subject will be in excellent condition and will offer a competitive amenity package as well as a competitive location. Overall, the Subject’s proposed rents are on the lower end of the range and appear to be feasible in the market given the low vacancy rates and presence of waiting lists at the comparable properties.

9. LIHTC Competition – DCA Funded Properties within the PMA

According to the Georgia Department of Community Affairs, there were several properties awarded LIHTC in the PMA in 2014 or 2015.

Hitch Village Phase I was allocated tax credits in 2014 and will target families/general households.

1. Hitch Village Phase I will be located 1.1 miles from the Subject.
2. Hunt Companies is the sponsor.
3. The property will offer 72 units and will be replacement housing for public housing property.
4. The property will consist of one, two, and three-bedroom units.
5. The property will offer 57 LIHTC/PBRA units restricted at 60 percent of the AMI and 15 unrestricted units.
6. The estimated construction timeline is September 2015 to September 2016.

Because this property will target families and most units will be subsidized, we do not believe that it will directly compete with the Subject.

Sister's Court Apartments was allocated tax credits in 2014 and will be restricted to elderly households (62+).

1. Sister's Court Apartments is located 1.3 miles from the Subject.
2. National Church Residences is the sponsor.
3. The property will offer 77 LIHTC units following the renovation.
4. The property will consist of one and two-bedroom units.
5. Construction is underway and is expected to be complete by the spring of 2017.
6. The anticipated LIHTC rents for this project are \$288 to \$553 for the one-bedroom units and \$578 to \$642 for two-bedroom units.

We believe that Sister's Court Apartments will directly compete with the Subject following renovation.

Telfair Arms was allocated tax credits in 2015 and will be restricted to elderly households (62+).

1. Telfair Arms is located 1.1 miles from the Subject.
2. National Church Residences is the sponsor.
3. The property currently offer 53 LIHTC units, 45 of which operate with a Section 8 project-based subsidy. The unit mix and rent restrictions are expected to remain the same following the renovation.
4. The property consist of studio, one, and two-bedroom units.
5. The renovation is expected to be completed in 2017.
6. The proposed one-bedroom 60 percent rents absent subsidy are \$551. The remaining units are subsidized with tenants paying 30 percent of their income towards rent.

We believe that Telfair Arms seven unsubsidized one-bedroom 60 percent units will directly compete with the Subject following renovation.

Hitch Village Phase II was allocated tax credits in 2015 and will target families/general households.

1. Hitch Village Phase II will be located 1.3 miles from the Subject.
2. Hunt Companies is the sponsor.
3. The property will offer 100 units and will be replacement housing for public housing property.
4. The property will consist of one, two, three, and four-bedroom units.
5. The property will offer 80 units restricted to households earning 60 percent AMI and 20 unrestricted units. Of the 80 restricted units, 36 will operate with subsidy through the Rental Assistance Demonstration (RAD) program and 10 will operate with an Annual Contributions Contract (ACC).
6. Construction is expected to be completed in 2017.

Because this property will target families and a portion of the units will be subsidized, we do not believe that it will directly compete with the Subject.

The comparable senior properties reported vacancy rates of zero to 2.0 percent, with an average of 0.4 percent. The presence of waiting lists at the senior LIHTC comparables is a positive indication of a strong senior rental market. Based upon the strong performance of the senior LIHTC comparables in the PMA, we believe there is adequate demand for the proposed Subject.

10. Rental Trends in the PMA

The table below depicts senior household growth by tenure from 2000 through 2020.

PMA TENURE PATTERNS OF SENIORS 55+

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	8,692	68.4%	4,022	31.6%
2010	7,692	63.0%	4,526	37.0%
2015	7,989	60.9%	5,129	39.1%
Projected Mkt Entry				
June 2018	8,298	60.2%	5,482	39.8%
2020	8,518	59.8%	5,734	40.2%

Source: ESRI Demographics 2015, Novogradac & Company LLP, April 2016

Owner-occupied housing units dominate the housing market in the PMA. However, senior renter-occupied units accounted for 39.1 percent of the total housing stock in the PMA in 2015. This rate is significantly higher than the national average of 13.0 percent for senior households.

Historical Vacancy

The following table illustrates the historical vacancy trends at the comparable properties.

HISTORICAL VACANCY TRENDS

Comparable Property	Rent Structure	Tenancy	Total Units	2QTR 2012	2QTR 2013	2QTR 2014	2QTR 2015	2QTR 2016
Pinewood Village	LIHTC	Senior	64	-	-	-	0.00%	0.00%
Rose Of Sharon	LIHTC	Senior	206	2.40%	4.40%	1.90%	0.00%	0.00%
Sheppard Station	LIHTC/Market	Senior	65	0.00%	0.00%	0.00%	0.00%	0.00%
Sustainable Fellwood III	LIHTC/Market	Senior	100	10.00%	0.00%	1.00%	2.00%	0.00%
Chelsea At Five Points	Market	Family	136	4.40%	3.70%	1.50%	0.00%	0.00%
The Fountains At Chatham Parkway	Market	Family	352	5.40%	6.80%	1.40%	2.60%	3.10%
Veranda At Midtown	Market	Senior	100	2.00%	2.00%	2.00%	0.00%	2.00%
Walden At Chatham Center	Market	Family	236	2.50%	3.00%	2.10%	1.70%	5.90%

As illustrated in the previous table, vacancy rates at the comparable properties have generally decreased over the past several years. This indicates that the market is stable and has successfully absorbed additions to supply while maintaining low vacancy rates.

Change in Rental Rates

The following table illustrates changes in rent among the comparable properties, where applicable.

RENT GROWTH

Comparable Property	Rent Structure	Location	Tenancy	Rent Growth
Pinewood Village	LIHTC	Pooler	Senior	Increased 1 to 4%
Rose Of Sharon	LIHTC	Savannah	Senior	Increased 12 to 13%
Sheppard Station	LIHTC/Market	Pooler	Senior	Increased 2 to 4%
Sustainable Fellwood III	LIHTC/Market	Savannah	Senior	Increased 6 to 7%
Chelsea At Five Points	Market	Savannah	Family	Increased 1 to 2%
The Fountains At Chatham Parkway	Market	Savannah	Family	Increased 2 to 3%
Veranda At Midtown	Market	Savannah	Senior	None
Walden At Chatham Center	Market	Savannah	Family	Increased 1 to 3%

Seven of the eight comparables reported rent growth over the past year, including four of the five senior properties. We anticipate that the Subject will be able to achieve moderate rent growth in the short term based upon the newest LIHTC comparables.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to www.RealtyTrac.com, one in every 1,155 homes in Savannah, GA was in foreclosure, as of March 2016. Nationally, one in every 1,212 homes was in foreclosure and one in every 1,109 homes in Georgia was in foreclosure. As indicated, Savannah has a lower foreclosure rate than Georgia but a slightly higher rate than the nation as a whole. Overall, it appears that the local market is faring better than the state in terms of foreclosure rates. We witnessed few abandoned homes in the Subject's immediate neighborhood.

12. Primary Housing Void

The comparable senior properties are two percent vacant or less and all maintain waiting lists. Based on the demand analysis, performance of the comparable properties, and conversations with local property managers, we believe there is demand for additional senior housing in the local market.

13. Affect of Subject on Other Affordable Units in Market

The comparable senior properties are two percent vacant or less and all maintain waiting lists. We do not believe that the Subject will negatively impact the performance of the comparable senior properties.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Approximately 39.8 percent of the seniors in the PMA will be renters as of the Subject's market entry date, which is considerably higher than the national rate at 13.0 percent. There are two proposed senior LIHTC developments in the Subject's PMA. However, both of these properties are renovations of existing properties and it is expected that most tenants will remain in place or move back to the properties following renovation. The Subject's strengths include its location, age/condition, and in-unit amenities. The Subject's primary weaknesses are its somewhat small unit sizes. Additionally, the Subject has a heavy concentration (65 percent) of two-bedroom units when compared to the market. The comparable senior properties reported vacancy rates of zero to 2.0 percent, with an average of 0.4 percent. The presence of waiting lists at the senior LIHTC comparables is a positive indication of a strong senior rental market. We believe that the Subject's proposed rents are reasonable and achievable.

I. ABSORPTION & STABILIZATION RATES

Stabilization/Absorption Rate

We were able to obtain absorption information from several LIHTC and market rate properties in Savannah. Several of these properties have been used as comparables in our report.

ABSORPTION

Comparable Property	Rent Structure	Tenancy	Year Built	Number of Units	Units Absorbed / Month
Pinewood Village	LIHTC	Senior	2014	64	21
The Hue	Market	Family	2013	149	17
Savannah Gardens III	LIHTC/Market	Family	2012	95	14
Sustainable Fellwood III	LIHTC	Senior	2012	100	30
Sustainable Fellwood II	LIHTC/Market	Family	2011	110	18
Savannah Gardens I	LIHTC	Family	2010	115	11

As illustrated in the previous table, the properties constructed between 2010 and 2014 reported absorption rates of 11 to 30 units per month, with an average of 19 units per month. Pinewood Village is the newest senior LIHTC property in the market. It is located outside of the PMA. This property experienced an absorption rate of 21 units per month. It should be noted that Pinewood Village is managed by the same entity as Sheppard Station and many of its units were filled by households on Sheppard Station's waiting list. Sustainable Fellwood III is the newest senior LIHTC property located in the PMA. This property experienced an absorption rate of 30 units per month. Sustainable Fellwood III benefits from being a subsequent phase of an existing development and it offers project-based rental assistance for 44 percent of its units, which the Subject will not. Based upon this information, we would expect the Subject to experience a slower absorption pace when compared to Sustainable Fellwood III. Based upon the surveyed properties, we expect the Subject to experience an absorption pace of 20 units per month, which equates to an absorption period of approximately three months for the Subject to reach 93 percent occupancy.

J. INTERVIEWS

Savannah's Assisted Housing Programs Department

According to Lynn Coleman, Director of the Housing Authority of Savannah's Assisted Housing Programs Department, the Housing Authority is currently authorized to issue 2,829 vouchers. The Housing Choice Voucher waiting list is currently closed. Ms. Coleman reported that there are approximately 10,799 households on the waiting list. The following table illustrates the current gross rent payment standards.

Payment Standards	
1BR	\$795
2BR	\$886
3BR	\$1,175
4BR	\$1,313

The Subject's proposed gross LIHTC rents are below the payment standards.

Planning

We spoke with Gary Plumbley, Development Services Planner with the Savannah Metropolitan Planning Commission, in regards to planned, proposed, or recently completed residential development in the Subject's neighborhood. Mr. Plumbley indicated that there was one proposed market rate multifamily development located 0.7 miles from the Subject site. GW Investments is proposing a 62-unit multifamily development consisting of one and two-bedroom units. According to businessinsavannah.com, the development has been met with public resistance but will likely be constructed. The development timeline was not available at the time of this report. We do not believe that this property will directly compete with the Subject given its family tenancy.

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

K. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

- The PMA is expected to experience moderate senior population and household growth from 2015 through 2020. Senior population growth in the PMA is expected to increase at an annual rate of 2.2 percent from 2015 through 2020, which is slightly lower than the national rate. The senior population in the PMA will increase at a slower rate than that of the MSA through 2020. Owner-occupied housing units dominate the housing market in the PMA. However, senior renter-occupied units accounted for 39.1 percent of the total housing stock in the PMA in 2015. This rate is significantly higher than the national average of 13.0 percent for senior households. The Subject will target senior households earning \$17,250 to \$29,460 for its LIHTC units. The market rate units will not have a maximum income restriction. As the previous table illustrates, approximately 38.9 percent of households in the PMA earned incomes between \$10,000 and \$29,999 in 2015. For the projected market entry date of June 2018, this percentage is projected to remain the same. As the senior population and number of households increase, there is expected to be a greater number of lower-income senior renters seeking affordable housing.
- The largest employers in Savannah are in the manufacturing, education, health care/social assistance, and government sectors. Employment in the PMA is greatest in the accommodation/food services, health care/social assistance, retail trade, and educational services sectors, which together account for almost 55 percent of the total employment in the PMA. This is significantly higher than the nation as a whole. The MSA experienced a 5.4 percent decrease in total employment in 2009 and a 6.5 percent decrease in 2010. The decrease in employment suggests that the national recession negatively impacted the local area. The nation as a whole experienced a smaller decline in total employment during the same time period. From December 2014 to December 2015, total employment increased 2.9 percent in the MSA, but has yet to reach pre-recessionary total employment levels which peaked in 2007. Since 2012, the unemployment rate in the MSA has steadily declined. Between December 2014 and December 2015, the unemployment rate in the MSA decreased from 6.1 percent to 5.0 percent.
- The Subject's 50 percent capture rates range from 4.0 to 5.1 percent, with an overall capture rate of 4.5 percent. The Subject's 60 percent AMI capture rates range from 15.4 to 19.5 percent, with an overall capture rate of 18.0 percent. The Subject's market rate capture rates range from 0.6 to 1.1 percent, with an overall capture rate of 0.9 percent. The overall capture rate for the Subject's 50 and 60 percent units is 13.4 percent. Therefore, we believe there is adequate demand for the Subject.
- The properties constructed between 2010 and 2014 reported absorption rates of 11 to 30 units per month, with an average of 19 units per month. Pinewood Village is the newest senior LIHTC property in the market. It is located outside of the PMA. This property experienced an absorption rate of 21 units per month. It should be noted that Pinewood Village is managed by the same entity as Sheppard Station and many of its units were filled by households on Sheppard Station's waiting list. Sustainable Fellwood III is the newest senior LIHTC property located in the PMA. This property experienced an absorption rate of 30 units per month. Sustainable Fellwood III benefits from being a

subsequent phase of an existing development and it offers project-based rental assistance for 44 percent of its units, which the Subject will not. Based upon this information, we would expect the Subject to experience a slower absorption pace when compared to Sustainable Fellwood III. Based upon the surveyed properties, we expect the Subject to experience an absorption pace of 20 units per month, which equates to an absorption period of approximately three months for the Subject to reach 93 percent occupancy.

- The comparable properties reported vacancy rates of zero to 5.9 percent, with an average of 2.1 percent. The comparable senior properties reported vacancy rates of zero to 2.0 percent, with an average of 0.4 percent. Overall, the market is performing well. Based on the strong performance of the comparables, we expect the Subject to maintain a vacancy rate of five percent or less following stabilization.
- Six of the eight comparables maintain waiting lists. The presence of waiting lists at the senior LIHTC comparables is a positive indication of a strong senior rental market. Based on the performance of the comparable properties, we expect the Subject to maintain a short waiting list, at a minimum, following stabilization.
- Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Approximately 39.8 percent of the seniors in the PMA will be renters as of the Subject's market entry date, which is considerably higher than the national rate at 13.0 percent. There are two proposed senior LIHTC developments in the Subject's PMA. However, both of these properties are renovations of existing properties and it is expected that most tenants will remain in place or move back to the properties following renovation. The Subject's strengths include its location, age/condition, and in-unit amenities. The Subject's primary weaknesses are its somewhat small unit sizes. Additionally, the Subject has a heavy concentration (65 percent) of two-bedroom units when compared to the market. The comparable senior properties reported vacancy rates of zero to 2.0 percent, with an average of 0.4 percent. The presence of waiting lists at the senior LIHTC comparables is a positive indication of a strong senior rental market. We believe that the Subject's proposed rents are reasonable and achievable.

Recommendations

- We have no recommendations for the proposed Subject development.

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. 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.



Brad Weinberg, MAI, CVA,
CCIM
Partner
Novogradac & Company LLP

May 24, 2016
Date



Edward R. Mitchell, MAI
Manager

May 24, 2016
Date



Brendan Kelly
Senior Analyst

May 24, 2016
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.



Brad Weinberg, MAI, CVA,
CCIM
Partner
Novogradac & Company LLP

May 24, 2016
Date



Edward R. Mitchell, MAI
Manager

May 24, 2016
Date



Brendan Kelly
Senior Analyst

May 24, 2016
Date

N. QUALIFICATIONS

CURRICULUM VITAE
BRAD E. WEINBERG, MAI, CVA, CCIM

I. Education

University of Maryland, Masters of Science in Accounting & Financial Management
University of Maryland, Bachelors of Arts in Community Planning

II. Licensing and Professional Affiliations

MAI Member, Appraisal Institute, No. 10790
Certified Valuation Analyst (CVA), National Association of Certified Valuers and Analysts (NACVA)
Member, The Counselors of Real Estate (CRE)
Certified Investment Member (CCIM), Commercial Investment Real Estate Institute
Member, Urban Land Institute
Member, National Council of Housing Market Analysts (NCHMA)

State of Alabama – Certified General Real Estate Appraiser, No. G00628
State of California – Certified General Real Estate Appraiser, No. 27638
State of Connecticut – Certified General Real Estate Appraiser, No. RCG.0001439
Washington, D.C. – Certified General Real Estate Appraiser; No. GA10340
State of Florida – Certified General Real Estate Appraiser; No. RZ3249
State of Georgia – Certified General Real Property Appraiser; No. 221179
State of Maine – Certified General Real Estate Appraiser, No. CG3435
State of Maryland – Certified General Real Estate Appraiser; No. 6048
Commonwealth of Massachusetts – Certified General Real Estate Appraiser; No. 103769
State of Michigan – Certified General Real Estate Appraiser, No. 1201074327
State of Nebraska – Certified General Real Estate Appraiser, No. CG2015008R
State of New Jersey – Certified General Real Estate Appraiser; No. 42RG00224900
State of Ohio – Certified General Real Estate Appraiser; No. 2006007302
State of Pennsylvania – Certified General Real Estate Appraiser; No. GA004111
State of South Carolina – Certified General Real Estate Appraiser; No. 4566

III. Professional Experience

Partner, Novogradac & Company LLP
President, Capital Realty Advisors, Inc.
Vice President, The Community Partners Realty Advisory Services Group, LLC
President, Weinberg Group, Real Estate Valuation & Consulting
Manager, Ernst & Young LLP, Real Estate Valuation Services
Senior Appraiser, Joseph J. Blake and Associates
Senior Analyst, Chevy Chase F.S.B.
Fee Appraiser, Campanella & Company

IV. Professional Training

Appraisal Institute Coursework and Seminars Completed for MAI Designation and Continuing Education Requirements

Commercial Investment Real Estate Institute (CIREI) Coursework and Seminars Completed for CCIM Designation and Continuing Education Requirements

V. Speaking Engagements and Authorship

Numerous speaking engagements at Affordable Housing Conferences throughout the Country

Participated in several industry forums regarding the Military Housing Privatization Initiative

Authored "New Legislation Emphasizes Importance of Market Studies in Allocation Process," *Affordable Housing Finance*, March 2001

VI. Real Estate Assignments

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

- On a national basis, conduct market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Analysis includes preliminary property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis to determine appropriate cost estimates.
- On a national basis, conduct market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. This includes projects under the 221(d)3, 221(d)4, 223(f), and 232 programs.
- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multifamily properties for DUS Lenders.
- Managed and completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 9 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Developed a Flat Rent Model for the Trenton Housing Authority. Along with teaming partner, Quadel Consulting Corporation, completed a public housing rent comparability study to determine whether the flat rent structure for public housing units is reasonable in comparison to similar, market-rate units. THA also requested a flat rent schedule and system for updating its flat rents. According to 24 CFR 960.253, public housing authorities (PHAs) are required to establish flat rents, in order to provide residents a choice between paying a "flat" rent, or an "income-based" rent. The flat rent is based on the "market rent", defined as the rent charged for a comparable unit in the private,

unassisted market at which a PHA could lease the public housing unit after preparation for occupancy. Based upon the data collected, the consultant will develop an appropriate flat rent schedule, complete with supporting documentation outlining the methodology for determining and applying the rents. We developed a system that THA can implement to update the flat rent schedule on an annual basis.

- As part of an Air Force Privatization Support Contractor team (PSC) to assist the Air Force in its privatization efforts. Participation has included developing and analyzing housing privatization concepts, preparing the Request for Proposal (RFP), soliciting industry interest and responses to housing privatization RFP, Evaluating RFP responses, and recommending the private sector entity to the Air Force whose proposal brings best value to the Air Force. Mr. Weinberg has participated on numerous initiatives and was the project manager for Shaw AFB and Lackland AFB Phase II.
- Conducted housing market analyses for the U.S. Army in preparation for the privatization of military housing. This is a teaming effort with Parsons Corporation. These analyses were done for the purpose of determining whether housing deficits or surpluses exist at specific installations. Assignment included local market analysis, consultation with installation housing personnel and local government agencies, rent surveys, housing data collection, and analysis, and the preparation of final reports.
- Developed a model for the Highland Company and the Department of the Navy to test feasibility of developing bachelor quarters using public-private partnerships. The model was developed to test various levels of government and private sector participation and contribution. The model was used in conjunction with the market analysis of two test sites to determine the versatility of the proposed development model. The analysis included an analysis of development costs associated with both MILCON and private sector standards as well as the potential market appeal of the MILSPECS to potential private sector occupants.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

EDWARD R. MITCHELL, MAI

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 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. Certifications & Licenses

- Alabama State Certified General Real Property Appraiser #G01192
- Florida State Certified General Real Property Appraiser #RZ3784
- Georgia State Certified General Real Property Appraiser #4649
- Mississippi State Certified Real Property Appraiser #GA 1135
- North Carolina State Certified General Real Property Appraiser #A7996
- South Carolina State Certified General Property Appraiser #7354
- West Virginia State Certified Real Property Appraiser #CG 524
- Licensed Real Estate Salesperson (Georgia)

STATEMENT OF PROFESSIONAL QUALIFICATIONS BRENDAN KELLY

I. Education

Pennsylvania State University, University Park, PA
Bachelor of Science in Finance

II. Professional Experience

Independent Real Estate Analyst
Senior Real Estate Analyst, Novogradac & Company LLP
Research Assistant, Novogradac & Company LLP

III. Real Estate Assignments

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

- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies according to HUD guidelines.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Work assignments completed in various states include: Alaska, Arizona, Arkansas, California, Colorado, Delaware, District of Columbia, Florida, Georgia, Hawaii, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Jersey, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, Texas, Utah, Washington, West Virginia, Wisconsin, Wyoming, and Virginia.