

**PROFESSIONAL MARKET STUDY
FOR THE BREAKERS APARTMENTS
A PROPOSED LIHTC ELDERLY DEVELOPMENT**

**LOCATED IN:
TRION, CHATTOOGA COUNTY, GA**

***PREPARED FOR:
THE BREAKERS AT TRION, L.P.***

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SECTION A
EXECUTIVE SUMMARY

1. Project Description:

. Brief description of project location including address and/or position relative to the closest cross-street.

. The proposed LIHTC/Market Rate apartment development located off a service road that runs parallel with US Highway 27, approximately 1 mile south of Downtown.

. Construction and occupancy types.

. The proposed new construction project design will comprise three 2-story residential buildings, connected by two elevators. The development will include a separate building (1,992 heated sf) comprising a manager’s office, and community room/clubhouse. The project will provide 104-parking spaces.

The proposed *Occupancy Type* is **Housing for Older Persons** (age 55+).

. Unit mix including bedrooms, bathrooms, square footage, income targeting rents, utility allowance.

Project Mix

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Heated sf)	Unit Size (Gross sf)
1BR/1b	8	779	858
2BR/2b	56	1109	1218
Total	64		

Project Rents:

The proposed development will target approximately 20% of the units at 50% or below of area median income (AMI), approximately 69% of the units at 60% AMI, and approximately 11% at Market. Rent excludes water and sewer and includes trash removal.

PROPOSED PROJECT RENTS @ 50% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	7	\$322	\$103	\$425
2BR/2b	6	\$384	\$126	\$510

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	1	\$330	\$103	\$433
2BR/2b	43	\$410	\$126	\$536

PROPOSED PROJECT RENTS @ Market				
Bedroom Mix	# of Units	Net Rent	Utility Estimate*	Gross Rent
2BR/2b	7	\$450	\$126	\$576

*Based upon Utility Allowances calculated by UA Pro, March 14, 2016.

. Any additional subsidies available including project based rental assistance (PBRA).

- . The proposed LIHTC/Market Rate elderly development will not include any additional deep subsidy rental assistance, including PBRA. The development will accept deep subsidy Section 8 vouchers.

. Brief description of proposed amenities and how they compare to existing properties.

- . Overall, the subject will be competitive to very competitive with all of the existing program assisted and market rate apartment properties in the market regarding the unit and the development amenity package.

2. Site Description/Evaluation:

. A brief description of physical features of the site and adjacent parcels. In addition, a brief overview of the neighborhood land composition (residential, commercial, industrial, agricultural).

- . The approximately 14.22-acre, polygon shaped tract is mostly wooded and is undulating. At present, there are no physical structures located on the tract. The site is not located within a 100-year flood plain.
- . The overall character of the neighborhood in the immediate vicinity of the site can be defined predominantly as a mixture of: commercial, institutional and single-family development, and vacant land use.

- Directly north of the site is vacant land use. Directly south along the Service Road and US Highway 27 is commercial and institutional development including: a Dollar General and the US Post Office. Single-family development is located about .4 miles south of the south. Directly west is a small neighborhood shopping center that was recently purchased and will eventually be redeveloped. Presently within the shopping center are: the Suggs Valley Market, the Redmond Family Care medical practice and several other small businesses. Also west of the tract are: the Trion Public Library, the public school recreational fields, and a single-family neighborhood. Directly east of the site is vacant land use.

• ***A discussion of site access and visibility.***

- Access to the site is available off the US Highway 27 - Service Road via an approximately 539 foot right of way. US Highway 27 is a the primary north/south connector in Trion, linking Trion and the site with Summerville to the south and LaFayette to the north. The actual access point to the site is off a Service Road, which runs parallel with US Highway 27. The traffic light intersection with the Service Road and US 27 is located within 750 feet from the buildable area of the subject site. Also, the location of the site off the US Highway 27 - Service Road does not present problems of egress and ingress to the site.
- The site offers good accessibility and linkages to area services and facilities. The areas surrounding the site appeared to be void of negative externalities including: noxious odors, close proximity to cemeteries, rail lines, and junk yards. The site allows for considerable buffering from a nearby power transmission easement lane.

• ***Any significant positive or negative aspects of the subject site.***

- Overall, the field research revealed the following strengths and weaknesses of the subject in relation to subject marketability.

SITE/SUBJECT ATTRIBUTES:	
STRENGTHS	WEAKNESSES
Good accessibility to services, trade, and health care facilities	
Good linkages to area road system	
Nearby road speed and noise are acceptable	
Surrounding land uses are acceptable	

- ***A brief summary of the site's proximity to neighborhood services including shopping, medical care, employment concentrations, public transportation, etc.***
- Ready access is available from the site to the following: major retail trade and service areas, employment opportunities, healthcare facilities, and area churches. All major facilities within Trion can be accessed within a 5-minute drive. At the time of the market study, no significant infrastructure development was in progress within the vicinity of the site.
- ***An overall conclusion of the site's appropriateness for the proposed development.***
- The site location is considered to be very marketable. In the opinion of the analyst, the proposed site location offers attributes that will greatly enhance the rent-up process of the proposed LIHTC/Market Rate development.

3. Market Area Definition:

- ***A brief definition of the primary market area including boundaries of the market area and their approximate distance from the subject property.***
- The Primary Market Area (PMA) for the proposed multi-family development consists of the following 2010 census tracts in Chattooga County:

101-106
- The PMA is located in the northwest portion of Georgia, approximately 25 miles northwest of Rome. Summerville, the county seat, is centrally located in Chattooga County. Trion, the second largest incorporated place in the county is located 5 miles north of Summerville.

The PMA is bounded as follows:

Direction	Boundary	Distance from Subject Site
North	Walker County	4 miles
East	Floyd County	10 miles
South	Floyd County	17 miles
West	GA/AL State Line	12 miles

4. Community Demographic Data:

- **Current and projected household and population counts for the primary market area. For senior reports, data should be presented for both overall and senior households and populations/households.**
- Total population losses over the next several years, (2016-2018) are forecasted for the PMA at a modest rate of decline, represented by a rate of change approximating -0.42% per year. In the PMA, in 2016, the total population count was 24,543 with a projected decrease to 24,335 in 2018.
- Population gains over the next several years, (2016-2018) are forecasted for the PMA for the 55 and over age group continuing at a moderate to significant rate of increase, with a forecasted rate of growth approximating +0.68% per year. In the PMA, in 2016, for population age 55 and over, the count was 7,495 with a projected increase to 7,597 in 2018. In the PMA, in 2016, for households age 55 and over, the count was 4,651 with a projected increase to 4,686 in 2018.
- **Households by tenure including any trends in rental rates.**
- The 2016 to 2018 tenure trend exhibited an increase in both owner-occupied and renter-occupied tenure in the PMA for households age 55 and over. The tenure trend (on a percentage basis) currently favors renter households.
- **Households by income level.**
- It is projected that in 2018, **15%** of the owner-occupied households age 55+ in the PMA will be in the 50% AMI LIHTC target income group of \$12,750 to \$18,450.
- It is projected that in 2018, **21%** of the renter-occupied households age 55+ in the PMA will be in the 50% AMI LIHTC target income group of \$12,750 to \$18,450.
- It is projected that in 2018, **18%** of the owner-occupied households age 55+ in the PMA will be in the 60% AMI LIHTC target income group of \$12,990 to \$22,140.
- It is projected that in 2018, **24%** of the renter-occupied households age 55+ in the PMA will be in the 60% AMI LIHTC target income group of \$12,990 to \$22,140.
- It is projected that in 2018, **35%** of the owner-occupied households age 55+ in the PMA will be in the Market Rate target income group of \$23,040 to \$50,000.
- It is projected that in 2018, **28%** of the renter-occupied households age 55+ in the PMA will be in the Market Rate target income group of \$23,040 to \$50,000.

- ***Impact of foreclosed, abandoned and vacant, single and multi-family homes, and commercial properties in the PMA of the proposed development should be discussed.***
- The foreclosure problem is still very much evident Nationwide, Statewide, as well as in Trion and Chattooga County. ForeclosureListings.com is a nationwide data base with approximately 987,505 listings (84% foreclosures, 4% short sales, 12% auctions, and 1% brokers listings). As of 5/17/16, there were 31 foreclosure and foreclosure auction listings within Trion, of which 3 of the 31 foreclosure listings had a listed value of greater than \$100,000.
- In Trion and Chattooga County as a whole, the relationship between the local area foreclosure market and existing LIHTC supply is not crystal clear. However, at the time of the survey, the existing LIHTC elderly property located within the PMA was 100% occupied.
- Note: Recent anecdotal news information points to the fact that the majority of the foreclosed properties were occupied by first time buyers or move-up buyers, of which the majority were younger households, still in the job market, (at the time) versus elderly homeowners. The recent recession and current slow recovery magnified the foreclosure problem and negatively impacted young to middle age homeowners more so than the elderly.
- With regard to the elderly desiring to sell a home in a market with many foreclosed properties they have the upper hand in terms of pricing power. Many purchased their homes decades ago at far lower prices than today and many own homes outright. Also, many transfer home ownership rights to heirs versus selling outright.

5. Economic Data:

- ***Trends in employment for the county and/or region. Employment should be based on the number of jobs in the county (i.e., covered employment).***
- Between 2005 and 2007, the average decrease in employment in Chattooga County was approximately -85 workers or approximately -0.81% per year. The rate of employment loss between 2008 and 2010, was very significant at over -3.65% per year, representing a annual net loss of -373 workers. The rate of employment gain between 2011 and 2013, was significant at +0.98% per year. The 2014 to 2015, rate of gain was modest when compared to the preceding year at +0.31%. The rate of employment change thus far into 2016, is forecasted to exhibit and increase in the level of employment when compared to 2015.
- The gains in covered employment in Chattooga County between 2012 and 2014, as well as the gains in the 1st, 2nd, and 3rd Quarters of 2015 have been comparable to resident employment trends during the same time period.

- ***Employment by sector for the county and/or region.***

- The top four employment sectors in the County are: manufacturing, trade, government and service. The 2016 forecast is for the manufacturing to stabilize and the health care sector to increase.

- ***Unemployment trends for the county and/or region for the past 5 years.***

- Monthly unemployment rates in 2015 were improved when compared to the 2009 to 2014 period. Monthly unemployment rates in 2015, were for the most part improving on a month to month basis, ranging between 5.2% and 6.9%. The National forecast for 2016 (at present) is for the unemployment rate to approximate 4.5% to 5% in the later portion of the year. Typically, during the last five years, the overall unemployment rate in Chattooga County has been above the state and national average unemployment rates. The annual unemployment rate in 2016 in Chattooga County is forecasted to continue to decline, to the vicinity of 5% to 5.5% and improving on a relative year to year basis.

- ***A brief discussion of any recent or planned major employment contractions or expansions.***

- The Chattooga County Chamber of Commerce is the local 'point of contact' for companies and businesses interested in Chattooga County. The Chamber works with multiple regional agencies to promote Chattooga County to potential new employers.
- The Northwest Georgia Joint Development Authority (NWGJDA) covers Catoosa, Chattooga, Dade, and Walker counties in Georgia. The NWGJDA assists businesses desiring to locate in Northwest Georgia, and has an inventory of buildings and industrial, commercial and tourism development sites in Northwest Georgia and the Chattanooga MSA.
- The Northwest Georgia Regional Commission is also an Economic Development District as designated by the U. S. Economic Development Administration. The Economic Development Administration (EDA) funds public works and planning projects for local governments to support creating and/or retaining private sector jobs. Since 1976, EDA has invested over \$25 million in the Northwest Georgia region.

- ***An overall conclusion regarding the stability of the county's overall economic environment. This conclusion should include an opinion if the current economic environment will negatively impact the demand for additional or renovated rental housing.***

- Recent economic indicators in 2015 and thus far in 2016 suggest a scenario, in terms of economic growth (vs

loss), in which the local economy will continue to grow at a modest to moderate pace in 2016. The Trion - Chattooga County area economy has a sizable number of low to moderate wage workers employed in the service, trade, and manufacturing sectors. Given the good location of the site, with good proximity to several employment nodes, the proposed subject development will very likely attract potential elderly renters from those sectors of the workforce who are in need of affordable housing, a reasonable commute to work, and still participating in the local labor market.

- For that portion of the 55 to 65 elderly subject target group that still desires or needs to continue working on a part-time basis, the Trion and Chattooga County local economy provides many opportunities. The majority of the opportunities are in the local service and trade sectors of the economy.
- One of the contributing factors of the labor force participation rate decline over the last several years is the ever increasing number of workers retiring from the workforce, and in some cases electing to participate in social security at age 62.

6. Project-Specific Affordability and Demand Analysis:

- **Number of renter households income qualified for the proposed development given the proposed unit mix, income targeting, and rents. For senior projects, this should be age and income qualified renter households.**
- The forecasted number of income qualified households for the LIHTC segment of the proposed development is 198. The forecasted number households for the Market Rate segment of the proposed development is 114.
- **Overall estimate of demand based on DCA's demand methodology.**
- The overall forecasted number of income qualified households for the proposed LIHTC/Market Rate elderly development taking into consideration like-kind competitive supply introduced into the market since 2014 is 198 and 114, respectively.
- Capture Rates:

Proposed Project Capture Rate All Units	22.5%
Proposed Project Capture Rate LIHTC Units	28.8%
Proposed Project Capture Rate LIHTC Units @ 50% AMI	17.6%
Proposed Project Capture Rate LIHTC Units @ 60% AMI	35.5%
Proposed Project Capture Rate Market Rate Units	8.1%

- **A conclusion regarding the achievability of the above Capture Rates.**
- The above capture rates are well below the GA-DCA thresholds. They are considered to be a reliable quantitative indicator of market support for the proposed subject development.

7. Competitive Rental Analysis:

• An analysis of the competitive properties in the PMA.

- At the time of the survey, the estimated vacancy rate of the surveyed program assisted apartment properties was less than 2%, at 1.8%.
- At the time of the survey, the three surveyed elderly properties were (together) 100% occupied, and all three maintained a waiting list.
- The Saratoga Court LIHTC elderly property opened in 2007. At the time of the survey, the 48-unit development was 100% occupied and had 23 applicants on the waiting list.
- At the time of the survey, the overall occupancy rate of the six USDA family properties was 97.2%. Four of the six properties maintained a waiting list, ranging between 7 and 57 applicants.
- At the time of the survey, the overall estimated vacancy rate of the surveyed market rate apartment properties was less than 2%, at 1.7%.

• Number of properties.

- Nine program assisted properties, representing 381 units, were surveyed in the subject's competitive environment. One LIHTC elderly property located within the PMA.
- Six market rate properties representing 297 units, were surveyed in the subject's competitive environment. Three of the properties are located within the PMA.

• Rent bands for each bedroom type proposed.

Bedroom type	Rent Band (Subject)	Rent Band (Market Rate)
1BR/1b	\$322-\$330	\$465-\$575
2BR/1b	Na	Na
2BR/2b	\$384-\$450	\$375-\$675
3BR/2b	Na	Na

• Average Market rents.

Bedroom type	Average Market Rent
1BR/1b	\$520 (Adjusted = \$465)
2BR/1b	Na
2BR/2b	\$548 (Adjusted = \$570)
3BR/2b	Na

8. Absorption/Stabilization Estimate:

- **An estimate of the number of units to be leased at the subject property, on average.**
- The forecasted rent-up scenario exhibits an average of 8-units being leased per month.
- **Number of units expected to be leased by AMI Targeting.**

AMI Target Group	Number of units Expected to be Leased*
50% AMI	13
60% AMI	44
Market	7

* at the end of the 1 to 8-month absorption period

- **Number of months required for the project to reach stabilization of 93% occupancy.**
- A 93% occupancy rate is forecasted to occur within 8-months of the placed in service date. Stabilized occupancy, subsequent to initial lease-up is expected to be 93% or higher up to but no later than a three month period, beyond the absorption period.
- **The absorption rate should coincide with other key conclusions. For example, insufficient demand or unachievable rents should be reflected in the absorption rate.**
- A reconciliation of the proposed LIHTC and Market Rate net rents by bedroom type with current average market rate net rents by bedroom type are supportive of the forecasted absorption and stabilization periods.

9. Overall Conclusion:

- ***A narrative detailing the key conclusions of the report including the analyst's opinion regarding the potential for success of the proposed development.***
- Based upon the analysis and the conclusions of each of the report sections, it is recommended that the proposed application **proceed forward based on market findings, as presently configured.**
- Elderly population and household growth is moderate to significant, with annual growth rates approximating +0.60% to +1% per year.
- At the time of the survey, the overall vacancy rate of the surveyed program assisted properties located within the PMA was less than 2%, at 1.8%.
- At the time of the survey, the program assisted elderly properties located within the PMA were 100% occupied.
- Presently, the Town of Trion does not have any LIHTC elderly supply.
- In the area of unit size, by bedroom type, the subject will offer a competitive unit size, based on the proposed floor plans. The proposed subject 1BR heated square footage is approximately 30% greater than the 1BR market average unit size. The proposed subject 2BR heated square footage is approximately 23% greater than the 2BR market average unit size.
- The subject will be competitive with the older, traditional, Class B market rate apartment properties in the market regarding proposed net rents by bedroom type.
- The 1BR net rent advantage at 50% AMI is estimated at 31%. At 60% AMI the 1BR net rent advantage is estimated at 29%.
- The 2BR net rent advantage at 50% AMI is estimated at 33%. At 60% AMI the 2BR net rent advantage is estimated at 28%.
- The overall project rent advantage for the LIHTC segment is estimated at 29%.
- In the opinion of the market analyst, the proposed new construction LIHTC elderly development **will not negatively impact** the existing supply of program assisted LIHTC properties located within The Breakers PMA in the short or long term. At the time of the survey, the existing LIHTC elderly development located within the area competitive environment were on average 100% occupied, with all three properties maintaining a waiting list ranging between 21 and 23 applications.

Summary Table				
Development Name: The Breakers			Total Number of Units: 64	
Location: Trion, GA (Chattooga Co)			# LIHTC Units: 57	
PMA Boundary: North 4 miles; East 10 miles South 17 miles; West 12 miles			Farthest Boundary Distance to Subject: 17 miles	
Rental Housing Stock (found on pages 88 - 103)				
Type	# Properties	Total Units	Vacant Units	Avg Occupancy
All Rental Housing	15	678	12	98.2%
Market Rate Housing	6	297	5	98.3%
Assisted/Subsidized Housing Ex LIHTC	5	200	6	97.0%
LIHTC	4	181	1	99.5%
Stabilized Comps	7	345	5	98.6%
Properties in Lease Up	Na	Na	Na	Na

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
Number Units	Number Bedrooms	# Baths	Size (SF)	Proposed Rent	Per Unit	Per SF	Adv (%)	Per Unit	Per SF
8	1	1	825	\$322-\$330	\$465	\$.64	29-31%	\$575	\$.82
49	2	2	1202	\$348-\$410	\$570	\$.60	28-33%	\$675	\$.61
7	2	2	1202	\$450	\$570	\$.60	21%	\$675	\$.61

LIHTC Segment

Market Rate Segment

Demographic Data (found on pages 41 & 72)						
	2010		2016		2018	
Renter Households	686	17.85%	914	19.65%	925	19.74%
Income-Qualified Renter HHs (LIHTC)	146	21.25%	194	21.25%	198	21.41%
Income-Qualified Renter HHs (MR)	63	9.25%	84	9.25%	86	9.30%

Targeted Income Qualified Renter Household Demand (found on pages 70 - 72)						
Type of Demand	30%	50%	60%	MR	Other	Overall
Renter Household Growth		1	2	3		6
Existing Households (Overburdened + Substandard)		65	112	104		281
Homeowner Conversion (Seniors)		1	2	2		5
Total Primary Market Demand		67	116	109		292
Less Comparable Supply		0	0	0		0
Adjusted Income-Qualified Renter HHs		74*	124*	86**		284*
Capture Rates (found on page 73 - 75)						
Targeted Population	30%	50%	60%	MR	Other	Overall
Capture Rate		17.6%	35.5%	8.1**		22.5%

*Adjusted for replacement of Park Avenue Apartments

**Adjusted for proposed BR mix at Market.

MARKET STUDY FOLLOWS

SECTION B
PROPOSED PROJECT
DESCRIPTION

The proposed LIHTC/Market Rate multi-family development will target elderly households, age 55 and over in Trion and Chattooga County, Georgia. The subject property is located off a service road that runs parallel with US Highway 27, approximately 1 mile south of Downtown Trion.

Scope of Work

The market study assignment was to ascertain market demand for a proposed new construction multi-family LIHTC/Market Rate elderly development to be known as **The Breakers Apartments**, for The Breakers, L.P., under the following scenario:

Project Description:

PROPOSED PROJECT PARAMETERS			
Bedroom Mix	# of Units	Unit Size (Heated sf)	Unit Size (Gross sf)
1BR/1b	8	779	858
2BR/2b	56	1109	1218
Total	64		

The proposed new construction project design will comprise three 2-story residential buildings, connected by two elevators. The development will include a separate building (1,949 heated sf) comprising a manager's office, and community room/clubhouse. The project will provide 104-parking spaces.

The proposed *Occupancy Type* is **Housing for Older Persons** (age 55+).

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The proposed development will target approximately 20% of the units at 50% or below of area median income (AMI), approximately 69% of the units at 60% AMI, and approximately 11% at Market. Rent excludes water and sewer and includes trash removal.

PROPOSED PROJECT RENTS @ 50% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
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*Based upon Utility Allowances calculated by UA Pro, March 14, 2016.

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
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PROPOSED PROJECT RENTS @ Market				
Bedroom Mix	# of Units	Net Rent	Utility Estimate*	Gross Rent
2BR/2b	7	\$450	\$126	\$576

*Based upon Utility Allowances calculated by UA Pro, March 14, 2016.

The proposed LIHTC/Market Rate new construction elderly development will not have any project based rental assistance, nor private rental assistance.

Project Amenity Package

The proposed development will include the following amenity package:

Unit Amenities

- range
- microwave
- central air
- smoke alarms
- carpet
- in sink disposal
- energy star refrigerator
- energy star dish washer
- cable ready
- washer/dryer hook-ups
- window coverings
- patio/balcony w/ exterior storage

Development Amenities

- manager's office
- laundry facility
- computer center
- fitness room
- clubhouse w/kitchen
- covered pavilion with picnic/barbecue facilities

The projected first full year that **The Breakers Apartments** will be placed in service as a new construction property, is mid to late 2018. The first full year of occupancy is forecasted to be in 2019. Note: The 2016 GA QAP states that "owners of projects receiving credits in the 2016 round must place all buildings in the project in service by December 31, 2018".

The architectural firm for the proposed development is McKean & Associates Architects, LLC. At the time of the market study, the floor plans and elevations had not been completed. However, the conceptual site plan submitted to the market analyst was reviewed.

Utility estimated are based upon UA Pro calculated utility allowances for The Breakers. Effective date: March 14, 2016.

SECTION C

SITE & NEIGHBORHOOD

The site of the proposed Elderly LIHTC/Market Rate apartment development is located off a service road that runs parallel with US Highway 27, approximately 1 mile south of Downtown Trion. Specifically, the site is located in Census Tract 102 and Zip Code 30753.

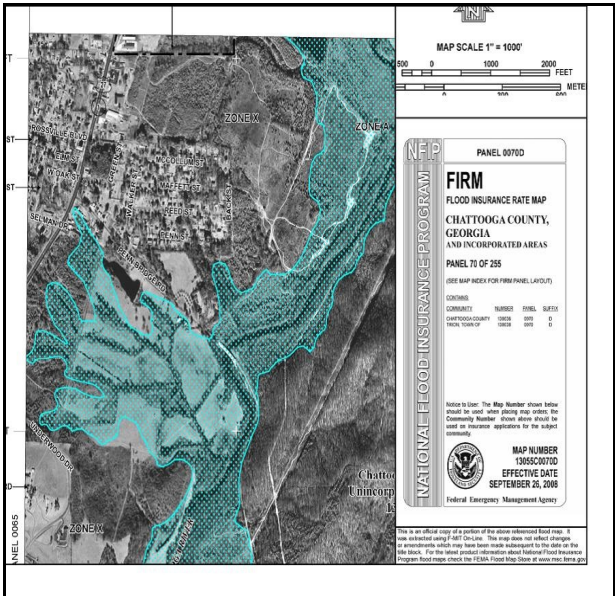
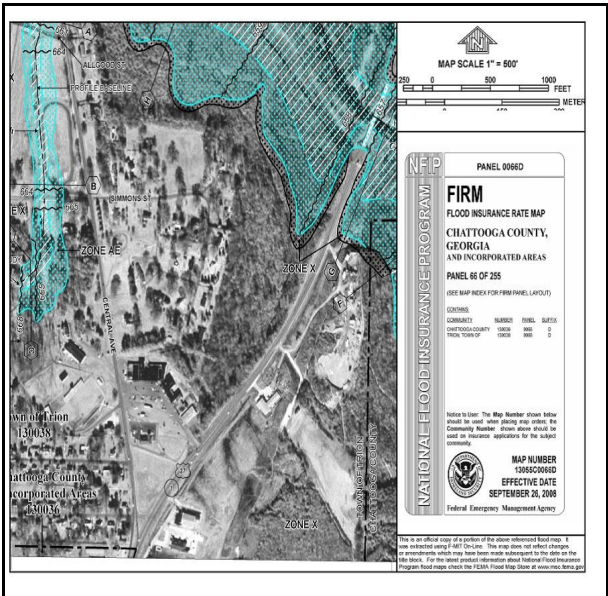
Note: The site is not located within a Qualified Census Tract (QCT).

Street and highway accessibility are very good relative to the site. Ready access is available from the site to the following: major retail trade and service areas, employment opportunities, local health care providers, and area churches. All major facilities in Trion can be accessed within a 5 minute drive. At the time of the market study, no significant infrastructure development was in progress within the immediate vicinity of the site. Source: Mr. Eddy Willingham, Trion Building Inspector, (706) 734-7641.

Site Characteristics

The approximately 14.22-acre, polygon shaped tract is mostly wooded and is undulating. At present, there are no physical structures located on the tract. The site is not located within a 100-year flood plain. Source: FEMA website (www.msc.fema.gov), Map Number 13055C0066D, Panel 66 of 255 and map Number 13055C0070D, Panel 70 of 255, Effective Date: September 19, 2007.

The site is zoned R2, which allows multifamily development. All public utility services are available to the tract and excess capacity exists. However, these assessments are subject to both environmental and engineering studies.



Crime & Perceptions of Crime

The overall setting of the site is considered to be one that is very acceptable for residential development and commercial development within the present neighborhood setting. The site and the immediate surrounding area is not considered to be one that comprises a "high crime" neighborhood. The most recent crime rate data for Chattooga County reported by the Georgia Bureau of Investigation - Uniform Crime Report revealed that violent crime and property crime rate for Chattooga County was extremely low, particularly for violent Crime (homicide, rape, robbery and assault).

Overall, between 2013 and 2014 violent crime in Chattooga County remained unchanged. The actual number of such crimes in 2014 was extremely low at only 38 overall (mostly assault). Property crimes increased by 76% in Chattooga County between 2013 and 2014, but the total number remained very low (572). While the percentage increase in property crimes appears high, it must be noted that in low crime areas, a small numerical increase results in a seemingly large percentage increase. In this case, the increase was due to an increase in the number of reported larceny and burglary offenses.

Chattooga County			
Type of Offence	2013	2014	Change
Homicide	0	0	0
Rape	1	2	1
Robbery	1	5	4
Assault	36	31	-5
Burglary	86	153	67
Larceny	227	402	175
Motor Vehicle Theft	12	17	5
Chattooga County Total	363	610	247

Source: Georgia Bureau of Investigation, Uniform Crime Report

Neighborhood Description / Characteristics

The overall character of the neighborhood in the immediate vicinity of the site can be defined predominantly as a mixture of: commercial, institutional and single-family development, and vacant land use.

Directly north of the site is vacant land use.

Directly south along the Service Road and US Highway 27 is commercial and institutional development including: a Dollar General and the US Post Office. Single-family development is located about .4 miles south of the south.

Directly west is a small neighborhood shopping center that was recently purchased and will eventually be redeveloped. Presently within the shopping center are: the Suggs Valley Market, the Redmond Family Care medical practice and several other small businesses. Also west of the tract are: the Trion Public Library, the public school recreational fields, and a single-family neighborhood.

Directly east of the site is vacant land use.

The pictures on the following pages are of the site and surrounding land uses within the immediate vicinity of the site.



(1) Site entrance off Service Road, west to east.



(2) Site entrance left, off Service Rd, north to south.



(3) Site entrance right, off Service Rd, south to north.



(4) Site entrance / border with Dollar General.



(5) Site interior view, west to east.



(6) US 27 / Service Rd intersection (with light) near site access point.



(7) Dollar General, site located behind.



(8) Trion Post Office, .1 mile from site.



(9) Redmond Family Care, .2 miles from site.



(10) Suggs Valley Grocery, .2 miles from site.

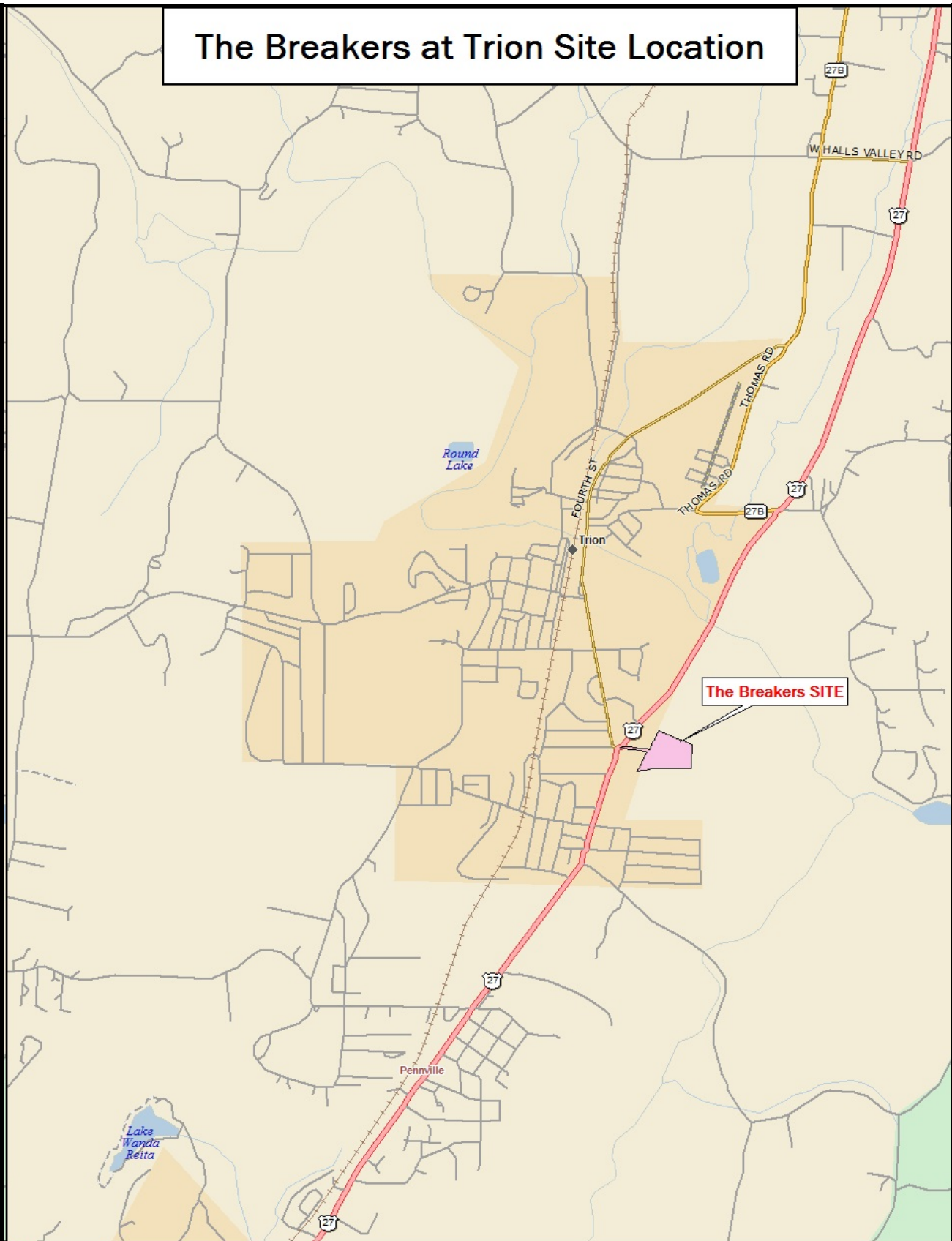


(11) Trion Public Library, .2 miles from site.



(12) Walmart Supercenter, 1 mile south of site.

The Breakers at Trion Site Location



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Data Zoom 12-5

Access to Services

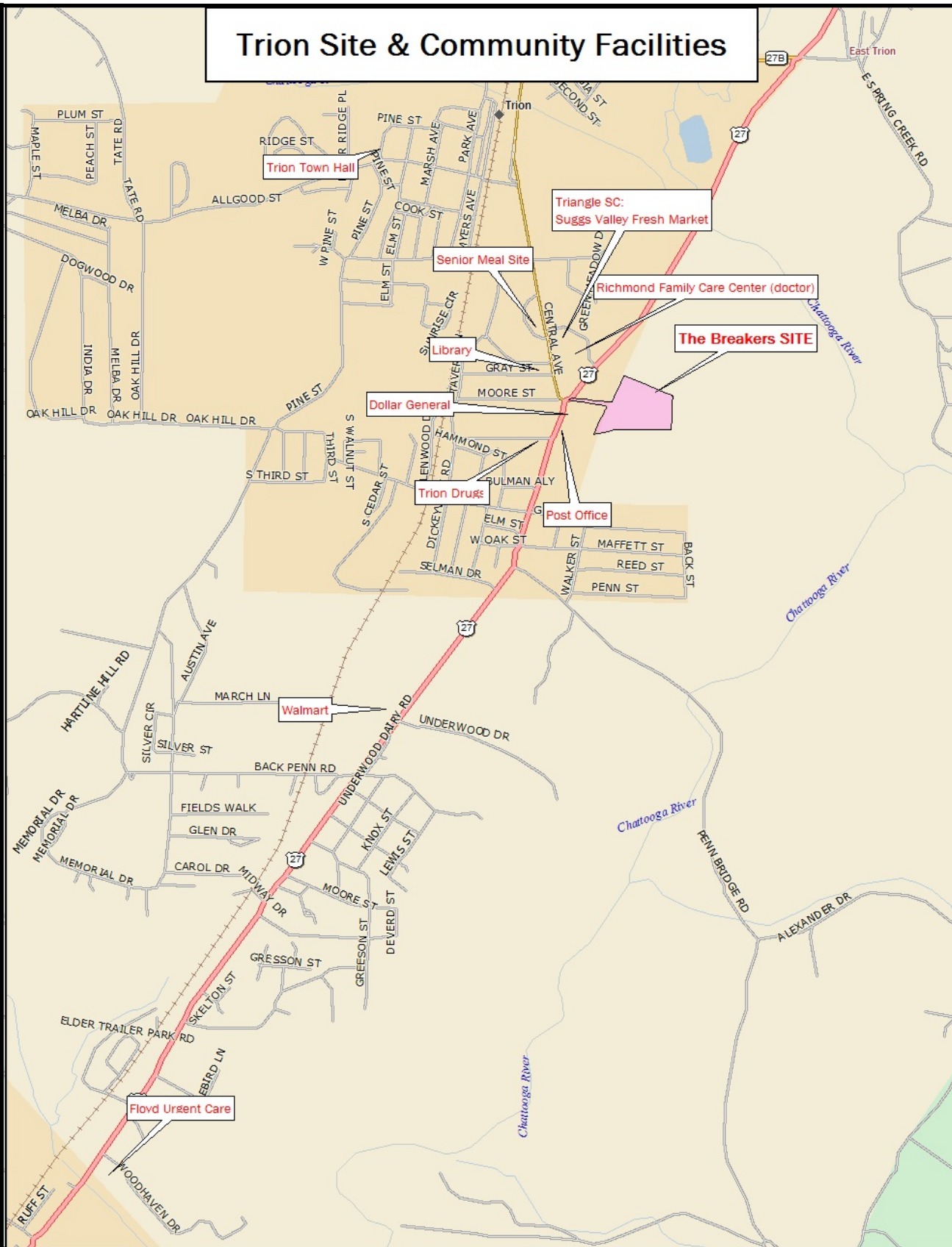
The subject is accessible to major employers, shopping, healthcare services, retail and social services, recreational areas, and the local and regional highway system. (See Site and Facilities Map, next page.)

Distances from the site to community services are exhibited below:

Points of Interest	Distance from Subject
Dollar General	Adjacent
US 27	Adjacent
Post Office	0.1
Triangle SC (Suggs Valley Fresh Market)	0.2
Richmond Family Care Center	0.2
Trion Library	0.2
Trion Drugs	0.3
Senior Meal Site	0.4
Trion Town Hall	1.0
Walmart Supercenter	1.0
Floyd Urgent Care (Summerville)	2.7

Note: Distance from subject is in tenths of miles and are approximated.

Trion Site & Community Facilities



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MN (4.4° W)



Data Zoom 13-1



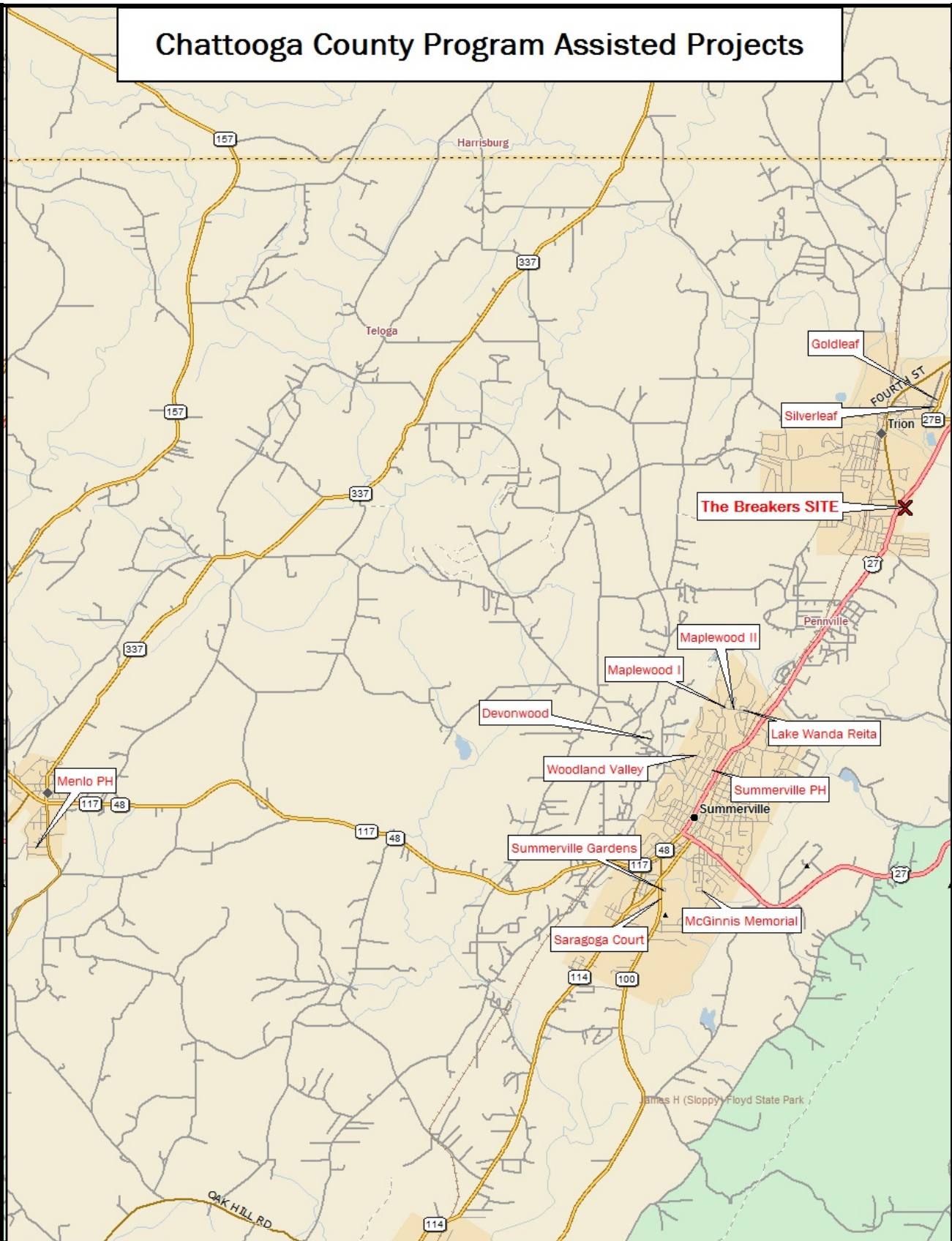
Program Assisted Apartments in Trion - PMA

At present, there 12 program assisted apartment properties located within the Trion PMA. Three of the 12 properties are LIHTC LIHTC/USDA developments. A map (on the next page) exhibits the program assisted properties located within Trion in relation to the site.

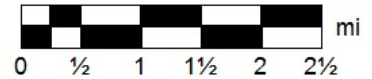
Project Name	Program Type	Number of Units	Distance from Site (in miles)
Silverleaf	LIHTC/USDA 515 FM	32	1.8
Goldleaf	USDA 515 EL	26	1.9
Lake Wanda Reita	USDA 515 FM	40	3.4
Maplewood II	USDA 515 FM	32	3.4
Maplewood I	USDA 515 FM	42	3.5
Summerville HA	Public Housing	223	3.8
Woodland Valley	HUD 202/811	12	4.0
Devonwood	LIHTC/USDA 515 FM	24	4.9
McGinnis Memorial	HUD 8 EL	60	5.2
Summerville Gardens	LIHTC/USDA 515/HUD	77	5.3
Saratoga Court	LIHTC EL	48	5.3
Menlo HA	Public Housing	20	12.7

Distance in tenths of miles

Chattooga County Program Assisted Projects



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Data Zoom 11-1

SUMMARY

The field visit for the site and surrounding market area was conducted on **May 22, 2016**. The site inspector was Mr. Jerry M. Koontz (of the firm Koontz & Salinger).

The overall character of the neighborhood within the immediate vicinity of the site can be defined predominantly as a mixture of: commercial, institutional and single-family development, and vacant land use. The site is located in the eastern portion of Trion, within the city limits. The site is zoned R-2, which allows for the intended use of development.

Access to the site is available off the US Highway 27 - Service Road via an approximately 539 foot right of way. US Highway 27 is a the primary north/south connector in Trion, linking Trion and the site with Summerville to the south and LaFayette to the north. The actual access point to the site is off a Service Road, which runs parallel with US Highway 27. The traffic light intersection with the Service Road and US 27 is located within 750 feet from the buildable area of the subject site. Also, the location of the site off the US Highway 27 - Service Road does not present problems of egress and ingress to the site.

The site offers good accessibility and linkages to area services and facilities. The areas surrounding the site appeared to be void of negative externalities including: noxious odors, close proximity to cemeteries, rail lines, and junk yards. The site allows for considerable buffering from a nearby power transmission easement lane.

The site in relation to the subject and the surrounding roads is agreeable to signage, in particular to passing traffic along US Highway 27.

Overall, the field research revealed the following strengths and weaknesses of the subject in relation to subject marketability. In the opinion of the analyst, the site of the subject is considered appropriate as a LIHTC/Market Rate elderly multi-family development.

SITE/SUBJECT ATTRIBUTES:	
STRENGTHS	WEAKNESSES
Good accessibility to services, trade, and health care	
Good linkages to area road system	
Nearby road speed and noise are acceptable	
Surrounding land uses are acceptable	

SECTION D

MARKET AREA DESCRIPTION

The definition of a **market area** for any real estate use is generally limited to the geographic area from which consumers will consider the available alternatives to be relatively equal. This process implicitly and explicitly **considers** the **location** and

proximity and **scale** of competitive options. Frequently, both a **primary** and a **secondary area** are **geographically defined**. This is an area where consumers will have the greatest propensity to choose a specific product at a specific location, and a secondary area from which consumers are less likely to choose the product but the area will still generate significant demand.

The field research process was used in order to establish the geographic delineation of the Primary Market Area (PMA). The process included the recording of spatial activities and time-distance boundary analysis. These were used to determine the relationship of the location of the site and specific subject property to other potential alternative geographic choices. The field research process was then reconciled with demographic data by geography as well as local interviews with key respondents regarding market specific input relating to market area delineation.

Primary Market Area

Based upon field research in Trion and a 5 to 10 mile area, along with an assessment of: the competitive environment, transportation and employment patterns, the site location and physical, natural and political barriers - the Primary Market Area (PMA) for the proposed multi-family development consists of the following 2010 census tracts in Chattooga County:

101-106

The PMA is located in the northwest portion of Georgia, approximately 25 miles northwest of Rome. Summerville, the county seat, is centrally located in Chattooga County. Trion, the second largest incorporated place in the county is located 5 miles north of Summerville.

Direction	Boundary	Distance from Subject
North	Walker County	4 miles
East	Floyd County	10 miles
South	Floyd County	17 miles
West	GA/AL State Line	12 miles

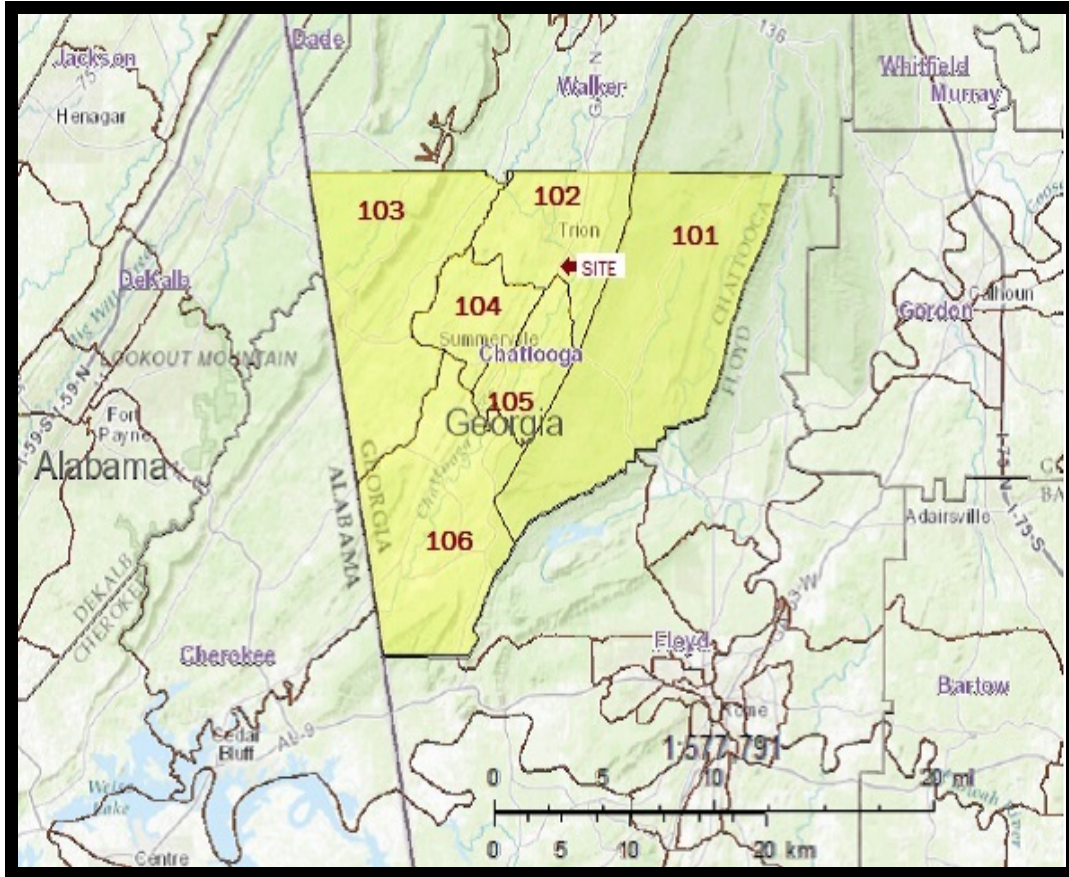
Transportation access to Trion and Chattooga County is good. US 27 extends south and north. SR's 48, 100 and 114 also provide major linkages within the county.

In addition, comments from managers and/or management companies of the existing LIHTC family properties located within the market were surveyed, as to where the majority of their existing tenants previously resided. These comments were taken into consideration when delineating the subject PMA.

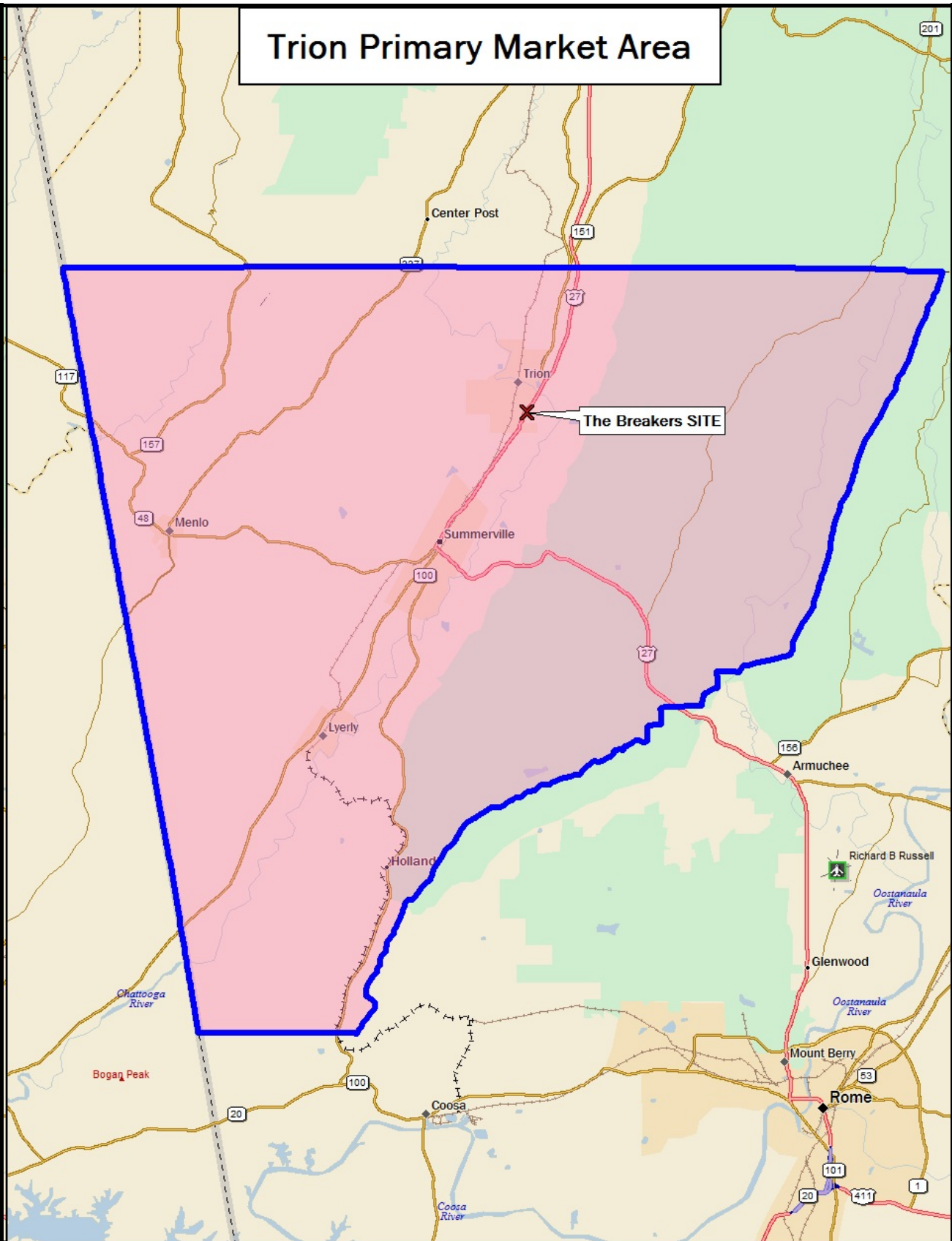
Secondary Market Area

The Secondary Market Area (SMA) consists of that area beyond the PMA, principally from out of market, as well as from out of state. Note: The demand methodology **excluded** any potential demand from a SMA.

Trion PMA - 2010 Census Tracts



Trion Primary Market Area



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Data Zoom 9-7

SECTION E
COMMUNITY DEMOGRAPHIC DATA

Tables 1 through 8 exhibit indicators of trends in total population and household growth, as well as for population and households and 55 and older.

Population Trends

Table 1, exhibits the change in **total** population in Trion and the Trion PMA (i.e., Chattooga County) between 2000 and 2021. Table 2, exhibits the change in **elderly** population age 55 and over (the age restriction limit for the subject), in Trion, and the Trion PMA (i.e., Chattooga County) between 2000 and 2021. The year 2018 is estimated to be the first year of availability for occupancy of the subject property. The year 2016 has been established as the base year for the purpose of estimating new household growth demand, by age and tenure.

Total Population

The PMA exhibited very modest total population gains between 2000 and 2010, at approximately +0.21% per year. Total population losses over the next several years, (2016-2018) are forecasted for the PMA, represented by a rate of change approximating -0.42% per year.

The projected change in population for Trion is subject to local annexation policy and in-migration of rural county and surrounding county residents into Trion. However, recent indicators, including the 2014 and 2015 US Census estimates (at the place level) suggest that the population trend of the mid to late 2000's in Trion has reversed and more modest losses are forecasted into the remainder of the decade.

Population 55+

The PMA exhibited very significant population gains for population age 55+ between 2000 and 2010, at +1.4% per year. Population gains over the next several years (2016-2018) are forecasted for the PMA for the 55 and over age group continuing at a moderate rate of increase, with a forecasted rate of growth at approximately +0.68% per year.

Population gains are forecasted in both the 55 and 65 and over age groups for the year 2018 and beyond. The projected increase is not owing to a significant increase in elderly in-migration into the PMA, but instead owing to significant age in-place as the "war baby

generation, (1940-1945)" and the beginning of the "baby boom generation, (1946 to 1950)" begin to enter into the empty nester and retirement population segments in large numbers.

Population Projection Methodology

The forecast for total population, and population age 55 and over is based primarily upon the 2000 and 2010 census, as well as the Nielsen-Claritas population projections. The Georgia Office of Planning and Budget county projections were examined and use as a cross check to the direction of trend in population over the forecast period.

- Sources: (1) 2000 and 2010 US Census.
 (2) Nielsen Claritas 2016 and 2021 Projections.
 (3) 2014 and 2015 US Census population estimates.
 (4) Georgia Residential Population Projections by Age & County, 2010-2020, GA Governor's Office of Planning & Budget.

Table 1					
Total Population Trends and Projections: Trion and Trion PMA (Chattooga County)					
Year	Population	Total Change	Percent	Annual Change	Percent
Trion					
2000	1,993	-----	-----	-----	-----
2010	1,827	- 166	- 8.33	- 17	- 0.87
2016	1,762	- 65	- 3.56	- 11	- 0.60
2018	1,744	- 18	- 1.02	- 9	- 0.51
2021	1,715	- 29	- 1.66	- 10	- 0.56
Trion PMA					
2000	25,470	-----	-----	-----	-----
2010	26,015	+ 545	+ 2.14	+ 55	+ 0.21
2016	24,543	- 1,472	- 5.66	- 245	- 0.97
2018*	24,335	- 208	- 0.85	- 104	- 0.42
2021	24,015	- 320	- 1.31	- 107	- 0.44

* 2018 - Estimated year that project will be placed in service.

Calculations - Koontz and Salinger. May, 2016.

Table 2, exhibits the change in **elderly** population age 55 and over (the age restriction limit for the subject), in Trion and the Trion PMA (i.e., Chattooga County) between 2000 and 2021.

Table 2					
Elderly Population (Age 55+) Trends and Projections: Trion and Trion PMA (Chattooga County)					
Year	Population	Total Change	Percent	Annual Change	Percent
Trion					
2000	401	-----	-----	-----	-----
2010	406	+ 5	+ 1.25	+ 1	+ 0.12
2016	414	+ 8	+ 1.97	+ 1	+ 0.33
2018	418	+ 4	+ 0.97	+ 2	+ 0.48
2021	421	+ 3	+ 0.72	+ 1	+ 0.24
Trion PMA					
2000	6,152	-----	-----	-----	-----
2010	7,071	+ 919	+ 14.94	+ 92	+ 1.40
2016	7,495	+ 424	+ 6.00	+ 71	+ 0.98
2018*	7,597	+ 102	+ 1.36	+ 51	+ 0.68
2021	7,739	+ 142	+ 1.87	+ 47	+ 0.62

* 2018 - Estimated 1st year of occupancy.

Calculations - Koontz and Salinger. May, 2016.

Between 2000 and 2010, population age 55+ increased in the Trion PMA at a very significant rate growth at +1.4% per year. Between 2016 and 2018, the population age 55 and over in the PMA is forecasted to continue to increase at a moderate rate of gain at approximately +0.68% per year. The figure below presents a graphic display of the numeric change in population age 55+ in the PMA between 2000 and 2021.

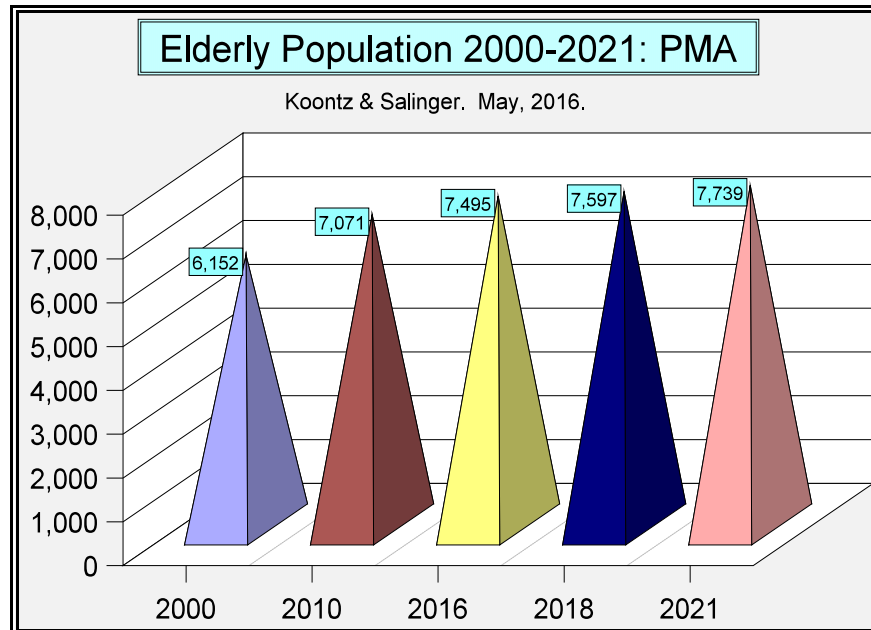


Table 3A exhibits the change in population by age group in Trion between 2010 and 2018. The most significant increase exhibited between 2016 and 2018 within Trion was in the 65-74 age group representing an increase of almost 10% over the two year period. The 75+ age group is forecasted to stabilize at 96 persons.

Table 3A						
Population by Age Groups: Trion, 2010 - 2018						
	2010 Number	2010 Percent	2016 Number	2016 Percent	2018 Number	2018 Percent
Age Group						
0 - 24	702	38.42	680	38.59	675	38.70
25 - 44	499	27.31	459	26.05	445	25.52
45 - 54	220	12.04	209	11.86	206	11.81
55 - 64	179	9.80	195	11.07	188	10.78
65 - 74	112	6.13	122	6.92	134	7.68
75 +	115	6.29	97	5.51	96	5.50

Table 3B exhibits the change in population by age group in The Breakers PMA between 2010 and 2018. The most significant increase exhibited between 2016 and 2018 within the Trion PMA was in the 65-74 age group representing an increase of approximately 5.9% over the two year period. The 75+ age group is forecasted to increase by 25 persons, or by approximately +1.5%.

Table 3B						
Population by Age Groups: The Breakers PMA, 2010 - 2018						
	2010 Number	2010 Percent	2016 Number	2016 Percent	2018 Number	2018 Percent
Age Group						
0 - 24	8,079	31.06	7,703	31.39	7,601	31.23
25 - 44	6,997	26.90	6,044	24.63	5,964	24.51
45 - 54	3,868	14.87	3,301	13.45	3,173	13.04
55 - 64	3,270	12.57	3,276	13.35	3,205	13.17
65 - 74	2,098	8.06	2,508	10.22	2,656	10.91
75 +	1,703	6.55	1,711	6.97	1,736	7.13

Sources: 2010 Census of Population, Georgia
 Nielsen Claritas Projections
 Koontz and Salinger. May, 2016

HOUSEHOLD TRENDS & CHARACTERISTICS

Table 4 exhibits the change in **elderly** households (age 55 and over) in The Breakers PMA between 2000 and 2021. The increase in household formations age 55+ in the PMA has continued over a 10 year period and reflects the recent population trends and near term forecasts for population 55 and over.

The increase in the rate of persons per household exhibited between 2000 and 2010 is forecasted to continue from 1.5792 to 1.6021 between 2016 and 2021 within the PMA. The rate of change in person per household is based upon: (1) the increase in the number of retirement age population owing to an increase in the longevity of the aging process for the senior population, and (2) allowing for adjustments owing to divorce and death rates.

The projection of household formations age 55 and over in the PMA between 2016 and 2018 exhibited a modest increase of 17 households age 55 and over per year or by approximately +0.38% per year.

Table 4					
Household Formations Age 55+: 2000 to 2021					
The Breakers PMA					
Year / Place	Total Population	Population In Group Quarters	Population In Households	Persons Per Household	Total Households
2000	6,152	145	6,007	1.5215	3,948
2010	7,071	149	6,922	1.8012	3,843
2016	7,495	150	7,345	1.5792	4,651
2018	7,597	150	7,447	1.5892	4,686
2021	7,739	150	7,589	1.6021	4,737

Sources: Nielsen Claritas Projections.
2000 and 2010 Census of Population, Georgia.

Calculations: Koontz & Salinger. May, 2016.

Table 5 exhibits households in the Trion PMA, age 55 and over, by owner-occupied and renter-occupied tenure. The 2010 to 2021 projected trend supports a change in the tenure ratio favoring renter-occupied households on a percentage basis.

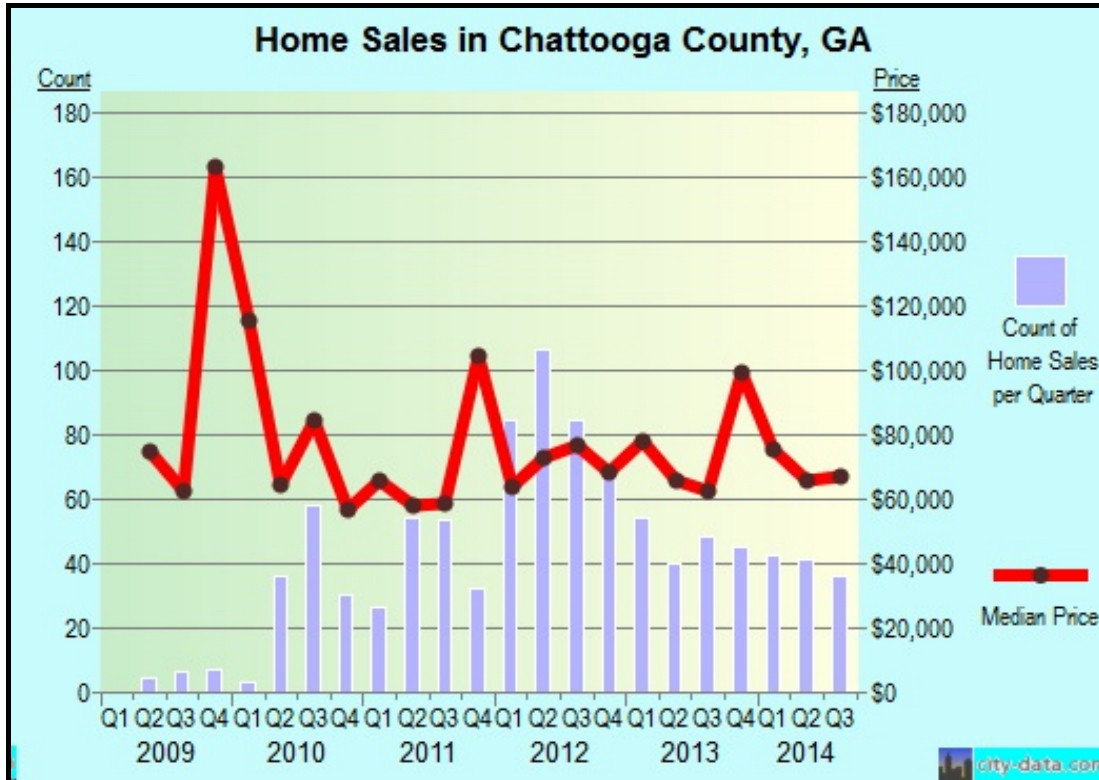
Overall, modest net numerical gains are forecasted for both owner-occupied and renter-occupied households age 55 and over within the PMA. Between 2016 and 2018, the increase in renter-occupied households age 55 and over remains positive, at +0.60% per year.

Table 5					
Households by Tenure, Trion PMA: Age 55+					
Year/ Place	Total Households	Owner Occupied	Percent	Renter Occupied	Percent
PMA					
2000	3,948	3,281	83.11	667	16.89
2010	3,843	3,157	82.15	686	17.85
2016	4,651	3,737	80.35	914	19.65
2018	4,686	3,761	80.26	925	19.74
2021	4,737	3,799	80.20	938	19.80

Sources: 2000 & 2010 Census of Population, Georgia.
 Nielsen Claritas Projections.
 Koontz and Salinger. May, 2016.

For Sale Market

The figure below exhibits home sales in Chattooga County between 2009 and Q3 2014. The average sales price shows significant variation quarter-to-quarter, but the overall trend for the entire period indicates little overall change in prices. The number of sales during 2010 and 2011 also showed significant variation quarter to quarter, with no apparent overall trend. There was a "spike" during 2012, but the number of sales remained somewhat low throughout the entire period, as would be expected in a rural county. From 2013 onwards the number of sales has been relatively stable with roughly 40 sales recorded in each quarter.



Source: www.city-data.com/county/Chattooga_County-GA.html

The median sales price for homes in Zip Code 30753 (which includes Trion and surrounding parts of Chattooga County) for the January 7 to April 6, 2016 period was \$83,000 based on 5 home sales. The median sales price has fluctuated month-to-month over the past year, but the overall trend showed an 85% increase in the median sales price. It must be noted that in very low activity markets, the changes in the median price for a specific period can be skewed by a single sale, and 'trend data' are not reliable. The price per square foot for the first quarter of 2016 was \$84. At the same time, Trulia notes that rents in the Trion area have remained about the same over the past year.

Current list prices vary by location, and range from as low as \$7,500 for a very small frame house in Summerville to more than \$500K.

Many 'modern' houses in the area are listed in the mid-to-upper \$200K range, and many very small, older frame houses are priced in the \$50,000 to \$75,000 range, with little variation between sales prices and list prices. (Analyst Note: Sales/listings include foreclosures and short sales.)

For-Sale Market (Buy Versus Rent)

The tendency for renter-to-owner tenure conversion is divergent for senior households compared to younger, family households. Unlike younger households, there is little incentive for a senior renter household to become a homeowner later in life. This is particularly true among lower income seniors who have been homeowners for many years, but in later life find that the cost of maintaining a single-family residence is unaffordable, and become renters. Although not relevant, the following analysis illustrates the comparative costs of home ownership of a typical single-family residence in the PMA compared to renting a unit in the subject development.

The following analysis illustrates the comparative costs of home ownership of a typical single-family residence in Trion and environs compared to renting a unit in the subject development. As noted, www.trulia.com indicates the average sales price during the first quarter of 2016 was \$83,000. While many of the houses at this price point are likely to require significant investment in improvements, given the lack of available data, this current average is used in the following analysis.

Based on an average price of \$83,000, and assuming a 95% LTV ratio (5% down payment), an interest rate of 5.25% and a 30 year term, the estimated monthly mortgage payment including taxes, hazard insurance and private mortgage insurance (PMI), is shown below:

COST OF TYPICAL HOME PURCHASE

Average Home Price (Trulia)	\$ 83,000
Mortgaged Value = 95% of Average Home Price	\$ 78,850
Interest Rate	5.25%
Term (years)	30
Monthly Principal and Interest	\$435
Taxes, Hazard Insurance and PMI	\$125
Total Estimated Monthly Cost	\$560

While it is possible that some tenants in LIHTC properties could afford the monthly payments, the number who could afford the down payment and other closing costs is likely to be minimal. In the example above, the required down payment would be \$4,150. Additional closing costs could include the first years' hazard insurance premium, mortgage "points", and various bank fees. If total closing costs (including down payment) are equal to 6% of the purchase price,

a prospective buyer would need \$49500. While this initially appears affordable, the cost of upkeep and improvements cannot be factored into the analysis, but given the apparent condition of many houses, these costs are likely to be significant. Accordingly, home purchase is not considered to be competitive among LIHTC income-qualified households.

With respect to mobile homes, the overall ratio of this housing type is quite small in the Trion PMA, and the ratio of renter occupied units is even smaller. Given the insignificant number of mobile homes in this market, little to no competition is expected from this housing type.

In summary, the subject LIHTC elderly new construction project would most likely lose few (if any) tenants to turnover owing to the tenants changing tenure to home ownership. The majority of tenants in the proposed project are expected to have annual incomes in the \$15,000 to \$22,000 range. Today's home buying market, both stick-built, modular and mobile homes requires that one meet a much higher standard of income qualification, long term employment stability, credit standing and a savings threshold. These are difficult hurdles for the majority of LIHTC households to achieve in today's home buying environment.

HOUSEHOLD INCOME TRENDS & CHARACTERISTICS

One of the first discriminating factors in residential analysis is income eligibility and affordability. This is particularly of importance when analyzing the need and demand for program assisted multi-family housing.

A professional market study must distinguish between gross demand and effective demand. Effective demand is represented by those elderly households that can both qualify for and afford to rent the proposed multi-family development. In order to quantify this effective demand, the income distribution of the PMA households age 55+ must be analyzed.

Establishing the income factors to identify which households are eligible for a specific housing product requires the definition of the limits of the target income range. The lower limit of the eligible range is generally determined by affordability, i.e., the proposed gross rents, average minimum social security payments, and/or the availability of deep subsidy rental assistance (RA) for USDA-RD, PHA and HUD Section 8 developments.

The estimate of the upper income limit is based upon the most recent set of HUD MTSP income limits for two person households (the maximum household size allowable for the estimation of elderly in the GA-DCA Market Study Guidelines) in Chattooga County, Georgia at 50% and 60% of the area median income (AMI).

For market-rate projects or components of mixed income projects, the entire range is estimated using typical expenditure patterns. While a household may spend as little for rent as required to occupy an acceptable unit, households tend to move into more expensive housing with better features as their incomes increase. In this analysis, the market-rate limits are set at an expenditure pattern of 25% to 35% of household income.

Tables 6A and 6B exhibit owner-occupied households, by age 55+, and by income group, in the Trion PMA in 2010, and forecasted in 2016 and 2018. Tables 7A and 7B exhibit renter-occupied households, by age 55+, and by income group, in the Trion PMA in 2010, and forecasted in 2016 and 2018.

The projection methodology is based upon Nielsen Claritas forecasts for households, by tenure, by age and by income group for the year 2016 and 2021, with a base year data set comprising a 2010 average, based upon the 2006 to 2010 American Community Survey. The control for this data set was not the 2010 Census, but instead the 2006 to 2010 American Community Survey.

Tables 6A and 6B exhibit owner-occupied households age 55+, by income in the Trion PMA in 2010, and projected in 2016 and 2018.

Table 6A				
Trion PMA: Owner-Occupied Households Age 55+, by Income Groups				
Households by Income	2010 Number	2010 Percent	2016 Number	2016 Percent
Under \$10,000	259	8.20	347	9.29
10,000 - 20,000	800	25.34	787	21.06
20,000 - 30,000	543	17.20	645	17.26
30,000 - 40,000	407	12.89	515	13.78
40,000 - 50,000	222	7.03	373	9.98
50,000 - 60,000	224	7.10	282	7.55
\$60,000 and over	702	22.24	788	21.09
Total	3,157	100%	3,737	100%

Table 6B				
Trion PMA: Owner-Occupied Households Age 55+, by Income Groups				
Households by Income	2016 Number	2016 Percent	2018 Number	2018 Percent
Under \$10,000	347	9.29	339	9.01
10,000 - 20,000	787	21.06	760	20.20
20,000 - 30,000	645	17.26	639	16.99
30,000 - 40,000	515	13.78	510	13.56
40,000 - 50,000	373	9.98	372	9.89
50,000 - 60,000	282	7.55	288	7.66
\$60,000 and over	788	21.09	854	22.70
Total	3,737	100%	3,762	100%

Sources: 2006 - 2010 American Community Survey.
 Nielsen Claritas, HISTA Data, Ribbon Demographics.
 Koontz and Salinger. May, 2016.

Tables 7A and 7B exhibit renter-occupied households age 55+, by income in the Trion PMA in 2010, and projected in 2016 and 2018.

Table 7A				
Trion PMA: Renter-Occupied Household Age 55+, by Income Groups				
Households by Income	2010 Number	2010 Percent	2016 Number	2016 Percent
Under \$10,000	136	19.83	217	23.74
10,000 - 20,000	233	33.97	263	28.77
20,000 - 30,000	124	18.08	138	15.10
30,000 - 40,000	31	4.52	46	5.03
40,000 - 50,000	68	9.91	118	12.91
50,000 - 60,000	26	3.79	27	2.95
60,000 +	68	9.91	105	11.49
Total	686	100%	914	100%

Table 7B				
Trion PMA: Renter-Occupied Household Age 55+, by Income Groups				
Households by Income	2016 Number	2016 Percent	2018 Number	2018 Percent
Under \$10,000	217	23.74	214	23.14
10,000 - 20,000	263	28.77	258	27.89
20,000 - 30,000	138	15.10	140	15.14
30,000 - 40,000	46	5.03	46	4.97
40,000 - 50,000	118	12.91	117	12.65
50,000 - 60,000	27	2.95	30	3.24
60,000 +	105	11.49	120	12.97
Total	914	100%	925	100%

Sources: 2006 - 2010 American Community Survey.
 Nielsen Claritas, HISTA Data, Ribbon Demographics.
 Koontz and Salinger. May, 2016.

Table 8A								
Households by Owner-Occupied Tenure, by Person Per Household, Age 55+ Trion PMA, 2010 - 2018								
Households	Owner				Owner			
	2010	2016	Change	% 2016	2016	2018	Change	% 2018
1 Person	1,092	1,213	+ 121	32.46%	1,213	1,215	+ 2	32.30%
2 Person	1,503	1,755	+ 252	46.96%	1,755	1,774	+ 19	47.16%
3 Person	327	470	+ 143	12.58%	470	482	+ 12	12.81%
4 Person	155	173	+ 18	4.63%	173	165	- 8	4.39%
5 + Person	80	126	+ 46	3.37%	126	126	0	3.35%
Total	3,157	3,737	+ 580	100%	3,737	3,762	+ 25	100%

Table 8B								
Households by Renter-Occupied Tenure, by Person Per Household, Age 55+ Trion PMA, 2010 - 2018								
Households	Renter				Renter			
	2010	2016	Change	% 2016	2016	2018	Change	% 2018
1 Person	420	546	+ 126	59.74%	546	554	+ 8	59.89%
2 Person	183	220	+ 37	24.07%	220	224	+ 4	24.22%
3 Person	52	78	+ 26	8.53%	78	77	- 11	8.32%
4 Person	9	34	+ 25	3.72%	34	34	0	3.68%
5 + Person	22	36	+ 14	3.94%	36	36	0	3.89%
Total	686	914	+ 228	100%	914	925	+ 11	100%

Sources: Nielsen Claritas Projections
Koontz and Salinger. May, 2016

Table 8A indicates that in 2018 approximately 79.5% of the owner-occupied households age 55+ in the PMA contain 1 and 2 persons (the target group by household size). An increase in households by size is exhibited by 1 and 2 person owner-occupied households.

Table 8B indicates that in 2018 approximately 84% of the renter-occupied households age 55+ in the PMA contain 1 and 2 persons. An increase in households by size is exhibited by 1 and 2 person renter-occupied households age 55+. One person elderly households are typically attracted to both 1 and 2 bedroom rental units and 2 person elderly households are typically attracted to two bedroom units, and to a much lesser degree three bedroom units.

SECTION F
ECONOMIC & EMPLOYMENT
TRENDS

Analysis of the economic base and the labor and job formation base of the local labor market area is critical to the potential demand for residential growth in any market. The economic trends reflect the ability of the area to create and sustain growth, and job formation is typically the primary motivation for positive net in-

migration. Employment trends reflect the economic health of the market, as well as the potential for sustained growth. Changes in family households reflect a fairly direct relationship with employment growth, and the employment data reflect the vitality and stability of the area for growth and development in general.

Tables 9 through 15 exhibit labor force trends by: (1) civilian labor force employment, (2) covered employment, (3) changes in covered employment by sector, and (4) changes in average annual weekly wages, for Chattooga County. Also, exhibited are the major employers for the immediate labor market area. A summary analysis is provided at the end of this section.

Table 9			
Civilian Labor Force and Employment Trends, Chattooga County: 2005, 2014 and 2015			
	2005	2014	2015
Civilian Labor Force	11,053	10,521	10,393
Employment	10,449	9,719	9,749
Unemployment	604	802	644
Rate of Unemployment	5.5%	7.6%	6.2%

Table 10				
Change in Employment, Chattooga County				
Years	# Total	# Annual*	% Total	% Annual*
2005 - 2007	- 170	- 85	- 1.63	- 0.81
2008 - 2010	- 747	- 373	- 7.34	- 3.67
2011 - 2013	+ 185	+ 92	+ 1.97	+ 0.98
2014 - 2015	+ 30	Na	+ 0.31	Na

* Rounded

Na - Not applicable

Sources: Georgia Labor Force Estimates, 2005 - 2015. Georgia Department of Labor, Workforce Information Analysis. Koontz and Salinger. May, 2016.

Table 11 exhibits the annual change in civilian labor force employment in Chattooga County between 2005 and the 1st three months in 2016. Also, exhibited are unemployment rates for the County, State and Nation.

Table 11							
Change in Labor Force: 2005 - 2016							
	Chattooga County					GA	US
Year	Labor Force	Employed	Change	Unemployed	Rate	Rate	Rate
2005	11,053	10,449	-----	604	5.5%	5.3%	5.1%
2006	10,866	10,323	(126)	543	5.0%	4.7%	4.6%
2007	10,922	10,279	(44)	643	5.9%	4.5%	4.6%
2008	11,279	10,172	(107)	1,107	9.8%	6.2%	5.8%
2009	10,773	9,339	(833)	1,434	13.3%	9.9%	9.3%
2010	10,671	9,425	86	1,246	11.7%	10.5%	9.6%
2011	10,578	9,411	(14)	1,167	11.0%	10.2%	8.9%
2012	10,643	9,556	145	1,087	10.2%	9.2%	8.1%
2013	10,546	9,596	40	950	9.0%	8.2%	7.4%
2014	10,521	9,719	123	802	7.6%	7.1%	6.2%
2015	10,393	9,749	30	644	6.2%	5.9%	5.3%
Month							
1/2016	10,544	9,923	-----	621	5.9%	5.4%	5.3%
2/2016	10,985	9,876	(47)	1,109	10.1%	5.6%	5.2%
3/2016	10,687	10,046	170	641	6.0%	5.4%	5.1%

Sources: Georgia Labor Force Estimates, 2005 - 2016.
 Georgia Department of Labor, Workforce Information Analysis.
 Koontz and Salinger. May, 2016.

Table 12 exhibits the annual change in covered employment in Chattooga County between 2003 and 2015. Covered employment data differs from civilian labor force data in that it is based on at-place employment within a specific geography. In addition, the data set consists of most full and part-time, private and government, wage and salary workers. Since 2013, the overall trend in covered employments in Chattooga County has been positive.

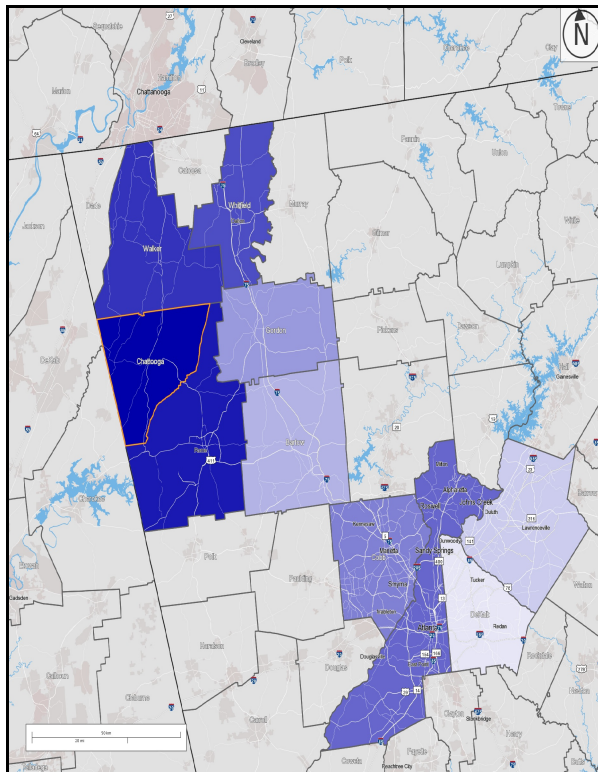
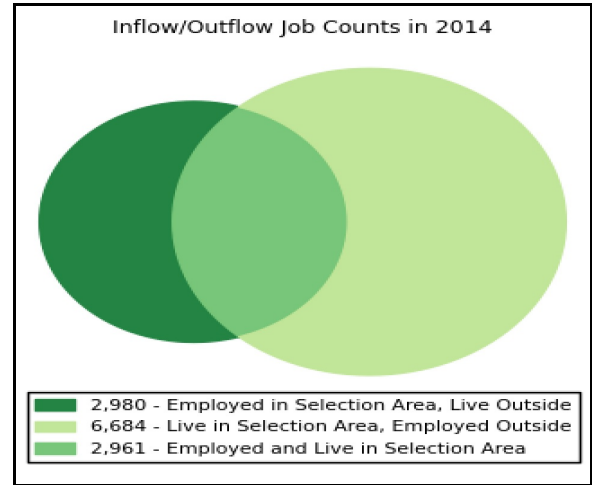
Table 12 Change in Covered Employment: 2003 - 2015		
Year	Employed	Change
2003	7,379	-----
2004	6,935	(444)
2005	6,952	17
2006	6,617	(335)
2007	6,455	(162)
2008	6,347	(108)
2009	5,758	(589)
2010	5,735	(23)
2011	5,690	(45)
2012	5,720	30
2013	5,921	201
2014	6,137	216
2015 1 st Q	6,235	-----
2015 2 nd Q	6,384	149
2015 3 rd Q	6,392	8

Sources: Georgia Department of Labor, Workforce Information Analysis, 2003 and 2015. Koontz & Salinger. May, 2106.

Commuting

The majority of the workforce within Chattooga County (the PMA) has relatively short commutes to work. Data from the 2010-2014 American Community Survey indicate that some 67.8% of workers who did not work at home had commutes of less than 30 minutes, inclusive of 30.9% with commutes of less than 15 minutes; the mean commuting time for residents of the Trion PMA (Chattooga County) is 23.4 minutes.

Chattooga County also provides jobs for workers living outside the area. Commuting data for 2014 published by the US Census Bureau indicates that the inflow of workers into Chattooga County is much less than the outflow. Some 2,980 persons who work in Chattooga live outside the county. Of the 9,645 workers residing in the County, 6,684 workers commuted to jobs outside the county; some 2,961 persons live and work in Chattooga.



Dark Blue	2,961 Jobs
Blue	1,351 Jobs
Light Blue	912 Jobs
Very Light Blue	552 Jobs
Lightest Blue	547 Jobs
Lightest Blue	437 Jobs
Lightest Blue	386 Jobs
Lightest Blue	224 Jobs
Lightest Blue	210 Jobs
Lightest Blue	170 Jobs

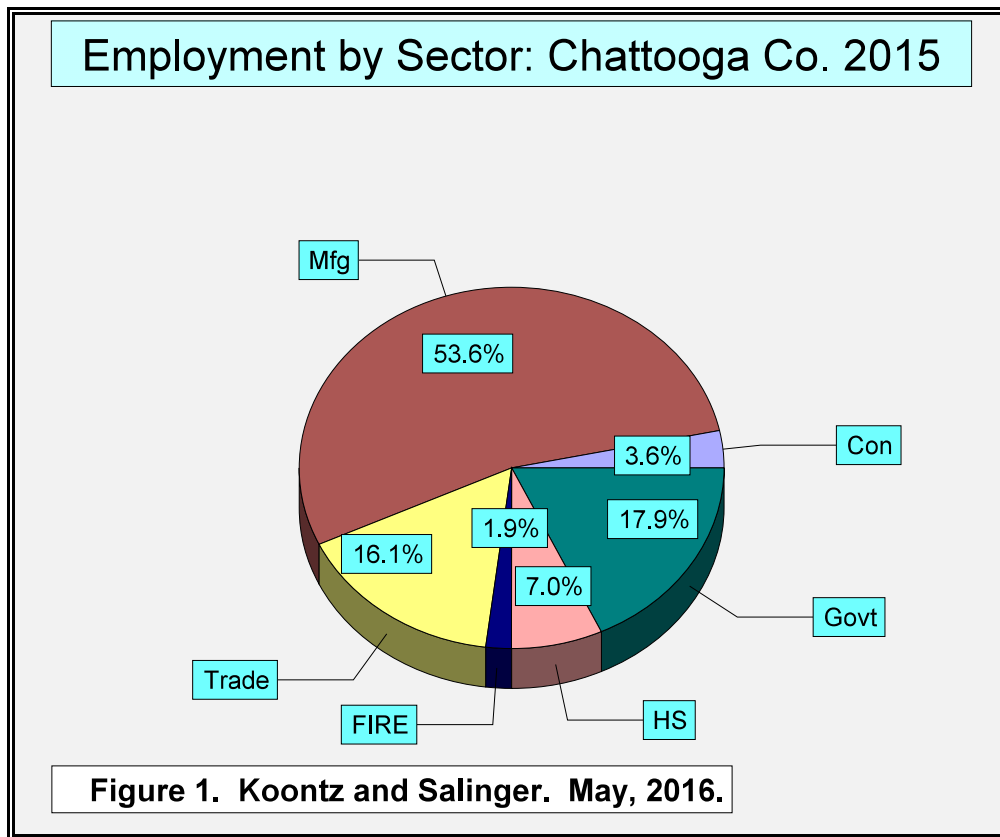
Jobs Counts by Counties Where Workers are Employed - All Jobs		
	2014	
	Count	Share
All Counties	9,645	100.0%
Chattooga County, GA	2,961	30.7%
Floyd County, GA	1,351	14.0%
Walker County, GA	912	9.5%
Whitfield County, GA	552	5.7%
Fulton County, GA	547	5.7%
Cobb County, GA	437	4.5%
Gordon County, GA	386	4.0%
Bartow County, GA	224	2.3%
Gwinnett County, GA	210	2.2%
DeKalb County, GA	170	1.8%
All Other Locations	1,895	19.6%

Source: US Census Bureau, 2010-2014 American Community Survey.

Table 13 Average Monthly Covered Employment by Sector, Chattooga County, 3 rd Quarter 2014 and 2015							
Year	Total	Con	Mfg	T	FIRE	HCSS	G
2014	6,116	131	2,645	838	104	347	914
2015	6,392	184	2,776	833	100	360	925
14-15 # Ch.	+ 276	+ 53	+ 131	- 5	- 4	+ 13	+11
14-15 % Ch.	+ 4.5	+40.4	+ 5.0	- 0.6	-3.8	+3.7	+1.2

Note: Con - Construction; Mfg - Manufacturing; T - Retail and Wholesale Trade; FIRE - Finance, Insurance and Real Estate; HCSS - Health Care and Social Services; G - Federal, State & Local Government

Figure 1 exhibits employment by sector in Chattooga County in the 3rd Quarter of 2015. The top four employment sectors are: manufacturing, trade, government and service. The 2016 forecast, is for the manufacturing sector to stabilize and the trade and healthcare sectors to increase.



Sources: Georgia Department of Labor, Workforce Information Analysis, Covered Employment, 2014 and 2015. Koontz and Salinger. May, 2016.

Table 14, exhibits average annual weekly wages in the 3rd Quarter of 2014 and 2015 in the major employment sectors in Chattooga County. It is estimated that the majority of workers in the service and trade sectors (excluding accommodation and food service workers) in 2016 will have average weekly wages between \$425 and \$800. Workers in the accommodation and food service sectors in 2016 will have average weekly wages in the vicinity of \$160.

Table 14				
Average 3rd Quarter Weekly Wages, 2014 and 2015				
Chattooga County				
Employment Sector	2014	2015	% Numerical Change	Annual Rate of Change
Total	\$ 580	\$ 584	+ 4	+ 0.7
Construction	\$ 826	\$ 734	- 92	-11.1
Manufacturing	\$ 600	\$ 620	+ 20	+ 3.3
Wholesale Trade	\$ 685	\$ 668	- 17	- 2.5
Retail Trade	\$ 401	\$ 411	+ 10	+ 2.5
Transportation & Warehouse	\$ 632	\$ 641	+ 9	+ 1.4
Finance & Insurance	\$ 766	\$ 806	+ 40	+ 5.2
Real Estate Leasing	\$ 643	\$ 611	- 32	- 5.0
Health Care Services	\$ 638	\$ 631	- 7	- 1.1
Educational Services	\$ 714	\$ 710	- 4	- 0.6
Hospitality	\$ 261	\$ 157	- 4	- 2.5
Federal Government	\$1013	\$1057	+ 44	+ 4.3
State Government	Na	Na	Na	Na
Local Government	\$ 645	\$ 647	+ 2	+ 0.3

Sources: Georgia Department of Labor, Workforce Information Analysis, Covered Employment, Wages and Contributions, 2014 and 2015.

Koontz and Salinger. May, 2016.

Major Employers

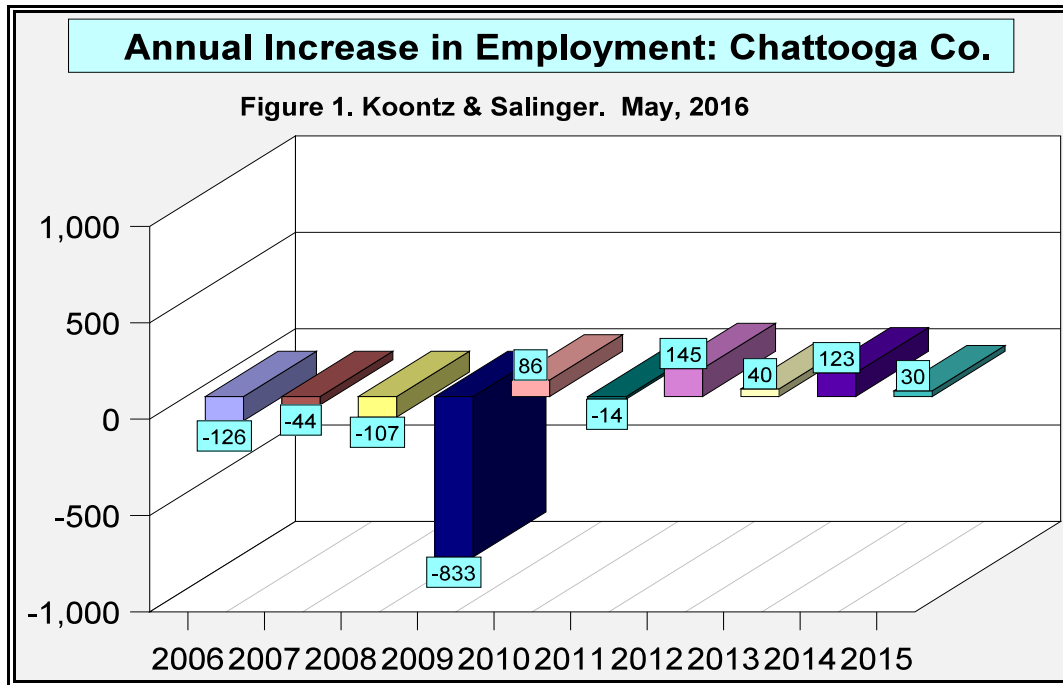
The major employers in Chattooga County are listed in Table 15.

Table 15		
Major Employers		
Firm	Product/Service	Employees
Manufacturing		
J.P. Smith Lumber	Sawmill	60
Mohawk Industries	Carpet	312
Mount Vernon Mills	Textiles	Na
Showa Best Glove	Surgical Supplies	25
Signature Interior Woodwork	Office Furniture	17
Smith Iron Works	Fabricated Metal	78
Tillotson Corp.	Gloves	300
Wire Tech	Electrical Equipment	50
Non Manufacturing		
Parkview Nursing & Rehab	Health Care	Na
Chattooga County	Government	Na
Chattooga County	School System	Na
Hays State Prison	Correctional Facility	460
Walmart	Retail Trade	Na
Ingles Grocery	Retail Trade	Na

Sources: NW Georgia Regional Commission
www.georgiafacts.org/manufacturers

SUMMARY

The economic situation for Chattooga County is statistically represented by employment activity, both in workers and jobs. As represented in Tables 9-15, Chattooga County experienced employment losses between 2006 and 2009. Like much of the state and nation, very significant employment losses were exhibited in 2009. Modest to significant gains were exhibited each year between 2012 and 2015.



As represented in Figure 1 (and Table 10), between 2005 and 2007, the average decrease in employment in Chattooga County was approximately -85 workers or approximately -0.81% per year. The rate of employment loss between 2008 and 2010, was very significant at over -3.65% per year, representing an annual net loss of -373 workers. The rate of employment gain between 2011 and 2013, was significant at approximately +0.98% per year. The 2014 to 2015, rate of gain was modest when compared to the preceding year at +0.31%. The rate of employment change thus far into 2016, is forecasted to exhibit an increase in the level of employment when compared to 2015.

Monthly unemployment rates in 2015 were improved when compared to the 2009 to 2014 period. Monthly unemployment rates in 2015, were for the most part improving on a month to month basis, ranging between 5.2% and 6.9%.

The National forecast for 2016 (at present) is for the unemployment rate to approximate 4.5% to 5% in the later portion of the year. Typically, during the last five years, the overall unemployment rate in Chattooga County has been above the state and national average unemployment rates. The annual unemployment rate in 2016 in Chattooga County is forecasted to continue to decline, to the vicinity of 5% to 5.5% and improving on a relative year to year basis.

The Chattooga County Chamber of Commerce is the local 'point of contact' for companies and businesses interested in Chattooga County. The Chamber works with multiple regional agencies to promote Chattooga County to potential new employers.

The Chamber notes that advantages of doing business in Chattooga County, Georgia include:

(1) Tax Credits and Tax Exemptions As one of Georgia's "Tier 1" tax credit counties, Chattooga County offers the highest tax incentives in the state. Any business that can create five jobs that are sustained over a ten year period is eligible for a \$4000 tax credit and support from the Joint Development Authority.

(2) Employee Training and Support Georgia coordinates the state's network of community and junior colleges for ongoing, highly-specialized training programs including Georgia's "Quick Start" program. These programs are designed to meet the evolving needs of industry and business often at little or no cost to employers.

(3) Chattooga County and the NW Georgia region have high performing schools, top healthcare facilities and a low cost of living. The area is considered "Entrepreneur Friendly" and is located on or near three of the nation's interstates - I-75, I-59 and I-24 - as well as "The Scenic Hometown Highway," U.S. Highway 27.

Regional economic development agencies include the following:

(1) The Northwest Georgia Joint Development Authority (NWGJDA) covers Catoosa, Chattooga, Dade, and Walker counties in Georgia. The NWGJDA assists businesses desiring to locate in Northwest Georgia, and has an inventory of buildings and industrial, commercial and tourism development sites in Northwest Georgia and the Chattanooga MSA.

(2) The Southeast Industrial Development Association (SEIDA) is an economic development agency that partners with the Tennessee Valley Authority and TVA power distributors to provide economic development services.

(3) The Northwest Georgia Regional Commission is designated a Local Development District by the Appalachian Regional Commission. The Appalachian Regional Commission (ARC) is a joint federal-state partnership. Appalachian Regional Commission funding is available to local communities for projects that support the creation and/or retention of private sector jobs. Since 1966, the Appalachian Regional Commission has invested over \$40 million in public infrastructure and human resource projects in the Northwest Georgia Regional Commission region.

(4) The Northwest Georgia Regional Commission is also an Economic Development District as designated by the U. S. Economic Development Administration. The Economic Development Administration (EDA) funds public works and planning projects for local governments to support creating and/or retaining private sector jobs. Since 1976, EDA has invested over \$25 million in the Northwest Georgia region.

Sources: www.northwestgeorgia.us
www.georgiatrend.org
www.seida.info
www.chattoogacounty.org

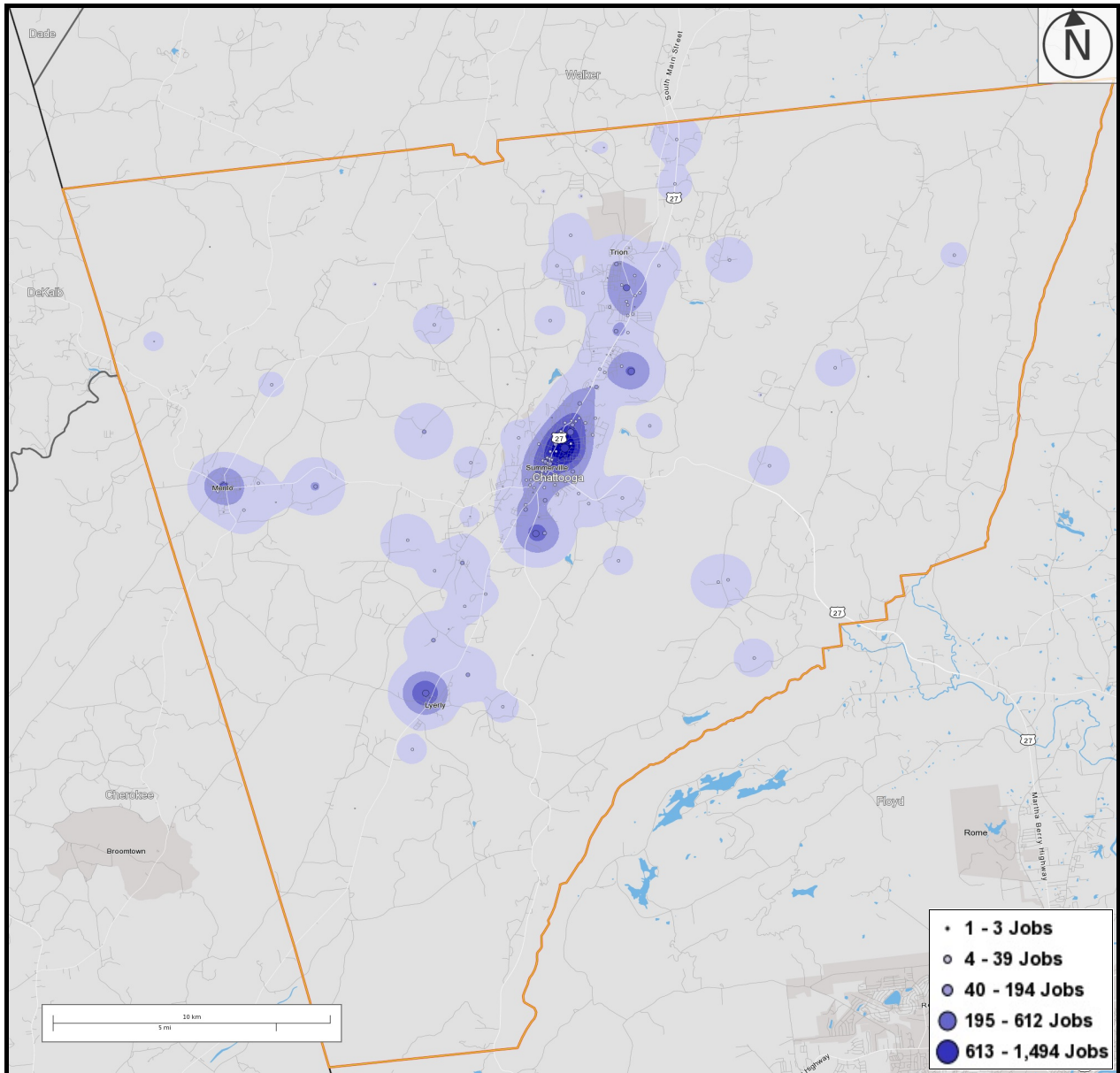
Local Economy - Relative to Subject & Impact on Housing Demand

Recent economic indicators in 2015 and thus far in 2016 suggest a scenario, in terms of economic growth (vs loss), in which the local economy will continue to grow at a modest to moderate pace in 2016. The Trion - Chattooga County area economy has a sizable number of low to moderate wage workers employed in the service, trade, and manufacturing sectors. Given the good location of the site, with good proximity to several employment nodes, the proposed subject development will very likely attract potential elderly renters from those sectors of the workforce who are in need of affordable housing, a reasonable commute to work, and still participating in the local labor market.

For that portion of the 55 to 65 elderly subject target group that still desires or needs to continue working on a part-time basis, the Trion and Chattooga County local economy provides many opportunities. The majority of the opportunities are in the local service and trade sectors of the economy.

A map of the major employment concentrations in Chattooga County is exhibited on the next page.

Major Employment Nodes in Chattooga County



SECTION G

PROJECT-SPECIFIC DEMAND ANALYSIS

This analysis examines the area market demand in terms of a specified GA-DCA demand methodology. This incorporates several sources of income eligible demand, including demand from new renter household growth and demand from existing elderly renter households already in the

Trion PMA market.

Note: All elements of the demand methodology will be segmented by age (elderly 55 and over) and income, owing to the availability of detailed age 55+ income by tenure data.

This methodology develops an effective market demand comprising eligible demand segments based on household characteristics and typical demand sources. It evaluates the required penetration of this effective demand pool. The section also includes estimates of reasonable absorption of the proposed units. The demand analysis is premised upon an estimated projected year that the subject will be placed in service of 2018.

In this section, the effective project size is 64-units. Throughout the demand forecast process, income qualification is based on the distribution estimates derived in Tables 6 and 7 from the previous section of the report.

Subsequent to the derivation of the annual demand estimate, the project is considered in the context of the current market conditions. This assesses the size of the proposed project compared to the existing population, including factors of tenure and income qualification. This indicates the proportion of the occupied housing stock that the project would represent and gives an indication of the scale of the proposed complex in the market. This does not represent potential demand, but can provide indicators of the validity of the demand estimates and the expected capture rates.

The demand analysis will address the impact on demand from existing and proposed like-kind competitive supply. In this case, demand is discriminated by age and income.

Finally, the potential impact of the proposed project on the housing market supply is evaluated, particularly the impact on other like-kind assisted elderly apartment projects in the market area.

Income Threshold Parameters

This market study focused upon the following target population regarding income parameters:

- (1) - Occupied by households at 60 percent or below of area median income.
- (2) - Projects must meet the person per unit imputed income requirements of the Low Income Housing Tax Credit, as amended in 1990. Thus, for purposes of estimating rents, developers should assume no more than the following: (a) For efficiencies, 1 Person; (b) For units with one or more separate bedrooms, 1.5 persons for each separate bedroom.
- (3) - The proposed development be available to Section 8 voucher holders.
- (4) - The 2015 HUD Income Limits.
- (5) - 11% of the units will be set aside as market rate with no income restrictions.

Analyst Note: The subject will comprise 80 one-bedroom two-bedroom units. The expected minimum to maximum number of people per unit is:

1BR - 1 and 2 persons
2BR - 2 persons

Analyst Note: As long as the unit in demand is income qualified there is no minimum number of people per unit. It is assumed that the target group for the proposed elderly development (by household size) will be one and two persons. Given the intended subject targeting by age, only household sizes of 1 and 2 persons were utilized in the determination of the income ranges, by AMI.

The proposed development will target approximately 20% of the units at 50% or below of area median income (AMI), approximately 69% of the units at 60% AMI, and approximately 11% at Market.

LIHTC Segment

The lower portion of the target LIHTC income range is set by the proposed subject 1BR and 2BR rents at 50% and 60% AMI.

It is estimated that households at the subject will spend between 30% and 45% of income for gross housing expenses, including utilities and maintenance. Recent Consumer Expenditure Surveys (including the most recent) indicate that the average cost paid by renter households is around 36% of gross income. Given the subject property intended target group it is estimated that the target LIHTC income group will spend between 25% and 50% of income on rent. GA-DCA has set the estimate for elderly applications at 40%.

The proposed 1BR net rent at 50% AMI is \$322. The estimated utility costs is \$103. The proposed 1BR gross rent is \$425. The lower income limit at 50% AMI based on a rent to income ratio of 40% is established at \$12,750.

The proposed 2BR net rent at 50% AMI is \$384. The estimated utility costs is \$126. The proposed 2BR gross rent is \$536. The lower income limit at 50% AMI based on a rent to income ratio of 40% is established at \$15,300.

The proposed 1BR net rent at 60% AMI is \$330. The estimated utility costs is \$103. The proposed 1BR gross rent is \$433. The lower income limit at 60% AMI based on a rent to income ratio of 40% is established at \$12,990.

The proposed 2BR net rent at 60% AMI is \$410. The estimated utility costs is \$126. The proposed 2BR gross rent is \$536. The lower income limit at 60% AMI based on a rent to income ratio of 40% is established at \$16,080.

The maximum 50% and 60% AMI for 1 and 2 person households located within Chattooga County follows:

	<u>50%</u> <u>AMI</u>	<u>60%</u> <u>AMI</u>
1 Person -	\$16,150	\$19,380
2 Person -	\$18,450	\$22,140

Source: 2015 HUD MTSP Income Limits.

LIHTC Target Income Ranges

The overall income range for the targeting of income eligible households at 50% AMI is \$12,750 to \$18,450.

The overall income range for the targeting of income eligible households at 60% AMI is \$12,990 to \$22,140.

Market Rate Segment

In this analysis, the market-rate limits are set at an expenditure pattern of 25% to 45% of household income, with an estimated expenditure (for the Trion market) of gross rent to income set at 30%.

The estimated 2BR gross rent is \$682. The 2BR lower income limit based on a rent to income ratio of 30% is established at \$23,040.

Technically there is no upper income limit for age restricted conventional apartment developments. Sometimes, an arbitrary limit can be placed upon a proposed development, taking into consideration, project design, intended targeted use, site location and the proposed unit and development amenity package. After examining the overall subject development project parameters, the upper income limit will be capped at \$50,000.

Market Rate Target Income Range

The overall income range for the targeting of non income restricted elderly households is \$23,040 to \$50,000.

SUMMARY

Target Income Range - Subject Property - by Income Targeting Scenario

50% AMI

The overall **Target Income Range** for the proposed subject property targeting households at 50% AMI is \$12,750 to \$18,450.

It is projected that in 2018, approximately **15%** of the elderly owner-occupied households age 55+ in the PMA will be in the subject property 50% AMI LIHTC target income group of \$12,750 to \$18,450.

It is projected that in 2018, approximately **21%** of the elderly renter-occupied households age 55+ in the PMA will be in the subject property 50% AMI LIHTC target income group of \$12,750 to \$18,450.

60% AMI

The overall **Target Income Range** for the proposed subject property targeting households at 60% AMI is \$12,990 to \$22,140.

It is projected that in 2018, approximately **18%** of the elderly owner-occupied households age 55+ in the PMA will be in the subject property 60% AMI LIHTC target income group of \$12,990 to \$22,140.

It is projected that in 2018, approximately **24%** of the elderly renter-occupied households age 55+ in the PMA will be in the subject property 60% AMI LIHTC target income group of \$12,990 to \$22,140.

Adjustments

In order to adjust for income overlap between the 50% and 60% AMI income segments several adjustments were made resulting in the following discrete estimates/percentages of household age 55+, within the 50% AMI, and 60% AMI income ranges. The 60% income segment estimate was held constant for renter-occupied elderly households owing to the extent of its lower bound and in order to account for overlap with the 50% AMI income target group the 50% AMI estimate was reduced.

	<u>Owner-Occupied</u>	<u>Renter-Occupied</u>
50% AMI	7.0%	9.5%
60% AMI	14.0%	18.5%

Market Rate

The overall **Target Income Range** for the proposed subject property targeting households at Market is \$23,040 to \$50,000.

It is projected that in 2018, approximately **35%** of the elderly owner-occupied households age 55+ in the PMA will be in the subject property Market Rate target income group of \$23,040 to \$50,000.

It is projected that in 2018, approximately **28%** of the elderly renter-occupied households age 55+ in the PMA will be in the subject property Market Rate target income group of \$23,040 to \$50,000.

Effective Demand Pool

In this methodology, there are four basic sources of demand for an apartment project to acquire potential elderly tenants:

- * net renter household formation (normal growth),
- * existing elderly renter households who are living in substandard housing,
- * existing renters who choose to move to another unit, typically based on affordability (rent overburdened), and project location, and features, and
- * current homeowners who elect to become renters, typically based on changing physical and financial circumstances and yield to the difficulty in maintaining a home.

As required by the most recent set of GA-DCA Market Study Guidelines, several adjustments are made to the basic model. The methodology adjustments are:

(1) taking into consideration like-kind competitive units now in the "pipeline", and/or under construction within the forecast period, and

(2) taking into consideration like-kind competition introduced into the market between 2014 and 2015.

Demand from New Elderly Renter Households (Growth)

For the PMA, forecast housing demand through household formation totals 11 elderly renter-occupied households over the 2016 to 2018 forecast period.

Based on 2018 income forecasts, 1 new elderly renter household falls into the 50% AMI target income segment of the proposed subject property, 2 into the 60% AMI target income segment, and 3 into the Market Rate target income segment.

Demand from Existing Renters that are In Substandard Housing

The most current and reliable data from the US Census regarding substandard housing is the 2000 census, and the 2010-2014 American Community Survey. By definition, substandard housing in this market study is from Tables H21 and H48 in Summary File 3 of the 2000 census - Tenure by Age of Householder by Occupants Per Room and Tenure by Plumbing Facilities, respectively. By definition, substandard housing in this market study is from Tables B25015 and B25016 in the 2010-2014 American Community Survey 5-Year Estimates - Tenure by Age of Householder by Occupants Per Room and Tenure by Plumbing Facilities, respectively.

Based upon 2000 Census data, 5 elderly renter-occupied households were defined as residing in substandard housing within the PMA. Based upon 2010-2014 American Community Survey data, 5 elderly renter-occupied households were defined as residing in substandard housing. The forecast in 2018 was for 5 elderly renter occupied households residing in substandard housing in the PMA.

Based on 2018 income forecasts, 0 substandard elderly renter households fall into the target income segment of the proposed subject property at 50% AMI, and 1 in the 60% AMI segment. This segment of the demand methodology is considered to be not applicable at Market.

Demand from Existing Renters

An additional source of demand for rental units is derived from renter households desiring to move to improve their living conditions, to accommodate different space requirements, because of changes in financial circumstances or affordability. For this portion of the estimate, rent overburdened households are included in the demand analysis. Note: This segment of the demand analysis excluded the estimate of demand by substandard housing as defined in the previous segment of the demand analysis.

By definition, rent overburdened are those households paying greater than 30% to 35% of income to gross rent*. The most recent census based data for the percentage of households that are rent overburdened by income group is the 2000 census. In addition, the 2010-2014 American Community Survey provides the most current estimated update of rent overburden statistical information. Forecasting this percentage estimate forwarded into 2018 is extremely problematic and would not hold up to the rigors of statistical analysis. It is assumed that the percentage of rent overburdened households within the target income range has increased, owing to: (1) the recent 2008-2010 national and worldwide recession since the report of the findings in the 2010-2014 American Community Survey, and (2) the affordable net rents, by of the proposed subject development.

The 2010-2014 ACS indicates that within Chattooga County around 50% of all households age 65 and over (owners & renters) are rent or cost overburdened. In addition, the ACS estimates that approximately 75% of all renters (regardless of age) within the \$0 to \$19,999 income range are rent overburdened, versus 64% in the \$10,000 to \$20,000 income range, and 40% in the \$20,000 to \$34,000 income range.

It is estimated that approximately 75% of the elderly renters with incomes in the 50% AMI target income segment are rent overburdened, 65% of the elderly renters with incomes in the 60% AMI target income segment are rent overburdened, and 42% at Market.

***Note:** HUD and the US Census define a rent over burdened household at 30% or greater of income to rent.

In the PMA it is estimated that 65 existing elderly renter households are rent overburdened and fall into the 50% AMI target income segment of the proposed subject property, 111 are in the 60% AMI segment, and 104 in the Market Rate segment.

Elderly Homeowner Tenure Conversion

An additional source of potential tenants involves elderly householders who currently own a home, but who may switch to a rental unit. This tendency is divergent for non-elderly and elderly households, and is usually the result of changes in circumstances in the households - the financial ability to pay maintenance costs and property taxes, the physical ability to maintain a larger, detached house, or an increased need for security and proximity of neighbors. In most cases, the need is strongest among single-person households, primarily female, but is becoming more common among older couples as well. Frequently, pressure comes from the householders' family to make the decision to move.

Recent surveys of new assisted housing for the elderly have indicated that an average of 15% to 30% of a typical, elderly apartment project's tenants were former homeowners. In order to remain conservative this demand factor was capped at **2.5%**.

Note: This element of the demand methodology does not allow for more than 2% of the overall demand estimate (up to this portion of the demand methodology) to be derived from owner-occupied tenure. (This is to ensure that there is no over weighting of demand from this portion of the demand methodology.)

After income segmentation, this results in 6 elderly households added to the target demand pool at 50% AMI, 13 elderly households added to the target demand pool at 60% AMI, and 33 elderly households added to the target demand pool at Market.

After adjusting for the 2% Rule, the 50% AMI segment was reduced by 5, the 60% AMI segment was reduced by 11, and the Market Rate segment was reduced by 31.

Total Effective Tenant Pool

The potential demand from these sources (in the methodology) total 67 households/units at 50% AMI. The potential demand from these sources (in the methodology) total 116 households/units at 60% AMI. The potential demand from these sources (in the methodology) total 109 households/units at Market. These estimates comprise the total income qualified demand pool from which the tenants at the proposed project will be drawn from the PMA. These estimates of demand were adjusted for the introduction of new like-kind supply into the PMA since 2014, as well as recently lost rental supply, owing to demolition, fire and flood. Naturally, not every household in this effective demand pool will choose to enter the market for a new unit; this is the gross effective demand.

The final segmentation process of the demand methodology was to subtract out like-kind competition/supply in the PMA built since 2014. In the case of the subject, like-kind supply includes other LIHTC and/or LIHTC/HOME elderly developments.

Upcoming Direct Competition

An additional adjustment is made to the total demand estimate. The estimated number of direct competitive supply under construction and/or in the pipeline for development must be taken into consideration. At present, there are neither apartments under construction nor in the pipeline for development within Trion that solely target the elderly population, or for that matter the general population as well. Source: Mr. Eddy Willingham, Trion Building Inspector, (706) 734-7641.

A review of the 2013, 2014 and 2015 list of awards for both LIHTC & Bond applications made by the Georgia Department of Community Affairs revealed that no awards were made in Chattooga County for LIHTC elderly new construction development.

No adjustments were made within the demand methodology in order to take into consideration new like-kind LIHTC-elderly supply.

Replacement of Existing Rentals

Demolitions and removals are not reported in the building permit data for the PMA. In 2013, the 54-unit Park Avenue Apartments in Trion was demolished, owing primarily to severe flood damage. These units were lost to the local housing supply and not replaced. Based on the 2010 percentage of PMA population age 55 and over it is estimated that 20 of the 54 units targeted the 55 and over population. It is estimated that of the 20 units, 7 are allocated to the 50% AMI target group, 8 are allocated to the 60% AMI target group, and 5 to the Market Rate target group. The majority are allocated to the low income group owing to the fact that the Park Avenue Apartments were very old (built around 1920), and offered a very basic amenity package.

The segmented, effective demand pool for the PMA is summarized in Tables 16A and 16B, on the following pages.

Table 16A

LIHTC Quantitative Demand Estimate: The Breakers PMA

	AMI	AMI
● <u>Demand from New Growth - Elderly Renter Households</u>	<u>50%</u>	<u>60%</u>
Total Projected Number of Households (2018)	925	925
Less: Current Number of Households (2016)	<u>914</u>	<u>914</u>
Change in Total Renter Households	+ 11	+ 11
% of Renter Households in Target Income Range	<u>9.5%</u>	<u>18.5%</u>
Total Demand from New Growth	1	2
● <u>Demand from Substandard Housing with Renter Households</u>		
Number of Households in Substandard Housing(2010)	5	5
Number of Households in Substandard Housing(2018)	5	5
% of Substandard Households in Target Income Range	<u>9.5%</u>	<u>17.7%</u>
Number of Income Qualified Renter Households	0	1
● <u>Demand from Existing Elderly Renter Households</u>		
Number of Renter Households (2018)	925	925
Minus Number of Substandard Renter Household	<u>- 5</u>	<u>- 5</u>
Total in Eligible Demand Pool	920	920
% of Households in Target Income Range	<u>9.5%</u>	<u>18.5%</u>
Number of Income Qualified Renter Households	87	170
Proportion Income Qualified (that are Rent Overburdened)	<u>75%</u>	<u>65%</u>
Total	65	111
● <u>Total Demand From Elderly Renters</u>	66	114
● <u>Demand from Existing Elderly Owner Households</u>		
Number of Owner Households (2018)	3,761	3,761
% of Households in Target Income Range	<u>7%</u>	<u>14%</u>
Number of Income Qualified Owner Households	263	527
Proportion Income Qualified (likely to Re-locate)	<u>2.5%</u>	<u>2.5%</u>
Total	6	13
2% Rule Adjustment	<u>- 5</u>	<u>- 11</u>
Net (after adjustment)	1	2
● <u>Net Total Demand</u>	67	116
● <u>Minus New Supply of Competitive Units (2014-2015)</u>	<u>- 0</u>	<u>- 0</u>
● <u>Demand from Replacement</u>	7	8
● <u>Gross Total Demand - LIHTC Segment</u>	74	124

Table 16B

Market Quantitative Demand Estimate: The Breakers PMA

● <u>Demand from New Growth - Elderly Renter Households</u>	<u>Market</u>
Total Projected Number of Households (2018)	925
Less: Current Number of Households (2016)	<u>914</u>
Change in Total Renter Households	+ 11
% of Renter Households in Target Income Range	<u>28%</u>
Total Demand from New Growth	3
● <u>Demand from Existing Elderly Renter Households</u>	
Number of Renter Households (2018)	925
% of Households in Target Income Range	<u>28%</u>
Number of Income Qualified Renter Households	259
Proportion Income Qualified (that are Rent Overburdened)	<u>40%</u>
Total	104
● <u>Total Demand From Elderly Renters</u>	107
● <u>Demand from Existing Elderly Owner Households</u>	
Number of Owner Households (2018)	3,761
% of Households in Target Income Range	<u>35%</u>
Number of Income Qualified Owner Households	1,316
Proportion Income Qualified (likely to Re-locate)	<u>2.5%</u>
Total	33
2% Rule Adjustment	<u>- 31</u>
Net (after adjustment)	2
● <u>Net Total Demand</u>	109
● <u>Minus New Supply of Competitive Units (2014-2015)</u>	<u>- 0</u>
● <u>Demand from Replacement</u>	5
● <u>Gross Total Demand - Market Rate</u>	114

Table 16 - Converted w/in GA-DCA Required Table					
	HH @30% AMI xx,xxx to xx,xxx	HH @50% AMI \$12,750 to \$18,450	HH@ 60% AMI \$12,990 to \$22,140	HH @ Market \$23,040 to \$50,000	All LIHTC Households
Demand from New Households (age & income appropriate)		1	2	3	3
Plus					
Demand from Existing Renter Households - Substandard Housing		0	1	0	1
Plus					
Demand from Existing Renter Households - Rent Overburdened households		65	111	104	176
Sub Total		66	114	107	180
Demand from Existing Households - Elderly Homeowner Turnover (limited to 2%)		1	2	2	3
Equals Total Demand		67	116	109	183
Less					
Supply of comparable LIHTC or Market Rate housing units built and/or planned in the project market between 2014 and the present		0	0	0	0
Equals Net Demand		74*	124*	86**	198*

***Adjusted for replacement of Park Avenue Apartments**

**When adjusted for the proposed subject BR Mix at Market this estimate is reduced to 226 further into the demand and capture rate analysis.

Capture Rate Analysis

LIHTC Segment

After adjusting for new like kind supply, the total number of LIHTC Income Qualified Households = 198. For the subject 57 LIHTC units this equates to an overall LIHTC Capture Rate of **28.8%**.

	50%	60%
	<u>AMI</u>	<u>AMI</u>
● <u>Capture Rate</u> (57 unit subject, by AMI)		
Number of Units in Subject Development	13	44
Number of Income Qualified Households	74	124
Required Capture Rate	17.6%	35.5%

Market Rate Segment

After adjusting for new like kind supply, the total number of Market Rate Income Qualified Households = 114. For the subject 7 Market Rate units this equates to an overall Market Capture Rate of **6.1%**.

	<u>Market</u>
● <u>Capture Rate</u> @ Market	
Number of Units in Subject Development	7
Number of Income Qualified Households	114
Required Capture Rate	6.1%

Adjusted for the Market Rate bedroom mix (2BR only) results in the following overall Market Capture Rate of **8.1%**.

	<u>Market</u>
● <u>Capture Rate</u> @ Market	
Number of Units in Subject Development	7
Number of Income Qualified Households	86
Required Capture Rate	8.1%

- Total Demand by Bedroom Mix

Approximately 42% of the 55 and over population in the PMA is in the 55 to 64 age group. Also, of the PMA population that comprises 1 and 2 person households (both owners and renters), approximately 47% are 1 person and 53% are 2 person (see Table 8). In addition, the size of the households age 55+ in the 2010 to 2021 forecast period is estimated to have stabilized at around 1.60 between 2010 and 2021, well over a 1.5 ratio. Finally, the Applicant has experience in offering a product at a very affordable net rent, with large size units that make the proposed 2BR units very attractive to the market. All these factors in turn suggests additional demand support for 2BR units.

Based on these data it is assumed that 25% of the target group will demand a 1BR unit and 75% a 2BR unit.

* At present there are no LIHTC like kind competitive properties either under construction or in the pipeline for development.

Total Demand by Bedroom Type (at 50% AMI)

1BR - 19
 2BR - 55
 Total - 74

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	19	0	19	7	36.8%
2BR	55	0	55	6	10.9%

Total Demand by Bedroom Type (at 60% AMI)

1BR - 31
 2BR - 93
 Total - 124

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	31	0	31	1	3.2%
2BR	93	0	93	43	46.2%

Total Demand by Bedroom Type (at Market)

1BR - 28
 2BR - 86
 Total - 114

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	28	0	28	0	Na
2BR	86	0	86	7	8.1%

Capture Rate Analysis Chart

Income Targeting	Income Limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Abspt
30% AMI							
1BR							
2BR							
3BR							
4BR							
50% AMI							
1BR	\$12,750-\$16,150	7	19	0	19	36.8%	2 mos.
2BR	\$15,300-\$18,450	6	55	0	55	10.9%	2 mos.
3BR							
4BR							
60% AMI							
1BR	\$12,990-\$19,380	1	31	0	31	3.2%	1 mo.
2BR	\$16,080-\$22,140	43	93	0	93	46.2%	8 mos.
3BR							
4BR							
Market Rate							
1BR							
2BR	\$23,040-\$50,000	7	86	0	86	8.1%	2 mos.
3BR							
4BR							
Total 30%							
Total 50%	\$12,750-\$18,450	13	74	0	74	17.6%	2 mos.
Total 60%	\$12,990-\$22,140	44	124	0	124	35.5%	8 mos.
Total LIHTC	\$12,750-\$22,140	57	198	0	198	28.8%	8 mos.
Total Market	\$23,040-\$50,000	7	86	0	86	8.1%	2 mos.

- Penetration Rate:

The NCHMA definition for Penetration Rate is: "The percentage of age and income qualified renter households in the Primary Market Area that all existing and proposed properties, to be completed within six months of the subject, and which are competitively priced to the subject that must be captured to achieve the Stabilized Level of Occupancy."

The above capture rate analysis and findings already take into consideration like-kind upcoming and pipeline development. In fact, the final step of the Koontz & Salinger demand and capture rate methodologies incorporates penetration rate analysis.

Overall Impact to the Rental Market

In the opinion of the market analyst, the proposed new construction LIHTC elderly development **will not negatively impact** the existing supply of program assisted LIHTC properties located within The Breakers PMA in the short or long term. At the time of the survey, the existing LIHTC elderly development located within the area competitive environment were on average 100% occupied, with all three properties maintaining a waiting list ranging between 21 and 23 applications.

In addition, the Town of Trion is void of any LIHTC elderly supply.

Some relocation of elderly tenants in the existing LIHTC family properties could occur in any of the properties, particularly those properties absent deep subsidy rental assistance (RA) support. This is considered to be normal when a new property is introduced within a competitive environment, resulting in very short term negative impact.

SECTION H

**COMPETITIVE ENVIRONMENT &
SUPPLY ANALYSIS**

This section of the report evaluates the general rental housing market conditions in the Trion PMA competitive apartment market, for both program assisted properties and market rate properties.

Part I of the survey focused upon a sample of market rate properties within Trion, the PMA and from outside of the PMA. Owing to the fact that Trion and Summerville lack a sizable number of non subsidized / market rate properties the sample set included market rate properties located approximately 25+ miles from Trion in Dalton and Rome. Part II consisted of a survey of the program assisted properties located with The Breakers PMA. The analysis includes individual summaries and pictures of properties.

The Trion-Summerville apartment market is representative of a rural to semi-urban apartment market, significantly influenced by a much larger rural hinterland. All of the local market rate apartment stock comprises small properties. The local program assisted apartment stock consists mostly of scattered site public housing and USDA-RD Section 515 properties targeting both elderly and non elderly population, as well as one LIHTC elderly development. The vast majority of the apartment properties surveyed were in good condition.

Part I - Sample Survey of Market Rate Apartments

Six market rate properties representing 297 units, were surveyed in the subject's overall competitive environment, in detail. Several key findings in the local conventional apartment market include:

- * At the time of the survey, the overall estimated vacancy rate of the surveyed market rate apartment properties was less than 2%, at 1.7%.
- * The bedroom mix of the surveyed market rate apartment properties is 20.5% 1BR, 70.5% 2BR and 9% 3BR.
- * A survey of the local (Chattooga County) conventional apartment market exhibited the following average, median and range of net rents, by bedroom type, in the area competitive environment:

Market Rate Competitive Environment - Net Rents			
BR/Rent	Average	Median	Range
1BR/1b	\$350	\$350	\$350-\$350
2BR/1b	\$450	\$425	\$350-\$500
2BR/2b	Na	Na	Na
3BR/2b	Na	Na	Na

Source: Koontz & Salinger. May, 2016

* At the time of the survey, none of the surveyed market rate properties were offering rent concessions.

* The survey of the competitive apartment market exhibited the following average, median and range of size of units, by bedroom type, in the area competitive environment:

Surveyed Competitive Environment - Unit Size			
BR/Size	Average	Median	Range
1BR/1b	600	600	600-600
2BR/1b	835	850	800-900
2BR/2b	900 (est)	Na	Na
3BR/2b	Na	Na	Na

Source: Koontz & Salinger. May, 2016

* In the area of unit size, by bedroom type, the subject will offer competitive unit sizes, by floor plan, in comparison with the existing market rate properties. The proposed subject 1BR heated square footage is approximately 30% greater than the 1BR market average unit size. The proposed subject 2BR heated square footage is approximately 23% greater than the 2BR market average unit size.

Part II - Survey of the Program Assisted Market

Nine program assisted properties, representing 381 units, were surveyed in the subject's competitive environment, in detail. At present, there is one LIHTC elderly property located within the PMA. In addition, six USDA-RD properties were surveyed, of which five target the general population and one targets the elderly population. Several key findings in the local program assisted apartment market include:

* At the time of the survey, the estimated vacancy rate of the surveyed program assisted apartment properties was less than 2%, at 1.8%.

* At the time of the survey, the three surveyed elderly properties were (together) 100% occupied, and all three maintained a waiting list.

* The Saratoga Court LIHTC elderly property opened in 2007. At the time of the survey, the 48-unit development was 100% occupied and had 23 applicants on the waiting list. Management reported that the development was 100% occupied within 6-months of opening.

* At the time of the survey, the overall occupancy rate of the six USDA family properties was 97.2%. Four of the six properties maintained a waiting list, ranging between 7 and 57 applicants.

* The bedroom mix of the surveyed program assisted apartment properties is 45.5% 1BR, 50.5% 2BR, and 4% 3BR.

Section 8 Vouchers

The Section 8 voucher program for Chattooga County is managed by the Georgia Department of Community Affairs, Athens Office. At the time of the survey, the Georgia DCA regional office stated that 12 vouchers held by elderly and non elderly households were under contract within Chattooga County. In addition, it was reported that presently there are 16 applicants on the waiting list. The list was opened between mid 2015 and early 2016 and is presently closed. Source: Ms. Nancy Dove, Office Director, (706) 369-5636, April 15, 2016.

Most Comparable Property

* The most comparable surveyed market rate properties to the subject in terms of rent reconciliation/advantage analysis are:

Comparable Market Rate Properties: By BR Type		
1BR	2BR	3BR
Byron Heights	Bittings Street	
Emeralds	Byron Heights	
Heritage Point	City View	
Saratoga Court	Emeralds	
	Heritage Point	
	Parkview	

Source: Koontz & Salinger. May, 2016

* The most direct like-kind comparable surveyed properties to the proposed subject development in terms of age and income targeting is the most recently developed (2007) Saratoga Court LIHTC elderly property, located in Summerville.

* In terms of market rents, and subject rent advantage, the most comparable properties, comprise a compilation of the surveyed market rate properties located within the local competitive environment, as well as from outside of Chattooga County. Three of the surveyed market rate properties are located outside of the Trion PMA. A distance value adjustment was applied within the rent reconciliation process for those properties located in Dalton and Rome.

Housing Voids

At present, Trion does not have any LIHTC elderly supply. In addition, Trion lost 54-units of apartment supply in 2013 owing to demolition. The apartments were aged and had been severely damaged several times owing to flood.

Fair Market Rents

The 2016 Fair Market Rents for Chattooga County, GA are as follows:

Efficiency = \$ 479
1 BR Unit = \$ 482
2 BR Unit = \$ 645
3 BR Unit = \$ 856
4 BR Unit = \$1126

*Fair Market Rents are gross rents (include utility costs)

Source: www.huduser.gov

Note: The proposed subject property LIHTC one and two-bedroom gross rents are set below the maximum Fair Market Rent for a one and two-bedroom unit at 50% and 60% AMI. Thus, the subject property LIHTC 1BR and 2BR units at 50% and 60% AMI will be readily marketable to Section 8 voucher holders in Chattooga County.

Change in Average Rents

Between April 2010 and April 2016, the Trion/Chattooga County competitive environment conventional apartment market exhibited the following change in average net rents, by bedroom type:

	<u>2010</u>	<u>2016</u>	<u>% Change</u>	<u>Annual</u>
1BR/1b	\$345	\$350	+ 1.5%	+0.25%
2BR/1b	\$425	\$450	+ 5.5%	+1.00% (approx.)
2BR/2b	Na	Na		
3BR/2b	Na	Na		

Table 16 exhibits building permit data between 2000 and 2015. The permit data is for Chattooga County, which includes Trion.

Between 2000 and 2015, 128 permits were issued in Chattooga County. The last multi-family permits issues for apartments were 10 years ago in 2005.

Table 16			
New Housing Units Permitted: Chattooga County, 2000-2015¹			
Year	Net Total ²	Single-Family Units	Multi-Family Units
2000	9	9	0
2001	9	9	0
2002	8	8	0
2003	7	7	0
2004	63	15	48
2005	14	14	0
2006	9	9	0
2007	4	4	0
2008	3	1	2
2009	0	0	0
2010	0	0	0
2011	2	2	0
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0
Total	128	78	50

¹Source: New Privately Owned Housing Units Authorized In Permit Issuing Places, U.S. Department of Commerce, C-40 Construction Reports. U.S. Census Bureau.

SOCDS Building Permit Database.

²Net total equals new SF and MF dwellings units.

Table 17, exhibits the project size, bedroom mix, number of vacant units (at time of the survey), net rents and unit sizes of the surveyed conventional apartment properties within the competitive environment.

Table 17											
SURVEY OF CONVENTIONAL APARTMENT COMPLEXES											
PROJECT PARAMETERS											
Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
Subject	64	8	56	--	Na	\$322 \$330	\$384- \$450	--	779	1109	--
Bittings Street	8	--	8	--	1	--	\$350- \$400	--	--	800	--
Byron Heights	80	20	60	--	0	\$550	\$625	--	700	900	--
City View	5	--	5	--	0	--	\$450	--	--	850	--
Emeralds	40	4	28	8	1	\$575	\$675	\$775	700	1100	1200
Heritage Point	149	37	93	19	3	\$495	\$615- \$665	\$695	750	950- 1150	1160
Parkview	15	--	15	--	0	--	\$500	--	--	950	--
Total*	297	61	209	27	5						

* - Excludes the subject property

Comparable Properties are highlighted in red.

Source: Koontz and Salinger. May, 2016.

Table 18, exhibits the key amenities of the subject and the surveyed conventional apartment properties. Overall, the subject is competitive to very competitive with all of the existing conventional apartment properties in the local market regarding the unit and development amenity package.

Table 18													
SURVEY OF CONVENTIONAL APARTMENT COMPLEXES UNIT & PROJECT AMENITIES													
Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
Subject	x	x				x	x	x	x	x	x	x	x
Bittings St								x	x	x	x		
Byron Heights					x	x		x	x	x	x		
City View								x	x	x	x		
Emeralds		x	x						x	x	x		x
Heritage Point	x	x	x		x			x	x	x	x	x	x
Parkview								x	x	x	x		

Source: Koontz and Salinger. May, 2016.

Key: A - On-Site Mgmt B - Central Laundry C - Pool
 D - Tennis Court E - Playground/Rec Area F - Dishwasher
 G - Disposal H - W/D Hook-ups I - A/C
 J - Cable Ready K - Mini-Blinds L - Community Rm/Exercise Rm
 M - Storage/other (inc. - ceiling fan, microwave, patio/balcony)

Table 19, exhibits the project size, bedroom mix, number of vacant units (at time of the survey), net rents and unit sizes of the surveyed program assisted apartment properties located within the Chattooga County competitive environment.

Table 19											
SURVEY OF PROGRAM ASSISTED APARTMENT COMPLEXES											
PROJECT PARAMETERS											
Complex	Total Units	1BR	2BR	3BR	Vac. Units	1BR Rent	2BR Rent	3BR Rent	SF 1BR	SF 2BR	SF 3BR
Subject	64	8	56	--	Na	\$322 \$330	\$384- \$450	--	779	1109	--
Saratoga Court I	48	24	24	--	0	\$178- \$465	\$215- \$490	--	760	1000	--
Maplewood I	42	12	30	--	1	\$345	\$370	--	Na	Na	--
Maplewood II	32	12	20	--	2	\$334	\$370	--	Na	Na	--
Devonwood	24	6	18	--	0	\$330	\$360	--	Na	Na	--
Lake Wanda Reita	40	6	30	4	3	\$367	\$392	\$392	Na	Na	Na
Silverleaf	32	12	20	--	0	\$370	\$395	--	576	976	--
Goldleaf	26	22	4	--	0	\$380	\$400	--	576	812	--
Summerville Gardens	77	21	44	12	1	BOI	BOI	BOI	Na	Na	Na
McGinnis	60	58	2	--	0	BOI	BOI	--	Na	Na	--
Total*	381	173	192	16	7						

* - Excludes the subject property

BOI - Based on Income

Na - Not available

** Basic rent noted for USDA-RD properties

Comparable Properties are highlighted in red.

Source: Koontz and Salinger. May, 2016.

Table 20, exhibits the key amenities of the subject and the surveyed program assisted apartment properties. Overall, the subject is competitive with the existing program assisted apartment properties in the market regarding the unit and development amenity package.

Table 20													
SURVEY OF PROGRAM ASSISTED APARTMENT COMPLEXES													
UNIT & PROJECT AMENITIES													
Complex	A	B	C	D	E	F	G	H	I	J	K	L	M
Subject	x	x			x	x	x	x	x	x	x	x	x
Saratoga Ct	x	x			x	x	x	x	x	x	x	x	x
Catoosa Sr	x	x			x	x	x	x	x	x	x	x	x
Maple-wood I	x	x							x	x	x		x
Maple-wood II	x	x							x	x	x		x
Devonwood	x	x							x	x	x		x
Lake Wanda Reita	x	x			x				x	x	x		x
Silverleaf	x	x			x				x	x	x		x
Goldleaf	x	x							x	x	x	x	x
Summerville Gardens	x	x			x				x	x	x		
McGinnis Memorial	x	x							x	x	x	x	

Source: Koontz and Salinger. May, 2016.

Key: A - On-Site Mgmt B - Central Laundry C - Pool
 D - Tennis Court E - Playground/Rec Area F - Dishwasher
 G - Disposal H - W/D Hook-ups I - A/C
 J - Cable Ready K - Mini-Blinds L - Community Rm/Exercise Rm
 M - Storage/other (inc. - ceiling fan, microwave, patio/balcony)

The data on the individual complexes, reported on the following pages, were reported by the owners or managers of the specific projects. In some cases, the managers / owners were unable to report on a specific project item, or declined to provide detailed information.

A map showing the location of the program assisted properties in the Trion PMA is provided on page 104. A map showing the location of the surveyed Market Rate properties located within the Trion competitive environment is provided on page 105. A map showing the location of the surveyed Comparable Market Rate properties in the Trion competitive environment is provided on page 106.

Survey of the Competitive Environment - Market Rate

1. Bittings Street Apartments, Bittings St, Summerville (706) 857-3484

Contact: Norman
Date Built: 1980

Interview Date: 4-12-16
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Vacant</u>
2BR/1b	8	\$350-\$400	800 (est)	1
Total	8			1

Typical Occupancy Rate: 99%

Waiting List: "as needed"

Security Deposit: 1 month rent

Concessions: No

Utilities Included: None

Amenities - Unit

Stove	Yes	Air Conditioning	Yes (wall)
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	No	Pool	No
Laundry Room	No	Community Room	No
Storage Area	No	Recreation Area	No

Design: one story



2. Byron Heights, 1515 Byron St, Dalton

(706) 278-3776

Contact: Jim, Manager

Interview Date: 4-4-16

Date Built: 2001

Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	20	\$550	700	0
2BR/1.5b	60	\$625	900	0
Total	80			0

Typical Occupancy Rate: 95%-100%

Waiting List: No

Security Deposit: \$300

Concessions: No

Utilities Included: water, sewer, trash

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	Yes	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	No	Pool	No
Laundry Room	No	Community Room	No
Storage Area	No	Recreation Area	Yes

Design: 1 & 2 story



3. City View Apartments, 28 Lewis St, Summerville (706) 506-3853

Contact: Mr. Kevin Gillband

Interview Date: 4-12-16

Date Built: 1989

Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Vacant</u>
2BR/1b	5	\$450	850 (est)	0

Typical Occupancy Rate: 95%

Waiting List: "as needed"

Security Deposit: \$200

Concessions: No

Utilities Included: None

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	No	Pool	No
Laundry Room	No	Community Room	No
Storage Area	No	Recreation Area	No

Remarks: Mr Gillband also has 12 other rental units in Summerville, e.g., a 1BR units at 154 Union St rents for \$350 and includes water, a 2BR/1b at 150 Union St rents for \$450 and includes water, the 2-unit property is a converted single-family home built in 1887, units include dishwasher and ceiling fan



4. Emeralds Apartments, 113 N Tibbs Rd, Dalton (706) 278-5071

Contact: Ms Janet, Manager

Interview Date: 4-4-16

Date Built: 1969

Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	4	\$575	700	0
2BR/2b	28	\$675	1100	1
3BR/2b	8	\$775	1200	0
Total	40			1

Typical Occupancy Rate: 95%-100%

Waiting List: No

Security Deposit: \$300

Concessions: No

Utilities Included: water, sewer, trash

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	No	Pool	Yes
Laundry Room	Yes	Community Room	No
Storage Area	No	Recreation Area	No

Design: 2 story walk-up



5. Heritage Point Apartments, 1349 Redmond Circle, Rome (706) 235-0409

Contact: Ms Laura, Leasing Agent

Interview Date: 5/5/2016

Date Built: 1970

Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	37	\$495	750	0
2BR/1b	31	\$615	950	1
2BR/1.5b TH	62	\$665	1150	0
3BR/2b	19	\$695	1160	2
Total	149			3

Typical Occupancy Rate: 99%

Waiting List: No

Security Deposit: \$200 to 1 month rent

Concessions: No

Utilities Included: water, sewer, trash

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Pool	Yes
Laundry Room	Yes	Tennis	No
Fitness Ctr	No	Recreation Area	Yes
Security	No	Trails	No
Storage	No	Car Wash Area	No

Design: two story

Additional Information: 10 units occupied by Section 8 voucher holders



6. Parkview Townhouses, Allgood Rd & Central Ave, Trion (706) 346-3586

Contact: Brian, Owner

Interview Date: 4-12-16

Date Built: 1985

Condition: Fair

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Vacant</u>
2BR/1b	15	\$500	950 (est)	0
Total	15			0

Typical Occupancy Rate: 95%

Waiting List: "as needed"

Security Deposit: \$400

Concessions: No

Utilities Included: water, sewer, trash removal

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	No	Pool	No
Laundry Room	No	Community Room	No
Storage Area	No	Recreation Area	No

Design: townhouse



Survey of the Competitive Environment: LIHTC & USDA

1. Saratoga Court I Apartments, 50 Saratoga Way (706) 857-1507

Contact: Cyndi Walker, Mgr (5/23/16)
Date Built: 2007

Type: LIHTC e1 (55+)
Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>				<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
		<u>30%</u>	<u>50%</u>	<u>60%</u>	<u>MR</u>			
1BR/1b	24	\$178	\$345	\$350	\$465	\$ 83	760	0
2BR/1b	24	\$215	\$415	\$420	\$490	\$ 98	1000	0
Total	48	5	30	3	10			0

Typical Occupancy Rate: 99%

Waiting List: Yes (23)

Security Deposit: \$150

Concessions: No

Utilities Included: water, sewer, trash

Turnover: "very low"

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	Yes	Carpeting	Yes
Disposal	Yes	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	Yes	Picnic Area	Yes

Design: 2 story w/elevators

Remarks: 4-units have a Section 8 voucher; 100% occupied within 6-months; 2BR units are in most demand



2. Maplewood I Apartments, 60 Milton Cir

(706) 857-4333

Type: USDA-RD Section 515 (fm)

Contact: Ms Ginny, Mgr

Date Built: 1980's

Interview Date: 4-12-16

Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Size</u>	<u>Utility Allowance</u>	<u>Vacant</u>
1BR/1b	12	\$345	\$360	Na	\$161	0
2BR/1.5b	30	\$370	\$400	Na	\$203	1
Total	42					1

Typical Occupancy Rate: mid-high 90's

Security Deposit: \$200

Utilities Included: allowance

Waiting List: Yes (57)

Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Community Room	No
Storage Area	No	Recreation Area	Na

Design: one & two story

Additional: currently 0 have deep subsidy rental assistance; 3-units occupied with a Section 8 voucher; expects no negative impact



3. Maplewood II Apartments, 112 Maplewood Dr (706) 857-4333

Type: USDA-RD Section 515 (fm)

Contact: Ms Ginny, Manager
Date Built: 1980's

Interview Date: 4-12-16
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Size</u>	<u>Utility Allowance</u>	<u>Vacant</u>
1BR/1b	12	\$334	\$360	Na	Na	1
2BR/1.5b	20	\$370	\$400	Na	Na	1
Total	32					2

Typical Occupancy Rate: mid to high 90's
Security Deposit: \$200
Utilities Included: allowance

Waiting List: Yes (12)
Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Community Room	No
Storage Area	No	Recreation Area	Na

Design: one & two story

Additional: currently 10 have deep subsidy rental assistance; expects no negative impact



4. Devonwood Apartments, 70 Dry Valley Road (706) 625-4511

Type: USDA-RD Section 515 (fm)

Contact: Ms Susan Broom, Stewart Management
Date Built: 1980's

Interview Date: 4-12-16
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Size</u>	<u>Utility Allowance</u>	<u>Vacant</u>
1BR/1b	6	\$330	\$465	Na	\$132	0
2BR/1b	18	\$360	\$500	Na	\$164	0
Total	24					0

Typical Occupancy Rate: 95%
Security Deposit: 1 month
Utilities Included: allowance

Waiting List: Yes (7)
Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Community Room	No
Storage Area	No	Recreation Area	Na

Design: one & two story

Additional: currently 10 have deep subsidy rental assistance; no negative impact expected



5. Lake Wanda Reita Apartments, 107 Lake Wanda Reita Rd, (706) 857-5821

Type: USDA-RD Section 515 (fm)

Contact: Sabrina, Sunbelt Mgmt 256-878-2408
Date Built: 1980's

Interview Date: 4-12-16
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Size</u>	<u>Utility Allowance</u>	<u>Vacant</u>
1BR/1b	6	\$367	\$397	Na	\$ 98	1
2BR/1b	30	\$392	\$422	Na	\$135	2
3BR/2b	4	\$422	\$452	Na	\$138	0
Total	40					3

Typical Occupancy Rate: mid 90's
Security Deposit: 1 month
Utilities Included: allowance

Waiting List: No
Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Community Room	No
Storage Area	No	Recreation Area	Yes

Design: one & two story

Additional: 26 units have deep subsidy rental assistance; expects no negative impact



6. Silverleaf Apartments, 365 Thomas Rd, Trion (706) 734-7834

Type: USDA-RD Section 515 (fm)

Contact: Ms Susan Broom, Stewart Management
Date Built: 1980's

Interview Date: 4-12-16
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Size</u>	<u>Utility Allowance</u>	<u>Vacant</u>
1BR/1b	12	\$370	\$530	576	\$113	0
2BR/1b	20	\$395	\$560	976	\$119	0
Total	32					0

Typical Occupancy Rate: 99%
Security Deposit: 1 month
Utilities Included: allowance

Waiting List: No
Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Community Room	No
Storage Area	No	Recreation Area	Yes

Design: one & two story

Additional: 15 units have deep subsidy rental assistance; expects no negative impact



7. Goldleaf Apartments, 415 Thomas Rd, Trion (706) 734-7834

Type: USDA-RD Section 515 (e1)

Contact: Ms Susan Broom, Stewart Management
Date Built: 1980's

Interview Date: 4-12-16
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Size</u>	<u>Utility Allowance</u>	<u>Vacant</u>
1BR/1b	22	\$380	\$400	576	\$95	0
2BR/1b	4	\$400	\$430	812	\$78	0
Total	26 (1-unit set aside for mgmt)					0

Typical Occupancy Rate: 99%

Waiting List: Yes

Security Deposit: \$200

Concessions: No

Utilities Included: allowance

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Community Room	Yes
Storage Area	No	Recreation Area	No

Design: one

Additional: 25 units have deep subsidy rental assistance; expects no negative impact



8. Summerville Gardens Apartments, 231 S. Garden Dr (706) 857-5312

Type: LIHTC/USDA-RD/HUD Section 8 (fm)

Contact: Brenda Gravitte, Tishco Properties

Date Built: 1979; rehab 2010

Interview Date: 4-12-16

Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Contract Rent</u>	<u>Size</u>	<u>Vacant</u>
1BR/1b	21	\$528	Na	0
2BR/1b	44	\$586-\$588	Na	1
3BR/2b	12	\$655-\$702	Na	0
Total	77			1

Typical Occupancy Rate: 100%

Security Deposit: BOI

Utilities Included: allowance

Waiting List: Yes (30)

Concessions: No

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	No
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Community Room	No
Storage Area	No	Recreation Area	Yes

Design: one story

Additional: rent based on income; no negative impact expected



9. McGinnis Memorial Apartments, 215 Marvin Ave, (706) 857-3016

Type: Summerville Public Housing - Elderly

Contact: Manager, Shauna Dodd

Interview Date: 4-12-16

Date Built: 1960 (in process of modernization)

Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Contract Rent</u>	<u>Size</u>	<u>Vacant</u>
1BR/1b	58	\$558	Na	0
2BR/1b	2	\$638	Na	0
Total	60			0

Typical Occupancy Rate: 99%

Waiting List: Yes (21 applicants)

Security Deposit: BOI

Concessions: No

Utilities Included: allowance

Amenities - Unit

Stove	Yes	Air Conditioning	Yes
Refrigerator	Yes	Cable Ready	Yes
Dishwasher	No	Carpeting	No
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	No	Patio/Balcony	No

Amenities - Project

On-Site Mgmt	Yes (office)	Pool	No
Laundry Room	Yes	Community Room	Yes
Storage Area	No	Recreation Area	No

Design: 5 story mid-rise w/elevator

Additional Information: rent based on income



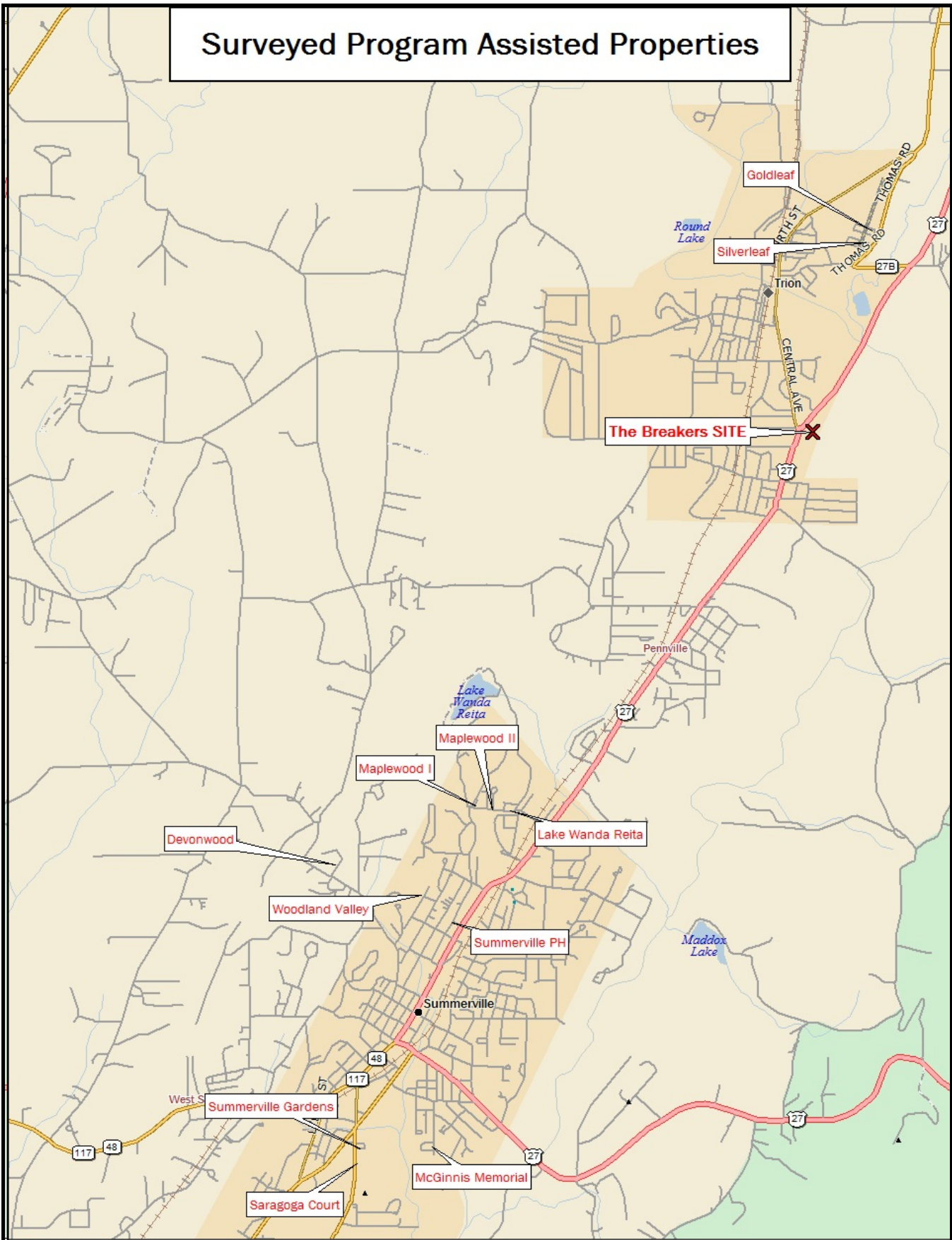
10. Summerville Housing Authority, (706) 857-3016

The Housing Authority has several scattered site locations in the city. All total the Authority manages 224 units, of which about 60% are occupied by elderly tenants. At the time of the survey the Authority units were 100% occupied. The Authority has a waiting list that is 8 to 10 months in length. The estimate is that about 24 applicants are on the list for a 1BR, 11 for a 2BR, 3 for a 3BR and 0 for a 4BR. Source: Ms Shauna Dodd, 6/29/10

The pictures below are of typical PHA supply in Summerville.



Surveyed Program Assisted Properties

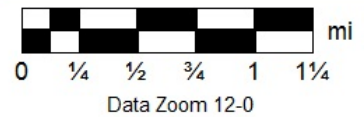
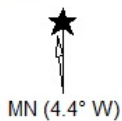


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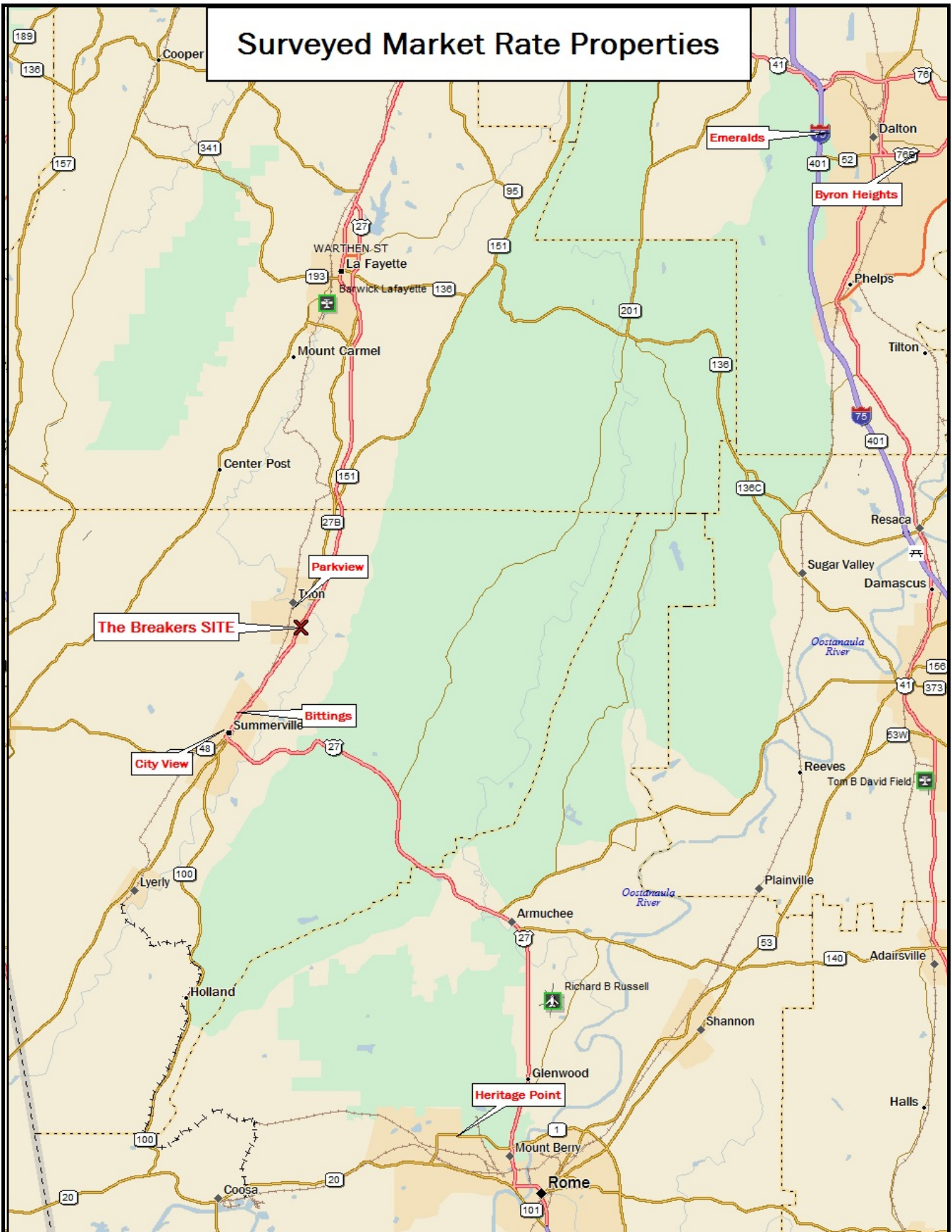
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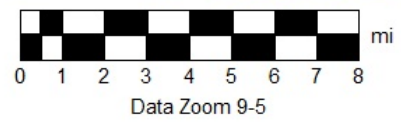
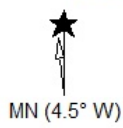
www.delorme.com



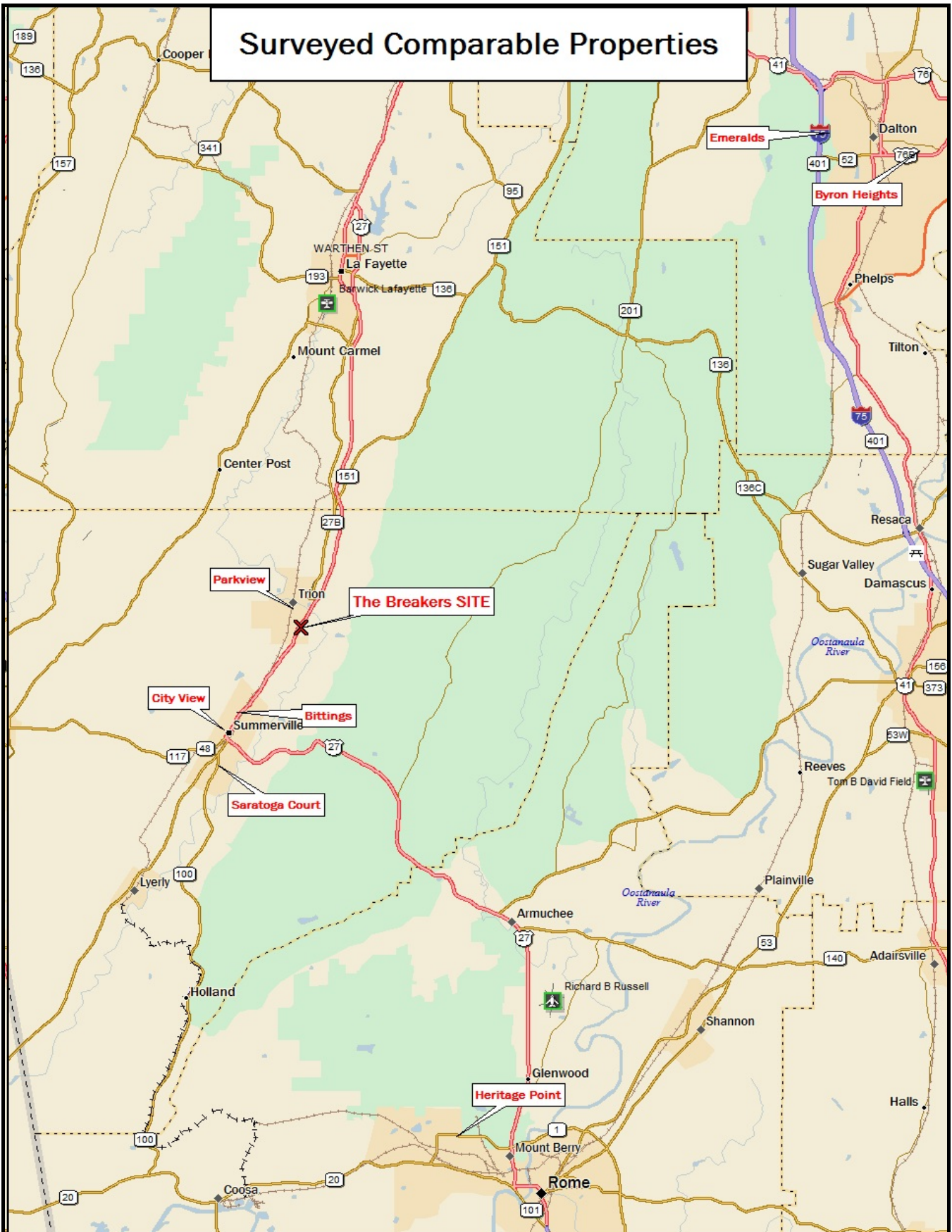
Surveyed Market Rate Properties



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Surveyed Comparable Properties



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SECTION I
 ABSORPTION &
 STABILIZATION RATES

Given the strength of the demand estimated in Table 15, the most likely/best case scenario for 93% to 100% rent-up is estimated to be within 8 months (at 8-units per month on average).

The rent-up period estimate is based upon several recently built LIHTC elderly developments located in Northwest Georgia:

<u>Calhoun</u> (2003)		
Catoosa Sr Village	60-units	7-months to attain 100% occupancy
<u>Chatsworth</u> (2007)		
Linwood Place	48-units	3-months to attain 100% occupancy
<u>Chickamauga</u> (2007)		
Village of Chickamauga	40-units	3-months to attain 100% occupancy
<u>LaFayette</u> (2008)		
Lucky Pointe	54-units	4-months to attain 100% occupancy
<u>Summerville</u> (2007)		
Saratoga Court (2003)	48-units	6-months to attain 100% occupancy

Note: In addition, the absorption of the project is contingent upon an attractive product, a competitive amenity package, competitive rents and professional management.

Stabilized occupancy, subsequent to initial lease-up is expected to be 93% or higher up to but no later than a three month period, beyond the absorption period.

NCHMA Definitions

Absorption Period: The period of time necessary for a newly constructed renovated property to achieve the Stabilized Level of occupancy. The Absorption Period begins when the first certificate of occupancy is issued and ends when the last unit to reach the Stabilized Level of Occupancy has a signed lease. This assumes a typical pre-marketing period, prior to the issuance of the certificate of occupancy, of about three to six months. The month that leasing is assumed to begin should accompany all absorption estimates.

Absorption Rate: The average number of units rented each month during the Absorption Period.

Stabilized Level of Occupancy: The underwritten or actual number of occupied units that a property is expected to maintain after the initial rent-up period, expressed as a percentage of the total units.

SECTION J
INTERVIEWS

The following are observations and comments relating to the subject property. They were obtained via a survey of local contacts interviewed during the course of the market study research process. In most instances the project parameters of the proposed development were presented to the "key contact", in particular: the proposed site

location, project size, bedroom mix, income targeting and net rents. The following observations/comments were made:

(1) - Mr. Eddy Willingham, Trion Building Inspector reported that no ongoing, nor planned infrastructure development or improvements are in process within the immediate vicinity of the subject site. In addition, he reported on the status of current and upcoming permitted multi-family rental development within Trion. Contact Number: (706) 734-7641.

(2) - Ms Nancy Dove, of the Athens GA-DCA Office made available the number of Section 8 Housing Choice Vouchers being used within Chattooga County. At the time of the survey, the Georgia DCA regional office stated that 12 vouchers held by elderly and non elderly households were under contract within Chattooga County. In addition, it was reported that presently there are 16 applicants on the waiting list. The list is presently closed. Contact Number: (706) 369-5636.

(3) - Mr. Jason Winters, the (Sole) Chattooga County Commissioner was interviewed. He stated that Chattooga County is need of additional elderly apartment housing the targets both the low and moderate income range of the market, as well as the non income restriction segment of elderly households. In addition, he believes that: (1) many younger households need help in finding alternative housing for elder parents/relatives, and (2) local seniors selling homes to get into a LIHTC elderly development would free up much needed starter homes for sale to younger working class households and families in the area. Contact Number: (706) 857-0700.

(4) - Ms. Susan Broom, manager of the Goldleaf Apartments (USDA-RD Elderly) in Trion stated that Goldleaf would not be negatively impacted by the introduction of the proposed development. It was reported that Goldleaf was typically 99% occupied and maintains a waiting list. Contact Number: (706) 734-7834.

(5) - Ms. Cyndi Walker, manager of the Saratoga Court LIHTC elderly apartments in Summerville stated that Saratoga Court would not be negatively impacted by the introduction of the proposed subject development in Trion. It was reported that Saratoga Court was typically 99% occupied and maintains a waiting list. At the time of the survey, the property was 100% occupied and had 23-applicants on the waiting list. It was reported that 2BR units are in greatest demand. Contact Number: (706) 857-1507.

(6) - Mr. Larry Stansell, the Mayor of Trion was interviewed. He stated that the town was "100% committed" to the proposed development. In addition, he stated that there is a great need for affordable apartment housing serving the local senior population. In particular housing that is professionally managed. Contact Number: (706) 734-2332.

SECTION K

CONCLUSIONS &
RECOMMENDATION

As proposed in Section B of this study, it is of the opinion of the analyst, based on the findings in the market study that The Breakers Apartments (a proposed LIHTC/Market Rate property) targeting the elderly population age 55 and over should proceed forward with the development process.

Detailed Support of Recommendation

1. Project Size - The income qualified target group is large enough to absorb the proposed LIHTC/Market Rate elderly development of **64**-units. The **Capture Rates for the total project, by bedroom type and by Income Segment** are considered to be **acceptable**.
2. The current program assisted apartment market is **not** representative of a soft market. At the time of the survey, the overall estimated vacancy rate of the surveyed program assisted apartment properties was 1.8%. The current market rate apartment market is not representative of a soft market. At the time of the survey, the overall estimated vacancy rate of the surveyed market rate apartment properties located within the competitive environment was 1.7%.
3. The proposed complex amenity package is considered to be very competitive within the PMA apartment market for affordable properties. It will be very competitive with older program assisted properties and older Class B market rate properties.
4. Bedroom Mix - The subject will offer 1BR and 2BR units. Based upon market findings and capture rate analysis, the proposed bedroom mix is considered to be appropriate. Both typical elderly household sizes will be targeted, i.e., a single person household and a couple. The bedroom mix of the most recent LIHTC elderly property in nearby Summerville (Saratoga Court) offers a fair number of both 1BR and 2BR units. Both bedroom types were very well received by the local market in terms of demand and absorption.
5. Assessment of rents - The proposed net rents, by bedroom type, will be very competitive within the PMA apartment market at 50%, and 60% AMI. Market rent advantage is greater than 25% in all AMI segments, and by bedroom type. The table on page 111, exhibits the rent reconciliation of the proposed LIHTC property, by bedroom type, and income targeting, with comparable properties within the competitive environment.
6. Under the assumption that the proposed development will be: (1) built as described within this market study, (2) will be subject to professional management, and (3) will be subject to an extensive marketing and pre-leasing program, the subject is forecasted to be 93% to 100% absorbed within 8-months.

5. Stabilized occupancy, subsequent to initial lease-up, is forecasted to be 93% or higher.

6. The site location is considered to be very marketable.

7. In the opinion of the market analyst, the proposed new construction LIHTC elderly development will not negatively impact the existing supply of program assisted LIHTC properties located within The Breakers PMA in the short or long term. At the time of the survey, the existing LIHTC elderly development located within the area competitive environment were on average 100% occupied, with all three properties maintaining a waiting list ranging between 21 and 23 applications. In addition, the Town of Trion is void of any LIHTC elderly supply.

8. No modifications to the proposed project development parameters as currently configured are recommended.

The table below exhibits the findings of the Rent Reconciliation Process between the proposed subject net rent, by bedroom type, and by income targeting with the current comparable Market Rate competitive environment. A detailed examination of the Rent Reconciliation Process, which includes the process for defining Market Rent Advantage, is provided within the preceding pages.

Market Rent Advantage

The rent reconciliation process exhibits a very significant subject property rent advantage by bedroom type at 50% and 60% of AMI.

Percent Advantage:

	<u>50% AMI</u>	<u>60% AMI</u>
1BR/1b:	31%	29%
2BR/2b:	33%	28%

Overall: 29%

Rent Reconciliation				
50% AMI	1BR	2BR	3BR	4BR
Proposed subject net rents	\$322	\$384	---	---
Estimated Market net rents	\$465	\$570	---	---
Rent Advantage (\$)	+\$143	+\$186	---	---
Rent Advantage (%)	31%	33%	-	---
60% AMI	1BR	2BR	3BR	4BR
Proposed subject net rents	\$330	\$410	---	---
Estimated Market net rents	\$465	\$570	-	---
Rent Advantage (\$)	+\$135	+\$160	-	---
Rent Advantage (%)	29%	28%	---	---

Source: Koontz & Salinger. May, 2016

Recommendation

As proposed in Section B of this study (Project Description), it is of the opinion of the analyst, based upon the findings in the market study, that The Breakers Apartments (a proposed LIHTC/Market Rate new construction elderly development) proceed forward with the development process.

Negative Impact

In the opinion of the market analyst, the proposed new construction LIHTC elderly development will not negatively impact the existing supply of program assisted LIHTC properties located within The Breakers PMA in the short or long term. At the time of the survey, the existing LIHTC elderly development located within the area competitive environment were on average 100% occupied, with all three properties maintaining a waiting list ranging between 21 and 23 applications.

In addition, the Town of Trion is void of any LIHTC elderly supply.

Some relocation of age and income eligible tenants in the area program assisted family properties could occur. This is considered to be normal when a new property is introduced within a competitive environment, resulting in very short term negative impact.

Achievable Restricted (LIHTC) Rent

The proposed gross rents, by bedroom type at 50% and 60% AMI are considered to be very competitively positioned within the market. In addition, they are appropriately positioned in order to attract income qualified Section 8 Housing Choice Voucher holders within Trion and Chattooga County, for the proposed subject 1BR and 2BR units.

It is recommended that the proposed subject LIHTC net rents at 50% and 60% AMI remain unchanged, neither increased nor decreased. The proposed LIHTC elderly development, and proposed subject net rents are in line with the other LIHTC and program assisted developments operating in the market without PBRA, deep subsidy USDA rental assistance (RA), or attached Section 8 vouchers, when taking into consideration differences in income restrictions, unit size and amenity package.

Both the Koontz & Salinger and HUD based rent reconciliation processes suggest that the proposed subject net rents could be positioned at a higher level and still attain a rent advantage position greater than 10%. However, it is recommended that the proposed net rents remain unchanged, in particular, to be able to comply with maximum income thresholds. In addition, the subject's gross rents are already closely positioned to be under Fair Market Rents for Chattooga County, while at the same time operating within a competitive environment.

The proposed project design, amenity package, location and net rents are very well positioned to be attractive to the local Section 8 voucher market. Increasing the gross rents to a level beyond the FMR's, even if rent advantage can be achieved, and maintained, is not recommended.

Mitigating Risks

The subject development is very well positioned to be successful in the market place, in particular, when taking into consideration the current rent advantage positioning. It will offer a product that will be very competitive regarding project design, amenity package and professional management. The major unknown mitigating risk to the development process will be demand support from income eligible homeowners. Future economic market conditions in 2016 and 2017 will have an impact on the home buying and selling market environment in Trion and Chattooga County.

Recent economic indicators in 2015 and thus far in 2016 suggest a scenario, in terms of economic growth (vs loss), in which the local economy will continue to grow at a modest to moderate pace in 2016. However, the operative word in forecasting the economic outlook in Chattooga County, the State, the Nation, and the Globe, at present is "uncertainty". At present, the Trion/Chattooga County local economic conditions are considered to be operating within a more positive and certain state compared to the recent past, with recent continuing signs of optimism.

Also, it is possible that the absorption rate could be extended by a few months if the rent-up process for the proposed subject development begins sometime between the Thanksgiving and Christmas holiday season, including the beginning of January.

Rent Reconciliation Process

Six market rate properties in the competitive environment were used as comparables to the subject. The methodology attempts to quantify a number of subject variables regarding the features and characteristics of a target property in comparison to the same variables of comparable properties.

The comparables were selected based upon the availability of data, general location within the market area, target market, unit and building types, rehabilitation and condition status, and age and general attractiveness of the developments. The rent adjustments used in this analysis are based upon a variety of sources, including data and opinions provided by local apartment managers, LIHTC developers, other real estate professionals, and utility allowances used within the subject market. It is emphasized, however, that ultimately the values employed in the adjustments reflect the subjective opinions of the market analyst.

One or more of the comparable properties may more closely reflect the expected conditions at the subject, and may be given greater weight in the adjustment calculation, while others may be significantly different from the proposed subject development.

Several procedures and non adjustment assumptions were utilized within the rent reconciliation process. Among them were:

- consideration was made to ensure that no duplication of characteristics/adjustments inadvertently took place,
- the comparable properties were chosen based on the following sequence of adjustment: location, age of property, physical condition and amenity package,
- an adjustment was made for the floor/level of the unit in the building; this adjustment is consider to be appropriate for elderly apartment properties in order to take into consideration 1 story structures and elevator status, versus walk-up properties,
- no "time adjustment" was made; all of the comparable properties were surveyed in April and May, 2016,
- a "distance or neighborhood adjustment" was made on three properties; owing to the fact these comparisons were being made between properties located outside of the subject PMA,
- no "management adjustment" was made; all of the comparable properties, as well as the subject are (or will be) professionally managed,
- no specific adjustment was made for project design; none of the properties stood out as being particularly unique regarding design or project layout, however, the floor level does incorporate some project design factors,

- an adjustment was made for the age of the property; some of the comparables were built in the 1960's, 1970's and 1980's; this adjustment was made on a conservative basis in order to take into consideration the adjustment for condition of the property,
- no adjustment was made - Number of Rooms - this adjustment was taken into consideration in the adjustment for - Square Feet Area (i.e., unit size),
- no adjustment is made for differences in the type of air conditioning used in comparing the subject to the comparable properties; all either had wall sleeve a/c or central a/c; an adjustment would have been made if any of the comps did not offer a/c or only offered window a/c,
- no adjustments were made for range/oven or refrigerator; the subject and all of the comparable properties provide these appliances (in the rent),
- an adjustment was made for storage,
- adjustments were made for Services (i.e., utilities included in the net rent, and trash removal). Neither the subject nor the comparable properties include heat, hot water, and/or electric within the net rent. The subject excludes water and sewer within the net rent and includes trash removal. Some of the comparable properties include cold water, sewer, and trash removal within the net rent.

ADJUSTMENT ANALYSIS

Several adjustments were made regarding comparable property parameters. The dollar value adjustment factors are based on survey findings and reasonable cost estimates. An explanation is provided for each adjustment made in the Estimate of Market Rent by Comparison.

Adjustments:

- Concessions: None of the 6 surveyed properties offers a concession.
- Structure/Floors: A \$10 net adjustment is made for 2 and 3 story walk-up structures versus the subject (2 story with an elevator).
- Year Built: Some of the comparable properties were built in the 1960's, 1970's, and 1980's, and will differ considerably from the subject (after new construction) regarding age. The age adjustment factor utilized is: a \$.50 adjustment per year differential between the subject and the comparable property. Note: Many market analyst's use an adjustment factor of \$.75 to \$1.00 per year. However, in order to remain conservative

and allow for overlap when accounting for the adjustments to condition and location, the year built adjustment was kept constant at \$.50.

- Square Feet (SF) Area: An adjustment was made for unit size; the overall estimated for unit size by bedroom type was \$.05. The adjustment factor allows for differences in amenity package and age of property.
- Number of Baths: An adjustment was made for the proposed 2BR/2b units owing to the fact that several of the comparable properties offered 2BR/1b or 2BR/1.5b units. The adjustment is \$15 for a ½ bath and \$30 for a full bath.
- Balcony/Terrace/Patio: The subject will offer a traditional patio/balcony, with an attached storage closet. The adjustment process resulted in a \$5 value for the balcony/patio, and a \$5 value for the storage closet.
- Disposal: An adjustment is made for a disposal based on a cost estimate. It is estimated that the unit and installation cost of a garbage disposal is \$225; it is estimated that the unit will have a life expectancy of 4 years; thus the monthly dollar value is \$5.
- Dishwasher: An adjustment is made for a dishwasher based on a cost estimate. It is estimated that the unit and installation cost of a dishwasher is \$750; it is estimated that the unit will have a life expectancy of 10 years; thus the monthly dollar value is \$5.
- Washer/Dryer (w/d): The subject will offer a central laundry (CL), as well as w/d/ hook-ups. If the comparable property provides a central laundry or w/d hook-ups no adjustment is made. If the comparable property does not offer hook-up or a central laundry the adjustment factor is \$40. The assumption is that at a minimum a household will need to set aside \$10 a week to do laundry. If the comparable included a washer and dryer in the rent the adjustment factor is also \$40.
- Carpet/Drapes/Blinds: The adjustment for carpet, pad and installation is based on a cost estimate. It is assumed that the life of the carpet and pad is 3 to 5 years and the cost is \$10 to \$15 per square yard. The adjustment for drapes / mini-blinds is based on a cost estimate. It is assumed that most of the properties have between 2 and 8 openings with the typical number of 4. The unit and installation cost of mini-blinds is \$25 per opening. It is estimated that the unit will have a life expectancy of 2 years. Thus, the monthly dollar value is \$4.15 , rounded to \$4. Note: The subject and the comparable properties offer carpet and blinds.
- Pool/Recreation Area: The subject offers a picnic area, but not a swimming pool, nor a tennis court. The estimate for a pool and tennis court is based on an examination of the market rate comps. Factoring out for location, condition, non

similar amenities suggested a dollar value of \$5 for a playground, \$15 for a tennis court and \$25 for a pool.

- **Water:** The subject includes cold water and sewer in the net rent. Four of the comparable properties include water and sewer in the net rent. Note: The source for the utility estimates by bedroom type is based upon the Utility Allowance calculations provided by UA Pro (effective 3/14/2016). See Appendix.
- **Storage:** The dollar value for storage is estimated to be \$5.
- **Computer Room:** The dollar value for a computer room (with internet service) is estimated to be \$2.
- **Fitness Room:** The dollar value for an equipped fitness room is estimated to be \$2.
- **Clubhouse:** The dollar value for a clubhouse and/or community room is estimated to be \$2.
- **Location:** Based on adjustments made for other amenities and variables in the data set analysis a comparable property with a marginally better location was assigned a value of \$10; a better location versus the subject was assigned a value of \$15; a superior location, or a location with significant distance to the subject site was assigned a value of \$75.
- **Condition:** Based on adjustments made for other amenities and variables in the data set analysis, the condition and curb appeal of a comparable property that is marginally better than the subject was assigned a value of \$5; a significantly better condition was assigned a value of \$10; and a superior condition / curb appeal was assigned a value of \$15. If the comparable property is inferior to the subject regarding condition / curb appeal the assigned value is - \$10. Note: Given the new construction (quality) of the subject, the overall condition of the subject is classified as being significantly better.
- **Trash:** The subject includes trash in the net rent. Most of the comparable properties include trash in the net rent.

Adjustment Factor Key:

Distance Factor - \$75

SF - .05 per sf

Patio/balcony - \$5

Storage - \$5

Computer Rm, Fitness Rm, Clubhouse - \$2 (each)

Disposal - \$5

Dishwasher - \$5

Carpet - \$5

Mini-blinds - \$4

W/D hook-ups or Central Laundry - \$40

Pool - \$25 Tennis Court - \$15

Playground - \$5 (Na for elderly) Craft/Game Room - \$2

Full bath - \$30; ½ bath - \$15

Location - Superior - \$25; Better - \$15; Marginally Better - \$10

Condition - Superior - \$15; Better - \$10; Marginally Better - \$5;
Inferior - minus \$10*

Water & Sewer - 1BR - \$30; 2BR - \$30; 3BR - \$30 (Source: UA Pro 3/14/16)

Trash Removal - \$22 (Source: GA-DCA Northern Region, 7/1/15)

Age - \$.50 per year (differential) Note: If difference is around 10 years, a choice is provided for no valuation adjustment.*

*Could be included with the year built (age) adjustment, thus in most cases will not be double counted/adjusted. Also, the value of condition is somewhat included within the Age adjustment. Thus, the value adjustment applied to Condition is conservative.

One Bedroom Units							
Subject		Comp # 1		Comp # 2		Comp # 3	
The Breakers		Byron Heights		Emeralds		Heritage Point	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$550		\$575		\$495	
Utilities	t	w,s,t	(\$30)	w,s,t	(\$30)	w,s,t	(\$30)
Concessions		No		No		No	
Effective Rent		\$520		\$545		\$465	
B. Design, Location, Condition							
Structures/Stories	2 w/elv	2 wu	\$10	2 wu	\$10	2 wu	\$10
Year Built/Rehab	2018	2001	\$8	1969	\$25	1970	\$24
Condition	Excell	V Good		Good		Good	
Location	Good	Distance	(\$75)	Distance	(\$75)	Distance	(\$75)
C. Unit Amenities							
# of BR's	1	1		1		1	
# of Bathrooms	1	1		1		1	
Size/SF	779	700	\$4	700	\$4	750	\$2
Balcony/Patio/Stor	Y/Y	N/N	\$10	Y/N	\$5	Y/N	\$5
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/Y	Y/N	\$5	N/N	\$10	N/N	\$10
W/D Unit	N	N		N		N	
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	N	\$2	N	\$2	N	\$2
Pool/Tennis	N/N	N/N		Y/N	(\$25)	Y/N	(\$25)
Rec/Picnic Area	Y	Y		N	\$2	Y	
Computer/Fitness	Y/Y	N/N	\$4	N/N	\$4	N/N	\$4
F. Adjustments							
Net Adjustment			-\$32		-\$38		-\$43
G. Adjusted & Achievable Rent		\$488		\$507		\$422	
Estimated Market Rent (Avg of 4 comps, rounded)		next page	Rounded to:		see Table	% Adv	

One Bedroom Units							
Subject		Comp # 4		Comp # 5		Comp # 6	
The Breakers		Saratoga Court					
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$465					
Utilities	t	w, s, t	(\$30)				
Concessions		No					
Effective Rent		\$435					
B. Design, Location, Condition							
Structures/Stories	2 w/elv	2 w/elv					
Year Built/Rehab	2018	2007	\$5				
Condition	Excell	Excell					
Location	Good	Good					
C. Unit Amenities							
# of BR's	1	1					
# of Bathrooms	1	1					
Size/SF	779	760	\$1				
Balcony-Patio/Stor	Y/Y	Y/N					
AC Type	Central	Central					
Range/Refrigerator	Y/Y	Y/Y					
Dishwasher/Disp.	Y/Y	Y/Y					
W/D Unit	N	N					
W/D Hookups or CL	Y	Y					
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y					
Pool/Tennis	N/N	N/N					
Rec/Picnic Area	Y	Y					
Computer/Fitness	Y/Y	Y/Y					
F. Adjustments							
Net Adjustment			+\$6				
G. Adjusted & Achievable Rent		\$441					
Estimated Market Rent (Avg of 4 comps, rounded)		\$464	Rounded to: \$465		see Table	% Adv	

Two Bedroom Units							
Subject		Comp # 1		Comp # 2		Comp # 3	
The Breakers		Bittings		Byron Heights		City View	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$375		\$625		\$450	
Utilities	t	None	\$22	w,s,t	(\$30)	None	\$22
Concessions		No		No		No	
Effective Rent		\$397		\$595		\$472	
B. Design, Location, Condition							
Structures/Stories	2 w/elv	1		2 wu	\$10	1	
Year Built/Rehab	2018	1980	\$19	2001	\$8	1989	\$15
Condition	Excell	Good		V Good		Good	
Location	Good	Good		Distance	(\$75)	Good	
C. Unit Amenities							
# of BR's	2	2		2		2	
# of Bathrooms	2	1	\$30	1.5	\$15	1	\$30
Size/SF	1109	800	\$15	900	\$10	850	\$13
Balcony-Patio/Stor	Y/Y	N/N	\$10	N/N	\$10	N/N	\$10
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/Y	N/N	\$10	Y/N	\$5	N/N	\$10
W/D Unit	N	N		N		N	
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	N	\$2	N	\$2	N	\$2
Pool/Tennis	N/N	N/N		N/N		N/N	
Rec/Picnic Area	Y	N	\$2	Y		N	\$2
Computer/Fitness	Y/Y	N/N	\$4	N/N	\$4	N/N	\$4
F. Adjustments							
Net Adjustment			+\$92		-\$11		+\$86
G. Adjusted & Achievable Rent		\$489		\$584		\$558	
Estimated Market Rent (Avg of 6 comps, rounded)		next page	Rounded to:		see Table	% Adv	

Two Bedroom Units							
Subject		Comp # 4		Comp # 5		Comp # 6	
The Breakers		Emeralds		Heritage Point		Parkview	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$675		\$665		\$500	
Utilities	t	w,s,t	(\$30)	w,s,t	(\$30)	w,s,t	(\$30)
Concessions		No		No		No	
Effective Rent		\$645		\$635		\$470	
B. Design, Location, Condition							
Structures/Stories	2 w/elv	2 wu	\$10	2 wu	\$10	2 wu	\$10
Year Built/Rehab	2018	1969	\$25	1970	\$24	1985	\$17
Condition	Excell	Good		Good		Fair	\$5
Location	Good	Distance	(\$75)	Distance	(\$75)	Good	
C. Unit Amenities							
# of BR's	2	2		2		2	
# of Bathrooms	2	2		1.5	\$15	1	\$30
Size/SF	1109	1100		1150	(\$2)	950	\$8
Balcony-Patio/Stor	Y/Y	Y/N	\$5	Y/N	\$5	N/N	\$10
AC Type	Central	Central		Central		Central	
Range/Refrigerator	Y/Y	Y/Y		Y/Y		Y/Y	
Dishwasher/Disp.	Y/Y	N/N	\$10	N/N	\$10	N/N	\$10
W/D Unit	N	N		N		N	
W/D Hookups or CL	Y	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	N	\$2	N	\$2	N	\$2
Pool/Tennis	N/N	Y/N	(\$25)	Y/N	(\$25)	N/N	
Rec/Picnic Area	Y	N	\$2	Y		N	\$2
Computer/Fitness	Y/Y	N/N	\$4	N/N	\$4	N/N	\$4
F. Adjustments							
Net Adjustment			-\$42		-\$32		+\$98
G. Adjusted & Achievable Rent		\$603		\$603		\$568	
Estimated Market Rent (Avg of 6 comps, rounded)		\$568	Rounded to: \$570		see Table	% Adv	

Three Bedroom Units (NA)

Subject		Comp # 1		Comp # 2		Comp # 3	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent							
Utilities							
Concessions							
Effective Rent							
B. Design, Location, Condition							
Structures/Stories							
Year Built/Rehab							
Condition							
Location							
C. Unit Amenities							
# of BR's							
# of Bathrooms							
Size/SF							
Balcony-Patio/Stor							
AC Type							
Range/Refrigerator							
Dishwasher/Disp.							
W/D Unit							
W/D Hookups or CL							
D. Development Amenities							
Clubhouse/Comm Rm							
Pool/Tennis							
Recreation Area							
Computer/Fitness							
F. Adjustments							
Net Adjustment							
G. Adjusted & Achievable Rent							
Estimated Market Rent (Avg of x comps, rounded)	next page	Rounded to:		see Table	% Adv		

SECTION L & M
IDENTITY OF INTEREST
&
REPRESENTATION STATEMENT

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

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

The report was written in accordance with my understanding of the 2016 GA-DCA Market Study Manual and 2016 GA-DCA Qualified Action Plan.

DCA may rely upon the representation made in the market study provided. In addition, the market study is assignable to other lenders that are parties to the DCA loan transaction.

CERTIFICATION

Koontz and Salinger
P.O. Box 37523
Raleigh, North Carolina 27627

 5-27-2016

Jerry M. Koontz
Real Estate Market Analyst
(919) 362-9085

MARKET ANALYST
QUALIFICATIONS

Koontz and Salinger conducts Real Estate Market Research and provides general consulting services for real estate development projects. Market studies are prepared for residential and commercial development. Due diligence work is performed for the financial service industry and governmental

agencies.

JERRY M. KOONTZ

EDUCATION: M.A. Geography 1982 Florida Atlantic Un.
B.A. Economics 1980 Florida Atlantic Un.
A.A. Urban Studies 1978 Prince George Comm. Coll.

PROFESSIONAL: 1985-Present, Principal, Koontz and Salinger, a Real Estate Market Research firm. Raleigh, NC.

1983-1985, Market Research Staff Consultant, Stephens Associates, a consulting firm in real estate development and planning. Raleigh, NC.

1982-1983, Planner, Broward Regional Health Planning Council. Ft. Lauderdale, FL.

1980-1982, Research Assistant, Regional Research Associates. Boca Raton, FL.

AREAS OF

EXPERIENCE: Real Estate Market Analysis: Residential Properties and Commercial Properties

WORK PRODUCT: Over last 32+ years have conducted real estate market studies, in 31 states. Studies have been prepared for the LIHTC & Home programs, USDA-RD Section 515 & 528 programs, HUD Section 202 and 221 (d) (4) programs, conventional single-family and multi-family developments, personal care boarding homes, motels and shopping centers.

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Member in Good Standing: National Council of Housing Market Analysts (NCHMA)

NCHMA Market Study Index

Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. Similar to the Model Content Standards, General Requirements are detailed first, followed by requirements required for specific project types. Components reported in the market study are indicated by a page number. project types.

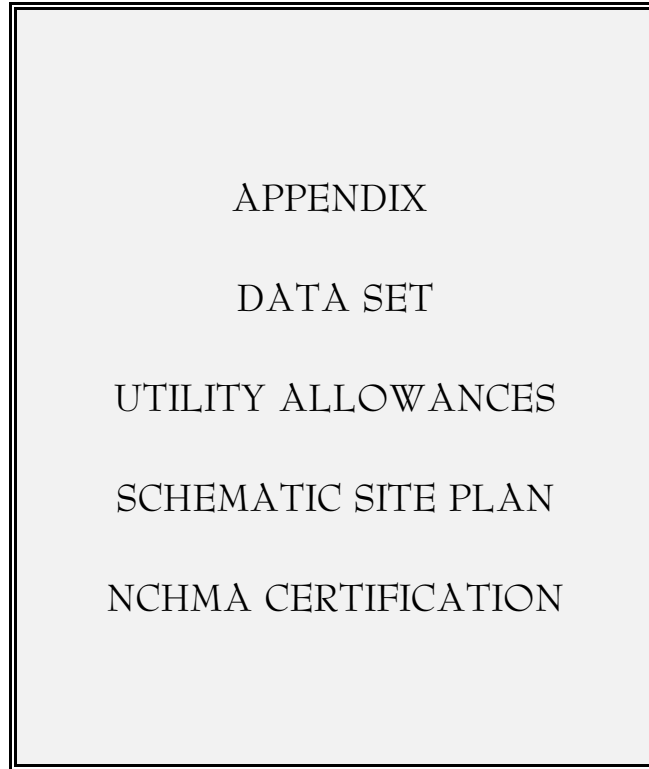
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NA

10 - Subject is not a rehab development of an existing apt complex



DATA SET



B25074

HOUSEHOLD INCOME BY GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME IN THE PAST 12 MONTHS

Universe: Renter-occupied housing units

2010-2014 American Community Survey 5-Year Estimates

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Data and Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

	Chattooga County, Georgia	
	Estimate	Margin of Error
Total:	2,928	+/-301
Less than \$10,000:	628	+/-179
Less than 20.0 percent	0	+/-24
20.0 to 24.9 percent	6	+/-8
25.0 to 29.9 percent	50	+/-48
30.0 to 34.9 percent	23	+/-28
35.0 to 39.9 percent	0	+/-24
40.0 to 49.9 percent	23	+/-26
50.0 percent or more	312	+/-125
Not computed	214	+/-85
\$10,000 to \$19,999:	612	+/-146
Less than 20.0 percent	48	+/-43
20.0 to 24.9 percent	17	+/-18
25.0 to 29.9 percent	92	+/-69
30.0 to 34.9 percent	109	+/-70
35.0 to 39.9 percent	27	+/-36
40.0 to 49.9 percent	87	+/-57
50.0 percent or more	61	+/-36
Not computed	171	+/-83
\$20,000 to \$34,999:	779	+/-164
Less than 20.0 percent	50	+/-47
20.0 to 24.9 percent	88	+/-54
25.0 to 29.9 percent	255	+/-103
30.0 to 34.9 percent	95	+/-63
35.0 to 39.9 percent	20	+/-15
40.0 to 49.9 percent	56	+/-44
50.0 percent or more	97	+/-65
Not computed	118	+/-56
\$35,000 to \$49,999:	380	+/-120
Less than 20.0 percent	116	+/-59
20.0 to 24.9 percent	107	+/-75
25.0 to 29.9 percent	82	+/-66
30.0 to 34.9 percent	27	+/-30
35.0 to 39.9 percent	0	+/-24
40.0 to 49.9 percent	0	+/-24
50.0 percent or more	0	+/-24

	Chattooga County, Georgia	
	Estimate	Margin of Error
Not computed	48	+/-32
\$50,000 to \$74,999:	395	+/-111
Less than 20.0 percent	288	+/-92
20.0 to 24.9 percent	24	+/-24
25.0 to 29.9 percent	5	+/-8
30.0 to 34.9 percent	0	+/-24
35.0 to 39.9 percent	0	+/-24
40.0 to 49.9 percent	0	+/-24
50.0 percent or more	0	+/-24
Not computed	78	+/-55
\$75,000 to \$99,999:	88	+/-60
Less than 20.0 percent	46	+/-30
20.0 to 24.9 percent	36	+/-51
25.0 to 29.9 percent	0	+/-24
30.0 to 34.9 percent	0	+/-24
35.0 to 39.9 percent	0	+/-24
40.0 to 49.9 percent	0	+/-24
50.0 percent or more	0	+/-24
Not computed	6	+/-9
\$100,000 or more:	46	+/-31
Less than 20.0 percent	39	+/-29
20.0 to 24.9 percent	0	+/-24
25.0 to 29.9 percent	0	+/-24
30.0 to 34.9 percent	0	+/-24
35.0 to 39.9 percent	0	+/-24
40.0 to 49.9 percent	0	+/-24
50.0 percent or more	0	+/-24
Not computed	7	+/-12

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

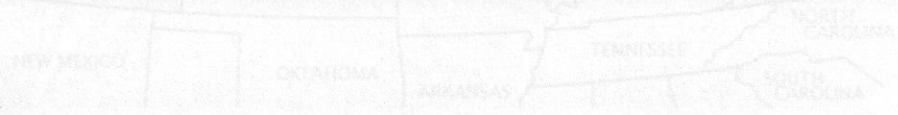
While the 2010-2014 American Community Survey (ACS) data generally reflect the February 2013 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to differences in the effective dates of the geographic entities.

Estimates of urban and rural population, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2010 data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

Explanation of Symbols:

1. An '***' entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.
2. An '-' entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution.
3. An '-' following a median estimate means the median falls in the lowest interval of an open-ended distribution.
4. An '+' following a median estimate means the median falls in the upper interval of an open-ended distribution.
5. An '****' entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.
6. An '*****' entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.
7. An 'N' entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.
8. An '(X)' means that the estimate is not applicable or not available.



B25072

AGE OF HOUSEHOLDER BY GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME IN THE PAST 12 MONTHS

Universe: Renter-occupied housing units

2010-2014 American Community Survey 5-Year Estimates

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Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

	Chattooga County, Georgia	
	Estimate	Margin of Error
Total:	2,928	+/-301
Householder 15 to 24 years:	280	+/-104
Less than 20.0 percent	71	+/-57
20.0 to 24.9 percent	18	+/-23
25.0 to 29.9 percent	21	+/-30
30.0 to 34.9 percent	27	+/-43
35.0 percent or more	60	+/-49
Not computed	83	+/-49
Householder 25 to 34 years:	799	+/-154
Less than 20.0 percent	122	+/-58
20.0 to 24.9 percent	115	+/-78
25.0 to 29.9 percent	171	+/-99
30.0 to 34.9 percent	52	+/-38
35.0 percent or more	238	+/-108
Not computed	101	+/-59
Householder 35 to 64 years:	1,328	+/-212
Less than 20.0 percent	318	+/-113
20.0 to 24.9 percent	116	+/-68
25.0 to 29.9 percent	204	+/-104
30.0 to 34.9 percent	101	+/-75
35.0 percent or more	284	+/-103
Not computed	305	+/-110
Householder 65 years and over:	521	+/-119
Less than 20.0 percent	76	+/-47
20.0 to 24.9 percent	29	+/-29
25.0 to 29.9 percent	88	+/-59
30.0 to 34.9 percent	74	+/-49
35.0 percent or more	101	+/-46
Not computed	153	+/-56

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

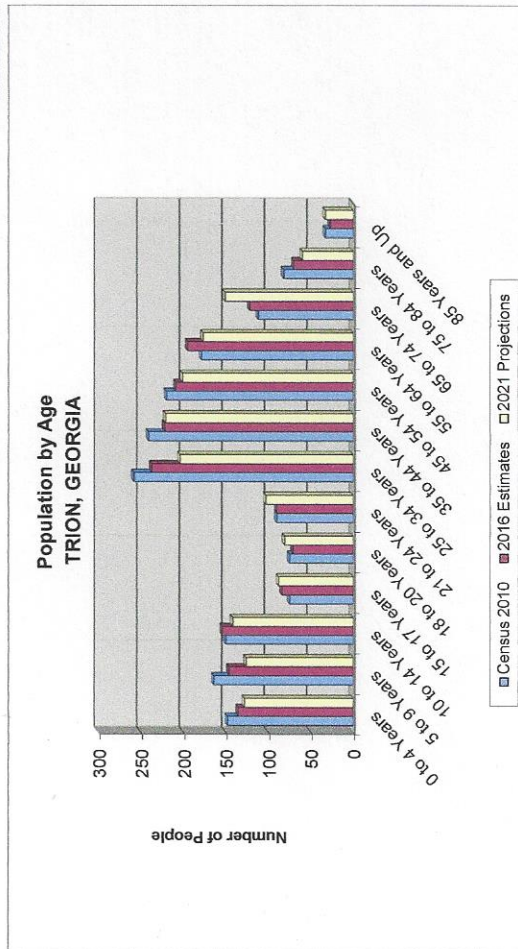
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Population by Age & Sex TRION, GEORGIA											
Census 2010				Current Year Estimates - 2016				Five-Year Projections - 2021			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	72	76	148	0 to 4 Years	69	66	135	0 to 4 Years	65	63	128
5 to 9 Years	94	70	164	5 to 9 Years	74	72	146	5 to 9 Years	64	62	126
10 to 14 Years	82	68	150	10 to 14 Years	88	66	154	10 to 14 Years	75	67	142
15 to 17 Years	38	37	75	15 to 17 Years	45	39	84	15 to 17 Years	48	40	88
18 to 20 Years	45	30	75	18 to 20 Years	38	33	71	18 to 20 Years	45	36	81
21 to 24 Years	47	43	90	21 to 24 Years	49	41	90	21 to 24 Years	54	49	103
25 to 34 Years	132	126	258	25 to 34 Years	116	121	237	25 to 34 Years	105	99	204
35 to 44 Years	117	124	241	35 to 44 Years	108	114	222	35 to 44 Years	107	114	221
45 to 54 Years	113	107	220	45 to 54 Years	105	104	209	45 to 54 Years	93	108	201
55 to 64 Years	93	86	179	55 to 64 Years	90	105	195	55 to 64 Years	89	88	177
65 to 74 Years	47	65	112	65 to 74 Years	60	62	122	65 to 74 Years	71	80	151
75 to 84 Years	31	51	82	75 to 84 Years	30	40	70	75 to 84 Years	27	33	60
85 Years and Up	8	25	33	85 Years and Up	8	19	27	85 Years and Up	11	22	33
Total	919	908	1,827	Total	880	882	1,762	Total	854	861	1,715
62+ Years	n/a	n/a	267	62+ Years	n/a	n/a	275	62+ Years	n/a	n/a	295
Median Age:	33.2			Median Age:	33.5			Median Age:	34.3		

Source: Nielsen Claritas; Ribbon Demographics

Ribbon Demographics, LLC
www.ribbondata.com
Tel: 916-880-1644



Source: Nielsen Claritas; Ribbon Demographics

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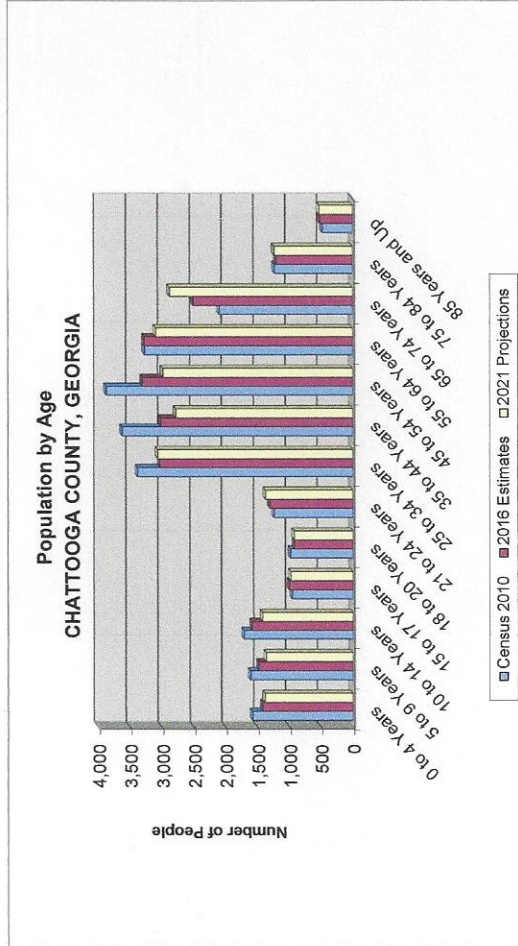
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Population by Age & Sex CHATTOOGA COUNTY, GEORGIA											
Census 2010				Current Year Estimates - 2016				Five-Year Projections - 2021			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	819	759	1,578	0 to 4 Years	723	695	1,418	0 to 4 Years	707	677	1,384
5 to 9 Years	797	813	1,610	5 to 9 Years	757	717	1,474	5 to 9 Years	695	669	1,364
10 to 14 Years	876	838	1,714	10 to 14 Years	809	778	1,587	10 to 14 Years	730	692	1,422
15 to 17 Years	486	470	956	15 to 17 Years	520	481	1,001	15 to 17 Years	505	474	979
18 to 20 Years	558	425	983	18 to 20 Years	502	419	921	18 to 20 Years	506	420	926
21 to 24 Years	727	511	1,238	21 to 24 Years	740	562	1,302	21 to 24 Years	777	597	1,374
25 to 34 Years	1,965	1,413	3,378	25 to 34 Years	1,673	1,358	3,031	25 to 34 Years	1,754	1,309	3,063
35 to 44 Years	1,883	1,583	3,466	35 to 44 Years	1,608	1,405	3,013	35 to 44 Years	1,459	1,323	2,782
45 to 54 Years	2,028	1,840	3,868	45 to 54 Years	1,658	1,643	3,301	45 to 54 Years	1,539	1,443	2,982
55 to 64 Years	1,635	1,635	3,270	55 to 64 Years	1,624	1,652	3,276	55 to 64 Years	1,493	1,605	3,098
65 to 74 Years	981	1,117	2,098	65 to 74 Years	1,181	1,327	2,508	65 to 74 Years	1,361	1,517	2,878
75 to 84 Years	478	752	1,230	75 to 84 Years	518	679	1,197	75 to 84 Years	543	692	1,235
85 Years and Up	127	346	473	85 Years and Up	147	367	514	85 Years and Up	163	365	528
Total	13,513	12,502	26,015	Total	12,460	12,083	24,543	Total	12,232	11,783	24,015
62+ Years	n/a	n/a	4,707	62+ Years	n/a	n/a	5,126	62+ Years	n/a	n/a	5,551
Median Age:	39.3			Median Age:	40.1			Median Age:	40.4		

Source: Nielsen Claritas, Ribbon Demographics

Ribbon Demographics, LLC
www.ribbondata.com
Tel: 916-880-1644



Source: Nielsen Claritas, Ribbon Demographics

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Owner Households						
Under Age 55 Years						
Base Year: 2006 - 2010 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	57	45	47	6	9	164
\$10,000-20,000	17	142	79	52	6	296
\$20,000-30,000	187	125	42	65	38	457
\$30,000-40,000	18	98	101	35	81	333
\$40,000-50,000	62	146	77	46	10	341
\$50,000-60,000	15	70	95	82	93	355
\$60,000+	56	192	328	340	228	1,144
Total	412	818	769	626	465	3,090

Owner Households						
Aged 55-61 Years						
Base Year: 2006 - 2010 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	25	36	0	0	0	61
\$10,000-20,000	33	55	0	1	1	90
\$20,000-30,000	51	54	0	0	18	123
\$30,000-40,000	29	52	5	28	1	115
\$40,000-50,000	4	63	16	23	1	107
\$50,000-60,000	6	79	14	2	16	117
\$60,000+	9	165	122	20	8	324
Total	157	504	157	74	45	937

Owner Households						
Aged 62+ Years						
Base Year: 2006 - 2010 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	118	51	17	8	4	198
\$10,000-20,000	425	258	17	8	2	710
\$20,000-30,000	151	184	40	45	0	420
\$30,000-40,000	75	179	18	6	14	292
\$40,000-50,000	30	45	35	4	1	115
\$50,000-60,000	30	55	20	2	0	107
\$60,000+	106	227	23	8	14	378
Total	935	999	170	81	35	2,220

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Renter Households						
Under Age 55 Years						
<i>Base Year: 2006 - 2010 Estimates</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	93	37	89	0	11	230
\$10,000-20,000	84	68	62	39	28	281
\$20,000-30,000	125	91	64	8	47	335
\$30,000-40,000	112	41	79	58	53	343
\$40,000-50,000	1	61	25	58	23	168
\$50,000-60,000	1	104	41	41	36	223
\$60,000+	<u>21</u>	<u>43</u>	<u>28</u>	<u>149</u>	<u>116</u>	357
Total	437	445	388	353	314	1,937

Renter Households						
Aged 55-61 Years						
<i>Base Year: 2006 - 2010 Estimates</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	48	1	0	0	1	50
\$10,000-20,000	63	1	1	0	1	66
\$20,000-30,000	1	37	0	0	0	38
\$30,000-40,000	3	1	1	0	0	5
\$40,000-50,000	25	1	14	0	1	41
\$50,000-60,000	3	2	0	0	0	5
\$60,000+	<u>9</u>	<u>4</u>	<u>2</u>	<u>1</u>	<u>0</u>	16
Total	152	47	18	1	3	221

Renter Households						
Aged 62+ Years						
<i>Base Year: 2006 - 2010 Estimates</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	47	11	17	0	11	86
\$10,000-20,000	135	25	1	5	1	167
\$20,000-30,000	40	43	1	1	1	86
\$30,000-40,000	14	11	0	1	0	26
\$40,000-50,000	6	17	3	0	1	27
\$50,000-60,000	6	7	6	1	1	21
\$60,000+	<u>20</u>	<u>22</u>	<u>6</u>	<u>0</u>	<u>4</u>	52
Total	268	136	34	8	19	465

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Owner Households						
Under Age 55 Years						
<i>Current Year Estimates - 2016</i>						
	1-Person	2-Person	3-Person	4-Person	5+ Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	53	28	59	11	18	169
\$10,000-20,000	5	132	50	31	7	225
\$20,000-30,000	148	91	45	61	47	392
\$30,000-40,000	7	64	76	70	75	292
\$40,000-50,000	62	139	85	62	12	360
\$50,000-60,000	6	33	100	53	63	255
\$60,000+	<u>26</u>	<u>158</u>	<u>257</u>	<u>309</u>	<u>212</u>	<u>962</u>
Total	307	645	672	597	434	2,655

Owner Households						
Aged 55-61 Years						
<i>Current Year Estimates - 2016</i>						
	1-Person	2-Person	3-Person	4-Person	5+ Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	41	31	0	1	2	75
\$10,000-20,000	53	53	1	1	1	109
\$20,000-30,000	38	48	0	0	23	109
\$30,000-40,000	39	73	20	37	4	173
\$40,000-50,000	6	85	24	24	4	143
\$50,000-60,000	9	57	21	2	16	105
\$60,000+	<u>11</u>	<u>167</u>	<u>110</u>	<u>14</u>	<u>17</u>	<u>319</u>
Total	197	514	176	79	67	1,033

Owner Households						
Aged 62+ Years						
<i>Current Year Estimates - 2016</i>						
	1-Person	2-Person	3-Person	4-Person	5+ Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	155	76	27	7	7	272
\$10,000-20,000	372	269	29	5	3	678
\$20,000-30,000	186	204	90	52	4	536
\$30,000-40,000	65	228	28	5	16	342
\$40,000-50,000	68	101	55	6	0	230
\$50,000-60,000	45	103	24	1	4	177
\$60,000+	<u>125</u>	<u>260</u>	<u>41</u>	<u>18</u>	<u>25</u>	<u>469</u>
Total	1,016	1,241	294	94	59	2,704

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Renter Households						
Under Age 55 Years						
<i>Current Year Estimates - 2016</i>						
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	100	38	104	4	14	260
\$10,000-20,000	73	68	74	47	20	282
\$20,000-30,000	79	60	27	9	60	235
\$30,000-40,000	84	36	67	74	54	315
\$40,000-50,000	0	63	18	81	27	189
\$50,000-60,000	1	87	48	38	34	208
\$60,000+	13	28	29	103	119	292
Total	350	380	367	356	328	1,781

Renter Households						
Aged 55-61 Years						
<i>Current Year Estimates - 2016</i>						
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	79	1	0	1	0	81
\$10,000-20,000	83	2	1	1	1	88
\$20,000-30,000	1	36	1	1	0	39
\$30,000-40,000	3	1	0	1	1	6
\$40,000-50,000	34	1	21	1	0	57
\$50,000-60,000	2	1	0	0	0	3
\$60,000+	7	5	2	3	2	19
Total	209	47	25	8	4	293

Renter Households						
Aged 62+ Years						
<i>Current Year Estimates - 2016</i>						
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	67	14	29	4	22	136
\$10,000-20,000	140	26	3	6	0	175
\$20,000-30,000	47	46	3	3	0	99
\$30,000-40,000	21	15	1	2	1	40
\$40,000-50,000	17	32	6	3	3	61
\$50,000-60,000	11	7	3	2	1	24
\$60,000+	34	33	8	6	5	86
Total	337	173	53	26	32	621

HISTA DATA

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Nielsen Claritas

Owner Households						
Under Age 55 Years						
<i>Five Year Projections - 2021</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	42	18	48	8	14	130
\$10,000-20,000	4	93	43	24	4	168
\$20,000-30,000	123	68	35	56	37	319
\$30,000-40,000	5	52	61	63	62	243
\$40,000-50,000	56	113	79	54	11	313
\$50,000-60,000	5	31	89	51	59	235
\$60,000+	26	170	250	329	237	1,012
Total	261	545	605	585	424	2,420

Owner Households						
Aged 55-61 Years						
<i>Five Year Projections - 2021</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	35	24	0	1	1	61
\$10,000-20,000	46	38	1	1	1	87
\$20,000-30,000	29	40	1	0	21	91
\$30,000-40,000	38	63	20	28	3	152
\$40,000-50,000	7	72	25	25	5	134
\$50,000-60,000	7	55	20	1	15	98
\$60,000+	10	187	126	13	15	351
Total	172	479	193	69	61	974

Owner Households						
Aged 62+ Years						
<i>Five Year Projections - 2021</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	151	75	24	7	9	266
\$10,000-20,000	360	238	26	3	2	629
\$20,000-30,000	177	213	90	54	5	539
\$30,000-40,000	72	229	30	4	15	350
\$40,000-50,000	72	103	55	3	5	238
\$50,000-60,000	49	120	25	3	2	199
\$60,000+	165	343	57	10	29	604
Total	1,046	1,321	307	84	67	2,825

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Nielsen Claritas

Renter Households						
Under Age 55 Years						
<i>Five Year Projections - 2021</i>						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	84	30	97	3	13	227
\$10,000-20,000	59	53	57	47	19	235
\$20,000-30,000	73	54	29	12	48	216
\$30,000-40,000	81	26	63	71	52	293
\$40,000-50,000	0	57	22	77	28	184
\$50,000-60,000	1	78	58	39	31	207
\$60,000+	17	37	39	103	137	333
Total	315	335	365	352	328	1,695

Renter Households						
Aged 55-61 Years						
<i>Five Year Projections - 2021</i>						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	66	1	1	1	0	69
\$10,000-20,000	64	2	1	1	2	70
\$20,000-30,000	1	33	0	1	0	35
\$30,000-40,000	3	1	0	1	0	5
\$40,000-50,000	31	1	17	1	0	50
\$50,000-60,000	4	1	0	0	0	5
\$60,000+	14	7	2	2	2	27
Total	183	46	21	7	4	261

Renter Households						
Aged 62+ Years						
<i>Five Year Projections - 2021</i>						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	68	17	30	3	21	139
\$10,000-20,000	142	23	3	6	1	175
\$20,000-30,000	50	50	2	4	1	107
\$30,000-40,000	25	14	0	3	1	43
\$40,000-50,000	23	33	8	2	0	66
\$50,000-60,000	15	9	5	2	1	32
\$60,000+	51	39	8	7	10	115
Total	374	185	56	27	35	677

UTILITY ALLOWANCES

Allowances for
Tenant-Furnished Utilities
and Other Services

Calculated by UApro
http://UApro.2rw.biz



Locality		Unit Type					Date
14368 Old Highway 27 - I (1 br)		Apartment Units (5+ units per building)					03-14-2016
		Energy Star					
		No					
Utility or Service	Monthly Dollar Allowances						
	Studio	1 BR	2 BR	3 BR	4 BR	5 BR	
Heating	a. Natural Gas						
	b. Bottle Gas						
	c. Electric (heat pump)	6	7	8	10	11	
	d. Oil / Other						
Cooking	a. Natural Gas						
	b. Bottle Gas						
	c. Electric	6	7	9	11	12	
	d. Oil / Other						
Other Electric	34	38	45	53	60	68	
Air Conditioning	5	6	12	18	23	29	
Water Heating	a. Natural Gas						
	b. Bottle Gas						
	c. Electric	13	15	22	28	34	
	d. Oil / Other						
Water	15	15	15	15	15	15	
Sewer	15	15	15	15	15	15	
Trash Collection							
Range/Microwave							
Refrigerator							
Other							
Actual Family Allowances To be used by the family to compute allowance.						Utility or Service	per month cost
Complete below for the actual unit rented						Heating	\$ 7
Name of Family						Cooking	7
						Other Electric	38
						Air Conditioning	6
						Water Heating	15
Address of Unit						Water	15
						Sewer	15
						Trash Collection	0
						Range/Microwave	0
Number of Bedrooms						Refrigerator	0
						Other	0
						Total	\$ 103

Form HUD-52667 (12/97)

ref. Handbook 7420.8

Allowances for
Tenant-Furnished Utilities
and Other Services

Calculated by UApro
http://UApro.2rw.biz



Locality 14368 Old Highway 27 - 1 (2 br)		Unit Type Apartment Units (5+ units per building)				Date 03-14-2016
		Energy Star No				
Utility or Service		Monthly Dollar Allowances				
		Studio	1 BR	2 BR	3 BR	4 BR
Heating	a. Natural Gas					
	b. Bottle Gas					
	c. Electric (heat pump)	6	7	8	10	11
	d. Oil / Other					
Cooking	a. Natural Gas					
	b. Bottle Gas					
	c. Electric	6	7	9	11	12
	d. Oil / Other					
Other Electric	34	38	45	53	60	68
Air Conditioning	5	6	12	18	23	29
Water Heating	a. Natural Gas					
	b. Bottle Gas					
	c. Electric	13	15	22	28	34
	d. Oil / Other					
Water	15	15	15	15	15	15
Sewer	15	15	15	15	15	15
Trash Collection						
Range/Microwave						
Refrigerator						
Other						
Actual Family Allowances To be used by the family to compute allowance.					Utility or Service	per month cost
Complete below for the actual unit rented					Heating	\$ 8
Name of Family					Cooking	9
					Other Electric	45
Address of Unit					Air Conditioning	12
					Water Heating	22
					Water	15
					Sewer	15
					Trash Collection	0
					Range/Microwave	0
					Refrigerator	0
Number of Bedrooms					Other	0
					Total	\$ 126

Form HUD-52667 (12/97)

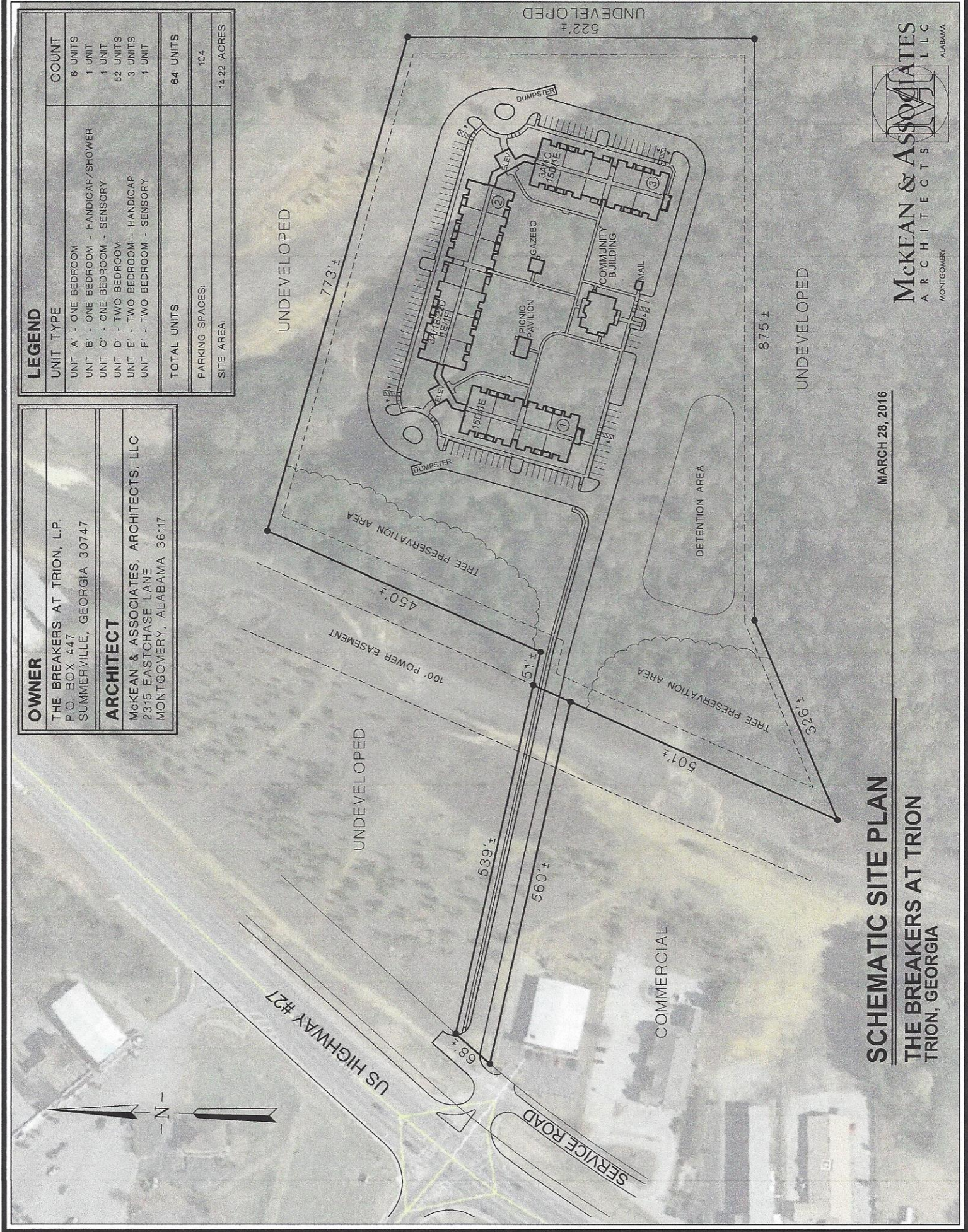
ref. Handbook 7420.8

SCHEMATIC SITE PLAN

OWNER
 THE BREAKERS AT TRION, L.P.
 P.O. BOX 447
 SUMMERVILLE, GEORGIA 30747

ARCHITECT
 MCKEAN & ASSOCIATES, ARCHITECTS, LLC
 2315 EASTCHASE LANE
 MONTGOMERY, ALABAMA 36117

LEGEND		COUNT
UNIT 'A' - ONE BEDROOM		6 UNITS
UNIT 'B' - ONE BEDROOM - HANDICAP / SHOWER		1 UNIT
UNIT 'C' - ONE BEDROOM - SENSORY		1 UNIT
UNIT 'D' - TWO BEDROOM		62 UNITS
UNIT 'E' - TWO BEDROOM - HANDICAP		3 UNITS
UNIT 'F' - TWO BEDROOM - SENSORY		1 UNIT
TOTAL UNITS		64 UNITS
PARKING SPACES:		104
SITE AREA:		14.22 ACRES



SCHEMATIC SITE PLAN
THE BREAKERS AT TRION
 TRION, GEORGIA

MARCH 28, 2016

MCKEAN & ASSOCIATES
 ARCHITECTS
 MONTGOMERY, ALABAMA
 L.L.C.

NCHMA CERTIFICATION

Certificate of Membership

Koontz & Salinger
Is a Member Firm in Good Standing of



Formerly known as
National Council of Affordable
Housing Market Analysts

National Council of Housing Market Analysts
1400 16th St. NW
Suite 420
Washington, DC 20036
202-939-1750

Membership Term
7/01/2015 to 6/30/2016



A handwritten signature in black ink, appearing to read "Thomas Amdur".

Thomas Amdur
Executive Director, NH&RA