

PROFESSIONAL MARKET STUDY
FOR THE LAKEVIEW SENIOR GARDENS
A PROPOSED LIHTC ELDERLY DEVELOPMENT

LOCATED IN:
EATONTON, PUTNAM COUNTY, GA

PREPARED FOR:
LAKEVIEW SENIOR GARDENS, LP

PREPARED BY:
KOONTZ and SALINGER
P.O. BOX 37523
RALEIGH, NC 27627-7523

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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 is located at the corner of Ellman Drive and Scott Road, 0.1 mile west of SR 44 and 9 miles south of I-20. The site is located in the Lake Oconee area in the northern portion of Putnam County, outside of the Eatonton the city limits.

Construction and occupancy types.

The proposed new construction development project design comprises one 3-story residential building with an elevator and two one-story 6-plexes. The development design provides for 96-parking spaces. The development will include a separate building to be used as a clubhouse / community room and manager's office.

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	12	780	892
2BR/1b	36	990	1104
Total	48		

Project Rents:

The proposed development will target approximately 20% of the units at 50% or below of area median income (AMI), approximately 75% of the units at 60% AMI, and approximately 5% at Market. Net rent excludes water, sewer and electric. Trash removal paid by owner.

PROPOSED PROJECT RENTS @ 50% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	5	\$307	\$149	\$456
2BR/1b	5	\$355	\$192	\$547

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	6	\$372	\$149	\$521
2BR/1b	30	\$434	\$192	\$626

*Based upon Form HUD-526667, prepared by UApr, 5-17-2016

PROPOSED PROJECT RENTS @ Market				
Bedroom Mix	# of Units	Net Rent	Utility Estimate*	Gross Rent
1BR/1b	1	\$475	\$149	\$624
2BR/1b	1	\$575	\$192	\$767

*Estimates used for establishing the lower income band at Market

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

- . The proposed LIHTC/Market Rate development will not include any additional deep subsidy rental assistance, including PBRA. The proposed LIHTC segment of development will accept 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 6.54-acre, polygon shaped tract is partially cleared and wooded and slightly undulating. At present, no physical structures are 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: multi-family and single-family development, with adjacent and nearby small business and institutional land use.
- Directly north of the site is the Blue Heron Cove owner-occupied condominium development, located off Blue Heron Cove Drive, followed by Lake Oconee. Blue Heron Cove was built in 2007, and includes a clubhouse with a swimming pool, a 10 on-site boat slips with a dock. Directly south of the site, across Scott Road, are: the Lake Oconee Presbyterian Church and a Sun Trust Bank. Directly east of the site is vacant land for sale (i.e., the remainder of the Blue Heron Cove condominium property). Directly west of the site is a small multiplex commercial property off Scott Dr. and large lot single-family land use along Ellman Drive.

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

- Access to the site is available off Blue Heron Cove Drive. Blue Heron Cove Drive is a very short connector that links the site with Scott Road and nearby SR 44. It is a very low density traveled road, with a speed limit of 25 miles per hour. Also, the location of the site off Blue Heron Cove Drive does not present problems of egress and ingress to the site.
- The site offers very 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, high tension power lines, rail lines and junk yards.

• ***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 services, and area churches. All major facilities within the central area of the PMA can be accessed within a 5 to 10-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 development, in particular the close proximity to Lake Oconee.

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 PMA for the proposed multi-family development consists of the following 2010 Census Tracts:

Putnam County: 9601.01, 9601.02, 9602.01, and 9602.02
Greene County: 9503.01, 9503.02, 9503.03, 9504, & 9505
Morgan County: 104
- The PMA is located in the central portion of Georgia, approximately 65 miles east of Atlanta and 50 miles north of Macon. The site is located in the Lake Oconee area of Greene, Morgan and Putnam Counties. It is almost equidistant between Eatonton, the county seat, of Putnam County and Greensboro, the county seat of Greene County. Eatonton is located approximately 11 miles southwest via SR 44 and Greensboro is located approximately 10 miles northeast via SR 44.
- The Lake Oconee are of the PMA is the fastest growing section of the PMA. The area offers a wide variety of retail and health care services, as well as a sizable number of professional services.

The PMA is bounded as follows:

Direction	Boundary	Distance from Subject Site
North	Remainder of Greene & Morgan Counties	6 - 13 miles
East	Hancock & Taliaferro Counties	12 - 16 miles
South	Remainder of Putnam & Hancock County	12 - 15 miles
West	Remainder of Morgan & Jasper County	7 - 15 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 and household gains over the next several years, (2016-2018) are forecasted for the PMA at a moderate rate of growth, represented by a rate of change approximating +0.75% per year. In the PMA, in 2010, the total population count was 30,606 with a projected increase to 32,151 in 2018.
- Population gains over the next several years are forecasted for the PMA for the 55+ age group continuing at a significant rate, with a forecasted rate of growth approximating +1.65% per year, between 2016 and 2018. In the PMA, in 2010, for population age 55+, the count was 11,044 with a projected increase to 13,120 in 2018. In the PMA, in 2010, for households age 55+, the count was 5,685 with a projected increase to 7,955 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 owner households.
- ***Households by income level.***
- It is projected that in 2018, **7%** of the owner-occupied households age 55+ in the PMA will be in the 50% AMI target income group of \$13,680 to \$19,450.
- It is projected that in 2018, **10%** of the renter-occupied households age 55+ in the PMA will be in the 50% AMI target income group of \$13,680 to \$19,450.
- It is projected that in 2018, **9.5%** of the owner-occupied households age 55+ in the PMA will be in the 60% AMI target income group of \$15,630 to \$23,340.
- It is projected that in 2018, **14%** of the renter-occupied households age 55+ in the PMA will be in the 60% AMI target income group of \$15,630 to \$23,340.
- It is projected that in 2018, **26.5%** of the owner-occupied households age 55+ in the PMA will be in the Market Rate target income group of \$23,340 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 \$23,340 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 Eatonton and Putnam 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 4/16/16, there were 120 foreclosure and foreclosure auction listings within Eatonton and Putnam County, of which 70 of the 120 foreclosure listings had a listed value of greater than \$100,000.
- In the Lakeview Senior Gardens PMA the relationship between the local foreclosure market and existing LIHTC elderly supply is not clear. Owing primarily to the fact that the PMA is void of any LIHTC elderly properties.
- 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 increase in employment in Putnam County was approximately 216 workers or approximately +2.25% per year. The rate of employment loss between 2008 and 2010, was very significant at almost -10%, representing a net loss of -1,873 workers. The rate of employment loss between 2011 and 2013, was modest in comparison at approximately -0.16% per year. The 2014 to 2015, rate of decrease was significant at -3.72%.
- Covered (at place) employment in Putnam County increased in 2013, 2014 and the 2015 trend supports another increase.

- ***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 healthcare sector and the trade sector to either stabilize or 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 5.1% and 8.9%.
- 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. The annual unemployment rate in 2016 in Putnam County is forecasted to continue to decline, to the vicinity of 6% to 7% and improving slightly, on a relative year to year basis.

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

- The Putnam Development Authority (PDA) is the lead economic development entity for Putnam County.
- Agriculture in particular continues to add value and diversity to the Putnam County economy, with a value of more than \$87 million annually.
- Tourism is the second largest industry in Georgia and ranks among the top three in Putnam County. Putnam County is home to Lake Oconee (374 miles of shoreline) and Lake Sinclair (417 miles of shoreline).
- In the retail sector a new Hibbett Sports Store and another yet-unnamed retailer will open facilities in Eatonton, along with some new restaurants.
- In April 2014, Aalto Scientific, a leading manufacturer in the medical diagnostics industry, announced that the will invest \$9 million into a new manufacturing facility in Eatonton. The planned construction will be the first project to locate to Rock Eagle Technology Park. Aalto Scientific will construct a 76,000-square-foot production and warehouse facility, as well as a 15,000-square-foot manufacturing facility. Some 80 new jobs will be created when the facility is completed.
- Legacy Homes opened a manufacturing plant in Eatonton's South Industrial Park. Legacy currently has one assembly line running, with 75 employees rolling out one to two houses per day. When the plant reaches full production, some 200-300 persons will be employed at the facility.

- **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.**
- The Eatonton PMA area economy has a large 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 development could 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.
- Recent economic indicators in 2015 and thus far in 2016 are supportive of a stable to moderately improving local economy into 2016.
- For that portion of the 55 to 65 elderly target group that still desires or needs to continue working on a part-time basis, the Eatonton PMA local economy provides many opportunities. The majority of the opportunities are in the local service and trade sectors of the economy.

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 209. The forecasted number households for the Market Rate segment of the proposed development is 158.
- **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 209 and 158, respectively.
- Capture Rates:

Proposed Project Capture Rate All Units	13.1%
Proposed Project Capture Rate LIHTC Units	22.0%
Proposed Project Capture Rate LIHTC Units @ 50% AMI	16.9%
Proposed Project Capture Rate LIHTC Units @ 60% AMI	24.0%
Proposed Project Capture Rate Market Rate Units	1.3%

- ***A conclusion regarding the achievability of the above Capture Rates.***

- The above capture rates are 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 overall estimated vacancy rate of the surveyed program assisted apartment properties was approximately 1%. Six of the seven properties maintain a waiting list ranging between 3 and 84 applicants.
- At the time of the survey, the overall estimated vacancy rate of the surveyed HUD apartment property was 0%.
- At the time of the survey, the overall estimated vacancy rate of the surveyed USDA-RD apartment properties was 2.1%. Four of the five USDA properties maintained a waiting list.
- At the time of the survey, the overall estimated vacancy rate of the one surveyed property that solely targets the elderly population was 3%. The property maintained a waiting list with 6 applications.
- At the time of the survey, the Eatonton PMA had no LIHTC elderly properties. However, at the time of the survey, one new LIHTC family new construction property was under construction in Eatonton and one LIHTC family historic rehab property was in the process of development in Greensboro.
- At the time of the survey, the overall estimated vacancy rate of the surveyed market rate apartment properties was less than 4%, at 3.3%. Two of the six market rate properties maintained a waiting list at the time of the survey.

- ***Number of properties.***

- Seven program assisted properties, including the Eatonton public housing authority, representing 308 units, were surveyed within the Lakeview Senior Gardens PMA.
- Six market rate properties representing 479 units, were surveyed in the subject's overall competitive environment.

- **Rent bands for each bedroom type proposed.**

Bedroom type	Rent Band (Subject)	Rent Band (Market Rate)
1BR/1b	\$307-\$475	\$480-\$725
2BR/2b	\$355-\$575	\$590-\$805

- **Average Market rents.**

Bedroom type	Average Market Rent
1BR/1b	\$558 (Adjusted = \$515)
2BR/2b	\$655 (Adjusted = \$615)

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	10
60% AMI	36
Market	2

* at the end of the 1 to 6-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 6-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 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 within the PMA is significant with annual growth rates approximating +1.6%.
- At the time of the survey, the overall estimated vacancy rate of the surveyed program assisted apartment properties was approximately 1%. Six of the seven properties maintain a waiting list ranging between 3 and 84 applicants.
- At the time of the survey, the overall estimated vacancy rate of the surveyed USDA-RD apartment properties was 2.1%. Four of the five USDA properties maintained a waiting list.
- At the time of the survey, the vacancy rate of the one surveyed property that solely targets the elderly population within the PMA was 3%. The property maintained a waiting list with 6 applications.
- At the time of the survey, the overall vacancy rate of the surveyed market rate apartment properties was less than 4%, at 3.3%. Two of the six market rate properties maintained a waiting list at the time of the survey.
- In the area of unit size, by bedroom type, the subject will offer a very competitive unit size.
- The subject will be competitive with the majority of the traditional 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 46%. At 60% AMI the 1BR net rent advantage is estimated at 34%.
- The 2BR net rent advantage at 50% AMI is estimated at 44%. At 60% AMI the 2BR net rent advantage is estimated at 31%.
- The overall LIHTC rent advantage is estimated at 34%.
- The proposed LIHTC/Market Rate elderly development **will not negatively impact** the existing supply of elderly properties located within the PMA in the short or long term. At the time of the survey, the Lakeview Senior Gardens PMA was void of LIHTC elderly properties, either new construction or rehab.

Summary Table				
Development Name: Lakeview Senior Gardens			Total Number of Units: 48	
Location: Eatonton, GA (Putnam Co)			# LIHTC Units: 46	
PMA Boundary: North 6-13 miles; East 12-16 miles South 12-15 miles; West 7-15 miles			Farthest Boundary Distance to Subject: 16 miles	
Rental Housing Stock (found on pages 78 - 100)				
Type	# Properties	Total Units	Vacant Units	Avg Occupancy
All Rental Housing	13	787	9	97.6%
Market Rate Housing	6	479	7	96.7%
Assisted/Subsidized Housing Ex LIHTC	7	308	2	99.0%
LIHTC	0	0	0	Na
Stabilized Comps	6	479	7	96.7%
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
10	1	1	780	\$307-\$372	\$565	\$.75	34-46%	\$700	\$.95
36	2	1	990	\$355-\$434	\$630	\$.61	31-44%	\$785	\$.70
1	1	1	780	\$475	\$565	\$.75	16%	\$700	\$.95
1	2	1	990	\$575	\$630	\$.61	9%	\$785	\$.70

LIHTC Segment

Market Rate Segment

Demographic Data (found on pages 41 & 72)						
	2010		2016		2018	
Renter Households	965	16.97%	1,195	15.58%	1,225	15.40%
Income-Qualified Renter HHs (LIHTC)	170	17.62%	200	16.74%	209	17.06%
Income-Qualified Renter HHs (MR)	125	12.95%	150	12.55%	158	12.90%

Targeted Income Qualified Renter Household Demand (found on pages 70 - 72)						
Type of Demand	30%	50%	60%	MR	Other	Overall
Renter Household Growth		2	4	8		14
Existing Households (Overburdened + Substandard)		56	143	147		346
Homeowner Conversion (Seniors)		1	3	3		7
Total Primary Market Demand		59	150	158		367
Less Comparable Supply		0	0	0		0
Adjusted Income-Qualified Renter HHs		59	150	158		367
Capture Rates (found on page 73 - 75)						
Targeted Population	30%	50%	60%	MR	Other	Overall
Capture Rate		16.9%	24.0%	1.3%		13.1%

MARKET STUDY FOLLOWS

SECTION B
PROPOSED PROJECT
DESCRIPTION

The proposed Low Income Housing Tax Credit (LIHTC)/Market Rate multi-family development will target elderly households, age 55 and over in Eatonton and Putnam County, Georgia. The subject property is located at the corner of Ellman Drive and Scott Road, 0.1 mile west of SR 44 and 9 miles south of I-20.

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 **Lakeview Senior Gardens**, for the Lakeview Senior Gardens, 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	12	780	892
2BR/1b	36	990	1104
Total	48		

The proposed new construction development project design comprises one 3-story residential building with an elevator and two one-story 6-plexes. The development design provides for 96-parking spaces. The development will include a separate building to be used as a clubhouse / community room and manager's office.

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

Project Rents:

The proposed development will target approximately 20% of the units at 50% or below of area median income (AMI), approximately 75% of the units at 60% AMI, and approximately 5% at Market. Net rent excludes water, sewer and electric. Trash removal paid by owner.

PROPOSED PROJECT RENTS @ 50% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
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*Based upon Form HUD-526667, prepared by UApr, 5-17-2016.

PROPOSED PROJECT RENTS @ 60% AMI				
Bedroom Mix	# of Units	Net Rent	Utility Allowance*	Gross Rent
1BR/1b	6	\$372	\$149	\$521
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PROPOSED PROJECT RENTS @ Market				
Bedroom Mix	# of Units	Net Rent	Utility Estimate*	Gross Rent
1BR/1b	1	\$475	\$149	\$624
2BR/1b	1	\$575	\$192	\$767

*Estimates used for establishing the lower income band at Market

The proposed LIHTC elderly development will not have any project based rental assistance, nor private rental assistance.

Project Amenity Package

The proposed development will include the following:

Unit Amenities

- range
- microwave
- central air
- smoke alarms
- carpet
- storage
- ceiling fans
- energy star refrigerator
- energy star dish washer
- in sink disposal
- washer/dryer units
- window coverings
- patio/balcony
- cable ready

Development Amenities

- manager's office
- mail center
- fitness center
- computer center
- clubhouse
- covered porches/gathering rooms
- gazebo
- picnic/barbecue facilities

The projected first full year that **Lakeview Senior Gardens** 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 estimates are based upon Form HUD-52667, prepared by UApro. Effective date: May 17, 2016.

SECTION C
SITE & NEIGHBORHOOD

The site of the proposed elderly LIHTC apartment development is located at the corner of Ellman Drive and Scott Road, 0.1 mile west of SR 44 and 9 miles south of I-20. The site is located in the Lake Oconee area in the northern portion of Putnam County,

outside of the Eatonton the city limits. Specifically, the site is located in Census Tract 9601.2 and Zip Code 31024.

Note: The site is not located within a Qualified Census Tract (QCT), nor a Difficult Development Area (DDA).

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 the immediate area of the site can be accessed within a 5 to 10 minute drive. At the time of the market study, no significant infrastructure development was in progress within the immediate vicinity of the site.

Site Characteristics

The 6.54-acre, polygon tract is partially cleared and wooded and slightly undulating. At present, no physical structures are located on the tract. The site is not located within a 100-year flood plain. Source: FEMA website (www.msc.fema.gov), Map Number 13237C0075C, Panel 75 of 275, Effective Date: September 26, 2008. All public utility services are available to the tract and excess capacity exists. However, these assessments are subject to both environmental and engineering studies.

The subject site is zoned RM-2 Residential District. This zoning designation allows for the proposed subject multi-family development. The existing land use around the site is detailed below:

Direction	Existing Land Use
North	Multi-family & SF Residential
East	Vacant followed by Commercial
South	Commercial & Institutional
West	Commercial & SF Residential

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 Putnam County reported by the Georgia Bureau of Investigation - Uniform Crime Report revealed that violent crime and property crime rate for Putnam County was extremely low, particularly for violent Crime (homicide, rape, robbery and assault).

Overall, between 2013 and 2014 violent crime in Putnam County increased by 13%. However, the actual number of such crimes in 2014 was extremely low at 122 overall. Property crimes increased by 11.3% in Putnam County between 2013 and 2014, mainly due to an increase in larceny. While the percentage increase in property crimes seems large, the overall number of property crimes remained very low for each year. A small numeric change in a low crime area results in a relatively large percentage increase; it is therefore important to view both the absolute number as well as the proportional change. The overall increase in the number of crimes was quite modest (64 crimes/11.3%).

Putnam County			
Type of Offence	2013	2014	Change
Homicide	0	2	2
Rape	7	9	2
Robbery	3	25	22
Assault	98	86	-12
Burglary	130	146	16
Larceny	422	473	51
Motor Vehicle Theft	15	12	-3
Putnam County Total	675	753	78

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: multi-family and single-family development, with adjacent and nearby small business and institutional land use.

Directly north of the site is the Blue Heron Cove owner-occupied condominium development, located off Blue Heron Cove Drive, followed by Lake Oconee. Blue Heron Cove was built in 2007, and includes a clubhouse with a swimming pool, a 10 on-site boat slips with a dock. Three, two-story multi-plex residential building are presently located within the development. Recent sales and current listings for homes at Blue Heron Cove are priced in the \$260's. Presently, the remaining 78 unbuilt residential lots at Blue Heron Cove are for sale and priced at \$2,150,000.

Directly south of the site, across Scott Road, are: the Lake Oconee Presbyterian Church and a Sun Trust Bank. Further south along Greensboro Road (SR 44) is commercial and office park land use.

Directly east of the site on the opposite side of Blue Heron Cove Drive is vacant land for sale (i.e., the remainder of the Blue Heron Cove condominium development), followed by commercial land use on the opposite side of Greensboro Road.

Directly west of the site is a small multi-plex commercial property off Scott Drive and large lot single-family land use along Ellman Drive.

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



(1) Site off Blue Heron Cove Dr, east to west.



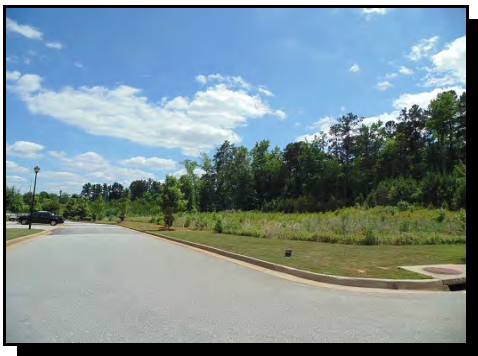
(2) Site left, off Blue Heron Cove Dr, south to north.



(3) Site right, off Blue Heron Cove Drive.



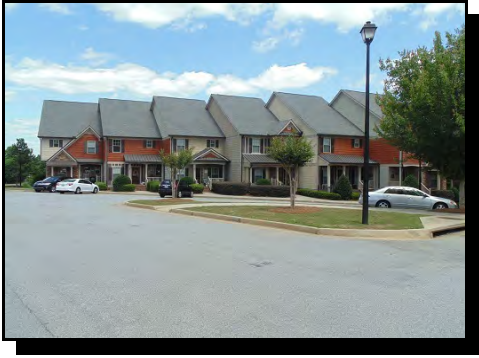
(4) Site off Scott Rd, south to north.



(5) Site off Blue Heron Cove Dr, south to north.



(6) Land use directly east of site (for sale).



(7) Blue Heron Cove condos, adjacent to site.



(8) Lake Oconee within near proximity of site.



(9) Presbyterian Church, south of site.



(10) Sun Trust Bank south of site.

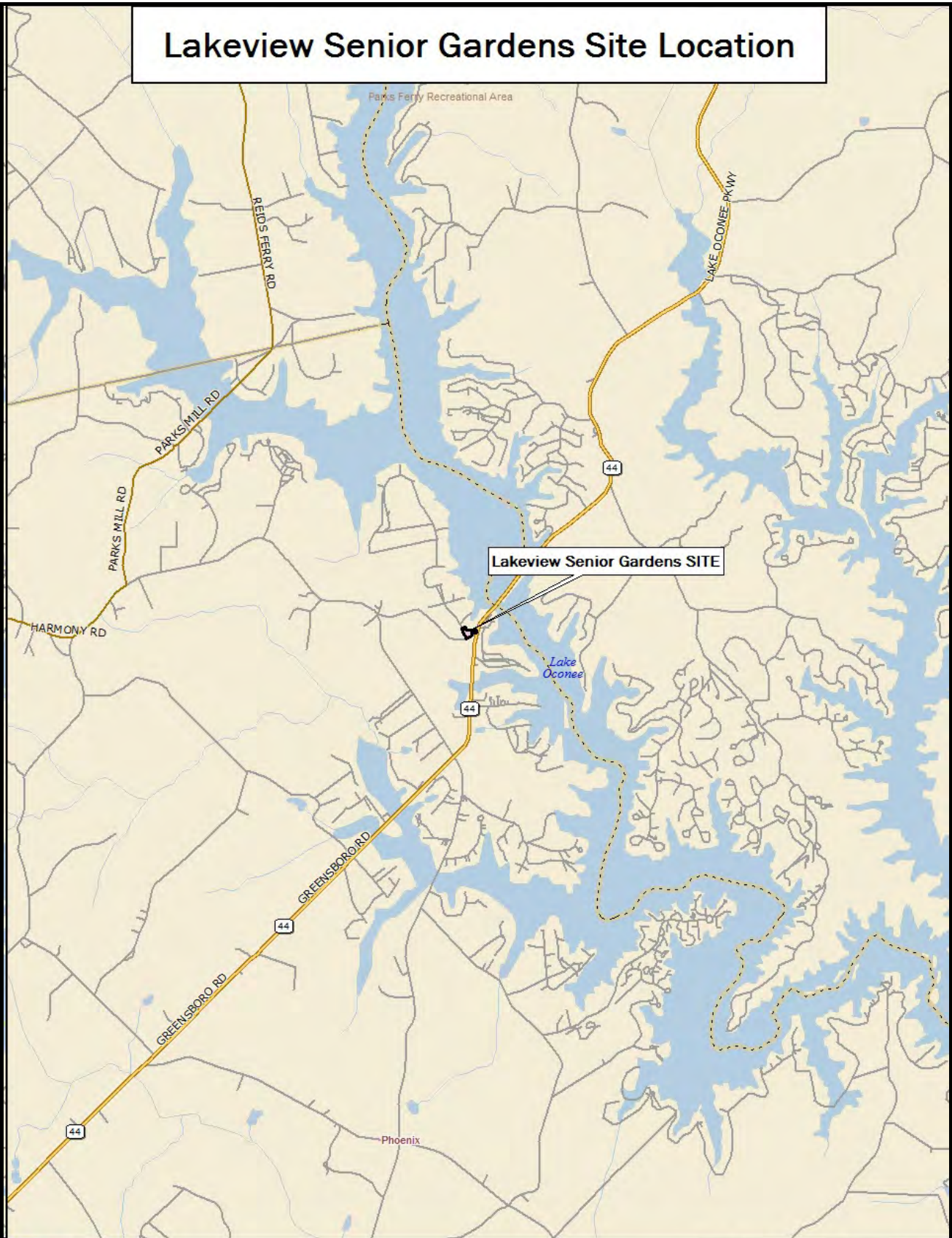


(11) Dollar General, .2 miles from site.



(12) Post Office, .2 miles from site.

Lakeview Senior Gardens Site Location



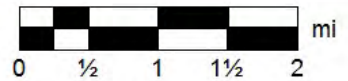
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MN (5.7° W)



Data Zoom 11-3

Access to Services

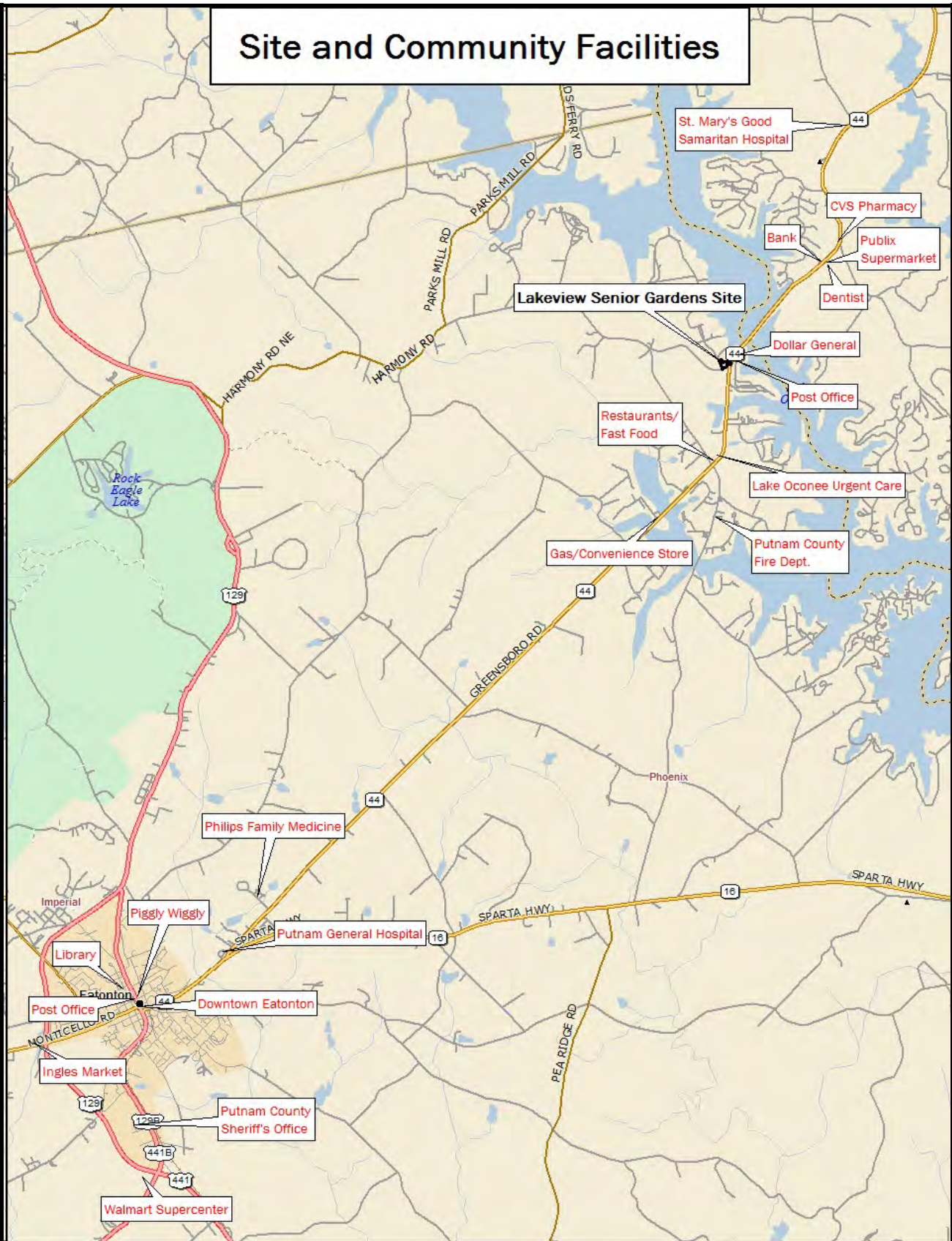
The subject is accessible to major employers, shopping, healthcare services, retail and social services, recreational areas, and the local and regional highway system. (See Site and Facilities Map, next page.)

Distances from the site to community services are exhibited below:

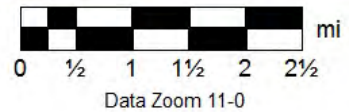
Points of Interest	Distance from Subject
Access to SR 44	0.1
Dollar General	0.2
Post Office	0.2
Lake Oconee Urgent Care	1.2
Fast Food/Restaurants	1.3
Publix Supermarket	1.8
Fire Department	2.0
CVS Pharmacy	2.1
St. Mary's Good Samaritan Hospital	3.6
Access to I-20	8.9
Putnam General Hospital	9.7
US 441/US 129 (Eatonton)	10.9
Downtown Eatonton	11.0
Post Office (Eatonton)	11.2
Piggly Wiggly	11.2
Library	11.4
US 278	11.8
Ingle's Market	12.3
Putnam County Sheriff	12.8
Walmart	13.3

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

Site and Community Facilities



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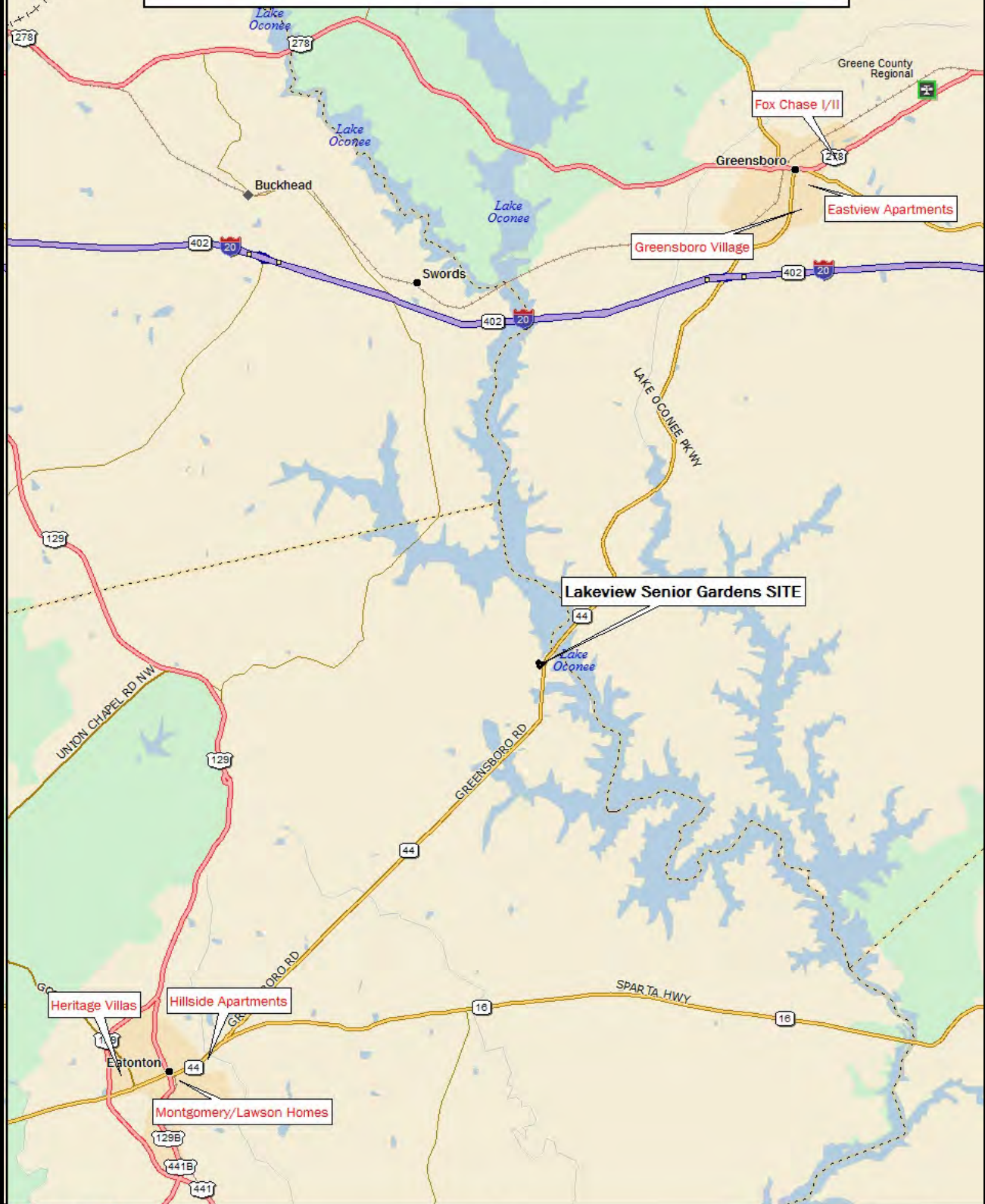
Program Assisted Apartments in PMA

At present there are seven existing program assisted apartment complexes, and two soon to be introduced program assisted apartment complexes in the PMA. The two new properties are: Mary Leila Lofts (A LIHTC family rehab development) and Sumter Station (a LIHTC family new construction development). A map (on the next page) exhibits the program assisted properties within the PMA in relation to the site.

Project Name	Location	Program Type	Number of Units	Distance from Site
Lawson/Montgomery	Eatonton	PHA	114	11.5
Fox Chase I	Greensboro	USDA-RD FM	24	12.5
Fox Chase II	Greensboro	USDA-RD EL	32	12.5
Greensboro Vill.	Greensboro	USDA-RD FM	33	10.9
Eastview	Greensboro	USDA-RD FM	24	11.6
Heritage Villas	Eatonton	USDA-RD FM	30	11.9
Hillside	Eatonton	HUD 8	50	10.0
Mary Leila Lofts	Greensboro	LIHTC FM	71	12.0
Sumter Station	Eatonton	LIHTC FM	62	11.5

Distance in tenths of miles

Program Assisted Projects Within PMA

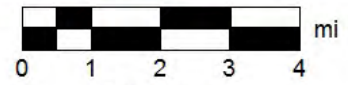


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Data Zoom 10-3

SUMMARY

The field visit for the site and surrounding market area was conducted on April 24, 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: multi-family and single-family development, with adjacent and nearby small business and institutional land use. Given the current area land use development and the fact that the proposed site is equidistant between Eatonton and Greensboro, the proposed development is considered to be consistent with the existing land uses within one mile of the proposed site. The site is located in the Lake Oconee area of the northern portion of Putnam County, outside of the Eatonton city limits. The site is zoned for the proposed multi-family residential use.

Access to the site is available off Blue Heron Cove Drive. Blue Heron Cove Drive is a very short connector that links the site with Scott Road and nearby SR 44. It is a very low density traveled road, with a speed limit of 25 miles per hour in the immediate vicinity of the site. Also, the location of the site off Blue Heron Cove Drive 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, high tension power lines, rail lines, and junk yards.

The site in relation to the subject and the surrounding roads is agreeable to signage, in particular to passing traffic along Blue Heron Road Drive, Scott Road and Ellman Drive.

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 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

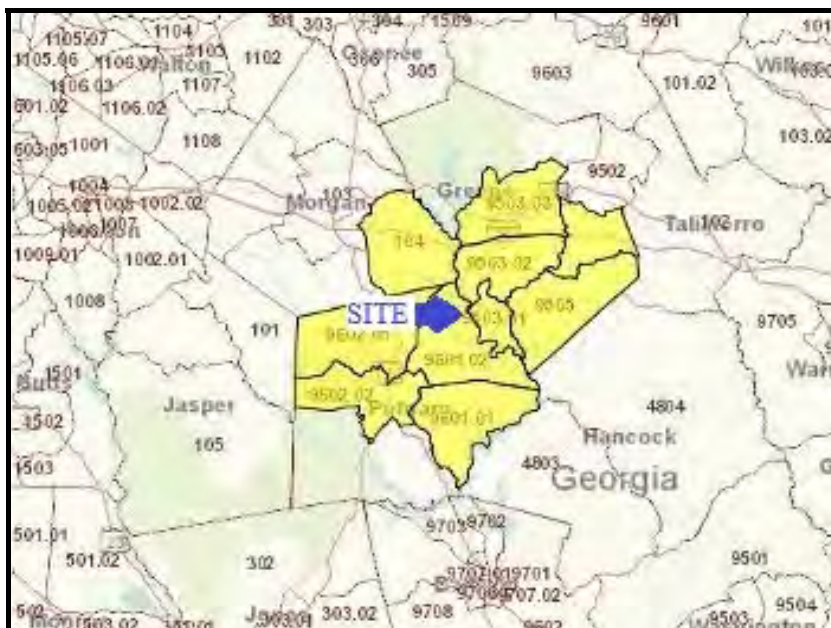
The definition of a **market area** for any real estate use is generally limited to the geographic area from which consumers will consider the available alternatives to be relatively equal. This process implicitly and explicitly **considers** the **location** and

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. 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 on field research in the Lake Oconee area of the site and a 10 to 15 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 elderly development consists of the following 2010 Census Tracts:

Putnam County: 9601.01, 9601.02, 9602.01, and 9602.02
Greene County: 9503.01, 9503.02, 9503.03, 9504, and 9505
Morgan County: 104



The PMA is located in the central portion of Georgia, approximately 65 miles east of Atlanta and 50 miles north of Macon. The site is located in the Lake Oconee area of Greene, Morgan and Putnam Counties. It is almost equidistant between Eatonton, the county seat, of Putnam County and Greensboro, the county seat of Greene County. Eatonton is located approximately 11 miles southwest via SR 44 and Greensboro is located approximately 10 miles northeast via SR 44.

The PMA is bounded as follows:

Direction	Boundary	Distance from Subject Site
North	Remainder of Greene & Morgan Counties	6 - 13 miles
East	Hancock & Taliaferro Counties	12 - 16 miles
South	Remainder of Putnam County & Hancock County	12 - 15 miles
West	Remainder of Morgan County & Jasper County	7 - 15 miles

The Lake Oconee are of the PMA is the fastest growing section of the PMA. The area offers a wide variety of retail and health care services, as well as a sizable number of professional services. The proposed site location off Lake Oconee, one which offers exceptional views of the surrounding area is considered to be a major factor in the gravitational pull of potential demand from the PMA as a whole, as well as potential as significant secondary demand from out of market.

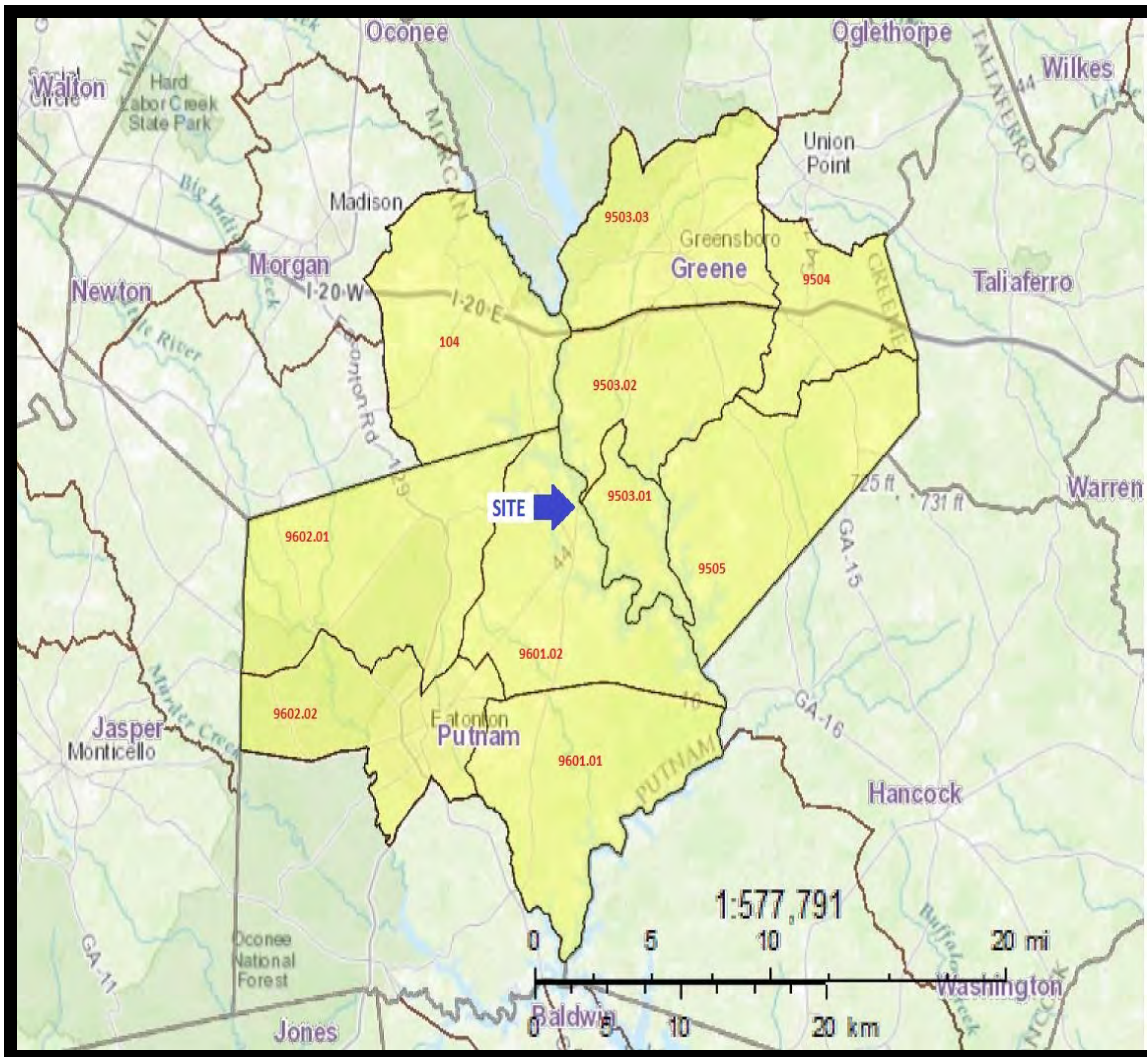
Transportation access to the PMA is very good. I-20 and SR 16 are major east/west connectors. US Highway 129 and SR 44 are major north/south connectors.

This PMA is very similar other PMA's delineated by other DCA Approved market analyst's for proposed and awarded GA-DCA LIHTC developments in both Eatonton and Greensboro over the recent past. In addition, this PMA was accepted by GA-DCA in the last LIHTC application round. **Please see Appendix.**

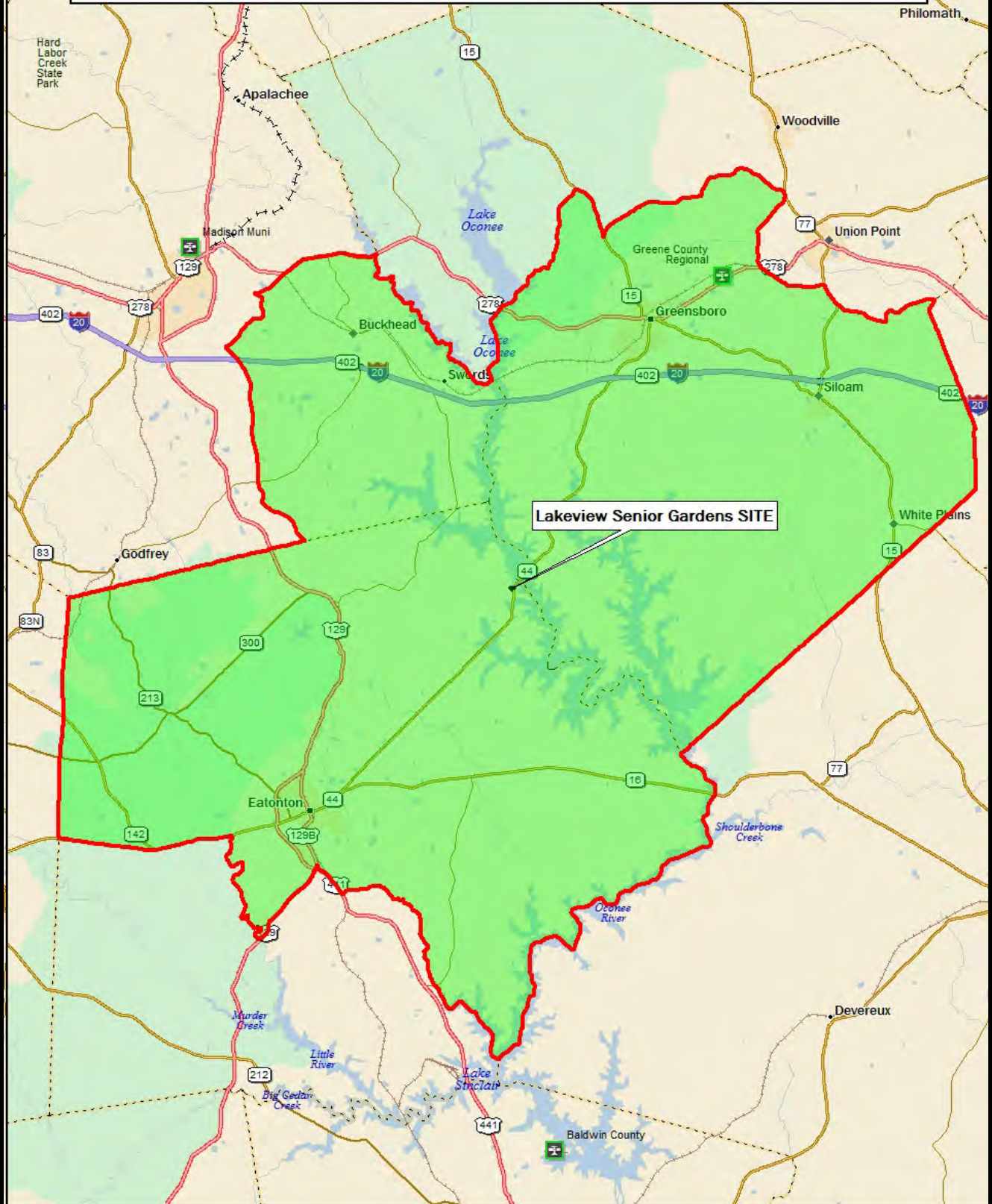
Secondary Market Area

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.

Lakeview Senior Gardens PMA - 2010 Census Tracts



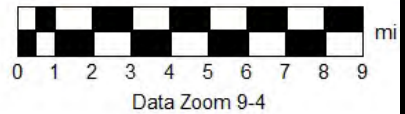
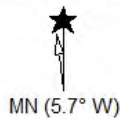
Lakeview Senior Gardens Primary Market Area



Lakeview Senior Gardens SITE



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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 Eatonton the Lakeview Senior Gardens PMA, and Putnam 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 Eatonton, the Lakeview Senior Gardens PMA, and Putnam 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 Lakeview Senior Gardens PMA exhibited moderate total population gains between 2000 and 2010, at +0.80% per year. Population gains over the next several years, (2016-2018) are forecasted for the Lakeview Senior Gardens PMA. It is forecasted that total population within the PMA will increase at a moderate rate between 2016 and 2018, at approximately +0.75% per year. Much of the increase is most likely to occur in the Lake Oconee area of the Lakeview Senior Gardens PMA, which is equidistant between Eatonton and Greensboro along SR 44.

The projected change in population for Eatonton is subject to local annexation policy and in-migration of rural county and surrounding county residents into Eatonton. 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 Eatonton has continued at a similar rate of decline.

Population 55+

The Lakeview Senior Gardens PMA exhibited very significant population gains for population age 55+ between 2000 and 2010, at +2.62% per year. Population gains over the next several years (2016-2018) are forecasted for the Lakeview Senior Gardens PMA for the 55 and over age group continuing at a significant to very significant rate of increase, with a forecasted rate of growth at approximately +1.6 to +2.3% 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 Lakeview Senior Gardens PMA, but instead owing to significant aging 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: Eatonton, Lakeview Senior Gardens PMA and Putnam County					
Year	Population	Total Change	Percent	Annual Change	Percent
Eatonton					
2000	6,764	-----	-----	-----	-----
2010	6,480	- 284	- 4.20	- 28	- 0.43
2016	6,136	- 344	- 5.30	- 57	- 0.90
2018	6,104	- 32	- 0.52	- 16	- 0.26
2021	6,055	- 49	- 0.80	- 16	- 0.27
Lakeview Senior Gardens PMA					
2000	26,688	-----	-----	-----	-----
2010	30,606	+ 3,918	+ 14.68	+ 392	+ 1.38
2016	31,666	+ 1,060	+ 3.46	+ 177	+ 0.57
2018*	32,151	+ 485	+ 1.53	+ 242	+ 0.76
2021	32,878	+ 727	+ 2.86	+ 242	+ 0.75
Putnam County					
2000	18,812	-----	-----	-----	-----
2010	21,218	+ 2,406	+ 12.79	+ 241	+ 1.21
2016	21,143	- 75	- 0.35	- 12	- 0.06
2018	21,247	+ 104	+ 0.49	+ 52	+ 0.25
2021	21,404	+ 157	+ 0.74	+ 52	+ 0.25

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

Calculations - Koontz and Salinger. May, 2016.

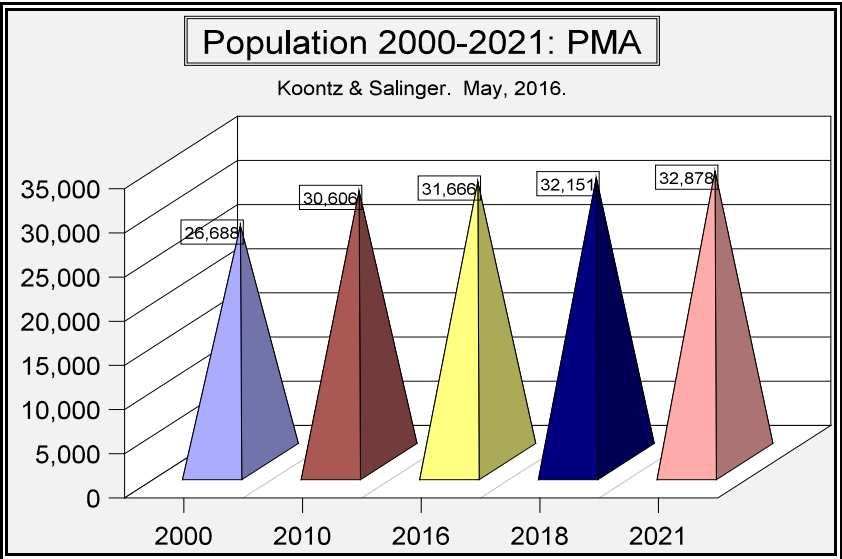
Table 2, exhibits the change in **elderly** population age 55 and over (the age restriction limit for the subject), in Eatonton, the Lakeview Senior Gardens PMA, and Putnam County between 2000 and 2021.

Table 2					
Elderly Population (Age 55+) Trends and Projections: Eatonton, Lakeview Senior Gardens PMA, and Putnam County					
Year	Population	Total Change	Percent	Annual Change	Percent
Eatonton					
2000	1,362	-----	-----	-----	-----
2010	1,674	+ 312	+ 22.91	+ 31	+ 2.08
2016	1,738	+ 64	+ 3.82	+ 11	+ 0.63
2018	1,758	+ 20	+ 1.15	+ 10	+ 0.57
2021	1,787	+ 29	+ 1.65	+ 10	+ 0.55
Lakeview Senior Gardens PMA					
2000	8,530	-----	-----	-----	-----
2010	11,044	+2,514	+ 29.47	+ 251	+ 2.62
2016	12,700	+1,656	+ 14.99	+ 276	+ 2.36
2018*	13,120	+ 420	+ 3.31	+ 210	+ 1.64
2021	13,749	+ 629	+ 4.79	+ 210	+ 1.57
Putnam County					
2000	5,123	-----	-----	-----	-----
2010	7,184	+ 2,061	+ 40.23	+ 206	+ 3.44
2016	7,860	+ 676	+ 9.41	+ 113	+ 1.51
2018	8,030	+ 170	+ 2.16	+ 85	+ 1.08
2021	8,286	+ 256	+ 3.19	+ 85	+ 1.52

* 2018 - Estimated 1st year of occupancy.

Calculations - Koontz and Salinger. May, 2016.

Between 2000 and 2010, the Lakeview Senior Gardens PMA population increased at an annual rate of +1.38%. Between 2016 and 2018 the Lakeview Senior Gardens PMA population is forecasted to moderately increase at an annual rate of gain of approximately +0.75%. The figure below presents a graphic display of the numeric change in total population in the Lakeview Senior Gardens PMA between 2000 and 2021.



Between 2000 and 2010, population age 55+ increased in the Lakeview Senior Gardens PMA at a significant rate growth at around +2.6% per year. Between 2016 and 2018, the population age 55 and over in the Lakeview Senior Gardens PMA is forecasted to continue to increase at a very significant rate of gain at +1.64% per year. The figure below presents a graphic display of the numeric change in population age 55+ in the Lakeview Senior Gardens PMA between 2000 and 2021.

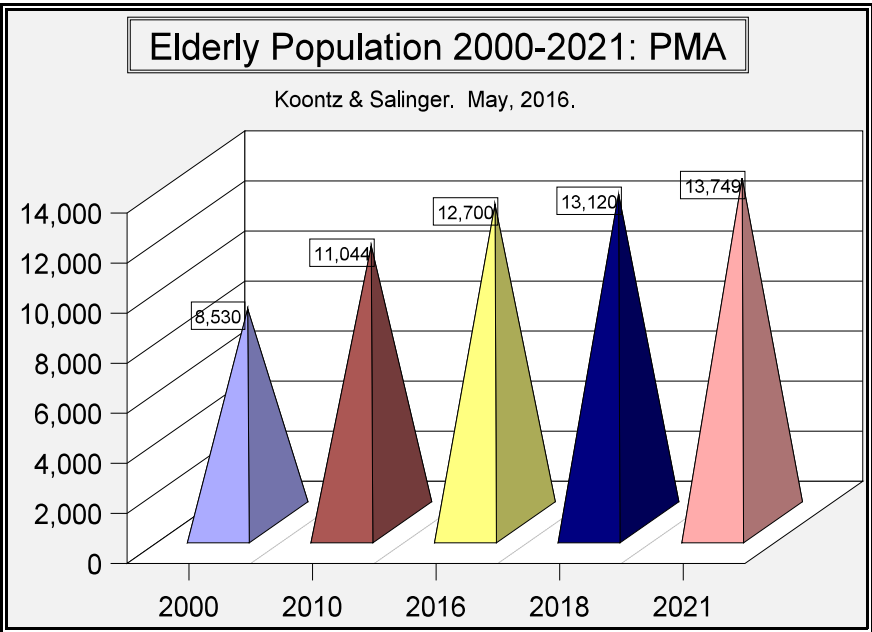


Table 3A exhibits the change in population by age group in Eatonton between 2010 and 2018. The most significant increase exhibited between 2016 and 2018 within Eatonton was in the 65-74 age group representing an increase of over 3% over the two year period. The 75+ age group is forecasted to increase by almost 5 persons, or by +1%.

Table 3A						
Population by Age Groups: Eatonton, 2010 - 2018						
	2010 Number	2010 Percent	2016 Number	2016 Percent	2018 Number	2018 Percent
Age Group						
0 - 24	2,309	35.63	2,163	35.25	2,155	35.30
25 - 44	1,609	24.83	1,441	23.48	1,438	23.56
45 - 54	888	13.70	794	12.94	753	12.34
55 - 64	775	11.96	770	12.55	768	12.58
65 - 74	505	7.79	554	9.03	572	9.37
75 +	394	6.08	414	6.75	418	6.85

Table 3B exhibits the change in population by age group in the Lakeview Senior Gardens PMA between 2010 and 2018. The most significant increase exhibited between 2016 and 2018 within the Lakeview Senior Gardens PMA was in the 65-74 age group representing an increase of almost 7% over the two year period. The 75+ age group is forecasted to increase by 98 persons, or by almost +4%.

Table 3B						
Population by Age Groups: Lakeview Senior Gardens PMA, 2010 - 2018						
	2010 Number	2010 Percent	2016 Number	2016 Percent	2018 Number	2018 Percent
Age Group						
0 - 24	8,570	28.00	8,682	27.42	8,849	27.52
25 - 44	6,788	22.18	6,513	20.57	6,527	20.30
45 - 54	4,204	13.74	3,771	11.91	3,655	11.37
55 - 64	5,139	16.79	5,112	16.14	5,060	15.74
65 - 74	3,882	12.68	5,067	16.00	5,441	16.92
75 +	1,540	5.03	2,521	7.96	2,619	8.15

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 Lakeview Senior Gardens PMA between 2000 and 2021. The significant increase in household formations age 55+ in the Lakeview Senior Gardens PMA has continued over a 10 year period and reflects the recent population trends and near term forecasts for population 55 and over.

The decrease in the rate of persons per household exhibited between 2000 and 2010 is forecasted to continue from 1.645 to 1.632 between 2016 and 2021 within the Lakeview Senior Gardens 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 Lakeview Senior Gardens PMA between 2016 and 2018 exhibited a very significant increase of 283 households age 55 and over per year or by approximately +1.83% per year. The rate and size of the annual increase is considered to be very supportive of additional new construction LIHTC elderly apartment development, that targets the very low, low and moderate income elderly household population.

Table 4					
Household Formations Age 55+: 2000 to 2021					
Lakeview Senior Gardens PMA					
Year / Place	Total Population	Population In Group Quarters	Population In Households	Persons Per Household	Total Households
PMA					
2000	8,530	131	8,399	1.9361	4,338
2010	11,044	91	10,953	1.9266	5,685
2016	12,700	75	12,625	1.6456	7,672
2018	13,120	75	13,045	1.6398	7,955
2021	13,749	75	13,674	1.6319	8,379

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

Calculations: Koontz & Salinger. May, 2016.

Table 5 exhibits households in the Lakeview Senior Gardens 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 owner-occupied households on a percentage basis.

Overall, significant net numerical gains are forecasted for both owner-occupied households and renter-occupied households age 55 and over within the Lakeview Senior Gardens PMA. Between 2016 and 2018, the increase in renter-occupied households age 55 and over remains positive, at around +1.25% per year.

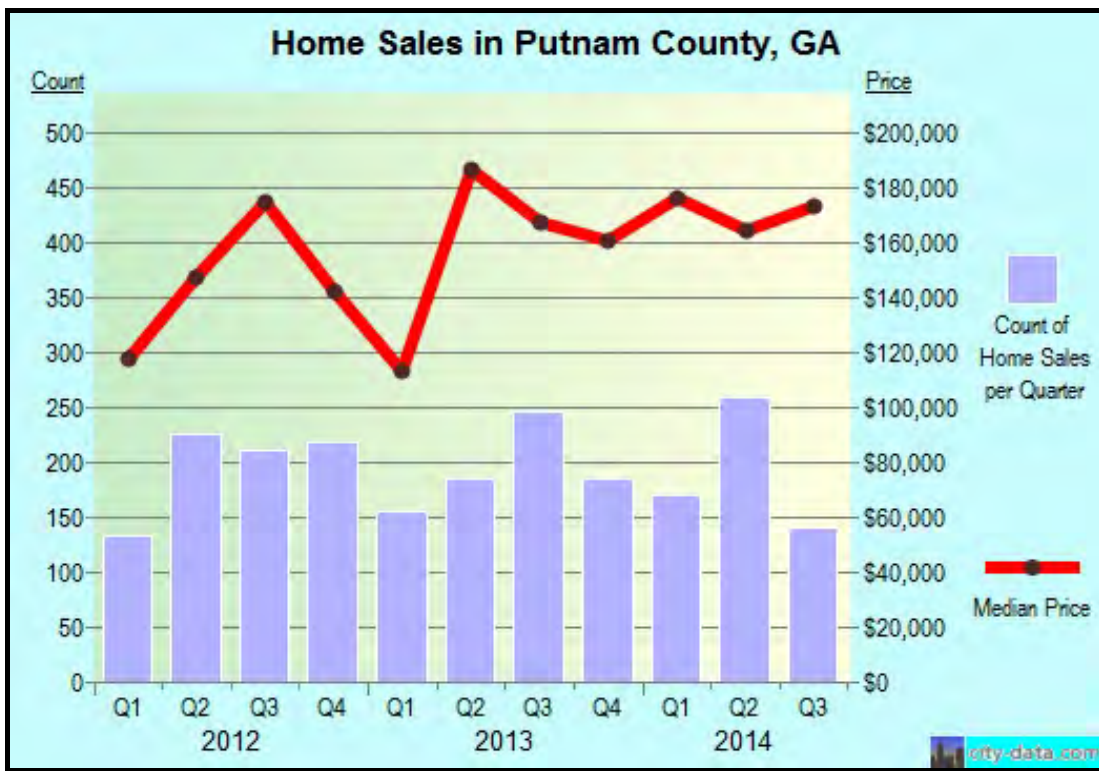
Table 5					
Households by Tenure, Eatonton PMA: Age 55+					
Year/ Place	Total Households	Owner Occupied	Percent	Renter Occupied	Percent
PMA					
2000	4,338	3,810	87.83	528	12.17
2010	5,685	4,720	83.03	965	16.97
2016	7,672	6,477	84.42	1,195	15.58
2018	7,955	6,730	84.60	1,225	15.40
2021	8,379	7,109	84.84	1,270	15.16

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 Putnam County (the location of the site) between 2012 and Q3 2014. In general, the average sales price shows fluctuating prices from quarter to quarter, with an increasing trend during the first 3 quarters of 2012 followed by a sharp decline. The median sales price increased to just over \$180K in Q2 2013, and has remained in the \$160-\$180K range since. Sales activity for the entire period has also seen quarter-to-quarter fluctuations, with no apparent upward or downward trend in the number of sales.

According to www.trulia.com, the median sales price for homes in ZIP code 31024 (which includes most of Putnam County) as of April 2016 was \$175,000. Local Realtors note that it's a "strong buyer's market" with an 18-month inventory. The current median listing price for homes on Trulia in Zip Code 31024 was \$232,650, does vary significantly with location. List/sales prices for houses in Eatonton are much lower than the immediate site vicinity. Prices for recently sold homes in the site vicinity range from \$205,000 up to \$649,000, with a median of \$347,500 and an average of \$356,421.



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

Data from www.movoto.com indicates an average list price of \$289,000 in Zip Code 31024 as of April 5, 2016, and a rising inventory of listings. The median list price decreased during the period from May 2015 to November 2015, but has since increased.

Listing and sales prices do vary significantly in the Lakeview Senior Gardens PMA as a whole. Prices in Zip Code 30642 (on the east side of Lake Oconee in Greene County) were significantly higher, with a median list price of \$475,000 for the week ending April 5, 2016. Prices for lakefront and near lakefront properties are generally higher than elsewhere in the PMA.

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 the Putnam County part of the PMA compared to renting a unit in the subject development. As noted, the current median sales price was \$175,000 in Zip Code 31024. (Analyst Note: Sales include foreclosures and short sales.) In this case, the typical sales price is considered a more reliable indicator of the likely cost of a home in the site vicinity and is used in the following example.

Based on an average price of \$175,000, 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 Price (Trulia)	\$175,000
Mortgage Value = 95% of Home Price	\$166,250
Interest Rate	5.25%
Term (years)	30
Monthly Principal and Interest	\$918
Taxes, Hazard Insurance and PMI	\$262
Total Estimated Monthly Cost	\$1,180

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 \$8,750. 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 \$10,500. 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 within the Lakeview Senior Gardens 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 \$25,000 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 Putnam 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 Lakeview Senior Gardens 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 Lakeview Senior Gardens 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 Lakeview Senior Gardens PMA in 2010, and projected in 2016 and 2018.

Table 6A				
PMA: Owner-Occupied Households Age 55+, by Income Groups				
Households by Income	2010 Number	2010 Percent	2016 Number	2016 Percent
Under \$10,000	439	9.30	400	6.18
10,000 - 20,000	726	15.38	814	12.57
20,000 - 30,000	651	13.79	835	12.89
30,000 - 40,000	445	9.43	625	9.65
40,000 - 50,000	531	11.25	576	8.89
50,000 - 60,000	335	7.10	408	6.30
\$60,000 and over	1,593	33.75	2,819	43.52
Total	4,720	100%	6,477	100%

Table 6B				
PMA: Owner-Occupied Households Age 55+, by Income Groups				
Households by Income	2016 Number	2016 Percent	2018 Number	2018 Percent
Under \$10,000	400	6.18	396	5.88
10,000 - 20,000	814	12.57	803	11.93
20,000 - 30,000	835	12.89	821	12.20
30,000 - 40,000	625	9.65	659	9.79
40,000 - 50,000	576	8.89	594	8.83
50,000 - 60,000	408	6.30	438	6.51
\$60,000 and over	2,819	43.52	3,019	44.86
Total	6,477	100%	6,730	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 Lakeview Senior Gardens PMA in 2010, and projected in 2016 and 2018.

Table 7A				
PMA: Renter-Occupied Household Age 55+, by Income Groups				
Households by Income	2010 Number	2010 Percent	2016 Number	2016 Percent
Under \$10,000	213	22.07	178	14.90
10,000 - 20,000	160	16.58	216	18.08
20,000 - 30,000	223	23.11	245	20.50
30,000 - 40,000	50	5.18	88	7.36
40,000 - 50,000	108	11.19	95	7.95
50,000 - 60,000	31	3.21	66	5.52
60,000 +	180	18.65	307	25.69
Total	965	100%	1,195	100%

Table 7B				
PMA: Renter-Occupied Household Age 55+, by Income Groups				
Households by Income	2016 Number	2016 Percent	2018 Number	2018 Percent
Under \$10,000	178	14.90	179	20.33
10,000 - 20,000	216	18.08	213	19.12
20,000 - 30,000	245	20.50	235	26.56
30,000 - 40,000	88	7.36	97	5.97
40,000 - 50,000	95	7.95	94	7.01
50,000 - 60,000	66	5.52	72	4.33
60,000 +	307	25.69	335	16.70
Total	1,195	100%	1,225	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+ Lakeview Senior Gardens PMA, 2010 - 2018								
Households	Owner				Owner			
	2010	2016	Change	% 2016	2016	2018	Change	% 2018
1 Person	1,396	1,793	+ 397	27.68%	1,193	1,848	+ 55	27.46%
2 Person	2,747	3,870	+1,123	59.75%	3,870	4,038	+ 168	60.00%
3 Person	366	517	+ 151	7.98%	517	535	+ 18	7.95%
4 Person	131	180	+ 49	2.78%	180	182	+ 2	2.70%
5 + Person	80	117	+ 37	1.81%	117	127	+ 10	1.89%
Total	4,720	6,477	+1,757	100%	6,477	6,730	+ 253	100%

Table 8B								
Households by Renter-Occupied Tenure, by Person Per Household, Age 55+ Lakeview Senior Gardens PMA, 2010 - 2018								
Households	Renter				Renter			
	2010	2016	Change	% 2016	2016	2018	Change	% 2018
1 Person	489	610	+ 121	51.05%	610	628	+ 18	51.26%
2 Person	192	268	+ 76	22.43%	268	274	+ 6	22.37%
3 Person	111	130	+ 19	10.88%	130	128	- 2	10.45%
4 Person	80	107	+ 27	8.95%	107	111	+ 4	9.06%
5 + Person	93	80	- 13	6.69%	80	84	+ 4	6.86%
Total	965	1,195	+ 230	100%	1,195	1,225	+ 30	100%

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

Table 8A indicates that in 2018 approximately 87.5% of the owner-occupied households age 55+ in the PMA contain 1 and 2 persons (the target group by household size). A significant increase in households by size is exhibited by 1 and 2 person owner-occupied households.

Table 8B indicates that in 2018 approximately 73.5% of the renter-occupied households age 55+ in the Lakeview Senior Gardens PMA contain 1 and 2 persons. A modest increase in households by size is exhibited by 1 person renter-occupied households and to a lesser degree by 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 Putnam 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, Putnam County: 2005, 2014 and 2015			
	2005	2014	2015
Civilian Labor Force	10,075	8,088	7,701
Employment	9,528	7,361	7,087
Unemployment	547	727	614
Rate of Unemployment	5.4%	9.0%	8.0%

Table 10				
Change in Employment, Putnam County				
Years	# Total	# Annual*	% Total	% Annual*
2005 - 2007	+ 432	+ 216	+ 4.53	+ 2.26
2008 - 2010	- 1,873	- 937	-19.19	- 9.60
2011 - 2013	- 234	- 117	- 0.32	- 0.16
2014 - 2015	- 274	Na	- 3.72	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 Putnam County between 2005 and 2016. Also, exhibited are unemployment rates for the County, State and Nation.

Table 11							
Change in Labor Force: 2005 - 2016							
	Putnam County					GA	US
Year	Labor Force	Employed	Change	Unemployed	Rate	Rate	Rate
2005	10,075	9,528	-----	547	5.4%	5.3%	5.1%
2006	10,374	9,903	375	471	4.5%	4.7%	4.6%
2007	10,414	9,960	57	454	4.4%	4.5%	4.6%
2008	10,496	9,756	(204)	740	7.1%	6.2%	5.8%
2009	10,371	9,234	(522)	1,137	11.0%	9.9%	9.3%
2010	9,053	7,883	(1,351)	1,170	12.9%	10.5%	9.6%
2011	8,667	7,540	(343)	1,127	13.0%	10.2%	8.9%
2012	8,284	7,330	(210)	954	11.5%	9.2%	8.1%
2013	8,149	7,306	(24)	843	10.3%	8.2%	7.4%
2014	8,088	7,361	55	727	9.0%	7.1%	6.2%
2015	7,701	7,087	(274)	614	8.0%	5.9%	5.3%
Month							
1/2016	7,605	7,077	-----	573	7.5%	5.4%	5.3%
2/2016	7,703	7,070	(7)	633	8.2%	5.6%	5.2%
3/2016	7,800	7,225	155	575	7.4%	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 Putnam 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.

Table 12		
Change in Covered Employment: 2003 - 2015		
Year	Employed	Change
2003	5,970	-----
2004	6,441	471
2005	6,936	495
2006	7,089	153
2007	7,064	(25)
2008	6,814	(250)
2009	6,576	(238)
2010	6,295	(281)
2011	5,806	(489)
2012	5,382	(424)
2013	5,492	110
2014	5,551	59
2015 1 st Q	5,279	-----
2015 2 nd Q	5,354	75
2015 3 rd Q	5,463	109

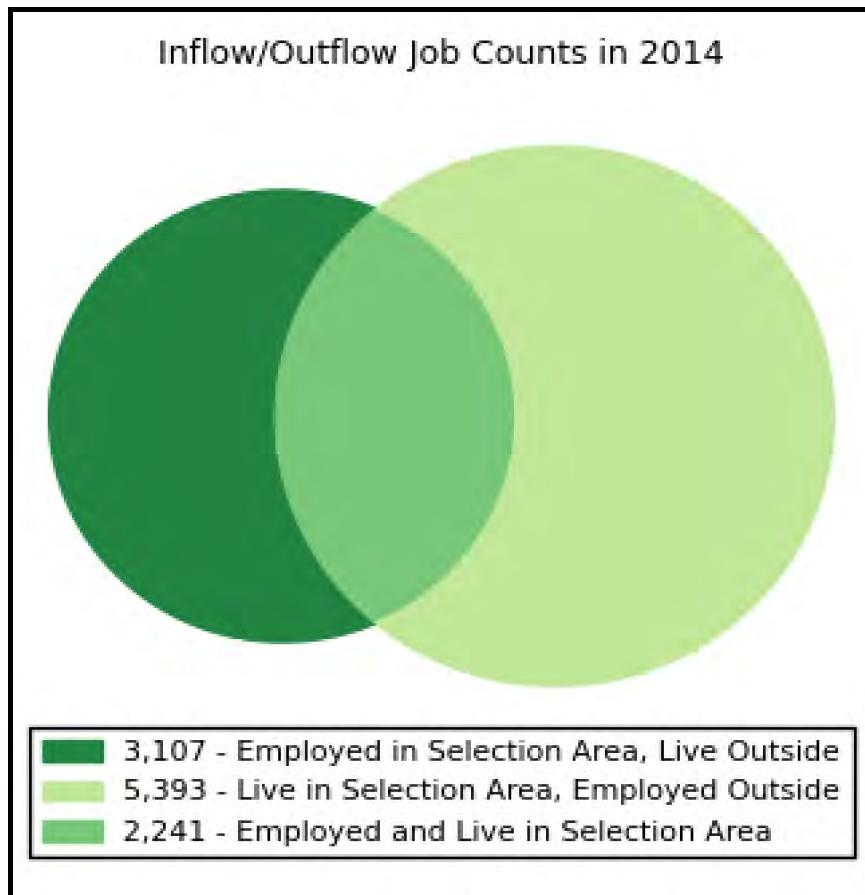
Sources: Georgia Department of Labor, Workforce Information Analysis, 2003 to 2015.

Commuting

The majority of the workforce within the PMA has relatively short commutes to work. Data from the 2010-2013 American Community Survey indicate that some 62.6% of workers who did not work at home had commutes of less than 30 minutes, including 30.5% with commutes of 15 minutes or less. The average commuting time for residents of the PMA is roughly 21 minutes.

For the Lake Oconee PMA, roughly 52.4% of employed persons living in the PMA also work in their county of residence. Some 46.2% of PMA residents work in another Georgia county, and 1.4% work out of state.

Putnam County also provides jobs for workers living other counties. As of 2014, the Census Bureau estimated that employers in Putnam County provided jobs for some 5,348 persons. Of these, over 3,100 were filled by persons commuting into Putnam County from surrounding areas and slightly more than 2,200 were filled by County residents. Of the estimated 7,634 workers residing in Putnam County, 5,393 (70.6%) were employed outside the county. Analyst Note: The above ratio differs from ratios for the PMA as a whole, which includes parts of three counties (Putnam, Morgan and Greene).

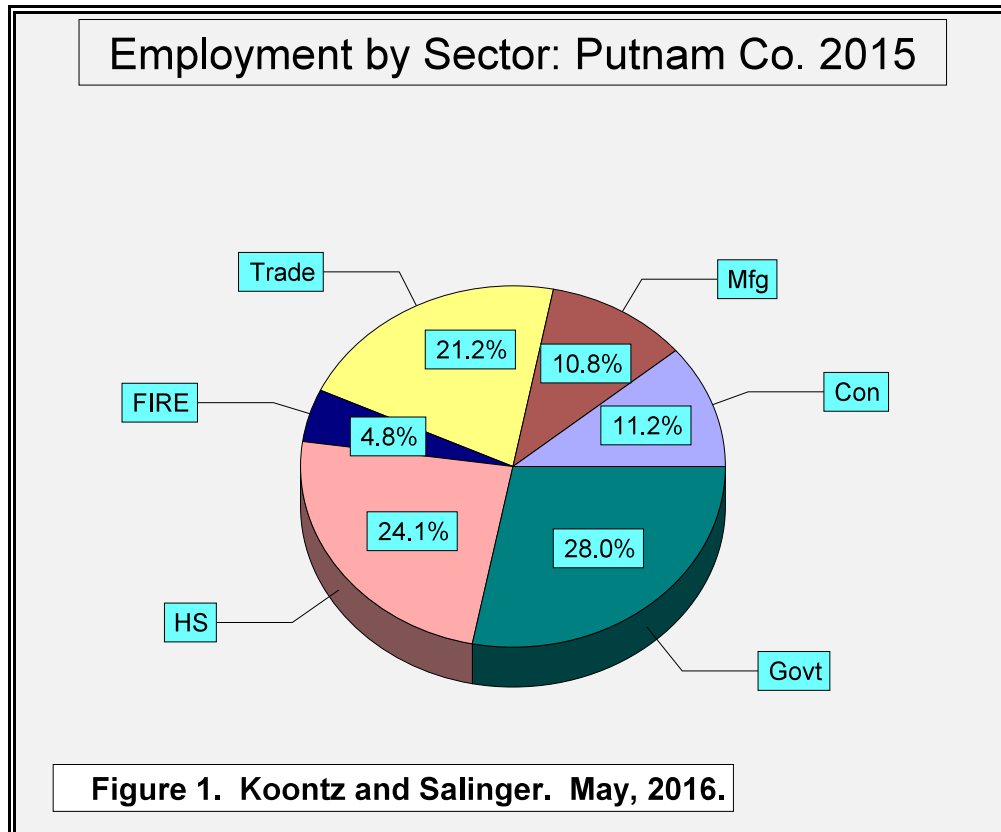


Source: US Census Bureau, 2009-2013 American Community Survey.

Table 13 Average Monthly Covered Employment by Sector, Putnam County, 3 rd Quarter 2014 and 2015							
Year	Total	Con	Mfg	T	FIRE	HCSS	G
2014	5,662	424	472	877	183	895	1,085
2015	5,463	425	412	807	181	917	1,068
14-15 # Ch.	- 199	+ 1	- 60	- 70	- 2	+ 22	- 17
14-15 % Ch.	- 3.5	+0.2	-12.7	-8.0	- 1.1	+ 2.5	- 1.6

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 Putnam County in the 3rd Quarter of 2015. The top four employment sectors are: manufacturing, trade, government and service. The 2016 forecast, is for the healthcare sector and the trade sector to either stabilize or 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 Putnam 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 \$450 and \$750. Workers in the accommodation and food service sectors in 2016 will have average weekly wages in the vicinity of \$285.

Table 14				
Average 3rd Quarter Weekly Wages, 2014 and 2015				
Putnam County				
Employment Sector	2014	2015	% Numerical Change	Annual Rate of Change
Total	\$ 579	\$ 565	- 10	- 1.7
Construction	\$ 626	\$ 629	+ 3	+ 0.5
Manufacturing	\$ 621	\$ 706	+ 85	+13.7
Wholesale Trade	\$ 860	\$1107	+247	+28.7
Retail Trade	\$ 447	\$ 476	+ 29	+ 6.5
Transportation & Warehouse	\$ 442	\$ 488	+ 46	+10.4
Finance & Insurance	\$ 772	\$ 834	+ 62	+ 8.0
Real Estate Leasing	\$ 538	\$ 536	- 2	- 0.4
Health Care Services	\$ 571	\$ 548	- 23	- 4.0
Educational Services	Na	Na	Na	Na
Hospitality	\$ 273	\$ 285	+ 12	+ 4.4
Federal Government	\$1123	\$1173	+ 50	+ 4.5
State Government	Na	Na	Na	Na
Local Government	\$ 612	\$ 629	+ 17	+ 2.8

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 the Eatonton PMA are listed in Table 15.

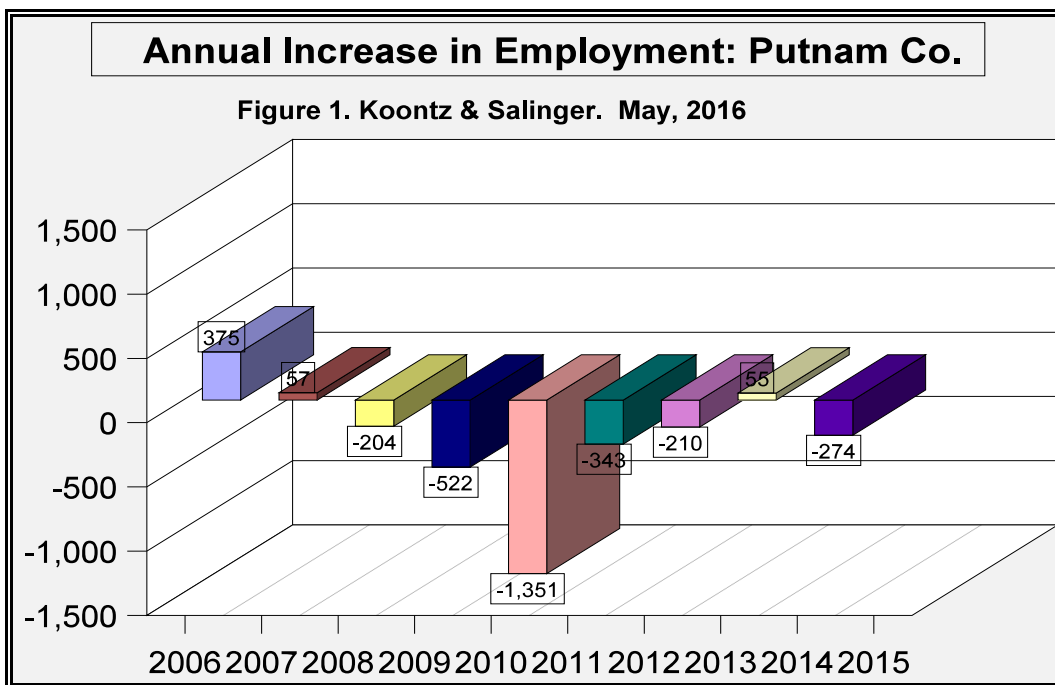
Table 15		
Major Employers		
Firm	Product/Service	Employees
Putnam County		
Putnam County School	Education	460
Georgia Power Company	Public Utility	458
Haband Company	Catalog Sales Distribution	250
Horton Vans	Covered Trailer	60
Putnam County	Government	170
Walmart	Retail Trade	72
Putnam General Hospital	Health Care	91
Cuscowilla Golf Resort	Resort	72
Aalto Scientific	Human Proteins	87
Rose Acre Farms	Eggs	100
UFP Eatonton	Pulp, Wood Products	58
City of Eatonton	Government	58
Greene County		
Reynolds Plantation	Resort/Services	541
Ritz-Carlton Lodge	Hospitality/Lodging	488
Greene County Schools	Education	360
Greene County	Government	177
St. Marys Good Samaritan Hospital	Health Care	140
Novelis, Inc.	Rolled Aluminum Products	125
Morgan County		
Georgia-Pacific	Wood Products	Na
Walmart	Retail Trade	Na
Bard Manufacturing	HVAC Products	Na
Pennington Seed, Inc.	Seed	Na
Amtico, International	Vinyl Flooring	Na

Sources: Putnam Development Authority
 Greene County Government
www.georgiafacts.org/manufacturers

SUMMARY

The economic situation for Putnam County is statistically represented by employment activity, both in workers and jobs. As represented in Tables 9-15, Putnam County experienced employment losses between 2008 and 2013. Very significant employment losses were exhibited in 2010. Modest gains were exhibited in 2014 followed by losses in 2015.

Some of the employment decline over the last 5 years is attributed to a reduction in the local labor force participation rate, with a sizable number of workers permanently leaving the labor market.



As represented in Figure 1 (and Table 10), between 2005 and 2007, the average increase in employment in Putnam County was approximately 216 workers or approximately +2.25% per year. The rate of employment loss between 2008 and 2010, was very significant at almost -10%, representing a net loss of -1,873 workers. The rate of employment loss between 2011 and 2013, was modest in comparison at approximately -0.16% per year. The 2014 to 2015, rate of decrease was significant at -3.72%. However, covered (at place) employment in Putnam County increased in 2013, 2014 and the 2015 trend supports another increase.

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 5.1% and 8.9%.

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 Putnam County has been above the state and national average unemployment rates. The annual unemployment rate in 2016 in Putnam County is forecasted to continue to decline, to the vicinity of 6% to 7% and improving slightly, on a relative year to year basis.

The Putnam Development Authority (PDA) is the lead economic development entity for Putnam County and Eatonton. The Putnam Development Authority is a Constitutional Authority created by law under the Georgia State Constitution, and is focused solely on serving the needs of new and existing businesses in Eatonton and Putnam County, Georgia. The Putnam Development Authority acts as a liaison between legislators, key business sector associations and companies developing incentives and policies to strengthen Putnam County's business environment.

Target industries include manufacturing, information technology, logistics, distribution and warehousing, and life sciences/bio-science. Traditional industries including Agri-business, Forest Products, and Tourism/Agri-tourism are also emphasized.

Agriculture in particular continues to add value and diversity to the Putnam County economy, with a value of more than \$87 million annually. Putnam County is an important poultry producer for Georgia, and has a long history in the dairy and timber industries.

Tourism is the second largest industry in Georgia and ranks among the top three in Putnam County. Putnam County is home to Lake Oconee (374 miles of shoreline) and Lake Sinclair (417 miles of shoreline), with approximately 250 miles of shoreline around Putnam County. These lakes provide fishing, water sports and second-home opportunities, which in turn results in jobs in the construction and service industries. The County is also attracting tourists with an interest in the life and history of a number of writers from the area, including Joel Chandler Harris, and Alice Walker, among others. The Writers Museum in Eatonton will be relocated to the historic Eatonton Hotel, which will house permanent exhibits, rotating exhibits, meeting space, gift shop, book store, offices and other uses.

The retail sector is also getting a boost. A new Hibbett Sports Store and another yet-unnamed retailer will open facilities in Eatonton, along with some new restaurants.

In April 2014, Aalto Scientific, a leading manufacturer in the medical diagnostics industry, announced that they will invest \$9 million into a new manufacturing facility in Eatonton. The planned construction will be the first project to locate to Rock Eagle Technology Park. Aalto Scientific will construct a 76,000-square-foot production and warehouse facility, as well as a 15,000-square-foot manufacturing facility. Some 80 new jobs will be created when the facility is completed.

Legacy Homes has opened a manufacturing plant in Eatonton's South Industrial Park in one of the former Horton Homes facilities on Industrial Boulevard. Legacy currently has one assembly line running, with 75 employees rolling out one to two houses per day. When the plant reaches full production, some 200-300 persons will be employed at the facility.

Sources: www.putnamcountyga.us/boards
www.mgwib.com/lareemploy.html
www.eatonton.com/pda/putnamprofile/business.php
www.putnamdevelopmentauthority.com
Georgia Connector Magazine, Winter 2015

Local Economy - Relative to Subject & Impact on Housing Demand

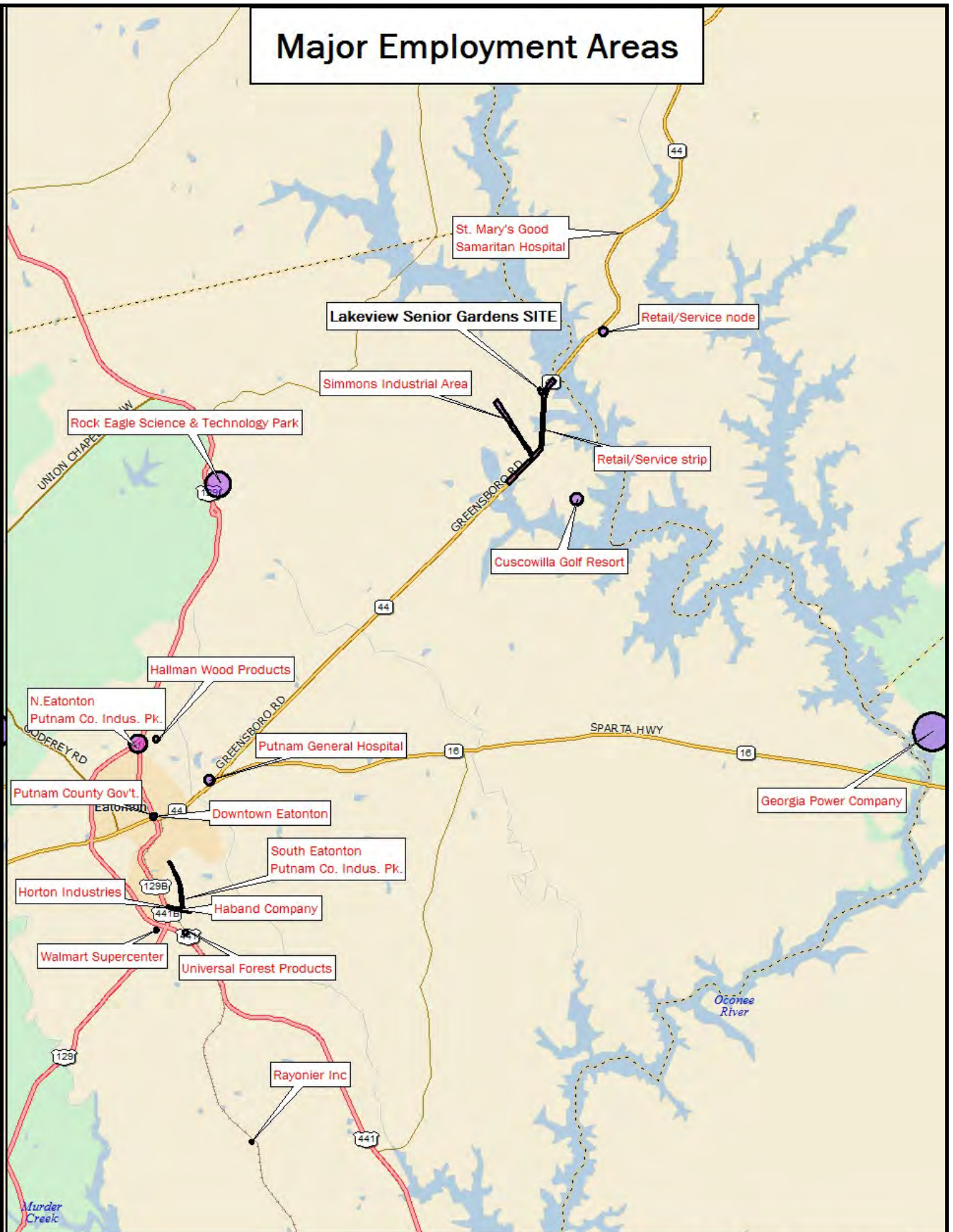
The Eatonton PMA area economy has a large number of low to moderate wage workers employed in the service, trade, and manufacturing sectors. Given the good location of the site, with good proximity to several employment nodes, the proposed subject development will very likely attract potential elderly 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.

Recent economic indicators in early 2016 are supportive of a stable to moderately improving local economy into the remainder of 2016.

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 Eatonton PMA 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 the area of the proposed subject development is exhibited on the next page.

Major Employment Areas

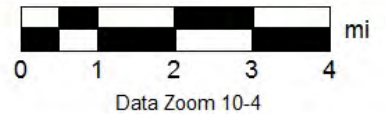
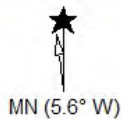


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SECTION G

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

Eatonton 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 48-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) - 5% of the units will be set aside as market rate with no income restrictions.

Analyst Note: The subject will comprise 12 one-bedroom and 36 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 75% of the units at 60% AMI, and approximately 5% 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 \$307. The estimated utility costs is \$149. The proposed 1BR gross rent is \$456. The lower income limit at 50% AMI based on a rent to income ratio of 40% is established at \$13,680.

The proposed 2BR net rent at 50% AMI is \$355. The estimated utility costs is \$192. The proposed 2BR gross rent is \$547. The lower income limit at 50% AMI based on a rent to income ratio of 40% is established at \$16,410.

The proposed 1BR net rent at 60% AMI is \$372. The estimated utility costs is \$149. The proposed 1BR gross rent is \$521. The lower income limit at 60% AMI based on a rent to income ratio of 40% is established at \$15,630.

The proposed 2BR net rent at 60% AMI is \$434. The estimated utility costs is \$192. The proposed 2BR gross rent is \$626. The lower income limit at 60% AMI based on a rent to income ratio of 40% is established at \$18,780.

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

	<u>50%</u> <u>AMI</u>	<u>60%</u> <u>AMI</u>
1 Person -	\$17,050	\$20,460
2 Person -	\$19,450	\$23,340

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 \$13,680 to \$19,450.

The overall income range for the targeting of income eligible households at 60% AMI is \$15,630 to \$23,340.

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 average expenditure of gross rent to income set at 30%.

The estimated 1BR gross rent is \$624. The 1BR lower income limit based on a rent to income ratio of 30% is established at \$24,960. The lower Market Rate limit is adjusted to \$23,340, i.e., the maximum at 60% AMI.

The estimated 2BR gross rent is \$767. The 2BR lower income limit based on a rent to income ratio of 30% is established at \$30,680.

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, 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 \$23,340 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 \$13,680 to \$19,450.

It is projected that in 2018, approximately **7%** of the elderly owner-occupied households age 55+ in the PMA will be in the subject property 50% AMI LIHTC target income group of \$13,680 to \$19,450.

It is projected that in 2018, approximately **10%** of the elderly renter-occupied households age 55+ in the PMA will be in the subject property 50% AMI LIHTC target income group of \$13,680 to \$19,450.

60% AMI

The overall **Target Income Range** for the proposed subject property targeting households at 60% AMI is \$15,630 to \$23,340.

It is projected that in 2018, approximately **9.5%** of the elderly owner-occupied households age 55+ in the PMA will be in the subject property 60% AMI LIHTC target income group of \$15,630 to \$23,340.

It is projected that in 2018, approximately **14%** of the elderly renter-occupied households age 55+ in the PMA will be in the subject property 60% AMI LIHTC target income group of \$15,630 to \$23,340.

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 reduced in order to account for overlap with the 50% AMI income target group, but only moderately.

	<u>Owner-Occupied</u>	<u>Renter-Occupied</u>
50% AMI	4.0%	5.0%
60% AMI	8.0%	13.0%

Market Rate

The overall **Target Income Range** for the proposed subject property targeting households at Market is \$23,340 to \$50,000.

It is projected that in 2018, approximately **26.5%** of the elderly owner-occupied households age 55+ in the PMA will be in the subject property Market Rate target income group of \$23,340 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 \$23,340 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 30 elderly renter-occupied households over the 2016 to 2018 forecast period.

Based on 2018 income forecasts, 2 new elderly renter households fall into the 50% AMI target income segment of the proposed subject property, 4 into the 60% AMI target income segment, and 8 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, 30 elderly renter-occupied households were defined as residing in substandard housing within the PMA. Based upon 2010-2014 American Community Survey data, 15 elderly renter-occupied households were defined as residing in substandard housing. The forecast in 2018 was for 10 elderly renter occupied households residing in substandard housing in the PMA.

Based on 2018 income forecasts, 1 substandard elderly renter household falls 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 2017 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 Putnam County 80% of all households age 65 and over (owners & renters) are rent or cost overburdened. In addition, the ACS estimates that approximately 90% of all renters (regardless of age) within the \$10,000 to \$19,999 income range are rent overburdened, versus 60% in the \$20,000 to \$34,999 income range. Within the overall \$20,000 to \$50,000 income range the estimate is 43%.

It is estimated that approximately 90% of the elderly renters with incomes in the 50% AMI target income segment are rent overburdened, 90% of the elderly renters with incomes in the 60% AMI target income segment are rent overburdened, and 43% 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 55 existing elderly renter households are rent overburdened and fall into the 50% AMI target income segment of the proposed subject property, 147 are in the 60% AMI segment, and 147 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 7 elderly households added to the target demand pool at 50% AMI, 13 elderly households added to the target demand pool at 60% AMI, and 44 elderly households added to the target demand pool at Market.

After adjusting for the 2% Rule, the 50% AMI segment was reduced by 6, the 60% AMI segment was reduced by 10, and the Market Rate segment was reduced by 41..

Total Effective Tenant Pool

The potential demand from these sources (in the methodology) total 59 households/units at 50% AMI. The potential demand from these sources (in the methodology) total 150 households/units at 60% AMI. The potential demand from these sources (in the methodology) total 158 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. 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 the Lakeview Senior Gardens PMA that solely target the elderly population.

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 within the Lakeview Senior Gardens PMA for LIHTC elderly new construction development.

In 2013, an award was made for the proposed historic rehab Mary Leila Lofts LIHTC-family development in Greensboro. Based upon the most recent news this development intends on making applications for potential tenants available in the Spring of 2016.

<http://www.maryleilalofts.com/>



In 2014, an award was made for the proposed 62-unit new construction Sumter Street Station LIHTC-family development in Eatonton. At the time of the market study, Sumter Street Station was still under construction.



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

The segmented, effective demand pool for the PMA is summarized in Tables 15A and 15B, on the following pages.

Table 15A

	AMI	AMI
● <u>Demand from New Growth - Elderly Renter Households</u>	<u>50%</u>	<u>60%</u>
Total Projected Number of Households (2018)	1,225	1,225
Less: Current Number of Households (2016)	<u>1,195</u>	<u>1,195</u>
Change in Total Renter Households	+ 30	+ 30
% of Renter Households in Target Income Range	<u>5%</u>	<u>13%</u>
Total Demand from New Growth	2	4
● <u>Demand from Substandard Housing with Renter Households</u>		
Number of Households in Substandard Housing(2010)	15	15
Number of Households in Substandard Housing(2018)	10	10
% of Substandard Households in Target Income Range	<u>5%</u>	<u>13%</u>
Number of Income Qualified Renter Households	1	1
● <u>Demand from Existing Elderly Renter Households</u>		
Number of Renter Households (2018)	1,225	1,225
Minus Number of Substandard Renter Household	<u>- 10</u>	<u>- 10</u>
Total in Eligible Demand Pool	1,215	1,215
% of Households in Target Income Range	<u>5%</u>	<u>13%</u>
Number of Income Qualified Renter Households	61	160
Proportion Income Qualified (that are Rent Overburden)	<u>90%</u>	<u>90%</u>
Total	55	142
● <u>Total Demand From Elderly Renters</u>	58	147
● <u>Demand from Existing Elderly Owner Households</u>		
Number of Owner Households (2018)	6,730	6,730
% of Households in Target Income Range	<u>4%</u>	<u>8%</u>
Number of Income Qualified Owner Households	269	538
Proportion Income Qualified (likely to Re-locate)	<u>2.5%</u>	<u>2.5%</u>
Total	7	13
2% Rule Adjustment	<u>- 6</u>	<u>- 10</u>
Net (after adjustment)	1	3
● <u>Net Total Demand</u>	59	150
● <u>Minus New Supply of Competitive Units (2014-2015)</u>	<u>- 0</u>	<u>- 0</u>
● <u>Gross Total Demand - LIHTC Segment</u>	59	150

Table 15B

Market Quantitative Demand Estimate: Lakeview Senior Gardens PMA

● <u>Demand from New Growth - Elderly Renter Households</u>	<u>Market</u>
Total Projected Number of Households (2018)	1,225
Less: Current Number of Households (2016)	<u>1,195</u>
Change in Total Renter Households	+ 30
% of Renter Households in Target Income Range	<u>28%</u>
Total Demand from New Growth	8
● <u>Demand from Existing Elderly Renter Households</u>	
Number of Renter Households (2018)	1,225
% of Households in Target Income Range	<u>28%</u>
Number of Income Qualified Renter Households	343
Proportion Income Qualified (that are Rent Overburden)	<u>43%</u>
Total	147
● <u>Total Demand From Elderly Renters</u>	155
● <u>Demand from Existing Elderly Owner Households</u>	
Number of Owner Households (2018)	6,730
% of Households in Target Income Range	<u>26.5%</u>
Number of Income Qualified Owner Households	1,783
Proportion Income Qualified (likely to Re-locate)	<u>2.5%</u>
Total	44
2% Rule Adjustment	<u>- 41</u>
Net (after adjustment)	3
● <u>Net Total Demand</u>	158
● <u>Minus New Supply of Competitive Units (2014-2015)</u>	<u>- 0</u>
● <u>Gross Total Demand - Market Rate</u>	158

Table 15 - Converted w/in GA-DCA Required Table

	HH @30% AMI xx,xxx to xx,xxx	HH @50% AMI \$13,530 to \$19,450	HH@ 60% AMI \$15,480 to \$23,340	HH @ Market \$23,480 to \$50,000	All LIHTC Households
Demand from New Households (age & income appropriate)		2	4	8	6
Plus					
Demand from Existing Renter Households - Substandard Housing		1	1	0	2
Plus					
Demand from Existing Renter Households - Rent Overburdened households		55	142	147	197
Sub Total		58	147	155	205
Demand from Existing Households - Elderly Homeowner Turnover (limited to 2%)		1	3	3	4
Equals Total Demand		59	150	158	209
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		59	150	158	209

Capture Rate Analysis

LIHTC Segment

After adjusting for new like kind supply, the total number of LIHTC Income Qualified Households = 209. For the subject 46 LIHTC units this equates to an overall LIHTC Capture Rate of **22%**.

● <u>Capture Rate</u> (46 unit subject, by AMI)	50%	60%
	<u>AMI</u>	<u>AMI</u>
Number of Units in Subject Development	10	36
Number of Income Qualified Households	59	150
Required Capture Rate	16.9%	24.0%

Market Rate Segment

After adjusting for new like kind supply, the total number of Market Rate Income Qualified Households = 158. For the subject 2 Market Rate units this equates to an overall Market Capture Rate of **1.3%**.

● <u>Capture Rate @ Market</u>	<u>Market</u>
Number of Units in Subject Development	2
Number of Income Qualified Households	158
Required Capture Rate	1.3%

- Total Demand by Bedroom Mix

Approximately 39% 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 36% are 1 person and 64% 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 1.64 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 - 15
2BR - 44
Total - 59

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	15	0	15	5	33.3%
2BR	44	0	44	5	11.4%

Total Demand by Bedroom Type (at 60% AMI)

1BR - 38
2BR - 112
Total - 150

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	38	0	38	6	15.8%
2BR	112	0	112	30	26.8%

Total Demand by Bedroom Type (at Market)

1BR - 40
2BR - 118
Total - 158

	<u>Total Demand</u>	<u>New Supply*</u>	<u>Net Demand</u>	<u>Units Proposed</u>	<u>Capture Rate</u>
1BR	40	0	40	1	2.5%
2BR	118	0	118	1	0.8%

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	\$13,680-\$17,050	5	15	0	15	33.3%	2 mos.
2BR	\$16,410-\$19,450	5	44	0	44	11.4%	1 mo.
3BR							
4BR							
60% AMI							
1BR	\$15,630-\$20,460	6	38	0	38	15.8%	2 mos.
2BR	\$18,780-\$23,340	30	112	0	112	26.8%	6 mos.
3BR							
4BR							
Market Rate							
1BR	\$23,340-\$50,000	1	40	0	40	2.5%	1 mo.
2BR	\$30,680-\$50,000	1	118	0	118	0.8%	1 mo.
3BR							
4BR							
Total 30%							
Total 50%	\$13,680-\$19,450	10	59	0	59	16.9%	2 mos.
Total 60%	\$15,630-\$23,340	36	150	0	150	24.0%	6 mos.
Total LIHTC	\$13,680-\$23,340	46	209	0	209	22.0%	6 mos.
Total Market	\$23,340-\$50,000	2	158	0	158	1.3%	1 mo.

- 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 LIHTC elderly development **will not negatively impact** the existing supply of program assisted LIHTC or USDA-RD elderly properties located within the Lakeview Senior Gardens PMA in the short or long term. At the time of the survey, the Lakeview Senior Gardens PMA was void of LIHTC elderly properties, either new construction or rehab. In addition, only one of the seven program assisted properties in the PMA solely targets the elderly population. At the time of the survey, that property, Fox Chase II (USDA-RD Section 515 in Greensboro) was 97% occupied and maintained a waiting list with 6 applicants.

In addition, at the time of the survey, the overall vacancy rate of program assisted properties (both elderly and family) located with the PMA was approximately 1%. Six of the seven program assisted developments maintained a waiting list, ranging in size between 3 and 84 applicants.

Some relocation of elderly tenants in the existing LIHTC elderly 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 Eatonton PMA apartment market, for both program assisted properties and market rate properties.

Part I of the narrative of the survey focused upon a sample of market rate properties within competitive environment. Part II consisted of a survey of the program assisted properties within the Eatonton PMA. The analysis includes individual summaries and pictures of properties.

The Eatonton PMA apartment market is representative of a rural to semi-urban apartment market, with a limited amount of market rate rental supply. Given that circumstance, market rate properties in nearby Madison and Milledgeville, both outside of the PMA were surveyed. Five of the six surveyed program assisted properties are USDA-RD and one is a HUD Section 8 complex. Other than one USDA-RD property, none of the surveyed program assisted properties solely targets the elderly population. With the exception of the Crossroads Apartment complex in the lake area of the PMA, the majority of the market rate supply (located in the rural areas of the PMA outside of Eatonton) consists primarily of single-family homes for rent and single-wide trailers.

Part I - Sample Survey of Market Rate Apartments

Six market rate properties representing 479 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 4%, at 3.3%. Two of the six market rate properties maintained a waiting list at the time of the survey.
- * The bedroom mix of the surveyed market rate apartment properties is 20% 0BR & 1BR, 67% 2BR and 13% 3BR.
- * A survey of the 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	\$558	\$520	\$480-\$725
2BR/1b	\$623	\$605	\$520-\$765
2BR/1.5b & 2b	\$655	\$595	\$590-\$805
3BR/1.5b & 2b	\$760	\$700	\$630-\$905

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	747	736	600-900
2BR/1b	923	950	724-1100
2BR/1.5b & 2b	1084	1100	964-1150
3BR/1.5b & 2b	1236	1100	950-1400

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 surveyed market rate properties. The proposed subject 1BR heated square footage is approximately 4% greater than the 1BR market average. The proposed subject 2BR/2b heated square footage is approximately 9% less than the 2BR/2b market average unit size.

Part II - Survey of the Program Assisted Market

Seven program assisted properties, including the local public housing authority, representing 308 units, were surveyed in detail. Several key findings in the program assisted apartment market include:

* At the time of the survey, the overall estimated vacancy rate of the surveyed program assisted apartment properties was approximately 1%. Six of the seven properties maintain a waiting list ranging between 3 and 84 applicants.

* At the time of the survey, the overall estimated vacancy rate of the surveyed HUD apartment property was 0%.

* At the time of the survey, the overall estimated vacancy rate of the surveyed USDA-RD apartment properties was 2.1%. Four of the five USDA properties maintained a waiting list.

* At the time of the survey, the overall estimated vacancy rate of the one surveyed property that solely targets the elderly population was 3%. The property maintained a waiting list with 6 applications.

* At the time of the survey, the Eatonton PMA had no LIHTC elderly properties. However, at the time of the survey, one new LIHTC family new construction property was under construction in Eatonton and one LIHTC family historic rehab property was in the process of development in Greensboro.

* The bedroom mix of the surveyed program assisted apartment properties is 41% 1BR, 44.5% 2BR and 14.5% 3BR.

Section 8 Vouchers

The Section 8 voucher program for Putnam County is managed by the Georgia Department of Community Affairs, Eastman Office. At the time of the survey the Georgia DCA regional office stated that 33 vouchers were under contract within Putnam County. In addition, it was reported that presently there are 132 applicants on the waiting list of which 15 are located within Putnam County. The wait list was recently, was again, "closed", primarily due to current budget constraints. It is anticipated that the waiting list would be reopened in three to six weeks. Source: Ms. Brenda Curry, Rental Assistance Division, (478) 374-6965, April 14, 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
Crossroads @ Lake Oconee	Crossroads @ Lake Oconee	
Carrington Woods	Carrington Woods	
Cedar Ridge	Cedar Ridge	
Georgetown Villas	Georgetown Villas	
Madison Square	Madison Commons	
	Madison Square	

Source: Koontz & Salinger. May, 2016

* The most direct like-kind comparable surveyed property to the proposed subject development in terms of age targeting is the Fox Chase II USDA-RD elderly property located in Greensboro.

* 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 competitive environment, as exhibited in the above table.

Housing Voids

At the time of the survey, the Lakeview Senior Gardens PMA was void of LIHTC elderly properties, either new construction or rehab. In addition, only one of the seven program assisted properties in the PMA solely targets the elderly population. At the time of the survey, that property, Fox Chase II (USDA-RD Section 515 in Greensboro) was 97% occupied and maintained a waiting list with 6 applicants. Owing to these circumstances the market is exhibiting a clear housing void when it comes to the matter of serving the low to moderate income elderly population (residing within the PMA) and providing affordable and professionally managed apartment supply that solely targets the elderly.

Fair Market Rents

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

Efficiency	=	\$ 522
1 BR Unit	=	\$ 556
2 BR Unit	=	\$ 713
3 BR Unit	=	\$ 885
4 BR Unit	=	\$ 977

*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 the majority of Section 8 voucher holders in Putnam County.

Change in Average Rents

Between the Spring of 2015 and 2016, the Eatonton competitive environment conventional apartment market exhibited the following change in average net rents, by bedroom type:

	<u>Change</u>
1BR/1b	+ 1.5%
2BR/1b	- 0.8%
2BR/2b	- 0.5%
3BR/2b	No change

Note: About 50% of the surveyed market rate properties did not increase or decrease net rents between the Spring of 2015 and 2016, for either the property as a whole, or by certain bedroom types. Overall, the most frequent increase in net rent by bedroom type was for 1BR units.

Table 16 exhibits building permit data between 2000 and 2015. The permit data is for Putnam County.

Between 2000 and 2015, 2,861 permits were issued in Putnam County, of which, 251 or approximately 9% were multi-family units.

Table 16			
New Housing Units Permitted: Putnam County, 2000-2015¹			
Year	Net Total²	Single-Family Units	Multi-Family Units
2000	186	184	2
2001	162	162	--
2002	362	200	162
2003	230	225	5
2004	322	302	20
2005	340	340	--
2006	444	444	--
2007	315	315	--
2008	159	159	--
2009	56	56	--
2010	35	35	--
2011	50	50	--
2012	27	27	--
2013	41	41	--
2014	35	35	--
2015	97	35	62
Total	2,861	2,610	251

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 Permits 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 in the Eatonton 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	48	12	36	--	Na	\$307-\$475	\$355-\$575	--	780	990	--
Crossroads LakeOconee	144	24	96	24	4	\$700-\$725	\$745-\$805	\$875-\$905	736	1011-1123	1387
Carrington Woods	76	36	32	8	2	\$490-\$520	\$590-\$610	\$650	700	950-1100	1400
Cedar Ridge	60	20	40	--	1	\$500	\$590	--	900	1100	--
Georgetown Village	102	14	84	4	6	\$455-\$480	\$520-\$595	\$630	454-600	724-1150	950
Madison Commons	38	--	19	19	0	--	\$600	\$700	--	900	1100
Madison Square	59	1	49	9	3	\$500	\$595	\$695	850	1050	1100
Total*	479	95	320	64	16						

* - 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 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
Crossroads Lake Oconee	x	x	x	x	x	x	x	x	x	x	x	x	x
Carrington Woods						x	x	x	x	x	x		x
Cedar Ridge	x		x		x	x	x	x	x	x	x		x
Georgetown Village	x		x			x	x	x	x	x	x		x
Madison Commons						x		x	x	x	x		x
Madison Square	x					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 or 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, net rents and unit sizes of the surveyed program assisted apartment properties in the Eatonton competitive environment.

Table 19											
SURVEY OF EATONTON PMA 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	48	12	36	--	Na	\$307- \$475	\$355- \$575	--	780	990	--
USDA-RD											
Eastview	24	8	16	--	2	\$410	\$435	--	Na	Na	--
Fox Chase I	24	2	18	4	0	\$450	\$490	\$520	643	944	948
Fox Chase II	33	33	--	--	1	\$450	--	--	643	--	--
Greensboro Village	33	10	23	--	0	\$505	\$535	--	700	900	--
Heritage V	30	6	24	--	0	\$500	\$600	--	728	924	--
Sub Total	144	59	81	4	3						
HUD 8											
Hillside	50	40	10	--	0	BOI	BOI	--	625	810	--
PHA											
Eatonton PHA	114	28	46	40	0	BOI	BOI	BOI	609- 616	793- 798	951- 1123
Total*	308	127	137	44	3						

* - Excludes the subject property

B OI - 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 to very competitive the existing program assisted apartment properties in the market regarding the unit and development amenity package.

Table 20													
SURVEY OF EATONTON PMA 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
Eastview	x	x			x			x	x	x	x		x
Fox Chase I	x	x						x	x	x	x		x
Fox Chase II	x	x						x	x	x	x		x
Greensboro Village	x	x			x			x	x	x	x		
Heritage Villas	x	x			x			x	x	x	x		x
Hillside								s	x		x	x	x
Eatonton PHA									x				

s - some

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 or 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 Lakeview Senior Gardens PMA is provided on page 101. A map showing the location of the surveyed Market Rate properties located within the Lakeview Senior Gardens PMA competitive environment is provided on page 102. A map showing the location of the surveyed Comparable Market Rate properties within the Lakeview Senior Gardens PMA competitive environment is provided on page 102.

Survey of Program Assisted Apartments

1. Eastview Apartments, 25 Eastview Dr,
Greensboro

(706) 453-1463

Contact: USDA Area 2 Office (4/5/16)
Date Built: 1984

Type: USDA-RD fm
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Utility Allowance</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	8	\$410	\$576	\$ 87	Na	1
2BR/1b	16	\$435	\$601	\$116	Na	1
Total	24					2

Typical Occupancy Rate: 92%
Security Deposit: 1 month rent
Utilities Included: water, sewer, trash

Waiting List: No
Concessions: No
Turnover: Na

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	Yes

Amenities - Project

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

Design: 1 & 2 story

Remarks: 8 units have RA



2. Fox Chase I Apartments, 11 Fox Chase, (706) 453-4690 or
Greensboro (229) 247-9956

Contact: Kristy, Investors Mgmt (4/13/16) **Type:** USDA-RD fm
Date Built: 1993 **Condition:** Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Size sf</u>	<u>Utility Allowance</u>	<u>Vacant</u>
1BR/1b	2	\$450	\$577	643	\$ 94	0
2BR/1b	18	\$490	\$613	944	\$121	0
3BR/2b	4	\$520	\$651	948	\$131	0
Total	24					0

Typical Occupancy Rate: 100% **Waiting List:** Yes (3)
Security Deposit: \$150 **Concessions:** No
Utilities Included: water, sewer, trash **Turnover:** Na

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	Yes

Amenities - Project

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

Design: 1 & 2 story

Remarks: 12-units have RA; no Section 8 vouchers, expects no negative impact



3. Fox Chase II Apartments, 11 Fox Chase, (706) 453-4690 or
Greensboro (229) 247-9956

Contact: Kristy, Investors Mgmt (4/13/16) **Type:** USDA-RD el
Date Built: 1993 **Condition:** Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Size sf</u>	<u>Utility Allowance</u>	<u>Vacant</u>
1BR/1b	33	\$450	\$590	643	\$ 73	1
Total	33					1

Typical Occupancy Rate: 99%-100% **Waiting List:** Yes (6)
Security Deposit: \$150 **Concessions:** No
Utilities Included: water, sewer, trash **Turnover:** "low"

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	Yes

Amenities - Project

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

Design: 1 story

Remarks: 32-units have RA; no Section 8 vouchers, expects no negative impact



4. Greensboro Village, 108 Rachel Street, (706) 202-1146 or
 Greensboro (706) 754-6239

Contact: USDA-RD Area 2 Office (4/5/16)
Date Built: 1994

Type: USDA-RD fm
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Size sf</u>	<u>Utility Allowance</u>	<u>Vacant</u>
1BR/1b	10	\$505	\$690	700	\$ 75	0
2BR/1b	23	\$535	\$710	900	\$109	0
Total	33					0

Typical Occupancy Rate: 100% **Waiting List:** Yes ("small")
Security Deposit: 1 month rent **Concessions:** No
Utilities Included: water, sewer, trash **Turnover:** Na

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	Yes (office)	Pool	No
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Picnic Area	No

Design: 1-story

Remarks: 32-units have RA; no Section 8 vouchers, expects no negative impact



5. Heritage Villas, 702 Church St, Eatonton (706) 485-8230

Contact: Ms Sharon Hall, Mgr (4/13/16)
Date Built: 1987

Type: USDA-RD fm
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Basic Rent</u>	<u>Market Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	6	\$500	\$660	728	0
2BR/1b	24	\$600	\$794	924	0
Total	30				0

Typical Occupancy Rate: 99%

Waiting List: Yes (4; 2 are el)

Security Deposit: \$200

Concessions: No

Utilities Included: water, sewer, trash

Turnover: Na

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	Yes

Amenities - Project

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

Design: 2 story

Remarks: 30 units have RA; most tenants are from Eatonton and Putnam County; 1BR allowance is \$103; 2BR allowance is \$128; 30% of tenants are elderly; expects no negative impact



6. Hillside Apartments, 155 Hillside Dr, (706) 485-5138
 Eatonton

Contact: Tammy Welch (4/5/16)
Date Built: 1987

Type: HUD Section 8
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Contract Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	40	\$498	625	0
2BR/1b	10	\$542	810	0
Total	50			0

Typical Occupancy Rate: 99%
Security Deposit: BOI
Utilities Included: water, sewer, trash

Waiting List: 32-1BR; 22-2BR
Concessions: No
Turnover: Na

Amenities - Unit

Stove	Yes	Air Conditioning	Yes(wall)
Refrigerator	Yes	Cable Ready	No
Dishwasher	No	Carpeting	Yes
Disposal	No	Window Treatment	Yes
Washer/Dryer	No	Ceiling Fan	No
W/D Hook Up	Yes (2BR only)	Patio/Balcony	Yes

Amenities - Project

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

Design: 1 & 2-story

Remarks: 100% deep subsidy rental assistance; expects no negative impact



7. Eatonton Housing Authority, scattered sites (706) 485-5361
(excluding Hillside)

Contact: Tammy Welch, (4/5/16)
Date Built: 1950's-1987

Type: PHA
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Contract Rent</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	28	\$369	609-616	0
2BR/1b	46	\$485	793-798	0
3BR/1b	36	\$705	951-994	0
4BR/1b	4	\$725	1123	0
Total	114			0

Typical Occupancy Rate: 99%-100%

Waiting List: 42-1BR; 21-2BR;
15-3BR; 6-4BR

Security Deposit: up to 1 month rent
Utilities Included: all

Concessions: No
Turnover: Na

Amenities - Unit

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

Amenities - Project

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

Design: 1-story

Remarks: 3 vacant units were in process of being filled on 4/5/16



Survey of Conventional Apartment Properties

1. Crossroads @ Lake Oconee, 111 Sweet Magnolia Ln (706) 485-4886

Contact: Ms Anna, Mgr
Date Built: 2002

Date Contacted: 4/7/16
Condition: Excellent

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Rent Per SF</u>	<u>Size sf</u>	<u>Vacant</u>
1BR/1b	24	\$700-\$725	\$.95-\$.98	736	0
2BR/1b	36	\$745-\$765	\$.74-\$.76	1011	2
2BR/2b	60	\$785-\$805	\$.70-\$.72	1123	2
3BR/2b	24	\$875-\$905	\$.63-\$.65	1387	0
Total	144				4

Typical Occupancy Rate: 95%+
Security Deposit: \$200
Utilities Included: None

Waiting List: Yes (3BR only)
Concessions: No
Turnover: Na

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	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

On-Site Mgmt	Yes	Pool	Yes
Laundry Room	Yes	Community Room	Yes
Fitness Ctr	Yes	Recreation Area	Yes
Storage	Yes	Picnic Area	Yes

Design: 3-story walk-up

Remarks: complex is converting into a condo development; thus far the majority of the converted units have opted to remain as a rental



2. Carrington Woods, 1980 Briarcliff Rd, (478) 452-1918
 Milledgeville

Contact: Jennifer, Lsg Consult
Date Built: 1975

Date Contacted: 4/12/16
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	18	\$490	700	\$.70	0
1BR/1b TH	18	\$520	700	\$.74	1
2BR/1b	8	\$590	950	\$.62	0
2BR/1b TH	24	\$610	1100	\$.55	1
3BR/1.5b	8	\$650	1400	\$.46	0
Total	76				2

Typical Occupancy Rate: mid 90's
Security Deposit: \$300
Utilities Included: water, sewer, trash

Waiting List: No
Concessions: No
Turnover: Na

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	Some
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	No	Pool	No
Laundry Room	No	Community Room	No
Fitness Ctr	No	Recreation Area	No

Design: 2 story walk-up & townhouse



3. Cedar Ridge Apartments, 141 Frank Bone Rd, (478) 453-7320
Milledgeville

Contact: Donny, Mgr
Date Built: 1987

Date Contacted: 4/12/16
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	20	\$500	900	\$.56	0
2BR/2b	40	\$590	1100	\$.54	1
Total	60				1

Typical Occupancy Rate: mid 90's
Security Deposit: \$199
Utilities Included: water, sewer, trash

Waiting List: No
Concessions: No
Turnover: Na

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	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	Yes
Laundry Room	No	Community Room	No
Fitness Ctr	No	Recreation Area	Yes
Storage	No	Tennis Court	No

Design: 2

story walk-up



4. Georgetown Village, 196 Hwy 49 W,
Milledgeville

(478) 452-4825

Contact: Ms Mindy, Mgr
Date Built: 1975

Date Contacted: 4/14/16
Condition: Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent</u>		<u>Vacant</u>
				<u>Per SF</u>		
0BR/1b	6	\$455	454	\$1.00		2
1BR/1b	8	\$480	600	\$0.80		0
2BR/1b	36	\$520	724	\$0.72		4
2BR/1.5b	48	\$595	964-1150	\$0.52-\$0.62		0
3BR/1.5b	4	\$630	950	\$0.66		0
Total	102					6

Typical Occupancy Rate: mid 90's
Security Deposit: \$300
Utilities Included: water, sewer, trash

Waiting List: No
Concessions: No
Turnover: Na

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	Yes
W/D Hook Up	Yes	Patio/Balcony	Yes

Amenities - Project

Mgmt Office	Yes	Pool	No
Laundry Room	Yes	Community Room	No
Fitness Ctr	No	Recreation Area	No
Storage	No	Tennis Court	No

Design: townhouse



5. Madison Commons, 1210 Micha Way, Madison (706) 318-0350

Contact: Former Owner
Date Built: 2006

Date Contacted: 4/13/16
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size</u> sf	<u>Rent</u> <u>Per SF</u>	<u>Vacant</u>
2BR/1b	19	\$600	900	\$.67	0
3BR/2b	19	\$700	1100	\$.64	0
Total	38				0

Typical Occupancy Rate: 97%+
Security Deposit: 1 month rent
Utilities Included: None

Waiting List: No
Concessions: No
Turnover: Na

Amenities - Unit

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

Amenities - Project

Mgmt Office	No	Pool	No
Laundry Room	No	Tennis Court	No
Fitness Ctr	No	Recreation Area	No
Storage	No	Picnic Area	No

Design: 1 story duplexes

Remarks: "quality rental space is a commodity in the area"



6. Madison Square Duplexes, 1092 Micha Way, Madison (706) 410-5952

Contact: Ms Bobbie
Date Built: 2000

Date Contacted: 4/7/16
Condition: Very Good

<u>Unit Type</u>	<u>Number</u>	<u>Rent</u>	<u>Size sf</u>	<u>Rent Per SF</u>	<u>Vacant</u>
1BR/1b	1	\$500	850	\$.59	0
2BR/2b	49	\$595	1050	\$.57	3
3BR/2b	9	\$695	1100	\$.63	0
Total	59				3

Typical Occupancy Rate: 95%-100%
Security Deposit: 1 month rent
Utilities Included: None

Waiting List: Yes (8)
Concessions: No
Turnover: Na

Amenities - Unit

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

Amenities - Project

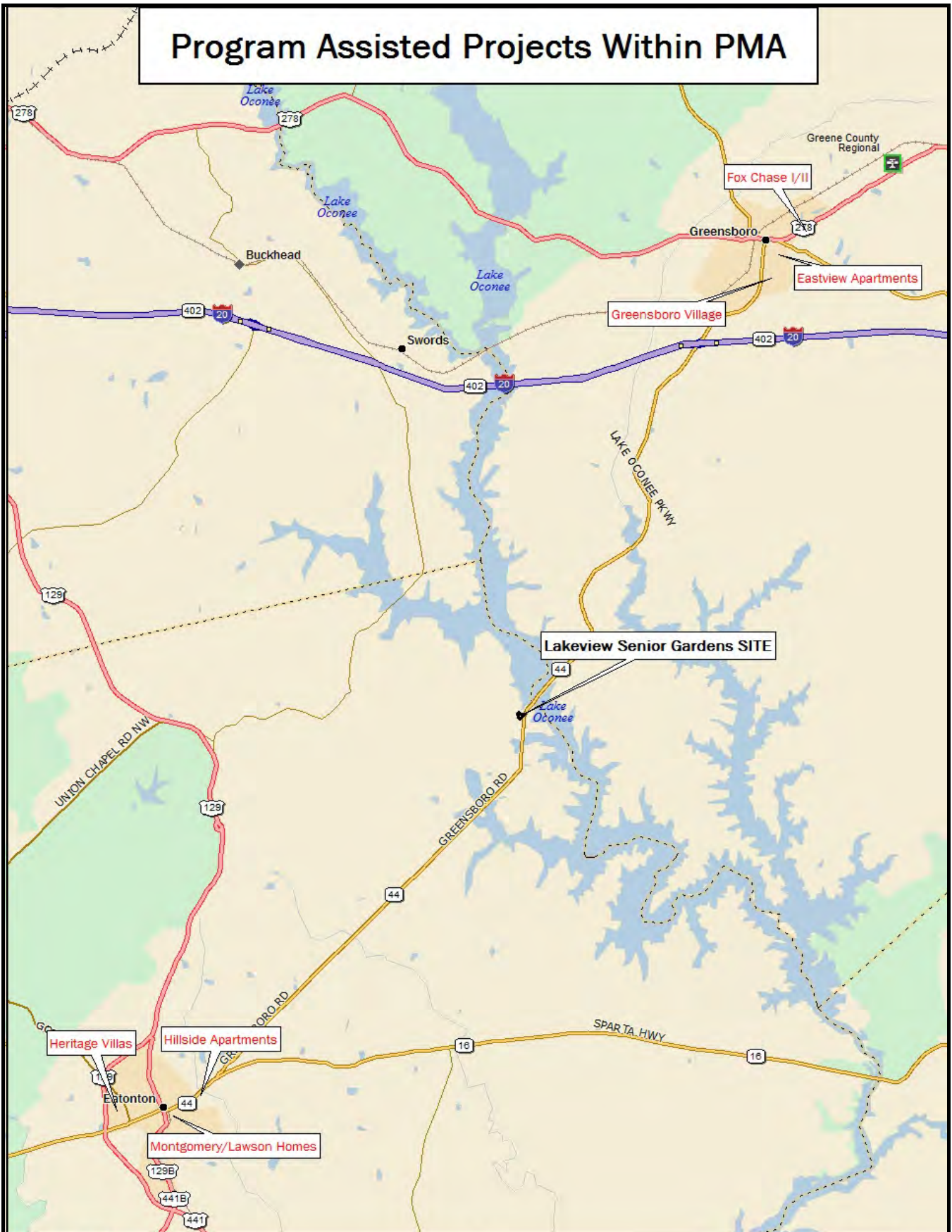
Mgmt Office	Yes	Pool	No
Laundry Room	No	Community Room	No
Fitness Ctr	No	Recreation Area	No
Storage	No	Picnic Area	No

Design: one-story duplexes

Remarks: does not accept Section 8 vouchers



Program Assisted Projects Within PMA

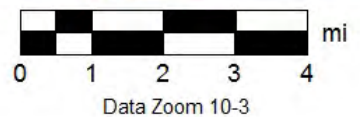
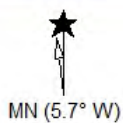


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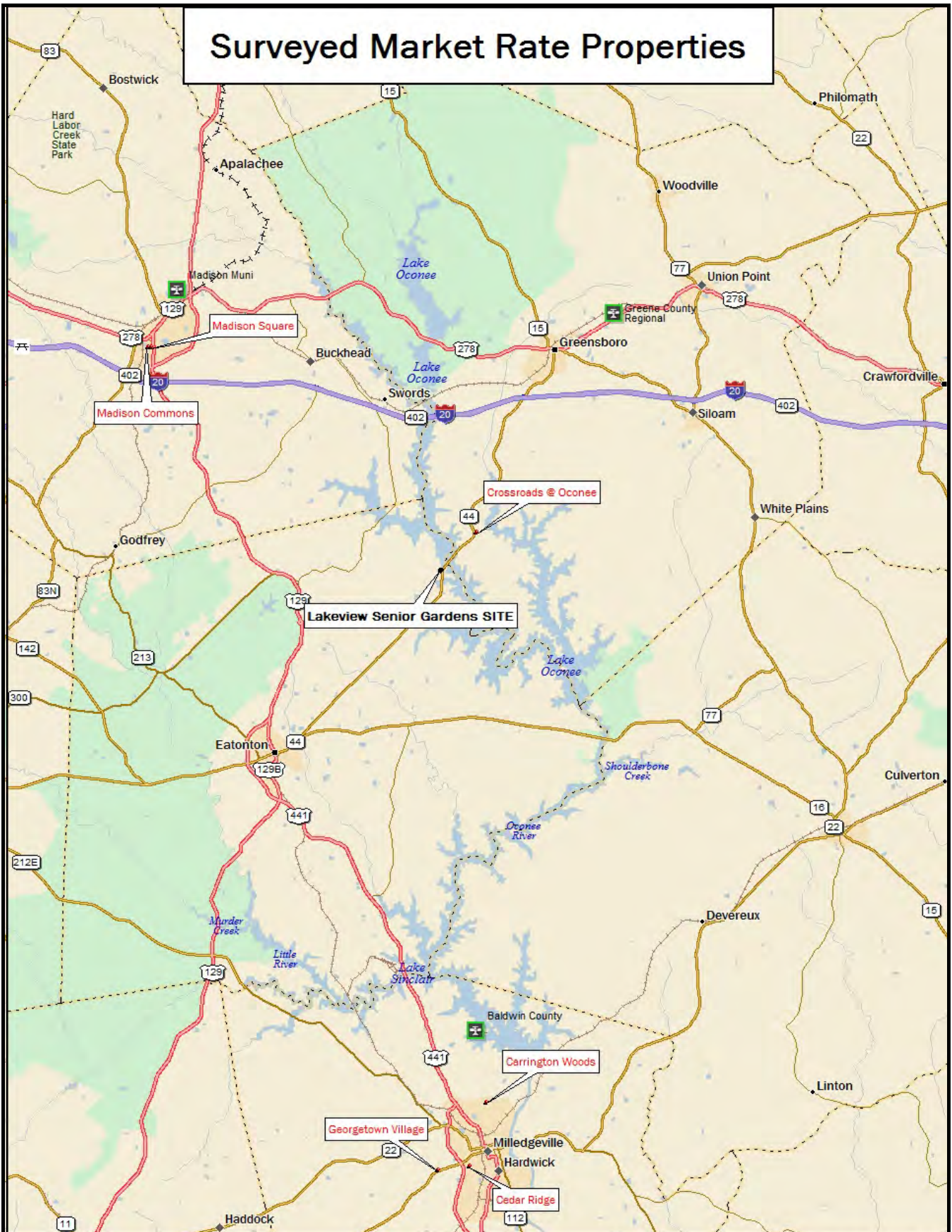
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Surveyed Market Rate Properties

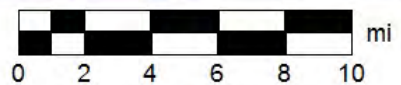
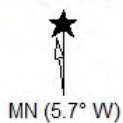


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SECTION I
ABSORPTION &
STABILIZATION RATES

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 6 months (at 8-units per month on average).

The rent-up period estimate is based upon:

- (1) the excellent site location with near proximity of views of Lake Oconee, near proximity to retail trade and healthcare services, and near proximity to State Road 44 and I-20,
- (2) the fact that the existing program assisted apartment market is almost 100% occupied and most properties maintain a waiting list, and
- (3) the fact that the Lakeview Senior Gardens PMA is void of any existing LIHTC elderly supply and the one and only program assisted elderly property is an aged USDA-RD development, 100% occupied with a waiting list.

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 or 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) - Ms. Janiel B. Reid, Director of the Eatonton Senior Center and Putnam County Commissioner, District 2, stated the proposed LIHTC elderly development "would be beneficial to the area aging population, and would ease the financial and physical hardships of home ownership for those in need of alternative, affordable, well managed apartment housing". Contact Number: (706) 991-5097.

(2) - Ms. Brenda Curry, of the Eastman GA-DCA Office, Rental Assistance Division, made available the number of Section 8 Housing Choice Vouchers being used within Putnam County. In addition, it was stated that the current waiting list for a Section 8 Housing Choice Voucher is closed, partly due to demand being significantly greater than supply, and budgetary constraints. It is anticipated that the waiting list would be reopened in three to six weeks. Contact Number: (478) 374-6965.

(3) - Ms. Lisa Jackson, Director of Planning and Development, Putnam County, stated that in relation to the proposed LIHTC elderly development "there is a need for such housing in the local market, as presently none exists". Contact Number: (706) 485-2776.

(4) - The manager the Fox Chase I and II (USDA-RD family and elderly) Apartments was interviewed. It was stated that the proposed subject development would not negatively impact Fox Chase I and II. At the time of the survey, one property was 100% occupied and the other 97% occupied, and both maintained a waiting list. Source: Ms. Kristy, Investors Management, (706) 453-4690.

(5) - The manager of the Hillside (HUD 8 family) Apartments was interviewed. It was stated that the proposed subject development would not negatively impact Hillside. At the time of the survey, Hillside was 100% occupied, and maintained a waiting list with 54 applications. Source: Ms. Tammy Welch, Manager, (706) 485-5138.

(6) - The manager of the Heritage Villas (USDA-RD family) Apartments was interviewed. It was stated that the proposed subject development would not negatively impact Heritage Villas. At the time of the survey, the property was 100% occupied and had 4 applicants (of which 2 are elderly) on the waiting list. The manager stated that there is an additional need for affordable elderly housing in the area and that the proposed development "would be well received by the elderly". Source: Ms. Sharon Hall, Manager, (706) 485-8230.

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 Lakeview Senior Gardens (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 **48-units**. The **Capture Rates for the total project, by bedroom type and by Income Segment** are considered to be **acceptable**.
2. The current USDA elderly and 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 USDA elderly apartment properties was 3%. 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 less than 4%.
3. The proposed complex amenity package is considered to be very competitive within the PMA apartment market for affordable properties. It will be 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.
5. Assessment of rents - The proposed net rents, by bedroom type, will be competitive within the PMA apartment market at 50%, and 60% AMI. Market rent advantage is greater than 30% in all AMI segments, and by bedroom type. The table in the preceding section, exhibits the rent reconciliation of the proposed LIHTC segment of the subject 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 6-months.

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

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

9. The proposed development will not negatively impact the existing supply of program assisted LIHTC elderly properties within the subject PMA. Owing to the fact that the Lakeview Senior Gardens PMA is currently void of any existing LIHTC elderly supply.

10. 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 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:	46%	34%
2BR/1b:	44%	31%
Overall:	34%	

Rent Reconciliation				
50% AMI	1BR	2BR	3BR	4BR
Proposed subject net rents	\$307	\$355	---	---
Estimated Market net rents	\$565	\$630	---	---
Rent Advantage (\$)	+\$258	+\$275	---	---
Rent Advantage (%)	46%	44%	-	---
60% AMI	1BR	2BR	3BR	4BR
Proposed subject net rents	\$372	\$434	-	---
Estimated Market net rents	\$565	\$630	-	---
Rent Advantage (\$)	+\$193	+\$196	-	---
Rent Advantage (%)	34%	31%	-	---

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 Lakeview Senior Gardens (a proposed LIHTC/Market Rate new construction elderly apartment development) proceed forward with the development process.

Negative Impact

The proposed LIHTC elderly development **will not negatively impact** the existing supply of program assisted LIHTC or USDA-RD elderly properties located within the Lakeview Senior Gardens PMA in the short or long term. At the time of the survey, the Lakeview Senior Gardens PMA was void of LIHTC elderly properties, either new construction or rehab. In addition, only one of the seven program assisted properties in the PMA solely targets the elderly population. At the time of the survey, that property, Fox Chase II (USDA-RD Section 515 in Greensboro) was 97% occupied and maintained a waiting list with 6 applicants.

In addition, at the time of the survey, the overall vacancy rate of program assisted properties (both elderly and family) located with the PMA was approximately 1%. Six of the seven program assisted developments maintained a waiting list, ranging in size between 3 and 84 applicants.

Some relocation of tenants in the area program assisted elderly 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 Eatonton and Putnam 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 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 addition, the subject's gross rents are already closely positioned to be under Fair Market Rents for Putnam 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 Eatonton and Putnam County.

At present, economic indicators point to a stable to improving local economy. However, the operative word in forecasting the economic outlook in Putnam County, the State, the Nation, and the Globe, at present is "uncertainty". At present, the Eatonton/Putnam 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 Lakeview Senior Gardens 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 or elevator status, versus walk-up properties,
- no "time adjustment" was made; all of the comparable properties were surveyed in April, 2016,
- no "distance or neighborhood adjustment" was made, as all of the competitive properties are located within a similar rural environment and/or are within a reasonable driving range,
- 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 1970's and 1998'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, sewer and 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 & 3 story structures versus the subject, owing to the fact that the subject provides elevator status.
- Year Built: Some of the comparable properties were built in the 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/1b units owing to the fact that one of the comparable properties offered 2BR/1.b 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 washer/dryer units. If the comparable property provides a central laundry or w/d hook-ups an adjustment is made. If the comparable property does not offer washer/dryer units 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 does not offer 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 excludes cold water and sewer in the net rent. Some 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 UA Pro Utility Allowance Estimates (effective 5/17/2016). 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 was assigned a value of \$25. Note: None of the comparable properties are inferior to the subject regarding location.
- 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. Several of the comparable properties include trash in the net rent. If required the adjustment was based upon the Georgia Department of Community Affairs Utility Allowances - Middle Region.

Adjustment Factor Key:

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 - \$77; 2BR - \$105; 3BR - \$133 (Source: UA Pro, 5/17/
2016)

Trash Removal - \$21 (Source: GA-DCA Middle Region)

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	
Lakeview Senior Gardens		Crossroads		Carrington		Cedar Ridge	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$700		\$520		\$500	
Utilities	t	None	\$21	w,s,t	(\$77)	w,s,t	(\$77)
Concessions		No		No		No	
Effective Rent		\$721		\$443		\$423	
B. Design, Location, Condition							
Structures/Stories	1 & 3w/elv	3 wu	\$10	2 wu	\$10	2 wu	\$10
Year Built/Rehab	2018	2002	\$8	1975	\$22	1987	\$16
Condition	Excell	Excell		Good		Good	
Location	Good	Good		Good		Good	
C. Unit Amenities							
# of BR's	1	1		1		1	
# of Bathrooms	1	1		1		1	
Size/SF	780	736	\$2	700	\$4	900	(\$6)
Balcony/Patio/Stor	Y/Y	Y/Y		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/Y		Y/Y		Y/Y	
W/D Unit	Y	N	\$40	N	\$40	N	\$40
W/D Hookups or CL	Na	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		N	\$2	N	\$2
Pool/Tennis	N/N	Y/Y	(\$40)	N/N		Y/N	(\$25)
Rec/Picnic Area	Y	Y		N	\$2	Y	
Computer/Fitness	Y/Y	Y/Y		N/N	\$4	N/N	\$4
F. Adjustments							
Net Adjustment			+\$20		+\$89		+46
G. Adjusted & Achievable Rent		\$741		\$532		\$469	
Estimated Market Rent (Avg of 5 comps, rounded)		next page	Rounded to:		see Table	% Adv	

One Bedroom Units							
Subject		Comp # 4		Comp # 5		Comp # 6	
Lakeview Senior Gardens		Georgetown Village		Madison Square			
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$480		\$500			
Utilities	t	w,s,t	(\$77)	None	\$21		
Concessions		No		No			
Effective Rent		\$403		\$521			
B. Design, Location, Condition							
Structures/Stories	1 & 3w/elv	2 wu	\$10	1			
Year Built/Rehab	2018	1975	\$22	2000	\$9		
Condition	Excell	Good		V Good			
Location	Good	Good		Good			
C. Unit Amenities							
# of BR's	1	1		1			
# of Bathrooms	1	1		1			
Size/SF	780	600	\$9	850	(\$4)		
Balcony-Patio/Stor	Y/Y	Y/N	\$5	Y/N	\$5		
AC Type	Central	Central		Central			
Range/Refrigerator	Y/Y	Y/Y		Y/Y			
Dishwasher/Disp.	Y/Y	Y/Y		Y/N	\$5		
W/D Unit	Y	N	\$40	N	\$40		
W/D Hookups or CL	Na	Y		Y			
D. Development Amenities							
Clubhouse/Comm Rm	Y	N	\$2	N	\$2		
Pool/Tennis	N/N	N/N		N/N			
Rec/Picnic Area	Y	N	\$2	N	\$2		
Computer/Fitness	Y/Y	N/N	\$4	N/N	\$4		
F. Adjustments							
Net Adjustment			+\$94		+\$63		
G. Adjusted & Achievable Rent		\$497		\$584			
Estimated Market Rent (Avg of 5 comps, rounded)		\$564	Rounded to: \$565		see Table	% Adv	

Two Bedroom Units							
Subject		Comp # 1		Comp # 2		Comp # 3	
Lakeview Senior Gardens		Crossroads		Carrington		Cedar Ridge	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$785		\$610		\$590	
Utilities	t	None	\$21	w,s,t	(\$105)	w,s,t	(\$105)
Concessions		No		No		No	
Effective Rent		\$806		\$505		\$485	
B. Design, Location, Condition							
Structures/Stories	1 &3w/elv	3 wu	\$10	2 wu	\$10	2 wu	\$10
Year Built/Rehab	2018	2002	\$8	1975	\$22	1987	\$16
Condition	Excell	Excell		Good		Good	
Location	Good	Good		Good		Good	
C. Unit Amenities							
# of BR's	2	2		2		2	
# of Bathrooms	1	2	(\$30)	1		2	(\$30)
Size/SF	990	1123	(\$7)	1100	(\$6)	1100	(\$6)
Balcony-Patio/Stor	Y/Y	Y/Y		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/Y		Y/Y		Y/Y	
W/D Unit	Y	N	\$40	N	\$40	N	\$40
W/D Hookups or CL	Na	Y		Y		Y	
D. Development Amenities							
Clubhouse/Comm Rm	Y	Y		N	\$2	N	\$2
Pool/Tennis	N/N	Y/Y	(\$40)	N/N		Y/N	(\$25)
Rec/Picnic Area	Y	Y		N	\$2	Y	
Computer/Fitness	Y/Y	Y/Y		N/N	\$4	N/N	\$4
F. Adjustments							
Net Adjustment			-\$19		+\$79		+\$16
G. Adjusted & Achievable Rent		\$787		\$584		\$501	
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	
Lakeview Senior Gardens		Georgetown Village		Madison Commons		Madison Square	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Street Rent		\$595		\$600		\$595	
Utilities	t	w,s,t	(\$105)	None	\$21	None	\$21
Concessions		No		No		No	
Effective Rent		\$490		\$621		\$616	
B. Design, Location, Condition							
Structures/Stories	1 & 3w/elv	2 wu	\$10	1		1	
Year Built/Rehab	2018	1975	\$22	2006	\$12	2000	\$9
Condition	Excell	Good		V Good		V Good	
Location	Good	Good		Good		Good	
C. Unit Amenities							
# of BR's	2	2		2		2	
# of Bathrooms	1	1.5	(\$15)	1		2	(\$30)
Size/SF	990	964	\$1	900	\$5	1050	(\$3)
Balcony-Patio/Stor	Y/Y	Y/N	\$5	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/Y		Y/N	\$5	Y/N	\$5
W/D Unit	Y	N	\$40	N	\$40	N	\$40
W/D Hookups or CL	Na	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	N	\$2	N	\$2
Computer/Fitness	Y/Y	N/N	\$4	N/N	\$4	N?/N	\$4
F. Adjustments							
Net Adjustment			+\$71		+\$75		+\$34
G. Adjusted & Achievable Rent		\$561		\$696		\$650	
Estimated Market Rent (Avg of 6 comps, rounded)		\$630	Rounded to: \$630		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

Jerry M Koontz 5-26-2016
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.

PHONE: (919) 362-9085

FAX: (919) 362-4867

EMAIL: vonkoontz@aol.com

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.

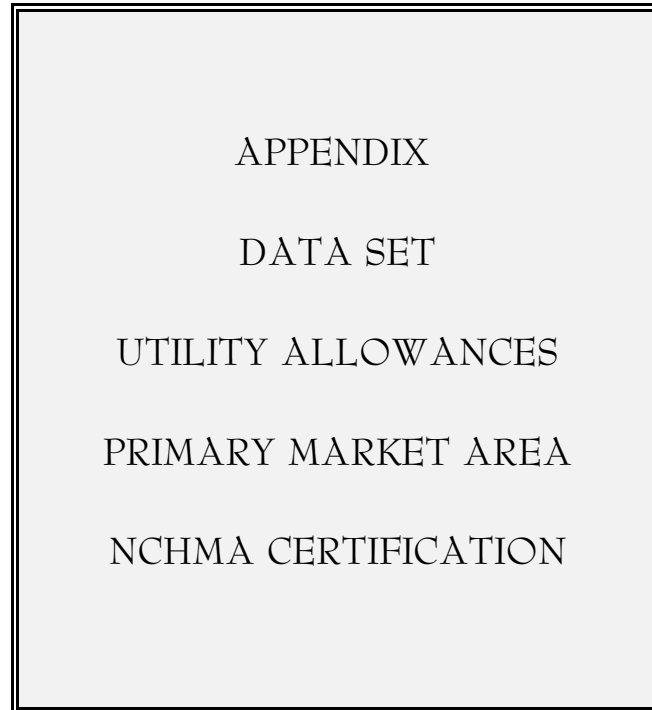
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NA

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.

	Putnam County, Georgia	
	Estimate	Margin of Error
Total:	2,132	+/-395
Less than \$10,000:	204	+/-105
Less than 20.0 percent	0	+/-24
20.0 to 24.9 percent	0	+/-24
25.0 to 29.9 percent	13	+/-23
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	106	+/-82
Not computed	85	+/-65
\$10,000 to \$19,999:	454	+/-156
Less than 20.0 percent	9	+/-16
20.0 to 24.9 percent	0	+/-24
25.0 to 29.9 percent	26	+/-41
30.0 to 34.9 percent	21	+/-34
35.0 to 39.9 percent	16	+/-26
40.0 to 49.9 percent	105	+/-84
50.0 percent or more	161	+/-80
Not computed	116	+/-86
\$20,000 to \$34,999:	696	+/-253
Less than 20.0 percent	18	+/-30
20.0 to 24.9 percent	77	+/-69
25.0 to 29.9 percent	157	+/-181
30.0 to 34.9 percent	65	+/-68
35.0 to 39.9 percent	174	+/-119
40.0 to 49.9 percent	99	+/-87
50.0 percent or more	36	+/-39
Not computed	70	+/-58
\$35,000 to \$49,999:	451	+/-215
Less than 20.0 percent	133	+/-114
20.0 to 24.9 percent	65	+/-69
25.0 to 29.9 percent	115	+/-115
30.0 to 34.9 percent	39	+/-45
35.0 to 39.9 percent	0	+/-24
40.0 to 49.9 percent	14	+/-24
50.0 percent or more	0	+/-24

	Putnam County, Georgia	
	Estimate	Margin of Error
Not computed	85	+/-87
\$50,000 to \$74,999:	204	+/-115
Less than 20.0 percent	96	+/-88
20.0 to 24.9 percent	63	+/-54
25.0 to 29.9 percent	0	+/-24
30.0 to 34.9 percent	10	+/-18
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	35	+/-54
\$75,000 to \$99,999:	19	+/-23
Less than 20.0 percent	19	+/-23
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	0	+/-24
\$100,000 or more:	104	+/-89
Less than 20.0 percent	61	+/-62
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	43	+/-69

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

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.

	Putnam County, Georgia	
	Estimate	Margin of Error
Total:	2,132	+/-395
Householder 15 to 24 years:	135	+/-122
Less than 20.0 percent	0	+/-24
20.0 to 24.9 percent	0	+/-24
25.0 to 29.9 percent	115	+/-115
30.0 to 34.9 percent	0	+/-24
35.0 percent or more	20	+/-37
Not computed	0	+/-24
Householder 25 to 34 years:	573	+/-242
Less than 20.0 percent	151	+/-139
20.0 to 24.9 percent	66	+/-68
25.0 to 29.9 percent	129	+/-181
30.0 to 34.9 percent	60	+/-60
35.0 percent or more	109	+/-95
Not computed	58	+/-58
Householder 35 to 64 years:	1,061	+/-257
Less than 20.0 percent	175	+/-125
20.0 to 24.9 percent	126	+/-84
25.0 to 29.9 percent	42	+/-47
30.0 to 34.9 percent	65	+/-65
35.0 percent or more	440	+/-157
Not computed	213	+/-127
Householder 65 years and over:	363	+/-133
Less than 20.0 percent	10	+/-17
20.0 to 24.9 percent	13	+/-21
25.0 to 29.9 percent	25	+/-30
30.0 to 34.9 percent	10	+/-18
35.0 percent or more	142	+/-88
Not computed	163	+/-93

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.

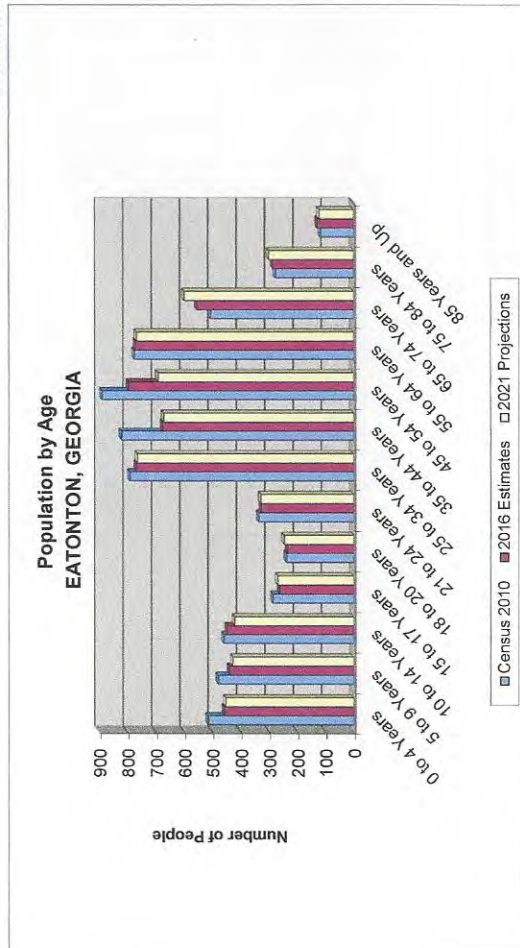
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Nielsen Claritas

Population by Age & Sex EATONTON, 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	239	275	514	0 to 4 Years	223	234	457	0 to 4 Years	229	223	452
5 to 9 Years	242	236	478	5 to 9 Years	216	222	438	5 to 9 Years	212	215	427
10 to 14 Years	230	229	459	10 to 14 Years	224	223	447	10 to 14 Years	206	215	421
15 to 17 Years	144	141	285	15 to 17 Years	133	128	261	15 to 17 Years	135	134	269
18 to 20 Years	121	117	238	18 to 20 Years	118	115	233	18 to 20 Years	126	120	246
21 to 24 Years	164	171	335	21 to 24 Years	163	164	327	21 to 24 Years	172	156	328
25 to 34 Years	356	434	790	25 to 34 Years	352	414	766	25 to 34 Years	372	391	763
35 to 44 Years	384	455	839	35 to 44 Years	318	357	675	35 to 44 Years	305	368	671
45 to 54 Years	424	464	888	45 to 54 Years	370	424	794	45 to 54 Years	314	377	691
55 to 64 Years	340	455	795	55 to 64 Years	335	435	770	55 to 64 Years	348	418	766
65 to 74 Years	224	281	505	65 to 74 Years	245	309	554	65 to 74 Years	253	346	599
75 to 84 Years	94	183	277	75 to 84 Years	109	176	285	75 to 84 Years	124	176	300
85 Years and Up	31	36	67	85 Years and Up	37	92	129	85 Years and Up	30	92	122
Total	2,993	3,487	6,480	Total	2,843	3,293	6,136	Total	2,834	3,231	6,065
62+ Years	n/a	n/a	1,109	62+ Years	n/a	n/a	1,177	62+ Years	n/a	n/a	1,251
Median Age:	36.7			Median Age:	37.1			Median Age:	36.8		

Source: Nielsen Claritas; Ribbon Demographics

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



Source: Nielsen Claritas; Ribbon Demographics

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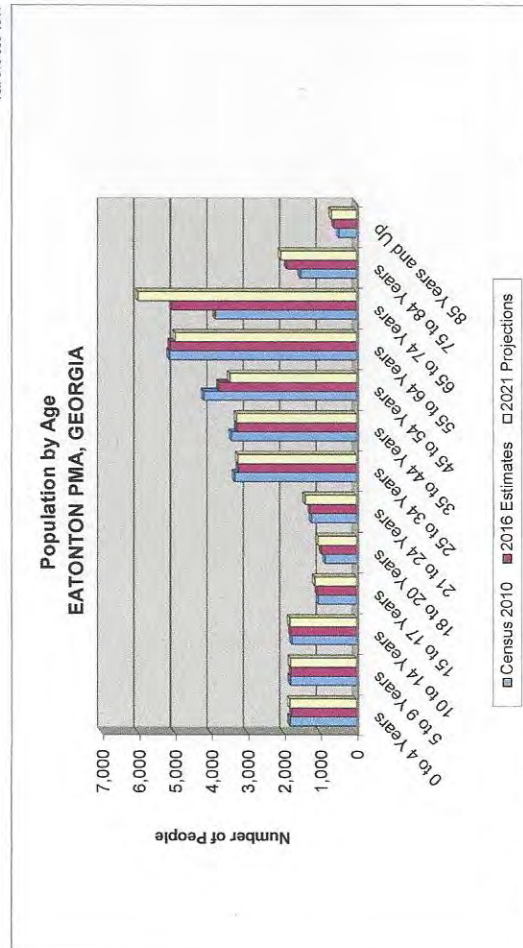
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Nilsen Claritas

Population by Age & Sex EATONTON PMA, GEORGIA															
Census 2010					Current Year Estimates - 2016					Five-Year Projections - 2021					
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	892	933	1,825	0 to 4 Years	894	887	1,781	0 to 4 Years	936	897	1,833	0 to 4 Years	936	897	1,833
5 to 9 Years	900	911	1,811	5 to 9 Years	888	903	1,791	5 to 9 Years	913	901	1,814	5 to 9 Years	913	901	1,814
10 to 14 Years	912	867	1,779	10 to 14 Years	897	908	1,805	10 to 14 Years	907	928	1,835	10 to 14 Years	907	928	1,835
15 to 17 Years	553	496	1,049	15 to 17 Years	547	529	1,076	15 to 17 Years	569	580	1,149	15 to 17 Years	569	580	1,149
18 to 20 Years	447	414	861	18 to 20 Years	492	462	954	18 to 20 Years	538	520	1,058	18 to 20 Years	538	520	1,058
21 to 24 Years	616	629	1,245	21 to 24 Years	656	619	1,275	21 to 24 Years	727	683	1,410	21 to 24 Years	727	683	1,410
25 to 34 Years	1,627	1,723	3,350	25 to 34 Years	1,585	1,651	3,236	25 to 34 Years	1,642	1,613	3,255	25 to 34 Years	1,642	1,613	3,255
35 to 44 Years	1,679	1,759	3,438	35 to 44 Years	1,571	1,706	3,277	35 to 44 Years	1,579	1,714	3,293	35 to 44 Years	1,579	1,714	3,293
45 to 54 Years	2,028	2,176	4,204	45 to 54 Years	1,850	1,921	3,771	45 to 54 Years	1,660	1,822	3,482	45 to 54 Years	1,660	1,822	3,482
55 to 64 Years	2,402	2,737	5,139	55 to 64 Years	2,313	2,799	5,112	55 to 64 Years	2,265	2,716	4,981	55 to 64 Years	2,265	2,716	4,981
65 to 74 Years	1,964	1,918	3,882	65 to 74 Years	2,527	2,540	5,067	65 to 74 Years	2,971	3,031	6,002	65 to 74 Years	2,971	3,031	6,002
75 to 84 Years	723	817	1,540	75 to 84 Years	926	986	1,912	75 to 84 Years	999	1,081	2,080	75 to 84 Years	999	1,081	2,080
85 Years and Up	154	329	483	85 Years and Up	203	406	609	85 Years and Up	240	446	686	85 Years and Up	240	446	686
Total	14,897	15,709	30,606	Total	15,349	16,317	31,666	Total	15,946	16,932	32,878	Total	15,946	16,932	32,878
62+ Years	n/a	n/a	7,515	62+ Years	n/a	n/a	9,202	62+ Years	n/a	n/a	10,494	62+ Years	n/a	n/a	10,494
Median Age:			43.9	Median Age:			46.5	Median Age:			47.0	Median Age:			47.0

Source: Nilsen Claritas, Ribbon Demographics

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www.ribbondata.com
Tel: 916-880-1644



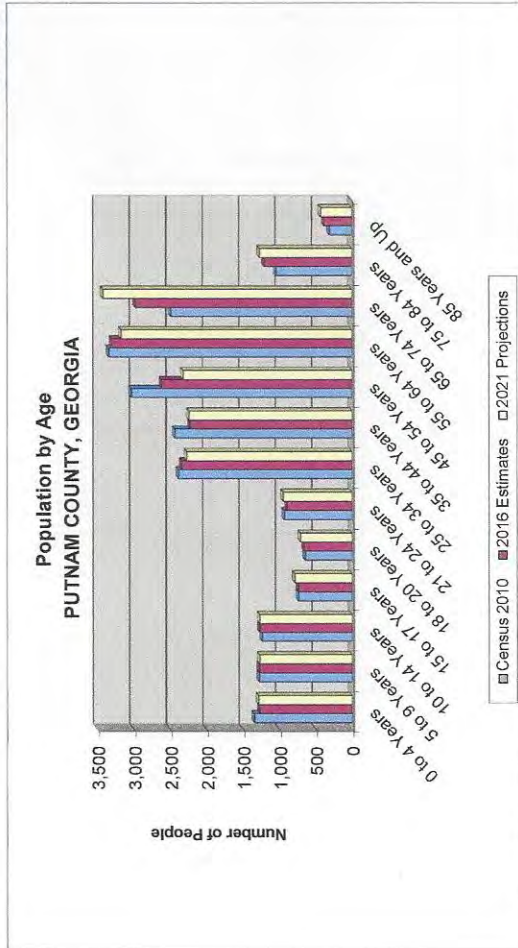
Source: Nilsen Claritas, Ribbon Demographics

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Tel: 916-880-1644

Population by Age & Sex PUTNAM 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	640	706	1,346	0 to 4 Years	640	633	1,273	0 to 4 Years	657	630	1,287
5 to 9 Years	649	627	1,276	5 to 9 Years	626	648	1,274	5 to 9 Years	639	632	1,271
10 to 14 Years	619	620	1,239	10 to 14 Years	633	635	1,268	10 to 14 Years	625	648	1,273
15 to 17 Years	390	350	740	15 to 17 Years	371	367	738	15 to 17 Years	392	397	789
18 to 20 Years	351	295	646	18 to 20 Years	336	325	661	18 to 20 Years	361	351	712
21 to 24 Years	441	495	936	21 to 24 Years	453	444	897	21 to 24 Years	481	468	949
25 to 34 Years	1,158	1,226	2,384	25 to 34 Years	1,129	1,207	2,336	25 to 34 Years	1,122	1,149	2,271
35 to 44 Years	1,201	1,257	2,458	35 to 44 Years	1,072	1,150	2,222	35 to 44 Years	1,082	1,162	2,244
45 to 54 Years	1,463	1,566	3,029	45 to 54 Years	1,283	1,331	2,614	45 to 54 Years	1,116	1,206	2,322
55 to 64 Years	1,570	1,769	3,339	55 to 64 Years	1,496	1,803	3,299	55 to 64 Years	1,439	1,731	3,170
65 to 74 Years	1,267	1,224	2,491	65 to 74 Years	1,491	1,482	2,973	65 to 74 Years	1,701	1,716	3,417
75 to 84 Years	475	570	1,045	75 to 84 Years	568	636	1,204	75 to 84 Years	592	678	1,270
85 Years and Up	107	202	309	85 Years and Up	136	248	384	85 Years and Up	157	272	429
Total	10,331	10,887	21,218	Total	10,234	10,909	21,143	Total	10,364	11,040	21,404
62+ Years	n/a	n/a	4,839	62+ Years	n/a	n/a	5,560	62+ Years	n/a	n/a	6,173
			Median Age: 43.4				Median Age: 44.6				Median Age: 44.6

Source: Nielsen Claritas; Ribbon Demographics

Ribbon Demographics, LLC
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Tel: 916-800-1644



Source: Nielsen Claritas; Ribbon Demographics

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www.ribbondata.com
Tel: 916-800-1644

HISTA DATA

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Lakeview Senior - PMA

Nielsen Claritas

Owner 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	40	36	25	15	5	121
\$10,000-20,000	102	78	33	15	41	269
\$20,000-30,000	126	160	108	88	11	493
\$30,000-40,000	97	122	94	106	65	484
\$40,000-50,000	0	117	146	138	60	461
\$50,000-60,000	67	104	75	17	149	412
\$60,000+	95	642	345	462	184	1,728
Total	527	1,259	826	841	515	3,968

Owner 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	61	40	4	0	0	105
\$10,000-20,000	76	91	3	0	2	172
\$20,000-30,000	36	39	51	0	0	126
\$30,000-40,000	19	72	25	2	2	120
\$40,000-50,000	64	66	5	0	0	135
\$50,000-60,000	7	95	0	2	0	104
\$60,000+	60	448	31	32	26	597
Total	323	851	119	36	30	1,359

Owner 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	216	90	16	0	12	334
\$10,000-20,000	315	176	39	24	0	554
\$20,000-30,000	186	316	22	1	0	525
\$30,000-40,000	97	170	51	7	0	325
\$40,000-50,000	88	226	42	33	7	396
\$50,000-60,000	46	156	18	5	6	231
\$60,000+	125	762	59	25	25	996
Total	1,073	1,896	247	95	50	3,361

HISTA DATA

Lakeview Senior - PMA



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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	108	116	11	22	45	302
\$10,000-20,000	129	132	117	30	60	468
\$20,000-30,000	141	101	123	62	20	447
\$30,000-40,000	5	29	82	42	1	159
\$40,000-50,000	20	96	73	49	60	298
\$50,000-60,000	5	5	4	51	3	68
\$60,000+	<u>22</u>	<u>139</u>	<u>35</u>	<u>17</u>	<u>142</u>	355
Total	430	618	445	273	331	2,097

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	71	32	0	1	1	105
\$10,000-20,000	28	0	0	25	0	53
\$20,000-30,000	43	1	45	1	38	128
\$30,000-40,000	1	0	0	17	0	18
\$40,000-50,000	13	1	32	2	0	48
\$50,000-60,000	1	3	0	0	0	4
\$60,000+	<u>15</u>	<u>6</u>	<u>8</u>	<u>7</u>	<u>42</u>	78
Total	172	43	85	53	81	434

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	76	29	1	2	0	108
\$10,000-20,000	84	13	2	2	6	107
\$20,000-30,000	50	42	0	3	0	95
\$30,000-40,000	14	13	1	4	0	32
\$40,000-50,000	27	28	1	4	0	60
\$50,000-60,000	20	3	3	1	0	27
\$60,000+	<u>46</u>	<u>21</u>	<u>18</u>	<u>11</u>	<u>6</u>	102
Total	317	149	26	27	12	531

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Owner Households						
Under Age 55 Years						
<i>Current Year Estimates - 2016</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	23	21	21	32	9	106
\$10,000-20,000	60	42	29	8	28	167
\$20,000-30,000	63	121	86	51	6	327
\$30,000-40,000	78	86	93	89	58	404
\$40,000-50,000	1	69	114	107	67	358
\$50,000-60,000	43	59	30	44	144	320
\$60,000+	<u>101</u>	<u>559</u>	<u>404</u>	<u>512</u>	<u>159</u>	<u>1,735</u>
Total	369	957	777	843	471	3,417

Owner Households						
Aged 55-61 Years						
<i>Current Year Estimates - 2016</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	51	64	5	1	0	121
\$10,000-20,000	76	106	9	1	2	194
\$20,000-30,000	49	47	35	0	1	132
\$30,000-40,000	42	105	44	3	1	195
\$40,000-50,000	44	94	8	1	1	148
\$50,000-60,000	12	73	0	1	1	87
\$60,000+	<u>101</u>	<u>529</u>	<u>72</u>	<u>20</u>	<u>21</u>	<u>743</u>
Total	375	1,018	173	27	27	1,620

Owner Households						
Aged 62+ Years						
<i>Current Year Estimates - 2016</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	181	74	12	2	10	279
\$10,000-20,000	347	174	49	50	0	620
\$20,000-30,000	278	397	28	0	0	703
\$30,000-40,000	112	226	70	22	0	430
\$40,000-50,000	143	223	26	26	10	428
\$50,000-60,000	57	210	35	6	13	321
\$60,000+	<u>300</u>	<u>1,548</u>	<u>124</u>	<u>47</u>	<u>57</u>	<u>2,076</u>
Total	1,418	2,852	344	153	90	4,857

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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	
	Household	Household	Household	Household	Household	Total
\$0-10,000	149	61	11	32	31	284
\$10,000-20,000	112	77	118	23	47	377
\$20,000-30,000	94	68	135	75	25	397
\$30,000-40,000	19	52	66	29	1	167
\$40,000-50,000	24	66	72	37	58	257
\$50,000-60,000	6	4	23	17	8	58
\$60,000+	<u>64</u>	<u>160</u>	<u>40</u>	<u>24</u>	<u>198</u>	<u>486</u>
Total	468	488	465	237	368	2,026

Renter Households						
Aged 55-61 Years						
<i>Current Year Estimates - 2016</i>						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	49	44	0	0	0	93
\$10,000-20,000	32	5	0	22	0	59
\$20,000-30,000	39	0	38	2	25	104
\$30,000-40,000	2	0	1	31	1	35
\$40,000-50,000	7	0	19	1	0	27
\$50,000-60,000	2	5	0	0	1	8
\$60,000+	<u>28</u>	<u>10</u>	<u>13</u>	<u>10</u>	<u>28</u>	<u>89</u>
Total	159	64	71	66	55	415

Renter Households						
Aged 62+ Years						
<i>Current Year Estimates - 2016</i>						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	53	26	3	2	1	85
\$10,000-20,000	124	18	0	7	8	157
\$20,000-30,000	72	59	3	6	1	141
\$30,000-40,000	32	13	3	3	2	53
\$40,000-50,000	23	36	3	3	3	68
\$50,000-60,000	38	13	3	4	0	58
\$60,000+	<u>109</u>	<u>39</u>	<u>44</u>	<u>16</u>	<u>10</u>	<u>218</u>
Total	451	204	59	41	25	780

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Owner Households						
Under Age 55 Years						
Five Year Projections - 2021						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	20	17	21	30	8	96
\$10,000-20,000	57	42	24	8	14	145
\$20,000-30,000	51	102	65	47	4	269
\$30,000-40,000	85	82	98	91	66	422
\$40,000-50,000	2	65	89	90	50	296
\$50,000-60,000	48	51	33	45	150	327
\$60,000+	87	577	424	544	159	1,791
Total	350	936	754	855	451	3,346

Owner Households						
Aged 55-61 Years						
Five Year Projections - 2021						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	44	52	4	0	1	101
\$10,000-20,000	67	86	7	3	2	165
\$20,000-30,000	38	36	27	1	0	102
\$30,000-40,000	55	92	54	4	2	207
\$40,000-50,000	39	89	7	6	0	141
\$50,000-60,000	15	73	1	1	0	90
\$60,000+	101	555	92	20	31	799
Total	359	983	192	35	36	1,605

Owner Households						
Aged 62+ Years						
Five Year Projections - 2021						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	187	73	13	4	11	288
\$10,000-20,000	348	179	52	40	2	621
\$20,000-30,000	278	390	22	6	1	697
\$30,000-40,000	128	272	81	22	0	503
\$40,000-50,000	180	239	28	24	10	481
\$50,000-60,000	79	251	44	4	14	392
\$60,000+	372	1,903	129	50	68	2,522
Total	1,572	3,307	369	150	106	5,504

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Renter Households						
Under Age 55 Years						
<i>Five Year Projections - 2021</i>						
	1-Person	2-Person	3-Person	4-Person	5+-Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	137	54	10	28	35	264
\$10,000-20,000	116	78	103	17	49	363
\$20,000-30,000	96	56	122	68	25	367
\$30,000-40,000	18	52	78	41	0	189
\$40,000-50,000	29	54	76	33	50	242
\$50,000-60,000	6	3	48	21	6	84
\$60,000+	<u>80</u>	<u>178</u>	<u>43</u>	<u>27</u>	<u>198</u>	<u>526</u>
Total	482	475	480	235	363	2,035

Renter Households						
Aged 55-61 Years						
<i>Five Year Projections - 2021</i>						
	1-Person	2-Person	3-Person	4-Person	5+-Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	45	45	0	0	1	91
\$10,000-20,000	27	4	0	18	1	50
\$20,000-30,000	30	2	28	2	25	87
\$30,000-40,000	2	0	0	41	0	43
\$40,000-50,000	7	0	10	2	1	20
\$50,000-60,000	3	5	0	1	0	9
\$60,000+	<u>39</u>	<u>6</u>	<u>19</u>	<u>6</u>	<u>33</u>	<u>103</u>
Total	153	62	57	70	61	403

Renter Households						
Aged 62+ Years						
<i>Five Year Projections - 2021</i>						
	1-Person	2-Person	3-Person	4-Person	5+-Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	58	24	1	3	4	90
\$10,000-20,000	124	17	2	7	8	158
\$20,000-30,000	73	54	2	1	3	133
\$30,000-40,000	43	15	5	3	1	67
\$40,000-50,000	24	39	2	6	2	73
\$50,000-60,000	48	18	2	2	1	71
\$60,000+	<u>132</u>	<u>52</u>	<u>54</u>	<u>26</u>	<u>11</u>	<u>275</u>
Total	502	219	68	48	30	867

UTILITY ALLOWANCES

Allowances for
Tenant-Furnished Utilities
and Other Services

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



Locality		Unit Type					Date
Lakeview Senior Gardens - I (1 br)		Apartment Units (5+ units per building)					05-17-2016
		Energy Star Yes					
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)	3	3	4	5	6	
	d. Oil / Other						
Cooking	a. Natural Gas						
	b. Bottle Gas						
	c. Electric	4	5	6	7	8	
	d. Oil / Other						
Other Electric	44	47	52	57	62	68	
Air Conditioning	6	7	10	15	19	23	
Water Heating	a. Natural Gas						
	b. Bottle Gas						
	c. Electric	9	10	15	18	21	
	d. Oil / Other						
Water	35	36	48	61	75	89	
Sewer	40	41	57	72	87	102	
Trash Collection							
Range/Microwave							
Refrigerator							
Other							

<u>Actual Family Allowances</u> To be used by the family to compute allowance.		Utility or Service	per month cost
Complete below for the actual unit rented		Heating	\$ 3
Name of Family		Cooking	5
		Other Electric	47
		Air Conditioning	7
		Water Heating	10
Address of Unit		Water	36
		Sewer	41
		Trash Collection	0
		Range/Microwave	0
		Refrigerator	0
		Other	0
Number of Bedrooms		Total	\$ 149

Allowances for
Tenant-Furnished Utilities
and Other Services

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



Locality		Unit Type	Monthly Dollar Allowances					Date
Lakeview Senior Gardens - I (2 br)		Apartment Units (5+ units per building)						05-17-2016
		Energy Star Yes						
Utility or Service		Studio	1 BR	2 BR	3 BR	4 BR	5 BR	
Heating	a. Natural Gas							
	b. Bottle Gas							
	c. Electric (heat pump)	3	3	4	5	6	7	
	d. Oil / Other							
Cooking	a. Natural Gas							
	b. Bottle Gas							
	c. Electric	4	5	6	7	8	10	
	d. Oil / Other							
Other Electric	44	47	52	57	62	68		
Air Conditioning	6	7	10	15	19	23		
Water Heating	a. Natural Gas							
	b. Bottle Gas							
	c. Electric	9	10	15	18	21	24	
	d. Oil / Other							
Water	35	36	48	61	75	89		
Sewer	40	41	57	72	87	102		
Trash Collection								
Range/Microwave								
Refrigerator								
Other								

Actual Family Allowances To be used by the family to compute allowance.

Complete below for the actual unit rented

		Utility or Service	per month cost
		Heating	\$ 4
Name of Family		Cooking	6
		Other Electric	52
		Air Conditioning	10
Address of Unit		Water Heating	15
		Water	48
		Sewer	57
		Trash Collection	0
		Range/Microwave	0
		Refrigerator	0
Number of Bedrooms		Other	0
		Total	\$ 192

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		Unit Type					Date
Lakeview Senior Gardens - I (3 br)		Apartment Units (5+ units per building)					05-17-2016
		Energy Star Yes					
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)	3	3	4	5	6	
	d. Oil / Other						
Cooking	a. Natural Gas						
	b. Bottle Gas						
	c. Electric	4	5	6	7	8	
	d. Oil / Other						
Other Electric	44	47	52	57	62	68	
Air Conditioning	6	7	10	15	19	23	
Water Heating	a. Natural Gas						
	b. Bottle Gas						
	c. Electric	9	10	15	18	21	
	d. Oil / Other						
Water	35	36	48	61	75	89	
Sewer	40	41	57	72	87	102	
Trash Collection							
Range/Microwave							
Refrigerator							
Other							

Actual Family Allowances To be used by the family to compute allowance.

Complete below for the actual unit rented

Name of Family	Utility or Service	per month cost
	Heating	\$ 5
	Cooking	7
	Other Electric	57
	Air Conditioning	15
	Water Heating	18
	Water	61
	Sewer	72
Address of Unit	Trash Collection	0
	Range/Microwave	0
	Refrigerator	0
	Other	0
Number of Bedrooms		
	Total	\$ 235

Form HUD-52667 (12/97)

ref. Handbook 7420.8

PRIMARY MARKET AREA

Attn: Phil Ellen
Email: phillipellen@aol.com
Re: Threshold Clarification Request
Project Number: 15-038 Emilia Place
Date of Request: 8/20/15

The Georgia Department of Community Affairs is currently reviewing the above-referenced Application for 9% tax credits. Pursuant to the 2015 Qualified Allocation Plan, DCA is requesting you provide the missing or complete document(s) and/or a written clarification regarding the threshold deficiencies identified in this request.

Your response to this request cannot be used to modify your application or to provide documents or reports that were not in existence prior to Application Submission day. Therefore, it must be evident on the face of the document(s) submitted in response to this request or you must provide evidence that the document(s) were in existence prior to June 11, 2015.

In accordance with the 2015 Qualified Allocation Plan, DCA will only review the documentation submitted in response to this request for purposes of clarifying Appendix I deficiencies and will not use such documentation during the scoring review process.

Threshold Deficiencies: Market Feasibility

1. According to the Market Study Manual, the primary market area must be “specifically justified” as well as take into account “political and natural boundaries, socioeconomic characteristics, and the experiences of the comparable multifamily developments at each geographic level...” (p. 6). This project’s primary market area includes the larger population centers of Eatonton and Greensboro, although it also mentions that “the Lake Oconee are of the PMA is the fastest growing section of the PMA”. Please clarify further why the market area boundaries for this project were delineated as such to include nearby larger cities and how this impacts demand estimates.
2. Please clarify how the absorption rate was determined, since data from absorption rates for comparables was not used.

The response should be emailed to: oahclarifications@dca.ga.gov

If the response is too large to email ($\geq 10\text{MB}$), please mail the information to the attention of Andria Williams at DCA and notify her of such by email. It is not necessary, and we prefer that you do not submit this information by more than one method.

This information must be received by DCA no later than five (5) business days from the date of this request.

Mr. Phillip Ellen, Executive Director
Paladin, Inc.
745 Ponce de Leon Terrace, NE
Atlanta, GA 30306

August 21, 2015

Re: Threshold Clarification Request

Project Number: 15-038 Emilia Place

Dear Mr. Ellen,

The following is in response to the request from the Georgia Department of Community Affairs (DCA) for clarification of certain market feasibility issues. Specifically, (1) justification of PMA, and (2) the determination of the absorption rate.

PMA

The delineation of the PMA was determined via the reconciliation of three findings:

(1) Physical Geography - The Lake Oconee area is primarily situated along the boundary of Putnam County in which Eatonton is the county seat, and Greene County, in which Greensboro is the county seat. The subject site is located very near to this boundary line and is directly connected and almost equidistant to both Eatonton and Greensboro by State Road (SR) 44. Eatonton is located approximately 11 miles southwest via SR 44 and Greensboro is located approximately 10 miles northeast via SR 44.

(2) Interviews - Interviews with apartment managers (see page 88, Heritage Villas) and Key Respondents (see page 100) such as the Director of the Eatonton Senior Center (who is a member of the Putnam County Commission), and the Director of Planning and Development for Putnam County suggested that potential elderly renters for the proposed subject development would come from a wide area and not just limited to Lake Oconee.

(3) Recent GA-DCA awards in the Eatonton and Greensboro - Two recent market studies were reviewed before establishing the subject PMA. Since both market studies were part of an application that GA-DCA made a LIHTC award, it was assumed that both PMA's were readily approved without condition by GA-DCA. In 2013, DCA made an award for the Mary Leila Lofts LIHTC-fm Application (2013-52) in Greensboro, Georgia. Novogradic & Company prepared the market study. The PMA was considerably large with a furthest extent of 22-miles. The PMA included Greensboro, the Lake Oconee Area and was extended south to the Eatonton city limits and east to the Madison city limits. In 2014, DCA made an award for the Sumter Street Station LIHTC-fm Application (2014-00) in Eatonton, Georgia. Novogradic & Company prepared the market study. The PMA was considerably large with a furthest extent distance of over 17-miles. The furthest extent north was 14.5-miles, south was 10 miles, east was 16.5 miles and west was 17.3 miles. The PMA included Eatonton, and the Lake Oconee Area. And in my opinion, were it not for the 2013 DCA Award in Greensboro in 2013, more of Green County would likely have been included within the PMA.

NCHMA CERTIFICATION

Certificate of Membership

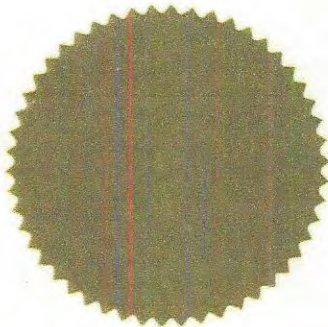
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National Council of Housing Market Analysts
1400 16th St. NW
Suite 420
Washington, DC 20036
202-939-1750

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




Thomas Amdur
Executive Director, NH&RA