



**NOVOGRADAC
& COMPANY** LLP®

CERTIFIED PUBLIC ACCOUNTANTS

**A MARKET STUDY OF:
MEADOW
LANE
APARTMENTS**

A MARKET STUDY OF:

MEADOW LANE APARTMENTS

22 Tamassee Lane
Rome, Floyd County, Georgia 30165

Effective Date: April 20, 2017
Report Date: May 12, 2017

Prepared for:
Mr. Craig Cobb
LHP Development, LLC
900 South Gay Street, Suite 2000
Knoxville, Tennessee 37902

Assignment Code: LHP602V-004

Prepared by:
Novogradac & Company LLP
6700 Antioch Road, Suite 450
Merriam, Kansas 66204
913-677-4600



**NOVOGRADAC
& COMPANY** LLP®

CERTIFIED PUBLIC ACCOUNTANTS



**NOVOGRADAC
& COMPANY** LLP®
CERTIFIED PUBLIC ACCOUNTANTS

May 12, 2017

Mr. Craig Cobb
LHP Development, LLC
900 South Gay Street, Suite 2000
Knoxville, Tennessee 37902

Re: Market Study - Application for Meadow Lane Apartments, located in Rome, Floyd County, Georgia

Dear Mr. Cobb:

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

The purpose of this market study is to assess the feasibility of the LIHTC rehabilitation of Meadow Lane Apartments (Subject), an existing 120-unit Section 8/market rate multifamily development. The Subject offers one, two, three and four-bedroom units. Following renovation using the LIHTC program, the property will be restricted to households earning 60 percent of the Area Median Income (AMI), or less. In addition, 114 units will continue to benefit from a HAP contract post renovation and one four-bedroom unit will be utilized as the leasing office. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

The scope of this report meets the requirements of Georgia Department of Community Affairs (DCA), including the following:

- Inspecting the site of the proposed Subject and the general location.
- Analyzing appropriateness of the proposed unit mix, rent levels, available amenities and site.
- Estimating market rent, absorption and stabilized occupancy level for the market area.
- Investigating the health and conditions of the multifamily market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area in relation to the proposed project.
- Establishing the Subject Primary and Secondary Market Area(s) if applicable.
- Surveying competing projects, Low-Income Housing Tax Credit (LIHTC) and market rate.

Novogradac & Company LLP adheres to the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA). The NCHMA certification and checklist can be found in the Addenda of this report. Please refer to the checklist to find the sections in which content is located.

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The report also includes a thorough analysis of the scope of the study, regional and local demographic and economic studies, and market analyses including conclusions. The depth of discussion contained in the report is specific to the needs of the client. Information included in this report is accurate and the report can be relied upon by DCA as a true

NOVOGRADAC & COMPANY LLP

P 913.677.4600
F 913.677.4601
W www.novoco.com

OFFICE 6700 Antioch Road, Suite 450
Merriam, Kan. 66204

assessment of the low-income housing rental market. This report was completed in accordance with DCA market study guidelines. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development’s partners or intended partners. Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,
Novogradac & Company LLP



Rebecca Arthur, MAI
Partner
Rebecca.Arthur@novoco.com



Matthew Hummel
Manager
Matthew.hummel@novoco.com



Will Hoedl
Senior Analyst
Will.Hoedl@novoco.com

TABLE OF CONTENTS

A. Executive Summary	1
B. Project Description.....	10
C. Site Evaluation	16
D. Market Area	28
E. Community Demographic Data	32
F. Employment Trends.....	38
G. Project-Specific Affordability and Demand Analysis	48
H. Competitive Rental Analysis.....	63
I. Absorption and Stabilization Rates	129
J. Interviews	131
K. Conclusions and Recommendations	134
L. Signed Statement Requirements.....	138
M. Market Study Representation	140
Addendum A.....	Assumptions and Limiting Conditions
Addendum B.....	Subject and Neighborhood Photographs
Addendum C.....	Qualifications
Addendum D.....	Summary Matrix
Addendum E.....	Site & Floor Plans

A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. Project Description

Meadow Lane Apartments (Subject) will be a renovated family property located in Rome, Floyd County, Georgia, which will consist of 13 two- and three-story, residential buildings.

The following table illustrates the proposed unit mix and proposed post renovation rents.

PROPOSED RENTS								
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross LIHTC Rent	2016 LIHTC Maximum Allowable Gross Rent (2)	Current Contract Rents	Proposed Contract Rents
<i>60% AMI/Section 8*</i>								
1BD/1BA	560	15	\$456	\$91	\$547	\$547	\$531	\$800
2BD/1BA	851	60	\$550	\$107	\$657	\$657	\$646	\$900
3BD/1BA	1,021	27	\$619	\$139	\$758	\$758	\$718	\$1,000
4BD/1BA	1,173	13	\$683	\$163	\$846	\$846	\$858	\$1,100
<i>60% AMI</i>								
3BD/1BA	1,021	3	\$619	\$139	\$758	\$758	N/A	N/A
4BD/1BA	1,173	1	\$683	\$163	\$846	\$846	N/A	N/A
<i>Leasing Office</i>								
4BD/1BA		<u>1</u>	N/A	N/A	N/A	N/A	N/A	N/A
Total		120						

(1) Utility Allowance provided by the developer, and based upon the approved Section 8 utility allowance for the Subject, effective 1/1/2017

(2) Rents in effect as of January 1, 2017, per DCA guidelines

*All tenants pay 30 percent of their income towards rent, not to exceed the LIHTC rent limits

Of the Subject's 119 units at the 60 percent of AMI level, 114 will continue to operate with a Section 8 project-based subsidy. Tenants in these units will pay 30 percent of their AMI towards rent, not to exceed the LIHTC rent limits. The proposed rents for the Subject's units at the 60 percent of AMI level are at the maximum allowable rents. The Subject's amenity package is considered to be comparable to the existing housing supply in the market. The Subject's biggest deficiency is its lack of patio/balconies with each unit and slightly inferior unit sizes. However, the Subject will offer in-unit washers and dryers, which is not generally offered in the market.

The Scope of renovations will be significant for the Subject. Renovations will reportedly have hard costs of renovations will reportedly be \$50,015 per unit, or \$6,001,781 for the entire property. The scope of renovations is detailed as follows:

Exterior Improvements include:

- Grading work, and repair and replacement for sidewalk and curbs
- Landscaping upgrades
- Parking lot milling, repair, sub-grading, repaving and striping
- New water lines
- New picnic area and playground
- New concrete at stairs
- Miscellaneous masonry repairs and exterior paint
- New stairs, landing, and handrails

- Replace roof, inclusive of shingles, fascia, soffits, gutters and downspouts
- New exterior doors
- New property signage and monument
- New mailbox arrays
- New stairwell lighting
- Conversion of existing four-bedroom unit into community space and office
- Existing office will be converted to a three-bedroom unit
- New video surveillance system

In-Unit Improvements include:

- Rebuild HVAC stands
- Reframe bedroom doors
- Floor joist and subfloor repair
- Replace vinyl base trim
- Add attic insulation
- New interior doors and hardware
- New window placement
- Drywall repair and replacement
- Replacement of tub-surrounds and tub resurfacing
- New doors and trim, including handrails
- Refinish existing wood floors and add vinyl tile
- New stovetop fire suppression
- New kitchen cabinets and countertops
- New bathroom vanities
- New appliance package, including refrigerators, stove, vent hoods, and microwaves
- Add dishwashers and in-unit washer/dryers
- New window treatments
- New Energy Star rated light fixtures
- New kitchen and bathroom sinks
- New bathroom ventilation fans
- New central air-conditioning units
- New gas lines
- Electrical panel and meter upgrades
- New smoke detectors
- Interior wall paint

2. Site Description/Evaluation

The Subject site is located along both sides of Tamassee Lane. The Subject site has fair visibility, but good accessibility from neighborhood thoroughfares. Surrounding uses consist of multifamily, commercial, and single-family uses, as well as undeveloped land. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied, and there is an array of retail uses in the Subject's immediate neighborhood. The Subject site is considered "Car-Dependent" by *Walkscore* with a rating of 43 out of 100. Crime risk indices in the Subject's area are considered low. The Subject site is considered a desirable location for rental housing. The Subject is located in a mixed-use neighborhood. The uses surrounding the

Subject are in fair to good condition and the site has good proximity to locational amenities, which are generally within two miles of the Subject site.

3. Market Area Definition

The PMA is defined as the Rome, GA MSA, which consists entirely of Floyd County. This area includes the communities of Rome, Armuchee, Shannon, Lindale, and Cave Spring. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North:	9.3 miles
East:	12 miles
South:	12.6 miles
West:	12.5 miles

The PMA was defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject's property manager. Many property managers indicated that a significant portion of their tenants come from out of state. Of those residents coming from within Georgia most are coming from the surrounding counties of Chatooga, Gordon, Bartow, and Polk, which compose the SMA. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2017 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 12.6 miles.

4. Community Demographic Data

The population in the PMA and the SMA increased significantly from 2000 to 2010, though the rate of growth slowed from 2010 to 2016. The rate of population and household growth is projected to continue to grow through 2021, although at slower rate. The current population of the PMA is 97,576 and is expected to increase slightly to 98,452 by 2021. Renter households are concentrated in the lowest income cohorts, with 49.0 percent of renters in the PMA earning less than \$30,000 annually. The Subject will target households earning between \$0 and \$38,520 for its LIHTC units. However, all units will continue to benefit from a subsidy post renovation. Overall, while population growth has been modest, the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

According to RealtyTrac statistics, one in every 1,588 housing units nationwide was in some stage of foreclosure as of March 2017. The city of Rome is experiencing a foreclosure rate of one in every 2,925 homes, while the state of Georgia is experiencing foreclosure rate of one in every 1,898 homes. Overall, Rome is experiencing a lower foreclosure rate than the nation and the state, indicating a healthy housing market. The Subject's neighborhood does not have a significant amount of abandoned or vacancy structures that would impact the marketability of the Subject.

5. Economic Data

The largest industries in the PMA are healthcare/social assistance, manufacturing, educational services, and retail trade. Positions in these industries account for 52.4 percent of all jobs in the area. The four largest employers in the area are two large hospitals, the county school district, and the Floyd County government, of which Rome is the county seat. Public administration, educational services, and health care/social assistance, are resilient during periods of economic downturn. This may help mitigate future job losses should the economy enter another period of instability.

The SMA has experienced annual employment growth from 2010 through 2016, with the exception of 2013. In addition, from December 2015 to December 2016, total employment in the SMA increased 1.8 percent, compared to a 1.4 percent increase in the nation as a whole. In addition, the unemployment rate has

decreased annually since 2010; although, the unemployment rate in the SMA remains 80 basis points higher than the national average as of December 2016. While total employment has yet to surpass pre-recession levels and the unemployment rate remains higher than that of the nation, it does appear that the economy in the SMA has stabilized. This indicates that the area will have continued demand for workforce and affordable housing for the foreseeable future.

6. Project-Specific Affordability and Demand Analysis

The following table illustrates the demand and capture rates for the Subject’s proposed units.

CAPTURE RATE ANALYSIS CHART

Unit Type	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Proposed Rents
1BR at 60% AMI/Sec. 8	15	967	34	933	1.6%	One month	\$456
1BR at 60% AMI	15	415	9	406	3.7%	One month	\$456
2BR at 60% AMI/Sec. 8	60	1,351	56	1,295	4.6%	4-5 months	\$550
2BR at 60% AMI	60	580	37	543	11.1%	4-5 months	\$550
3BR at 60% AMI/Sec. 8	27	724	25	699	3.9%	2 - 3 months	\$619
3BR at 60% AMI	30	311	17	294	10.2%	2 - 3 months	\$619
4BR at 60% AMI/Sec. 8	12	251	0	251	4.8%	One month	\$683
4BR at 60% AMI	14	108	0	108	13.0%	One month	\$683
Overall - With Subsidy	114	3,293	115	3,178	3.6%	7 - 8 months	-
Overall - Absent Subsidy	119	1,414	63	1,351	8.8%	7 - 8 months	-

We believe these calculated capture rates are reasonable, particularly as these calculations do not considered demand from outside the PMA or standard rental household turnover.

7. Competitive Rental Analysis

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 12 “true” comparable properties containing 955 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A map illustrating the location of the Subject in relation to comparable properties is also provided on the following pages. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered fair; while there are five existing LIHTC properties in the PMA, only two are targeted to families. One of these two properties, Ashland Park Apartments, is located in Rome, while the second, Spring Haven Apartments, is located in Cave Springs. In October of 2016, Riverwood Park Apartments, formerly a LIHTC property, transitioned to a market rate property. It is of note that a sixth LIHTC property, South Rome Residential, which is targeted to families, is completing construction, and anticipates receiving a certificate of occupancy in June of 2017. The developer confirmed that a marketing campaign for the properties has not yet begun; hence, none of the units are pre-leased. We have included a newer property owned by the Rome Housing Authority, Pennington Place, which is an eight unit complex that was constructed in 2012. While two of its units are public housing, the remaining six are targeted to families that earn less than 50 percent of area median income under the HOME program. Due to the lack of “true” LIHTC comparables in the PMA, it was necessary to utilize three comparable properties, located outside of the PMA that target families, and are located in generally similar areas in terms of access to amenities and

employment opportunities. Additionally, we were unable to locate any four-bedroom, unsubsidized, comparable properties located in the PMA or SMA. Hence, it was necessary to adjust the three-bedroom rent upward in our achievable LIHTC rent discussion regarding four-bedroom units. Finally, it is of note that 114 of the Subject’s 120 units currently benefit from a Housing Assistance Program (HAP) contract. As such, qualifying tenants will pay only 30 percent of their household income on rent. The comparable affordable properties in the PMA are located between 2.6 and 13.6 miles from the Subject, while the comparable affordable properties in the SMA are located between 17.1 and 25.2 miles from the Subject.

The availability of market-rate data is considered good. The Subject is located in Rome, and there are several market-rate properties in the area. We have included six conventional properties in our analysis of the competitive market. All of the market-rate properties are located in the PMA, between 2.0 and 6.4 miles from the Subject site. These comparables were built or renovated between 1971 and 2017. There are a limited number of new construction market-rate properties in the area. Overall, we believe the market-rate properties we have used in our analysis are the most comparable. Other market-rate properties were excluded based on condition, design or tenancy.

The Subject will continue to offer one, two, three, and four-bedroom units post renovation. We were not able to identify any market rate comparable properties that offer four-bedroom units in the PMA or SMA. As such, in order to derive an appropriate adjustment for an additional bedroom, we have utilized three of the affordable comparables and that offer two and three bedroom-units at the 60 percent restriction level, and six market rate comparables that also offer two and three bedroom units. An illustration of these comparables and the rent difference attributable to an additional bedroom is shown in the table following.

BEDROOM ADJUSTMENT

Property	Type	2BR	SF	3BR	SF	Difference
Arbor Terrace	Market	\$610	1,190	\$715	1,320	\$105
Ashton Ridge	Market	\$599	933	\$645	1,134	\$46
Claridge Gate	Market	\$795	1,221	\$950	1,377	\$155
Eastland Court	Market	\$945	1,056	\$1,125	1,516	\$180
Riverwood Park	Market	\$575	912	\$645	1,102	\$70
The Grove at 600	Market	\$715	1,120	\$815	1,320	\$100
Average						\$109

As illustrated, there is a \$109 average premium associated with an additional bedroom among the comparables. As such, we have utilized a unit type adjustment of \$100 for an additional bedroom, which we believe to be reasonable.

When comparing the Subject’s rents to the average comparable rent, we have not included surveyed rents at lower AMI levels given that this artificially lowers the average surveyed rent. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers rents at the 50 and 60 percent of AMI levels, and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent of AMI rents in the average comparable rent for the 60 percent of AMI comparison.

The overall average and the maximum and minimum adjusted rents for the comparable properties surveyed are illustrated in the table below in comparison with net rents for the Subject. It is of note that we have adjusted the surveyed average three-bedroom rent upward by \$100 to account for the additional bedroom that the Subject’s four-bedroom units offer.

SUBJECT

COMPARISON TO COMPARABLE RENTS					
Unit	Subject	Surveyed	Surveyed	Surveyed	Rent
1BR @ 60%	\$456	\$392	\$990	\$558	18.3%
2BR @ 60%	\$550	\$471	\$1,039	\$647	15.0%
3BR @ 60%	\$619	\$534	\$1,191	\$754	17.9%
4BR @ 60%	\$683	\$634	\$1,291	\$854	20.1%

As illustrated the Subject’s proposed 60 percent rents are well below the surveyed average of the comparable properties. All of the Subject’s proposed LIHTC rents are within the surveyed range of comparable LIHTC and market rents.

Eastland Court is achieving the highest one, two and three-bedroom unrestricted rents in the market. The Subject will be similar to Eastland Court as a market-rate property, post renovation. Eastland Court was built in 2005 and exhibits good condition, which is similar to the anticipated condition of the Subject upon completion. This development’s four-story garden-style design is considered slightly inferior to the Subject’s two and three-story garden-style design. Eastland Court is located 5.9 miles from the Subject site and offers a superior location. Eastland Court offers slightly superior in-unit amenities, but similar community amenities. Eastland Court also offers larger unit sizes compared to the Subject’s floor plans. The Subject’s proposed one, two, and three-bedroom rents (\$456 to \$619) are well below Eastland Court, which range from \$880 for one-bedroom units to \$1,191 for three-bedroom units. This bodes well for the marketability of the Subject and suggests that even without the Section 8 rental assistance that will be available to residents, the proposed LIHTC rents are attainable.

8. Absorption/Stabilization Estimate

Due to development timing, absorption information is not available for the comparable properties. The most recent newly constructed multifamily development in Rome is Highland Estates Senior Apartments, a LIHTC property restricted to seniors age 55 and older. It offers 84 one and two-bedroom units at 50 and 60 percent of area median income. According to a contact at the property, Highland Estates began leasing units in September of 2016, and is currently 81.0 percent occupied. This equates an absorption pace of to eight to nine units a month.

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Subject is a proposed renovation of an existing Section 8 property. According the Subject's rent roll, dated February 28, 2017, the property is 100 percent occupied with a waiting list, which is typical for the property, according to management. According to the rent roll, all of the tenants in the Subject's units would continue to qualify to remain in place. Assuming the Subject were 100 percent vacant following renovations, the Subject would likely experience a faster re-absorption pace than Highland Estates Senior Residences, due to the lack of age restriction, and the benefit of a rental subsidy. The Subject would likely experience a re-absorption pace of 19 to 22 units per month for an absorption period of approximately five to six months. Should the Subject not benefit from a rental subsidy post renovation, we believe Subject would experience a somewhat faster re-absorption pace than Highland Estates Senior Apartments, of 14 to 16 units per month for an absorption period of approximately seven to eight months.

9. Overall Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The affordable comparables are experiencing a weighted average vacancy rate of 0.5 percent, market rate vacancy is at 2.1 percent, and overall vacancy is at 1.4 percent. In addition, of the current vacancies in the market, most have been reported as pre-leased. Five of the six affordable properties maintain waiting lists, as does one of the market rate properties. These factors illustrate demand for both affordable and market rate housing. The Subject will offer generally similar to superior in-unit amenities in comparison to the LIHTC and market-rate comparable properties and similar property amenities. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the family LIHTC market.

As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered similar to superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. Additionally, the Subject will offer four-bedroom units, which are generally not available and are demonstrated to be in demand in the market. As such, the Subject will be filling a void in the market for income-restricted rate four-bedroom units. In general, the Subject will be slightly superior to superior to the comparable properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by waiting lists and low vacancy at several LIHTC comparable properties, we believe that the Subject is feasible as proposed and will perform well.

MEADOW LANE APARTMENTS – ROME, GEORGIA – MARKET STUDY

Summary Table:

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

Development Name:	Meadow Lane Apartments	Total # Units:	120
Location:	22 Tamasee Lane	# LIHTC Units:	119
	Rome, Floyd County, GA 30165		
PMA Boundary:	North: Floyd/Walker County Line, Floyd/Chatooga County Line, Floyd/Gordon County Line; South: Floyd/Polk County Line; East: Floyd/Bartow County Line; West: Georgia/Alabama State Line		
	Farthest Boundary Distance to Subject:		12.6 miles

Rental Housing Stock (found on page 26)

Type	# Properties*	Total Units	Vacant Units	Average Occupancy
All Rental Housing	34	2,788	33	98.8%
Market-Rate Housing	14	916	15	98.4%
Assisted/Subsidized Housing not to include LIHTC	13	1,224	1	99.9%
LIHTC	4	413	17	95.9%
Stabilized Comps	31	2,553	31	98.8%
Properties in Construction & Lease Up	3	235	N/A	N/A

*Only includes properties in PMA

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
15	1BR at 60% AMI	1	560	\$456	\$558	\$0.76	18%	\$990	\$1.09
60	2BR at 60% AMI	1	851	\$550	\$647	\$0.66	15%	\$1,039	\$0.98
30	3BR at 60% AMI	1	1,012	\$619	\$754	\$0.60	18%	\$1,191	\$0.79
14	4BR at 60% AMI	1	1,173	\$683	-	-	-	-	-

Demographic Data (found on page33)

	2010		2017		Jun-19	
Renter Households	13,195	32.5%	14,579	40.5%	14,630	40.6%
Income-Qualified Renter HHS (LIHTC)	11,902	90.2%	13,150	90.2%	13,196	90.2%

Targeted Income-Qualified Renter Household Demand (found on pages 57)

Type of Demand	30%	50%	60%	Market-rate	Other: __	Overall*
Renter Household Growth	N/Ap	N/Ap	13	N/Ap	N/Ap	13
Existing Households (Overburdened + Substandard)	N/Ap	N/Ap	1,402	N/Ap	N/Ap	1,402
Homeowner conversion (Seniors)	N/Ap	N/Ap	0	N/Ap	N/Ap	0
Total Primary Market Demand	N/Ap	N/Ap	1,414	N/Ap	N/Ap	0
Less Comparable/Competitive Supply	N/Ap	N/Ap	63	N/Ap	N/Ap	63
Adjusted Income-qualified Renter HHS**	N/Ap	N/Ap	1,351	N/Ap	N/Ap	1,351

Capture Rates (found on page 58)

Targeted Population	30%	50%	60%	Market-rate	Other: __	Overall
Capture Rate:	N/Ap	N/Ap	8.8%	N/Ap	N/Ap	8.8%

*Includes LIHTC and unrestricted (when applicable)

B. PROJECT DESCRIPTION

PROJECT DESCRIPTION

1. **Project Address and Development Location:** The Subject is located at 22 Tamassee Lane in Rome, Floyd County, Georgia 30165.
2. **Construction Type:** The Subject consists of 13 two and three-story, garden-style buildings. The buildings are wood frame with brick and vinyl siding exteriors and pitched roofs. The Subject was originally constructed in 1974.
3. **Occupancy Type:** Families.
4. **Special Population Target:** None.
5. **Number of Units by Bedroom Type and AMI Level:** See following property profile.
6. **Unit Size, Number of Bedrooms and Structure Type:** See following property profile.
7. **Rents and Utility Allowances:** See following property profile.
8. **Existing or Proposed Project-Based Rental Assistance:** Currently, the Subject operates as a Section 8/market rate development. Following renovations, 114 of the 120 units will continue to benefit from the HAP contract (Section 8 Contract No. GA06-L000-034), which expires December 31, 2017, at which point the owner will apply for a one year renewal.
9. **Proposed Development Amenities:** See following property profile.

PROPERTY PROFILE - POST-REHAB

Meadow Lane Apartments

Comp #	Subject
Effective	4/20/2017
Location	22 Tamassee Lane Rome, GA 30165 Floyd County
Distance	n/a
Units	120
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built / Renovated	1974 / Proposed



Market

Program	LIHTC/Section 8	Leasing Pace	Less than one week
Annual Turnover Rate	N/A	Change in Rent (Past Year)	N/A
Units/Month Absorbed	N/A	Concession	None
Section 8 Tenants	112		

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Garden (3 stories)	15	560	\$456	\$0	@60% (Section 8)	Yes	0	0.0%	yes
2	1	Garden (3 stories)	60	851	\$550	\$0	@60% (Section 8)	Yes	0	0.0%	yes
3	1	Garden (3 stories)	3	1,021	\$619	\$0	@60%	Yes	0	0.0%	yes
3	1	Garden (3 stories)	27	1,021	\$619	\$0	@60% (Section 8)	Yes	0	0.0%	yes
4	1	Garden (3 stories)	1	1,173	\$683	\$0	@60%	Yes	0	0.0%	yes
4	1	Garden (3 stories)	13	1,173	\$683	\$0	@60% (Section 8)	Yes	0	0.0%	yes
4	1	Garden (3 stories)	1	1,173	N/A	\$0	Non-Rental	No	0	0.0%	N/A

Amenities

In-Unit	Blinds Cable/Satellite/Internet Central A/C Coat Closet Dishwasher Garbage Disposal Microwave Oven Refrigerator Washer/Dryer Washer/Dryer hookup	Security	Patrol Video Surveillance
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Off-Street Parking On-Site Management Picnic Area Playground	Premium	none
Services	Tutoring	Other	none

Comments

The property maintains a waiting list of six to 12 months. Cable will be included in the rent and the common areas will have free wireless internet. Additionally, classes will be offered, however, the types of classes are yet to be determined.

10. Scope of Renovations:

The Scope of renovations will be significant for the Subject. Renovations will reportedly have hard costs of renovations will reportedly be \$50,015 per unit, or \$6,001,781 for the entire property. The scope of renovations is detailed as follows:

Exterior Improvements include:

- Grading work, and repair and replacement for sidewalk and curbs
- Landscaping upgrades
- Parking lot milling, repair, sub-grading, repaving and striping
- New water lines
- New picnic area and playground
- New concrete at stairs
- Miscellaneous masonry repairs and exterior paint
- New stairs, landing, and handrails
- Replace roof, inclusive of shingles, fascia, soffits, gutters and downspouts
- New exterior doors
- New property signage and monument
- New mailbox arrays
- New stairwell lighting
- Conversion of existing four-bedroom unit into community space and office
- Existing office will be converted to a three-bedroom unit
- New video surveillance system

In-Unit Improvements include:

- Rebuild HVAC stands
- Reframe bedroom doors
- Floor joist and subfloor repair
- Replace vinyl base trim
- Add attic insulation
- New interior doors and hardware
- New window placement
- Drywall repair and replacement
- Replacement of tub-surrounds and tub resurfacing
- New doors and trim, including handrails
- Refinish existing wood floors and add vinyl tile
- New stovetop fire suppression
- New kitchen cabinets and countertops
- New bathroom vanities
- New appliance package, including refrigerators, stove, vent hoods, and microwaves

- Add dishwashers and in-unit washer/dryers
- New window treatments
- New Energy Star rated light fixtures
- New kitchen and bathroom sinks
- New bathroom ventilation fans
- New central air-conditioning units
- New gas lines
- Electrical panel and meter upgrades
- New smoke detectors
- Interior wall paint

11. Current Rents:

Based on a rent roll received February 28, 2017, the current rents at the Subject are based on 30 percent of resident incomes, as the Subject operates as a Section 8 development. The following table illustrates the Subject's current and proposed rents and unit mix.

CURRENT RENTS

Unit Type	Unit Size (SF)	Number of Units	Current Rent	Minimum Tenant Paid Rent	Maximum Tenant Paid Rent	Average Tenant Paid Rent
<i>Section 8</i>						
1BR/1BA	560	15	\$531	\$0	\$423	\$199
2BR/1BA	851	60	\$646	\$0	\$513	\$145
3BR/1BA	1,012	28	\$718	\$0	\$455	\$93
4BR/1BA	1,173	12	\$848	\$0	\$230	\$53
<i>Market Rate</i>						
3BR/1BA	1,012	2	\$514	\$513	\$514	\$514
4BR/1BA	1,173	2	\$542	\$542	\$542	\$542
<i>Non-Rental (Office)</i>						
3BR/1BA	1,012	1	N/A	N/A		N/A
Total		120				

12. Current Occupancy:

The Subject is currently 100 percent occupied with a waiting list of six to 12 months in length depending on unit type. According to the Subject's historical audited financials, the Subject operated with a total vacancy rate (including collection loss) of 2.2 percent in 2015.

13. Current Tenant Income:

Most of the current tenants at the Subject have incomes that would be too low to income-qualify for the Subject without its current Section 8 contract. The majority of the current residents have incomes of less than \$15,000.

14. Placed in Service Date:

The Subject was originally built in 1973. Renovations will occur with tenants in place. Therefore, buildings will be placed back in service on a rolling basis. Renovations are scheduled to be completed in July 2019.

Conclusion:

The Subject will be a good-quality brick and vinyl siding two and three-story walk-up, garden style apartment complex, comparable to most of the inventory in the area. As a newly renovated property, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical obsolescence.

C. SITE EVALUATION

PROJECT DESCRIPTION

1. **Date of Site Visit and Name of Inspector:** Will Hoedl inspected the site on April 20, 2017.

2. **Physical Features of the Site:** The following illustrates the physical features of the site.

Frontage:

The Subject site has frontage along both sides of Tamassee Lane and the north side of Pappalardo Street. An aerial photograph of the Subject site is below.

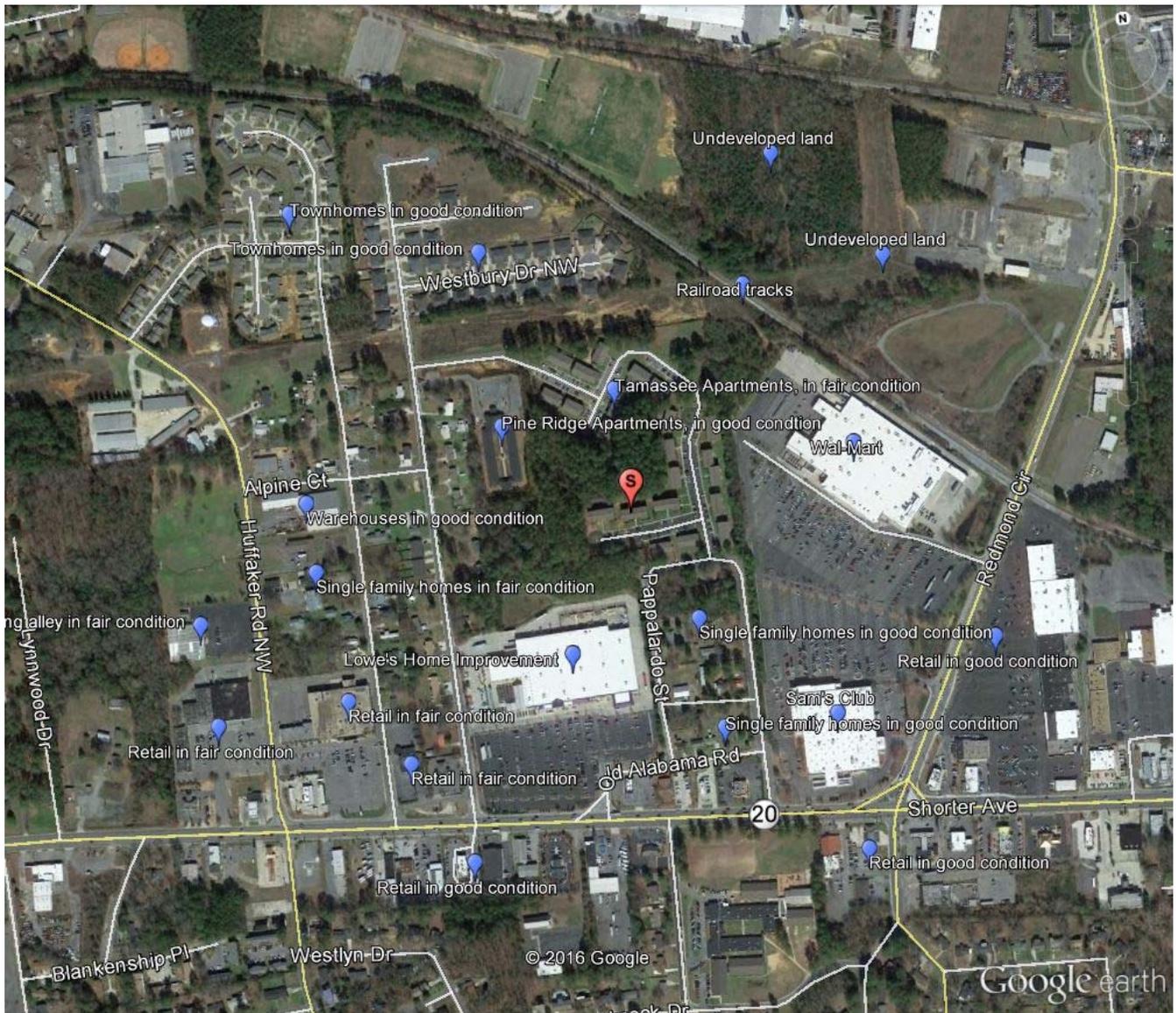


Visibility/Views:

The Subject has good visibility from Tamassee Lane, which serves as a private drive way for the Subject, as well as from Pappalardo Street. Views to the north, west and south are comprised of wooded and/or undeveloped land, as well as a single-family home in average condition to the south. Views to the east are comprised of a Wal-Mart parking lot. However, the Subject is separated from the parking lot by a line of mature trees. Views are considered average.

Surrounding Uses:

The following map illustrates the surrounding land uses.



Source: Google Earth, April 2017.

The Subject site is located along Tamassee Lane, which is accessible by Shorter Avenue to the south. Adjacent to the north of the Subject site is Tamassee Apartments, which is a 77-unit Section 8 development in average condition. These apartments also benefit from rental housing subsidies, and as such have not been utilized as a comparable property in this report. Further north is a townhome development that was developed in 2005 and exhibits good condition, as well as undeveloped land. To the east of the Subject is a Walmart Supercenter and Sam's Club, which exhibit good condition, as well as the associated parking areas. However, there is a line of mature trees in between the Subject and the parking lot. To the south of the Subject is a small parcel of

undeveloped wooded land as well as single-family homes that were developed in the 1950s and 1960s and exhibit average condition. To the southwest is Lowe’s Home Improvements in good condition. Undeveloped wooded land is located to the west of the Subject. This is followed by the Pine Ridge Apartments, in fair condition. Pine Ridge Apartments is an affordable development that targets the disabled and those at risk of homelessness. It offers only studio units, and also benefits from a rental subsidy. As such, it has not been utilized as a comparable in this study. Beyond Pine Ridge Apartments are more single-family homes in average condition and on large lots. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. Despite a wide array of retail uses in the Subject’s immediate neighborhood, the Subject site is considered “Car-Dependent” by Walkscore with a rating of 43 out of 100. The Subject site is considered to be in a desirable location for rental housing. The Subject site is located in a mixed use neighborhood. The uses surrounding the Subject are in fair to good condition and the site has good proximity to locational amenities, most of which are within two miles of the Subject.

Positive/Negative Attributes of Site:

The Subject’s proximity to retail and other locational amenities, as well as its surrounding uses, which are in average to condition, is considered positive attributes. The Subject is located within one mile from a variety of retail and light industrial uses. The Subject lacks immediate access to a major interstate. However, this should not be considered a significant negative attribute.

3. Physical Proximity to Locational Amenities:

The Subject is located within two miles of most locational amenities and many employment centers.

4. Pictures of Site and Adjacent Uses:

The following are pictures of the Subject site and adjacent uses.



Subject signage on Shorter Avenue



View of the Subject’s Leasing Office



View of the Subject



View of the Subject



View of the Subject



View of the Subject



View of the Subject



View of the Subject



Parking area



View of the Subject



View of the Subject



Parking area



View to the north



View of wooded area to the west



View of tree line to the east



Single-family home to the south



Wooded area to the west



Wooded area to the north



View along Pappalardo Street facing east



View along Pappalardo Street facing west



Tamassee Apartments to the north



Pine Ridge Apartments to the northwest



Townhome to the north



Single-family home to the west

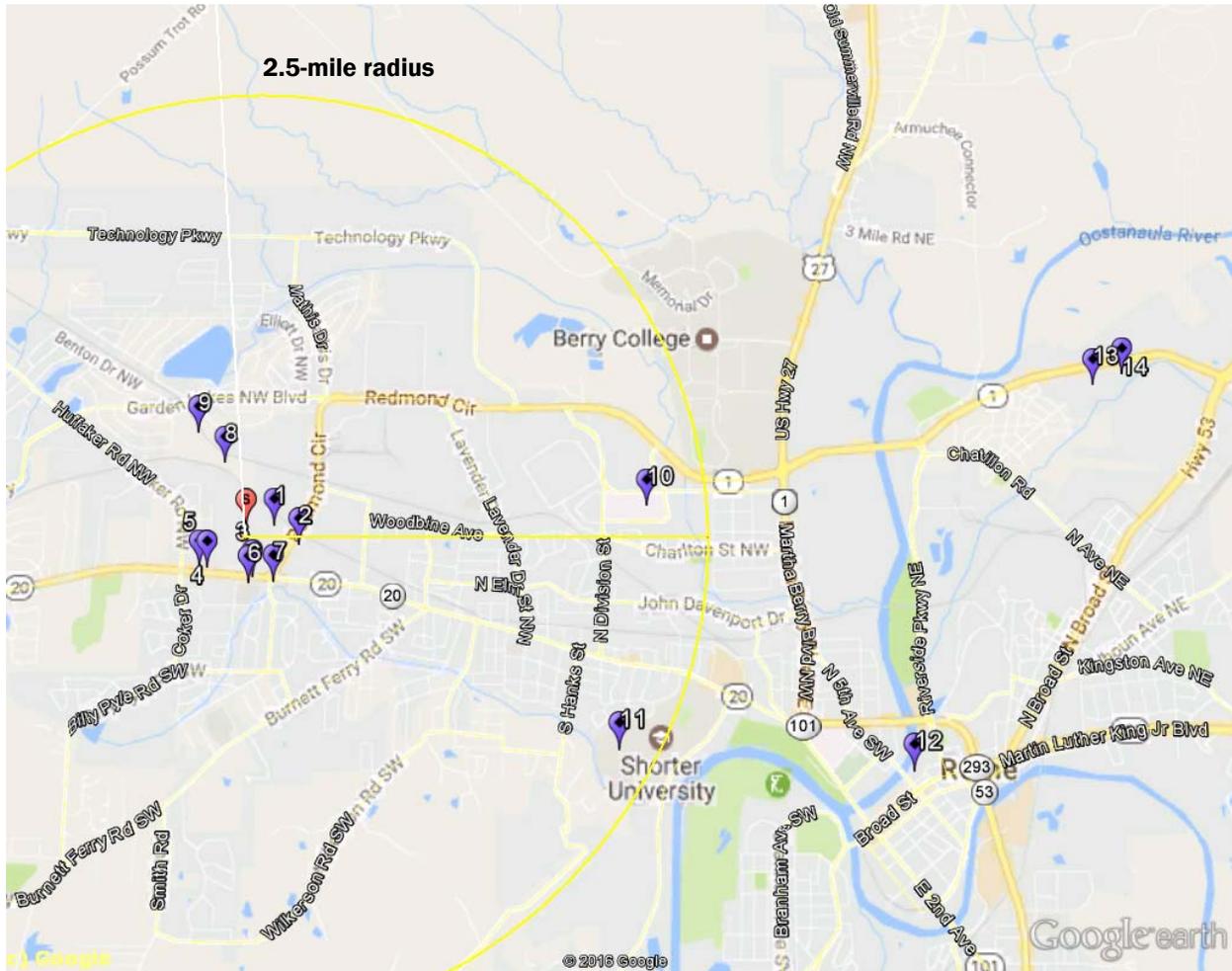


Wal-Mart Super Center to Subject to east



Lowe's to the southwest

5. Proximity to Locational Amenities: The following table details the Subject’s distance from key locational amenities.



Source: Google Earth, April 2017

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance
1	Wal-Mart	0.2 miles
2	US Post Office	0.2 miles
3	Bus Stop	0.3 miles
4	United Community Bank	0.3 miles
5	Winslette Pharmacy	0.3 miles
6	West End Elementary School	0.3 miles
7	Mobile Gas Station	0.3 miles
8	Garden Lakes Park	0.3 miles
9	Anthony Rec Center	0.6 miles
10	Redmond Regional Medical Center	2.2 miles
11	Shorter University	2.3 miles
12	Police Station	3.8 miles
13	Rome High School	4.7 miles
14	Rome Middle School	4.9 miles

6. Description of Land Uses

The Subject site is located along Tamassee Lane, which is accessible by Shorter Avenue to the south. Adjacent to the north of the Subject site is Tamassee Apartments, which is a 77-unit Section 8 development in average condition. These apartments also benefit from rental housing subsidies, and as such have not been utilized as a comparable property in this report. Further north is a townhome development that was developed in 2005 and exhibits good condition, as well as undeveloped land. To the east of the Subject is a Walmart Supercenter and Sam’s Club, which exhibit good condition, as well as the associated parking areas. However, there is a line of mature trees in between the Subject and the parking lot. To the south of the Subject is a small parcel of undeveloped wooded land as well as single-family homes that were developed in the 1950s and 1960s and exhibit average condition. To the southwest is Lowe’s Home Improvements in good condition. Undeveloped wooded land is located to the west of the Subject. This is followed by the Pine Ridge Apartments, in fair condition. Pine Ridge Apartments is an affordable development that targets the disabled and those at risk of homelessness. It offers only studio units, and also benefits from a rental subsidy. As such, it has not been utilized as a comparable in this study. Beyond Pine Ridge Apartments are more single-family homes in average condition and on large lots. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. Despite a wide array of retail uses in the Subject’s immediate neighborhood, the Subject site is considered “Car-Dependent” by Walkscore with a rating of 43 out of 100. The Subject site is considered to be in a desirable location for rental housing. The Subject site is located in a mixed use neighborhood. The uses surrounding the Subject are in fair to good condition and the site has good proximity to locational amenities, most of which are within two miles of the Subject.

7. Crime:

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

2016 CRIME INDICES

	PMA	MSA
Total Crime*	123	90
Personal Crime*	113	67
Murder	115	81
Rape	89	70
Robbery	86	48
Assault	129	76
Property Crime*	125	93
Burglary	143	109
Larceny	126	92
Motor Vehicle Theft	65	58

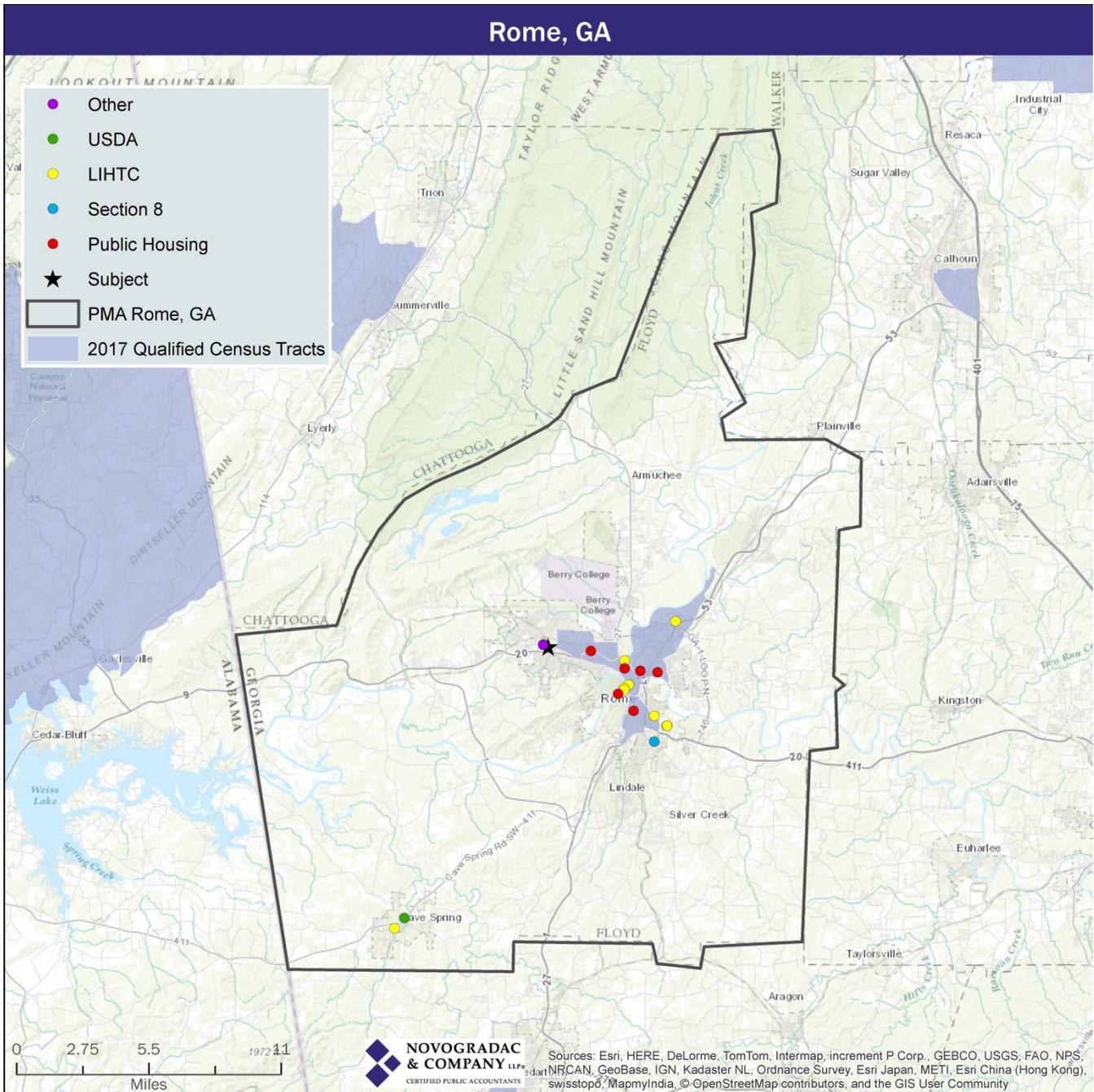
Source: Esri Demographics 2016, Novogradac & Company LLP, April 2017

*Unweighted aggregations

The crime indices in the PMA are generally above that of the MSA and slightly above that of the nation. The Subject will offer patrol and video

surveillance. Five of the comparables offer some form of security feature. The remaining seven comparable properties do not offer any form of security. Given the relatively low crime index indices in the Subject’s neighborhood and the lack of features in the market, we believe the Subject’s security features will positively impact the marketability of the Subject.

8. Existing Assisted Rental Housing Property Map: The following map and list identifies all assisted rental housing properties in the PMA.



AFFORDABLE PROPERTIES IN THE PMA

Property Name	Program	Location	Tenancy	# of Units	Distance from Subject	Map color	
Meadow Lane Apartments	Section 8	Rome	Family	120	-	Star	
Ashland Park Apartments*	LIHTC	Rome	Family	88	5.2 miles	Yellow	
Etowah Terrace Senior Residences	LIHTC	Rome	Senior	77	3.6 miles		
Greystone	LIHTC	Rome	Senior	71	3.8 miles		
Spring Haven Apts*	LIHTC	Cave Springs	Family	24	13.4 miles		
South Rome Residential	LIHTC	Rome	Family	84	3.6 miles		
Highland Estates	LIHTC	Rome	Senior	84	2.1 miles		
Charles Hight Homes	Public Housing	Rome	Senior	303	3.4 miles		Red
Joe Wright Village	Public Housing	Rome	Family	31	5.0 miles		
John Graham Homes	Public Housing	Rome	Family	150	4.5 miles		
Main Heights/Park Homes	Public Housing	Rome	Family	164	4.0 miles		
Pennington Place*	Public Housing	Rome	Family	8	3.6 miles		
Willingham Village	Public Housing	Rome	Family	76	1.8 miles	Blue	
Ashton Ridge Apts	Section 8	Rome	Family	184	5.4 miles		
Callier Forest Apartments	Section 8	Rome	Family	130	6.0 miles		
Heatherwood Apartments	Section 8	Rome	Family	68	5.7 miles	Green	
Tamassee Apartments	Section 8	Rome	Family	80	Adjacent		
The Villas	Section 8	Rome	Senior	39	5.2 miles	Purple	
Steve Pettis Court Apts	Rural Development	Cave Springs	Family	32	12.8 miles		
Pine Ridge Apartments	Affordable	Rome	Disabled	38	0.2 miles		

*utilized as a comparable properties

9. Road, Infrastructure or Proposed Improvements:

We did not witness any road, infrastructure or proposed improvements during our field work.

10. Access, Ingress-Egress and Visibility of Site:

The Subject site can be accessed from Lyons Drive North Way and Tamassee Lane from the north, and Pappalardo Street and Tamassee Lane from the south. These three streets are all lightly traveled two lane neighborhood streets. Tamassee Lane and Pappalardo Street are accessible via Shorter Avenue NW, which is a major commercial thoroughfare. Shorter Avenue provides access to downtown Rome, approximately four miles to the east of the Subject. Overall, access to the site is considered good, while visibility is considered fair.

11. Conclusion:

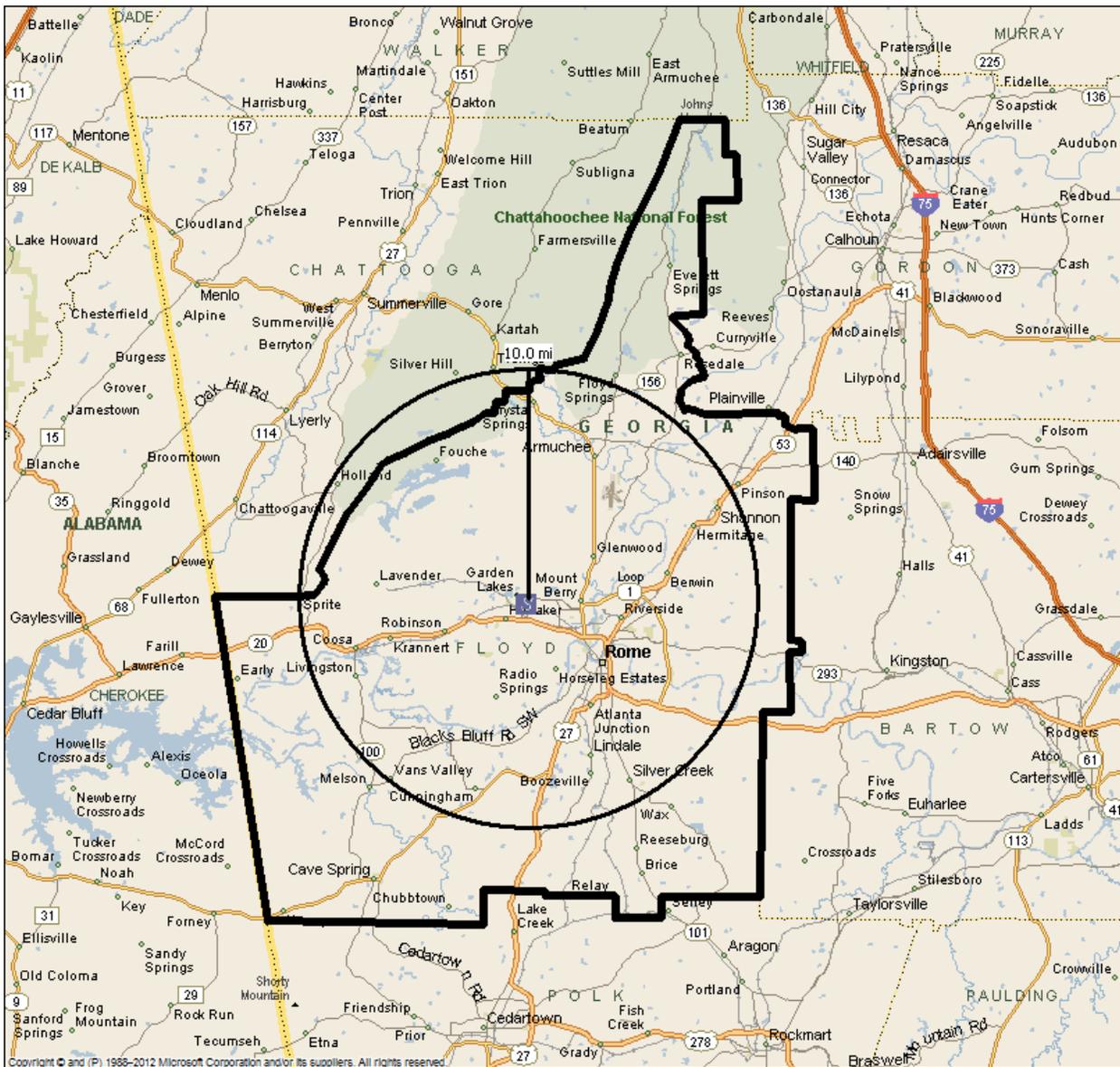
The Subject site is located along both sides of Tamassee Lane. The Subject site has fair visibility, but good accessibility from neighborhood thoroughfares. Surrounding uses consist of multifamily, commercial, and single-family uses, as well as undeveloped land. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied, and there is an array of retail uses in the Subject’s immediate neighborhood. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 43 out of 100. Crime risk indices in the Subject’s area are considered low. The Subject site is considered a desirable location for rental housing. The uses surrounding the Subject are in fair to good condition and the site has good proximity to locational amenities, which are generally within two miles of the Subject site.

D. MARKET AREA

PRIMARY MARKET AREA

For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

Primary Market Area Map



Source: Google Earth, April 2017.

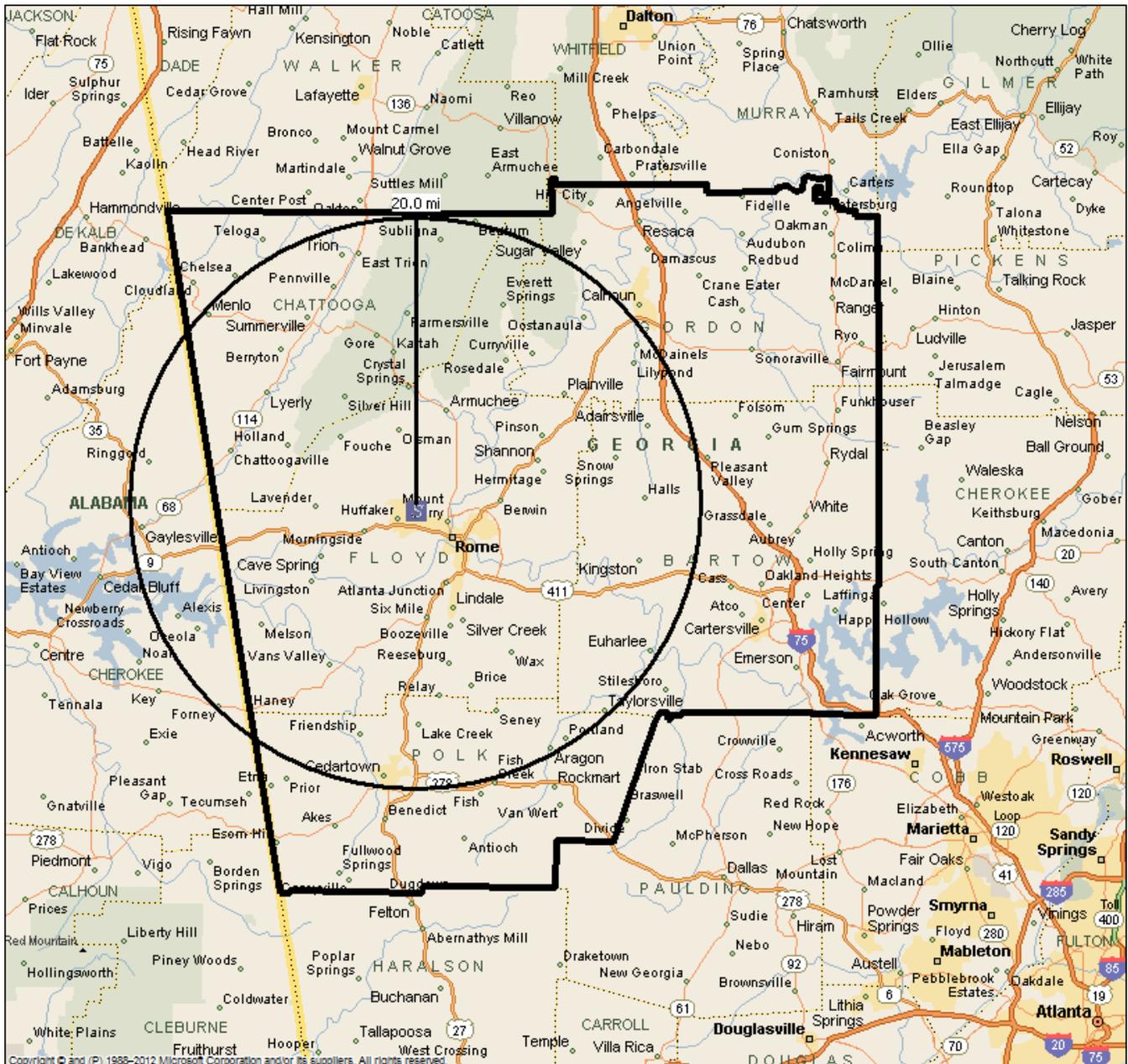
The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied, to determine if the Primary Market Area (PMA) and the Secondary Market Area (SMA) are areas of growth or contraction.

The PMA is defined as the Rome, GA MSA, which consists entirely of Floyd County. This area includes the communities of Rome, Armuchee, Shannon, Lindale, and Cave Spring. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North:	9.3 miles
East:	12 miles
South:	12.6 miles
West:	12.5 miles

The PMA was defined based on interviews with the local housing authority, property managers at comparable properties, and the Subject’s property manager. Many property managers indicated that a significant portion of their tenants come from out of state. Of those residents coming from within Georgia most are coming from the surrounding counties of Chatooga, Gordon, Bartow, and Polk, which compose the SMA. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2017 market study guidelines, we have not accounted for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 12.6 miles. A map of the SMA follows.

Primary Market Area Map



E. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and the Secondary Market Area (SMA) are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and the SMA.

1. Population Trends

The following tables illustrate (a) Total Population, and (b) Population by Age Group within the population in the MSA, the PMA and nationally from 2000 through 2021.

1a. Total Population

The following table illustrates the total population within the PMA, SMA and nation from 2000 through 2021.

Year	POPULATION					
	PMA		SMA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2000	90,563	-	274,283	-	281,421,906	-
2010	96,317	0.6%	319,150	1.6%	308,745,538	1.0%
2017	97,576	0.1%	324,451	0.1%	323,580,626	0.3%
Projected Mkt Entry	97,996	0.2%	327,785	0.4%	330,167,008	0.8%
2021	98,452	0.2%	331,409	0.4%	337,326,118	0.8%

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2017

Between 2000 and 2010 there was approximately 0.6 percent annual growth in the PMA and 1.6 percent growth in the SMA. Population in the PMA is anticipated to continue to grow through 2021, however, at a slower pace than the SMA. The population in the SMA is also anticipated to continue to grow through 2021, but at a slower pace than the nation. Overall, sustained population growth in the PMA and SMA is a positive indication of continued demand for the Subject's proposed units.

1b. Total Population by Age Group

The following table illustrates the total population within the PMA and SMA and nation from 2000 to 2021.

Age Cohort	POPULATION BY AGE GROUP				
	PMA				
	2000	2010	2017	Projected Mkt	2021
0-4	5,970	6,521	6,237	6,174	6,106
5-9	6,291	6,559	6,256	6,185	6,107
10-14	6,397	6,467	6,290	6,331	6,376
15-19	6,592	7,336	6,848	6,919	6,997
20-24	6,797	6,501	6,441	6,182	5,901
25-29	6,079	5,975	6,421	6,122	5,798
30-34	6,228	5,726	6,269	6,370	6,479
35-39	6,731	6,276	5,890	6,143	6,417
40-44	6,773	6,282	6,017	5,903	5,780
45-49	6,138	6,745	6,057	5,942	5,816
50-54	5,487	6,686	6,541	6,292	6,022
55-59	4,581	6,143	6,414	6,392	6,368
60-64	3,886	5,398	6,062	6,136	6,216
65-69	3,548	4,161	5,163	5,410	5,678
70-74	3,180	3,278	3,880	4,295	4,746
75-79	2,673	2,625	2,791	3,045	3,321
80-84	1,757	1,913	2,039	2,119	2,205
85+	1,457	1,725	1,960	2,036	2,119
Total	90,565	96,317	97,576	97,996	98,452

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2017

Age Cohort	POPULATION BY AGE GROUP				
	SMA				
	2000	2010	2017	Projected Mkt	2021
0-4	19,467	22,496	21,612	21,425	21,221
5-9	19,908	23,025	22,066	21,953	21,831
10-14	19,968	22,887	22,149	22,471	22,820
15-19	19,245	22,977	21,476	21,883	22,325
20-24	18,651	20,135	20,547	19,754	18,891
25-29	19,981	20,132	21,604	20,960	20,260
30-34	20,715	20,173	21,082	21,388	21,720
35-39	21,736	22,146	20,521	21,057	21,639
40-44	20,910	22,460	21,531	21,142	20,719
45-49	18,414	23,413	21,549	21,237	20,898
50-54	17,104	22,315	22,264	21,816	21,329
55-59	13,813	19,437	21,484	21,613	21,753
60-64	11,249	17,482	19,231	20,049	20,939
65-69	9,889	13,344	16,718	17,433	18,211
70-74	8,436	9,795	12,185	13,582	15,101
75-79	6,698	7,398	8,153	9,141	10,214
80-84	4,487	5,116	5,418	5,800	6,216
85+	3,614	4,419	4,861	5,082	5,322
Total	274,285	319,150	324,451	327,785	331,409

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2017

The largest age cohorts in the PMA, in 2017, are between the ages of 15 through 19, and 50 through 54, which indicates the presence of families.

2. Household Trends

The following tables illustrate (a) Total Households and Average Household Size, (b) Household Tenure, (c) Households by Income, (d) Renter Households by Size within the population in the MSA, the PMA and nationally from 2000 through 2021.

2a. Total Number of Households and Average Household Size

The following tables illustrate the total number of households and average household size within the PMA, SMA and nation from 2000 through 2021.

HOUSEHOLDS

Year	PMA		SMA		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	34,027	-	100,966	-	105,480,101	-
2010	35,930	0.6%	116,067	1.5%	116,716,292	1.1%
2017	35,985	0.0%	116,910	0.0%	121,786,233	0.3%
Projected Mkt Entry	36,057	0.1%	117,800	0.3%	124,138,000	0.8%
2021	36,135	0.1%	118,768	0.3%	126,694,268	0.8%

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2017

Household growth in the PMA, from 2000 through 2010 grew at a rate of 0.6 percent per annum. This rate is somewhat slower than the SMA's, but was faster than the nation's rate of growth for the same time period. Over the next five years, growth in the PMA is expected to lag behind growth in both the SMA and the nation.

AVERAGE HOUSEHOLD SIZE

Year	PMA		SMA		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	2.55	-	2.64	-	2.59	-
2010	2.58	0.1%	2.68	0.2%	2.58	-0.1%
2017	2.60	0.1%	2.71	0.1%	2.59	0.0%
Projected Mkt Entry	2.61	0.1%	2.72	0.1%	2.59	0.1%
2021	2.62	0.1%	2.73	0.1%	2.60	0.1%

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2017

The average household size in the PMA is slightly smaller than that of the SMA, but larger than that of the nation. Over the next five years, the average household size in the PMA is projected to grow at a sustained rate of 0.1 percent per annum.

2b. Households by Tenure

The table below depicts household growth by tenure from 2000 through 2021.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	22,730	66.8%	11,297	33.2%
2017	21,406	59.5%	14,579	40.5%
2021	21,450	59.4%	14,685	40.6%

Source: Esri Demographics 2017, Novogradac & Company LLP, May 2017

TENURE PATTERNS SMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	71,995	71.3%	28,971	28.7%
2017	73,722	63.1%	43,188	36.9%
2021	74,799	63.0%	43,969	37.0%

Source: Esri Demographics 2017, Novogradac & Company LLP, May 2017

As the table illustrates, households within the PMA reside in predominately owner-occupied residences, although the ratio of owner versus renter occupied units is lower than that of the SMA. In 2017, 40.5 percent of households in the PMA are renter occupied, compared to only 36.9 percent of households being renter occupied in the SMA. These ratios are projected to remain relatively stable over the next five years.

2c. Household Income

The following table depicts renter household income in the PMA in 2017, market entry, and 2021.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2017		Projected Mkt Entry June 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,276	15.6%	2,284	15.6%	2,293	15.6%
\$10,000-19,999	2,865	19.7%	2,875	19.7%	2,886	19.7%
\$20,000-29,999	2,003	13.7%	2,010	13.7%	2,017	13.7%
\$30,000-39,999	1,458	10.0%	1,463	10.0%	1,468	10.0%
\$40,000-49,999	1,363	9.3%	1,368	9.3%	1,373	9.3%
\$50,000-59,999	1,000	6.9%	1,004	6.9%	1,007	6.9%
\$60,000-74,999	986	6.8%	990	6.8%	993	6.8%
\$75,000-99,999	1,146	7.9%	1,150	7.9%	1,154	7.9%
\$100,000-124,999	431	3.0%	432	3.0%	434	3.0%
\$125,000-149,999	407	2.8%	408	2.8%	410	2.8%
\$150,000-199,999	349	2.4%	350	2.4%	351	2.4%
\$200,000+	296	2.0%	297	2.0%	298	2.0%
Total	14,579	100.0%	14,630	100.0%	14,685	100.0%

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, April 2017

RENTER HOUSEHOLD INCOME DISTRIBUTION - SMA

Income Cohort	2017		Projected Mkt Entry June 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	6,620	15.3%	6,417	14.7%	6,196	14.1%
\$10,000-19,999	8,308	19.2%	7,992	18.3%	7,649	17.4%
\$20,000-29,999	6,488	15.0%	6,264	14.4%	6,021	13.7%
\$30,000-39,999	5,512	12.8%	5,495	12.6%	5,476	12.5%
\$40,000-49,999	4,096	9.5%	4,108	9.4%	4,122	9.4%
\$50,000-59,999	3,426	7.9%	3,599	8.3%	3,788	8.6%
\$60,000-74,999	3,020	7.0%	3,145	7.2%	3,282	7.5%
\$75,000-99,999	2,961	6.9%	3,182	7.3%	3,422	7.8%
\$100,000-124,999	914	2.1%	1,054	2.4%	1,207	2.7%
\$125,000-149,999	673	1.6%	817	1.9%	973	2.2%
\$150,000-199,999	594	1.4%	745	1.7%	910	2.1%
\$200,000+	577	1.3%	743	1.7%	923	2.1%
Total	43,188	100.0%	43,562	100.0%	43,969	100.0%

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, April 2017

The Subject will target tenants earning between \$0 and \$38,520. As the table above depicts, approximately 49 percent of renter households in the PMA are earning incomes that are less than \$30,000. Similarly, 49.6 percent of renter households in the SMA are also earning less than \$30,000. For the projected market entry date of June 2019, these percentages are projected to remain the same in the PMA, and decrease slightly in the SMA to 47.5 percent.

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

The following table illustrates household size for all households in 2000, 2017, and 2021. To determine the number of renter households by number of persons per household, the total number of households is adjusted by the percentage of renter households.

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION

Household Size	2000		2017		2021	
	Total	Percent	Total	Percent	Total	Percent
1 persons	3,545	31.4%	5,208	35.7%	5,246	35.7%
2 persons	2,835	25.1%	3,185	21.8%	3,208	21.8%
3 persons	2,129	18.8%	2,524	17.3%	2,542	17.3%
4 persons	1,535	13.6%	1,776	12.2%	1,789	12.2%
5+ persons	1,252	11.1%	1,886	12.9%	1,900	12.9%
Total	11,297	100.0%	14,579	100.0%	14,685	100.0%

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2017

The majority of renter households in the PMA are one and two-person households.

Conclusion

The population in the PMA and the SMA increased significantly from 2000 to 2010, though the rate of growth slowed from 2010 to 2016. The rate of population and household growth is projected to continue to grow through 2021, although at slower rate. The current population of the PMA is 97,576 and is expected to increase slightly to 98,452 by 2021. Renter households are concentrated in the lowest income cohorts, with 49.0 percent of renters in the PMA earning less than \$30,000 annually. The Subject will target households earning between \$0 and \$38,520 for its LIHTC units. However, all units will continue to benefit from a subsidy post renovation. Overall, while population growth has been modest, the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

F. EMPLOYMENT TRENDS

EMPLOYMENT TRENDS

The PMA is economically reliant on the healthcare/social assistance, manufacturing, and educational services sectors. The largest employers in the PMA are two large hospitals, the county school district, and the Floyd County government, of which Rome is the county seat. Employment levels decreased during the national recession. Total employment in Floyd County has increased at a moderate average rate of one percent a year. While total employment has not surpassed pre-recession highs, it has shown consistent year-over-year growth.

1. Total Jobs

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

TOTAL JOBS IN FLOYD COUNTY, GEORGIA		
	Total Employment	% Change
2007	47,450	-
2008	47,077	-0.8%
2009	44,302	-5.9%
2010	39,750	-10.3%
2011	39,440	-0.8%
2012	39,929	1.2%
2013	39,641	-0.7%
2014	39,873	0.6%
2015	40,819	2.4%
2016	41,371	1.4%
2017 YTD Average*	41,631	0.6%
March-2016	40,759	-
March-2017	41,843	2.7%

Source: U.S. Bureau of Labor Statistics, April, 2017

*YTD Average through March 2017

As illustrated in the table above, Floyd County experienced a weakening economy during the national recession. The county was already experiencing the effects of the downturn by 2008. From 2008 through 2011, Floyd County lost 16.2 percent of its total employment. However, employment in the county has increased annually from 2011 through 2017 year-to-date, with the exception of 2013. In addition, between March 2016 and March 2017, total employment has increased 2.7 percent.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Floyd County as of January 2017.

COVERED EMPLOYMENT		
Floyd County, Georgia		
	Number	Percent
Total, all industries	33,463	-
Goods-producing	-	-
Natural resources and mining	114	0.3%
Construction	770	2.3%
Manufacturing	6,216	18.6%
Service-providing	-	-
Trade, transportation, and utilities	7,630	22.8%
Information	775	2.3%
Financial activities	1,203	3.6%
Professional and business services	2,458	7.3%
Education and health services	9,429	28.2%
Leisure and hospitality	3,984	11.9%
Other services	809	2.4%
Unclassified	75	0.2%

Source: U.S. Bureau of Labor Statistics, April 2017

Education-and-health services compose the largest industry cluster in the county. This cluster accounts for 28.2 percent of employment in Floyd County. Trade, transportation, and utilities is the second largest cluster with 22.8 percent of total employment, while manufacturing composes the third largest industry cluster at 18.6 percent of total employment. While education and health services, as well as utilities, generally remain stable during times of economic instability, manufacturing, trade and transportation have a tendency to be vulnerable in economic downturns. The following table illustrates employment by industry for the PMA as of 2017 (most recent year available).

2017 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	5,923	15.1%	21,304,508	14.1%
Manufacturing	5,839	14.9%	15,499,826	10.2%
Educational Services	4,889	12.5%	14,359,370	9.5%
Retail Trade	3,873	9.9%	17,169,304	11.3%
Accommodation/Food Services	3,585	9.1%	11,574,403	7.7%
Construction	2,691	6.9%	9,342,539	6.2%
Other Services (excl Publ Adm)	1,971	5.0%	7,463,834	4.9%
Public Administration	1,953	5.0%	7,093,689	4.7%
Admin/Support/Waste Mgmt Srvc	1,663	4.2%	6,511,707	4.3%
Prof/Scientific/Tech Services	1,517	3.9%	10,269,978	6.8%
Transportation/Warehousing	1,145	2.9%	6,128,217	4.1%
Finance/Insurance	924	2.4%	6,942,986	4.6%
Wholesale Trade	736	1.9%	4,066,471	2.7%
Utilities	677	1.7%	1,344,219	0.9%
Arts/Entertainment/Recreation	653	1.7%	3,416,474	2.3%
Real Estate/Rental/Leasing	585	1.5%	2,946,196	1.9%
Information	383	1.0%	2,862,063	1.9%
Agric/Forestry/Fishing/Hunting	180	0.5%	2,253,044	1.5%
Mining	0	0.0%	749,242	0.5%
Total Employment	39,187	100.0%	151,298,070	100.0%

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2017

The largest industries in the PMA are healthcare/social assistance, manufacturing, educational services, and retail trade. Positions in these industries account for 52.4 percent of all jobs in the area. The percentage of manufacturing jobs in the PMA is significantly larger than that of the nation. The healthcare/social assistance and educational services industries are also over represented in the PMA. Industries under-represented in the PMA include retail trade, transportation/warehousing, professional/scientific/tech services, information, and arts/entertainment/recreation. As will be demonstrated in the employment discussion, the manufacturing and retail trade industries have been affected by numerous layoffs and employment decreases. Nationwide, these industries have also been affected by the recession.

3. Major Employers

The table below shows the largest employers in the Floyd County, GA.

MAJOR EMPLOYERS - FLOYD COUNTY, GA

Rank	Name	Industry	# of Employees
1	Floyd Medical Center	Healthcare	2,718
2	Floyd County Schools	Educational Services	1,626
3	Redmond Regional Medical Center	Healthcare	1,200
4	Floyd County Government	Government	1,162
5	Lowe's RDC	Distribution	820
6	Rome City Schools	Educational Services	819
7	Harbin Clinic	Healthcare	792
8	Walmart Supercenter	Retail	622
9	City of Rome	Government	614
10	Berry College	Educational Services	562
11	Kellogg's	Manufacturing	522
12	F & P Georgia	Manufacturing	518
13	International Paper Company	Manufacturing	451
14	Syntec Industries	Manufacturing	350

Source: Rome Floyd Chamber of Commerce, Novogradac & Company LLP, April 2017

Six of the top employers in Rome are in the healthcare and educational service sectors. The three health care employers account for 36.9 percent of the total employees of the top employers in Rome. Government also has a high proportion of employees in Rome, as it is home to both the City and County offices. While manufacturing and retail trade are typically considered to be volatile industries susceptible to the negative effects of recession, health care and educational services are generally considered to be stable industries, less affected by economic downturn.

Expansions/Contractions

The following table illustrates business closures and layoffs within Rome since 2011, according to the Georgia Department of Labor's Worker Adjustment and Retraining Notification (WARN) filings.

WARN NOTICES - Rome, GA

Company	Date of Announcement	Industry	Number Affected
Express	1/30/2016	Retail	24
Sears	3/20/2016	Retail	45
Spears Mattress Company	1/2/2015	Retail	80
Moriah Services LLC.	5/1/2015	Manufacturing	33
Source Medical Solutions, Inc.	3/10/2014	Healthcare	58
Encompass Group LLC	12/19/2014	Healthcare	34

Source: Georgia Department of Labor, Novogradac & Company LLP, April, 2017

As illustrated in the above table, there have been 274 employees in the area impacted by layoffs or closures since 2011. It is of note that no notices were issued in 2011, 2012, 2013, or year-to-date 2017. Despite these job losses that have been reported, there has been some growth occurring in the area.

We gathered information on recent local business expansions from the Rome Floyd Chamber of Commerce, as well as several online articles, which are detailed following.

EXPANSION AND NEW ANNOUNCEMENTS, 2011-2017

Rome and Floyd County, GA					
Company	Industry	Type	Capital Investment	Additional Jobs	
STEMCO	Manufacturing	Expansion	\$6,000,000	50	
Syntec Industries	Manufacturing	Expansion	\$8,200,000	50	
DermaTran Health Solutions	Healthcare Services	New	\$7,000,000	116	
International Paper	Manufacturing	Expansion	\$150,000,000	460	
Mohawk Industries	Manufacturing	Expansion	\$31,000,000	-	
Bekeart Corporation	Manufacturing	Expansion	\$25,000,000	-	
Wright Metal Products	Manufacturing	New	\$1,000,000	50	
Neaton	Manufacturing	New	\$8,000,000	50	
FP Pigments	Manufacturing	New	\$20,000,000	20	
Pirelli Tire North America	Manufacturing	New	-	20	
Profile Custom Extrusions	Manufacturing	Expansion	\$6,000,000	35	
Thermal Seal Duct	Manufacturing	New	-	40	
Lowe's RDC	Distribution	New	\$125,000,000	600	
Kellogg	Manufacturing	Expansion	\$25,500,000	25	
Brugg Cables	Manufacturing	Expansion	\$5,000,000	5	
F&P Gerogia	Manufacturing	Expansion	\$31,000,000	100	
Foss Manufacturing	Manufacturing	New	\$15,000,000	150	
Total			\$463,700,000	1,771	

Source: Rome Floyd Chamber of Commerce, Novogradac & Company LLP, April 2017

In September of 2016, Carlsen Precision Manufacturing, a metal product manufacturing company based out of Canada, announced it would open its first United States operation in Rome. The company is poised to employ 20 positions and invest \$5,000,000 over the next three years.

In August of 2016 Sykes Enterprises, Inc. announced it was opening a new customer contact center in Rome. They provide an array of customer contact management solutions around the world. The call center is anticipated to bring 50 to 100 additional jobs to the area.

In April of 2016, Ball Metal Beverage Container announced the creation of 40 new jobs. The expansion will include the investment of “multiple millions of dollars to expand production”. The company manufactures metal drinking beverage cans and lids for Anheuser-Busch and other local beverage companies.

In March of 2016, zTrip announced it would open a customer support center in Rome, adding 160 new jobs to Floyd County. The Rome National Operations Center will support a fleet of more than 3,000 taxicabs in 14 U.S. cities.

As illustrated, there were several additions in a variety of industries, including manufacturing, healthcare, and customer service centers. Between 2011 and 2017, there were a total of 1,771 jobs, which help counteract the 274 layoffs in the county during the same period.

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for Floyd County from 2001 to December 2016.

EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	<u>SMA</u>			<u>USA</u>		
	Total Employment	% Change	Differential from peak	Total Employment	% Change	Differential from peak
2001	133,404	-	-9.2%	136,933,000	-	-8.0%
2002	136,124	2.0%	-7.4%	136,485,000	-0.3%	-8.3%
2003	140,486	3.2%	-4.4%	137,736,000	0.9%	-7.5%
2004	141,225	0.5%	-3.9%	139,252,000	1.1%	-6.4%
2005	144,779	2.5%	-1.5%	141,730,000	1.8%	-4.8%
2006	145,819	0.7%	-0.8%	144,427,000	1.9%	-3.0%
2007	146,981	0.8%	0.0%	146,047,000	1.1%	-1.9%
2008	145,650	-0.9%	-0.9%	145,363,000	-0.5%	-2.3%
2009	135,546	-6.9%	-7.8%	139,878,000	-3.8%	-6.0%
2010	130,374	-3.8%	-11.3%	139,064,000	-0.6%	-6.6%
2011	130,859	0.4%	-11.0%	139,869,000	0.6%	-6.0%
2012	133,366	1.9%	-9.3%	142,469,000	1.9%	-4.3%
2013	133,006	-0.3%	-9.5%	143,929,000	1.0%	-3.3%
2014	133,978	0.7%	-8.8%	146,305,000	1.7%	-1.7%
2015	135,566	1.2%	-7.8%	148,833,000	1.7%	0.0%
2016	138,214	2.0%	-6.0%	151,435,833	1.7%	-
Dec-2015	136,967	-	-	149,703,000	-	-
Dec-2016	139,479	1.8%	-	151,798,000	1.4%	-

Source: U.S. Bureau of Labor Statistics, April, 2017

UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	<u>SMA</u>			<u>USA</u>		
	Unemployment Rate	Change	Differential from Peak	Unemployment Rate	Change	Differential from Peak
2001	4.7%	-	0.0%	4.7%	-	0.1%
2002	5.2%	0.5%	0.6%	5.8%	1.0%	1.2%
2003	4.8%	-0.3%	0.2%	6.0%	0.2%	1.4%
2004	4.9%	0.1%	0.3%	5.5%	-0.5%	0.9%
2005	5.3%	0.4%	0.7%	5.1%	-0.5%	0.5%
2006	4.6%	-0.7%	0.0%	4.6%	-0.5%	0.0%
2007	4.8%	0.2%	0.2%	4.6%	0.0%	0.0%
2008	7.1%	2.3%	2.4%	5.8%	1.2%	1.2%
2009	11.7%	4.6%	7.0%	9.3%	3.5%	4.7%
2010	12.1%	0.5%	7.5%	9.6%	0.3%	5.0%
2011	11.7%	-0.5%	7.0%	9.0%	-0.7%	4.3%
2012	10.2%	-1.4%	5.6%	8.1%	-0.9%	3.5%
2013	9.0%	-1.2%	4.4%	7.4%	-0.7%	2.8%
2014	7.5%	-1.5%	2.9%	6.2%	-1.2%	1.6%
2015	6.1%	-1.4%	1.5%	5.3%	-0.9%	0.7%
2016	5.5%	-0.6%	0.9%	4.9%	-0.4%	-
Dec-2015	5.4%		-	4.8%	-	-
Dec-2016	5.3%	-0.1%	-	4.5%	-0.3%	-

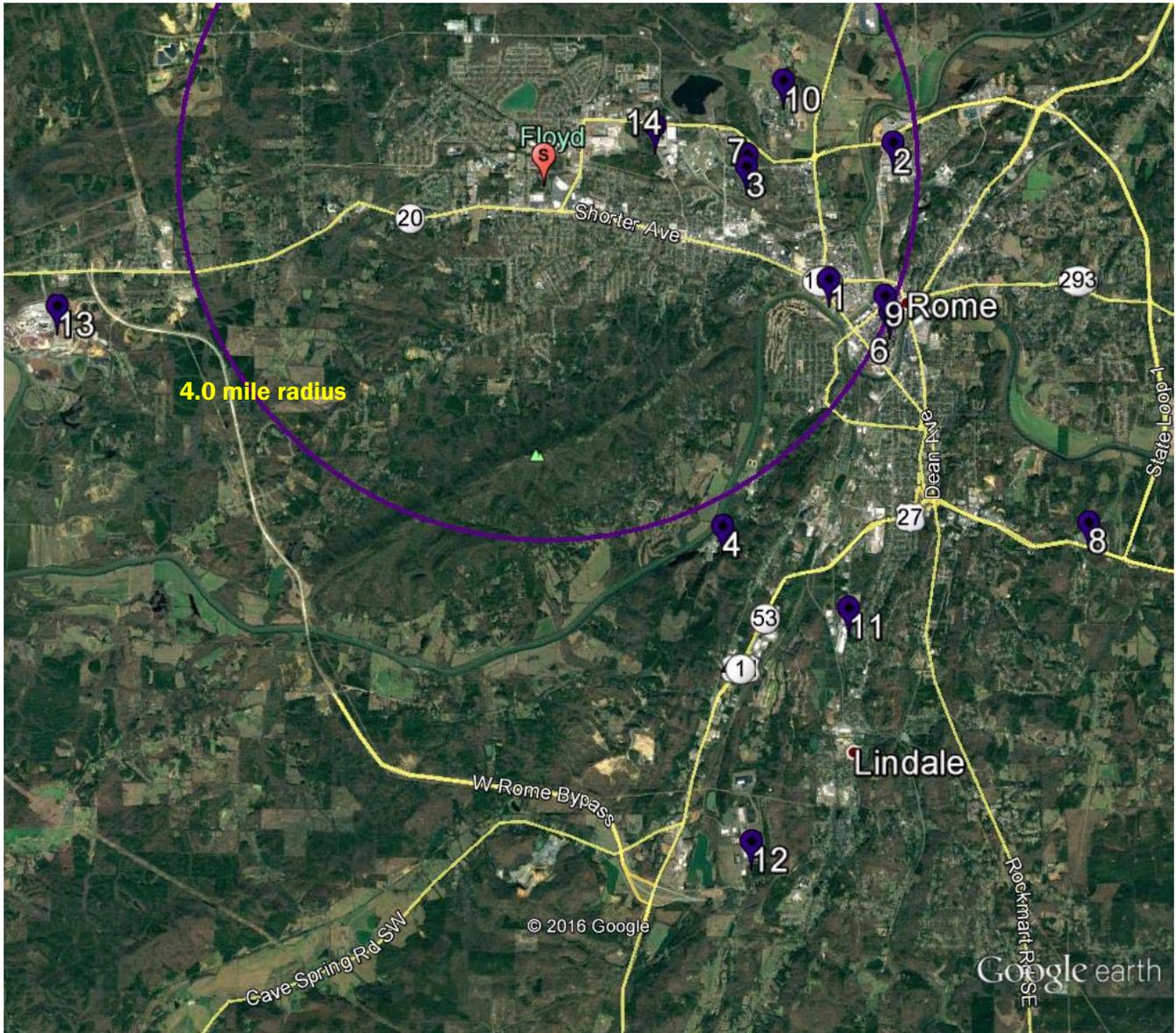
Source: U.S. Bureau of Labor Statistics, April, 2017

The SMA experienced moderate employment growth prior to the onset of the recession in 2008. The area experienced the negative effects of economic downturn from 2008 to 2010. The most significant loss occurred in 2009. However, the SMA has experienced annual employment growth from 2010 through 2016, with the exception of 2013. In addition, from December 2015 to December 2016, total employment in the SMA increased 1.8 percent, compared to a 1.4 percent increase in the nation as a whole.

Historically, the unemployment rate in the SMA has been lower than or similar to the national unemployment rate. During the recession, the SMA's unemployment rate increased at a faster pace than national unemployment rate. The SMA's unemployment rate peaked in 2011 at 12.1 percent, which was 250 basis points higher than the national unemployment rate during this same year. While the unemployment rate has decreased annually since 2010, the unemployment rate in the SMA remains 80 basis points higher than the national average as of December 2016. While total employment has yet to surpass pre-recession levels and the unemployment rate remains higher than that of the nation, it does appear that the economy in the SMA has stabilized. This indicates that the area will have continued demand for workforce and affordable housing for the foreseeable future.

5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in Floyd County, Georgia.



Source: Google Earth, April 2017

MAJOR EMPLOYERS - FLOYD COUNTY, GA

Rank	Name	Industry	# of Employees
1	Floyd Medical Center	Healthcare	2,718
2	Floyd County Schools	Educational Services	1,626
3	Redmond Regional Medical Center	Healthcare	1,200
4	Floyd County Government	Government	1,162
5	Lowe's RDC	Distribution	820
6	Rome City Schools	Educational Services	819
7	Harbin Clinic	Healthcare	792
8	Walmart Supercenter	Retail	622
9	City of Rome	Government	614
10	Berry College	Educational Services	562
11	Kellogg's	Manufacturing	522
12	F & P Georgia	Manufacturing	518
13	International Paper Company	Manufacturing	451
14	Syntec Industries	Manufacturing	350

Source: Rome Floyd Chamber of Commerce, Novogradac & Company LLP, April 2017

6. Conclusion

The largest industries in the PMA are healthcare/social assistance, manufacturing, educational services, and retail trade. Positions in these industries account for 52.4 percent of all jobs in the area. The four largest employers in the area are two large hospitals, the county school district, and the Floyd County government, of which Rome is the county seat. Public administration, educational services, and health care/social assistance, are resilient during periods of economic downturn. This may help mitigate future job losses should the economy enter another period of instability.

The SMA has experienced annual employment growth from 2010 through 2016, with the exception of 2013. In addition, from December 2015 to December 2016, total employment in the SMA increased 1.8 percent, compared to a 1.4 percent increase in the nation as a whole. In addition, the unemployment rate has decreased annually since 2010; although, the unemployment rate in the SMA remains 80 basis points higher than the national average as of December 2016. While total employment has yet to surpass pre-recession levels and the unemployment rate remains higher than that of the nation, it does appear that the economy in the SMA has stabilized. This indicates that the area will have continued demand for workforce and affordable housing for the foreseeable future.

G. PROJECT-SPECIFIC AFFORDABILITY AND DEMAND ANALYSIS

PROJECT-SPECIFIC AFFORDABILITY AND DEMAND ANALYSIS

The following demand analysis evaluates the potential amount of qualified households, which the Subject would have a fair chance at capturing. The structure of the analysis is based on the guidelines provided by DCA.

1. Income Restrictions

LIHTC rents are based upon a percentage of the Area Median Gross Income (“AMI”), adjusted for household size and utilities. The Georgia Department of Community Affairs (“DCA”) will estimate the relevant income levels, with annual updates. The rents are calculated assuming that the maximum net rent a household will pay is 35 percent of its household income at the appropriate AMI level.

According to DCA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom).

To assess the likely number of tenants in the market area eligible to live in the Subject, we use Census information as provided by ESRI Information Systems, to estimate the number of potential tenants who would qualify to occupy the Subject as a LIHTC project.

The maximum income levels are based upon information obtained from the Rent and Income Limits Guidelines Table as accessed from the DCA website.

2. Affordability

As discussed above, the maximum income is set by DCA while the minimum is based upon the minimum income needed to support affordability. This is based upon a standard of 35 percent. Lower and moderate-income families typically spend greater than 30 percent of their income on housing. These expenditure amounts can range higher than 50 percent depending upon market area. However, the 30 to 40 percent range is generally considered a reasonable range of affordability. DCA guidelines utilize 35 percent for families and 40 percent for seniors. We will use these guidelines to set the minimum income levels for the demand analysis.

FAMILY INCOME LIMITS				
Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	60% AMI		60% AMI/Section 8	
1BD/1BA	\$18,754	\$23,340	\$0	\$23,340
2BD/1BA	\$22,526	\$26,280	\$0	\$26,280
3BD/1BA	\$25,989	\$31,500	\$0	\$31,500
4BD/1BA	\$29,006	\$33,840	\$0	\$33,840

3. Demand

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

3a. Demand from New Households

The number of new households entering the market is the first level of demand calculated. We have utilized 2019, the anticipated date of market entry, as the base year for the analysis. Therefore, 2017 household population estimates are inflated to 2019 by interpolation of the difference between 2017 estimates and

2019 projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2019. This number takes the overall growth from 2017 to 2019 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

3b. Demand from Existing Households

Demand for existing households is estimated by summing two sources of potential tenants. The first source is tenants who are rent overburdened. These are households who are paying over 35 percent for family households and 40 percent for senior households of their income in housing costs. This data is interpolated using ACS data based on appropriate income levels.

The second source is households living in substandard housing. We will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject. In general, we will utilize this data to determine the number of current residents that are income eligible, renter tenure, overburdened and/or living in substandard housing and likely to consider the Subject.

3c. Other

Per the 2017 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we have not accounted for leakage from outside the PMA boundaries in our demand analysis.

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

We have adjusted all of our capture rates based on household size. DCA guidelines indicate that properties with over 20 percent of their proposed units in three and four-bedroom units need to be adjusted to considered larger household sizes. We have incorporated household size adjustments in our capture rates for all of the Subject's units.

4. New Demand, Capture Rates and Stabilization Conclusions

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed or placed in service from 2014 to the present.

Additions to Supply

Additions to supply will lower the number of potential qualified households. Pursuant to our understanding of DCA guidelines, we have deducted the following units from the demand analysis.

- Comparable/competitive LIHTC and bond units (vacant or occupied) that have been funded, are under construction, or placed in service in 2014 through the present.
- Vacancies in projects placed in service prior to 2014 that have not reached stabilized occupancy (i.e. at least 90 percent occupied).
- Comparable/competitive conventional or market rate units that are proposed, are under construction, or have entered the market from 2014 to present. As the following discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

Per GA DCA guidelines, competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the Subject development

COMPETATIVE SUPPLY 2014 - PRESENT

Property Name	Program	Location	Tenancy	Status	# of Competitive Units
Joe Wright Village	Section 8	Rome	Family	Under Construction	31
South Rome Residential	LIHTC	Rome	Family	Under Construction	84
Total					115

We have deducted the 31 units from Joe Wright Village. This project is being developed by the Northwest Georgia Housing Authority. It will be a mix of one, two, and three-bedroom units. Residents will pay 30 percent of their monthly income in rent. Sandra Hudson, Executive Director of the Northwest Georgia Housing Authority reported that she anticipates all units to be ready for occupancy by the end of 2017. As the Subject’s units will continue to benefit from a subsidy post renovation, wherein residents will pay 30 percent of household income in rent, Joe Wright Village will compete with the Subject.

We have deducted the 84 one, two, and three-bedroom units at South Rome Residential. This scattered site project was awarded tax credits in 2015 and will offer units at 50 and 60 percent of area median income. It is currently under construction, with the first phase of units entering the market in July of 2017 and the second phase opening in December of 2017. According to the developer, none of the units are pre-leased. However, plans to market the property are being set for early May 2017. Should the Subject’s units no longer benefit from a rental subsidy post renovation, it would be restricted to those households earning 60 percent of less of area median income. As such, South Rome Residential would directly compete with the Subject.

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

ADDITIONS TO SUPPLY 2017

Unit Type	Sec. 8/PHA	50% AMI	60% AMI	Overall
1BR	12	13	9	34
2BR	15	4	37	56
3BR	4	4	17	25
4BR	0	0	0	0
Total	31	21	63	115

PMA Occupancy

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

OVERALL PMA OCCUPANCY

Property Name	Program	Tenancy	Occupancy
Pine Ridge Apartments	Affordable	Senior/Disabled	100.0%
Ashland Park Apartments*	LIHTC	Family	99.5%
Greystone	LIHTC	Elderly	100.0%
Etowah Terrace Senior Residences	LIHTC	Elderly	100.0%
Highland Estates Senior	LIHTC	Senior	81.0%
Spring Haven*	HOME	Family	100.0%
Pennington Place*	HOME/PHA	Family	100.0%
Charles Height Homes	Public Housing	Senior	100.0%
John Graham Homes	Public Housing	Family	100.0%
Main Heights/Park Homes Apartments	Public Housing	Family	100.0%
Willingham Village	Public Housing	Family	100.0%
Meadow Lane (S)	Section 8	Family	100.0%
Callier Forest Apartments	Section 8	Family	100.0%
Heatherwood Apartments	Section 8	Family	100.0%
Tamassee Apartments	Section 8	Family	98.8%
The Villas	Section 8	Family	100.0%
Steve Pettis Court Apartments	USDA	Family	100.0%
Arbor Terrace*	Market	Family	100.0%
Ashton Ridge*	Market	Family	95.5%
Broad Street Lofts	Market	Family	100.0%
Claridge Gate	Market	Family	93.8%
Dupree Apartments	Market	Family	93.3%
Eastland Court*	Market	Family	98.3%
Forest Place Apartments	Market	Family	100.0%
Griffin Apartments	Market	Senior	86.7%
Guest House Apartments	Market	Family	100.0%
Heritage Pointe	Market	Family	99.3%
Riverwood Park*	Market	Family	98.9%
Summer Stone	Market	Family	96.9%
The Grove at 600*	Market	Family	99.0%
Willow Way Apartments	Market	Family	100.0%
Average			98.1%

*Utilized as a comparable

The average occupancy rate of competitive developments in the PMA is 98.1 percent.

Rehab Developments and PBRA

For any properties that are rehab developments, the capture rates will be based on those units that are vacant, or whose tenants will be rent burdened or over income as listed on the Tenant Relocation Spreadsheet.

Units that are subsidized with PBRA or whose rents are more than 20 percent lower than the rent for other units of the same bedroom size in the same AMI band and comprise less than 10 percent of total units in the same AMI band will not be used in determining project demand. In addition, any units, if priced 30 percent lower than the average market rent for the bedroom type in any income segment, will be assumed to be leasable in the market and deducted from the total number of units in the project for determining capture rates.

Of the Subject’s 120 units, 114 will benefit from Section 8 rental assistance and these units are therefore presumed leasable.

5. Capture Rates

The above calculations and derived capture rates are illustrated in the following tables. Note that the demographic data used in the following tables, including tenure patterns, household size and income distribution through the projected market entry date of June 2019 were illustrated in the previous section of this report.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2017		Projected Mkt Entry June 2019		2021	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,276	15.6%	2,284	15.6%	2,293	15.6%
\$10,000-19,999	2,865	19.7%	2,875	19.7%	2,886	19.7%
\$20,000-29,999	2,003	13.7%	2,010	13.7%	2,017	13.7%
\$30,000-39,999	1,458	10.0%	1,463	10.0%	1,468	10.0%
\$40,000-49,999	1,363	9.3%	1,368	9.3%	1,373	9.3%
\$50,000-59,999	1,000	6.9%	1,004	6.9%	1,007	6.9%
\$60,000-74,999	986	6.8%	990	6.8%	993	6.8%
\$75,000-99,999	1,146	7.9%	1,150	7.9%	1,154	7.9%
\$100,000-124,999	431	3.0%	432	3.0%	434	3.0%
\$125,000-149,999	407	2.8%	408	2.8%	410	2.8%
\$150,000-199,999	349	2.4%	350	2.4%	351	2.4%
\$200,000+	296	2.0%	297	2.0%	298	2.0%
Total	14,579	100.0%	14,630	100.0%	14,685	100.0%

Source: HISTA Data / Ribbon Demographics 2017, Novogradac & Company LLP, April 2017

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60% WITH SUBSIDY

Minimum Income Limit	\$0		Maximum Income Limits	\$38,520	
Income Category	New Renter Households - Total Change in Households PMA 2017 to Prj Mrkt Entry June 2019		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	8	15.6%	9,999	100.0%	8
\$10,000-19,999	10	19.7%	9,999	100.0%	10
\$20,000-29,999	7	13.7%	9,999	100.0%	7
\$30,000-39,999	5	10.0%	8,520	85.2%	4
\$40,000-49,999	5	9.3%			
\$50,000-59,999	3	6.9%			
\$60,000-74,999	3	6.8%			
\$75,000-99,999	4	7.9%			
\$100,000-124,999	2	3.0%			
\$125,000-149,999	1	2.8%			
\$150,000-199,999	1	2.4%			
\$200,000+	1	2.0%			
Total	51	100.0%			29

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - 60% - Subsidy In Place

Minimum Income Limit	\$0		Maximum Income Limits	\$38,520	
Income Category	Total Renter Households PMA 2017 to Prj Mrkt Entry June 2019		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	2,284	15.6%	9,999	100.0%	2,284
\$10,000-19,999	2,875	19.7%	9,999	100.0%	2,875
\$20,000-29,999	2,010	13.7%	9,999	100.0%	2,010
\$30,000-39,999	1,463	10.0%	8,520	85.2%	1,246
\$40,000-49,999	1,368	9.3%			
\$50,000-59,999	1,004	6.9%			
\$60,000-74,999	990	6.8%			
\$75,000-99,999	1,150	7.9%			
\$100,000-124,999	432	3.0%			
\$125,000-149,999	408	2.8%			
\$150,000-199,999	350	2.4%			
\$200,000+	297	2.0%			
Total	14,630	100.0%			8,415

ASSUMPTIONS - 60% AMI WITH SUBSIDY

Tenancy	Family	% of Income towards Housing		35%
Urban/Rural	Urban	Maximum # of Occupants		6
Persons in Household	1BR	2BR	3BR	4BR
1	70%	30%	0%	0%
2	20%	80%	0%	0%
3	0%	60%	40%	0%
4	0%	20%	60%	20%
5+	0%	0%	60%	40%

Demand from New Renter Households 2017 to Projected Mkt Entry 2019

Income Target Population	60% - With Subsidy
New Renter Households PMA	51
Percent Income Qualified	57.5%
New Renter Income Qualified Househols	29

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	60% - With Subsidy
Total Existing Demand	14,630
Income Qualified	57.5%
Income Qualified Renter Households	8,415
Percent Rent Overburdened Prj Mrkt Entry June 2019	37.8%
Rent Overburdened Households	3,180

Demand from Living in Substandard Housing

Income Qualified Renter Households	8,415
Percent Living in Substandard Housing	1.0%
Households Living in Substandard Housing	84

Senior Households Coverting from Homeownership

Income Target Population	60% - With Subsidy
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Exisiting Households	3264
Total New Demand	29
Total Demand (New Plus Exisitng Households)	3,293

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	35.7%	1,176
Two Person	21.8%	719
Three Person	17.3%	570
Four Person	12.2%	401
Five+ Person	12.9%	426
Total	100.0%	3,293

Capture Rate: 60% - Subsidy in Place

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	70%	823
Of two-person households in 1BR units	20%	144
Of one-person households in 2BR units	30%	353
Of two-person households in 2BR units	80%	575
Of three-person households in 2BR units	60%	342
Of four-person households in 2BR units	20%	80
Of three-person households in 3BR units	40%	228
Of four-person households in 3BR units	60%	241
Of five-person households in 3BR units	60%	256
Of four-person households in 4BR units	20%	80
Of five-person households in 4BR units	40%	170
Total Demand		3,293

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
1 BR	967	-	34	=	933
2 BR	1,351	-	56	=	1,295
3 BR	724	-	25	=	699
4 BR	251	-	0	=	251
Total	3,293		115		3,178

	Developer's Unit Mix			Net Demand		Capture Rate
1 BR	15	/		933	=	1.6%
2 BR	60	/		1,295	=	4.6%
3 BR	27	/		699	=	3.9%
4 BR	12	/		251	=	4.8%
Total	114			3,178		3.6%

60% AMI – Absent Subsidy

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - 60% - ABSENT SUBSIDY

Minimum Income Limit		\$18,754	Maximum Income Limits		\$38,520
Income Category	New Renter Households - Total Change in Households PMA 2017 to Prj Mrkt Entry		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	8	15.6%			
\$10,000-19,999	10	19.7%	1,245	12.4%	1
\$20,000-29,999	7	13.7%	9,999	100.0%	7
\$30,000-39,999	5	10.0%	8,520	85.2%	4
\$40,000-49,999	5	9.3%			
\$50,000-59,999	3	6.9%			
\$60,000-74,999	3	6.8%			
\$75,000-99,999	4	7.9%			
\$100,000-124,999	2	3.0%			
\$125,000-149,999	1	2.8%			
\$150,000-199,999	1	2.4%			
\$200,000+	1	2.0%			
Total	51	100.0%			13

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - 60% - ABSENT SUBSIDY

Minimum Income Limit		\$18,754	Maximum Income Limits		\$38,520
Income Category	Total Renter Households PMA 2016 to Prj Mrkt Entry June 2019		Income Brackets	Percent within Cohort	Renter Households within Bracket
\$0-9,999	2,284	15.6%			
\$10,000-19,999	2,875	19.7%	1,245	12.4%	358
\$20,000-29,999	2,010	13.7%	9,999	100.0%	2,010
\$30,000-39,999	1,463	10.0%	8,520	85.2%	1,246
\$40,000-49,999	1,368	9.3%			
\$50,000-59,999	1,004	6.9%			
\$60,000-74,999	990	6.8%			
\$75,000-99,999	1,150	7.9%			
\$100,000-124,999	432	3.0%			
\$125,000-149,999	408	2.8%			
\$150,000-199,999	350	2.4%			
\$200,000+	297	2.0%			
Total	14,630	100.0%			3,614

ASSUMPTIONS - 60% AMI - ABSENT SUBSIDY

ASSUMPTIONS - 60% AMI - ABSENT SUBSIDY				
Tenancy		% of Income towards Housing		35%
Urban		Maximum # of Occupants		6
Persons in Household	1BR	2BR	3BR	4BR
1	70%	30%	0%	0%
2	20%	80%	0%	0%
3	0%	60%	40%	0%
4	0%	20%	60%	20%
5+	0%	0%	60%	40%

Demand from New Renter Houeholds 2017 to Projected Mkt Entry 2019

Income Target Population	60% - Absent Subsidy
New Renter Households PMA	51
Percent Income Qualified	24.7%
New Renter Income Qualified Househols	13

Demand from Existing Households 2017

Demand from Rent Overburdened Households

Income Target Population	60% - Absent Subsidy
Total Existing Demand	14,630
Income Qualified	24.7%
Income Qualified Renter Households	3,614
Percent Rent Overburdened Prj Mrkt Entry June 2019	37.8%
Rent Overburdened Households	1,366

Demand from Living in Substandard Housing

Income Qualified Renter Households	3,614
Percent Living in Substandard Housing	1.0%
Households Living in Substandard Housing	36

Senior Households Coverting from Homeownership

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

Total Demand

Total Demand from Exisiting Households	1,402
Total New Demand	13
Total Demand (New Plus Exisitng Households)	1,414

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0
Is this Demand Over 20 percent of Total Demand?	No

By Bedroom Demand

One Person	35.7%	505
Two Person	21.8%	309
Three Person	17.3%	245
Four Person	12.2%	172
Five+ Person	12.9%	183
Total	100.0%	1,414

Capture Rate: 60% - Absent Subsidy

To place Person Demand into Bedroom Type Units

Of one-person households in 1BR units	70%	354
Of two-person households in 1BR units	20%	62
Of one-person households in 2BR units	30%	152
Of two-person households in 2BR units	80%	247
Of three-person households in 2BR units	60%	147
Of four-person households in 2BR units	20%	34
Of three-person households in 3BR units	40%	98
Of four-person households in 3BR units	60%	103
Of five-person households in 3BR units	60%	110
Of four-person households in 4BR units	20%	34
Of five-person households in 4BR units	40%	73
Total Demand		1,414

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
1 BR	415	-	9	=	406
2 BR	580	-	37	=	543
3 BR	311	-	17	=	294
4 BR	108	-	0	=	108
Total	1,414		63		1,351

	Developer's Unit Mix		Net Demand		Capture Rate
1 BR	15	/	406	=	3.7%
2 BR	60	/	543	=	11.1%
3 BR	30	/	294	=	10.2%
4 BR	14	/	108	=	13.0%
Total	119		1,351		8.8%

Conclusions

We have conducted such an analysis to determine a base of demand for the Subject as a tax credit property. Several factors affect the indicated capture rates and are discussed following.

- The number of renter households in the PMA is expected to increase by 0.3 percent between 2017 and 2021. This represents an increase of 51 households.
- The Subject is able to attract a wide range of household sizes in offering one, two, three, and four-bedroom units.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

The following table illustrates demand and net demand for the Subject's units. Note that these capture rates are not based on appropriate bedroom types, as calculated previously.

DEMAND AND NET DEMAND

DCA Conclusion Tables (Family)	HH at 60% AMI - With Subsidy (\$0 to \$38,520 income)	HH at 60% AMI - Absent Subsidy (\$18,754 to \$38,520 income)
Demand from New Households (age and income appropriate)	29	13
PLUS	+	+
Demand from Existing Renter Households - Substandard Housing	84	36
PLUS	+	+
Demand from Existing Renter Households - Rent Overburdened Households	3,180	1,366
Sub Total	3,293	1,414
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	0	0
Equals Total Demand	3,293	1,414
Less	-	-
Competitive New Supply	115	63
Equals Net Demand	3,178	1,351

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents
1BR at 60% AMI/Sec. 8	\$0	\$23,340	15	967	34	933	1.6%	One month	\$558	\$392	\$990	\$456
1BR at 60% AMI	\$18,754	\$23,340	15	415	9	406	3.7%	One month	\$558	\$392	\$990	\$456
2BR at 60% AMI/Sec. 8	\$0	\$26,280	60	1,351	56	1,295	4.6%	4-5 months	\$647	\$471	\$1,039	\$550
2BR at 60% AMI	\$22,526	\$26,280	60	580	37	543	11.1%	4-5 months	\$657	\$471	\$1,039	\$550
3BR at 60% AMI/Sec. 8	\$0	\$31,500	27	724	25	699	3.9%	2-3 months	\$754	\$534	\$1,191	\$619
3BR at 60% AMI	\$25,989	\$31,500	30	311	17	294	10.2%	2-3 months	\$754	\$534	\$1,191	\$619
4BR at 60% AMI/Sec. 8	\$0	\$33,840	12	251	0	251	4.8%	One month	\$829	\$609	\$1,266	\$683
4BR at 60% AMI	\$29,006	\$33,840	14	108	0	108	13.0%	One month	\$829	\$609	\$1,266	\$683
Overall - With Subsidy	\$0	\$33,840	114	3,293	115	3,178	3.6%	7-8 months	-	-	-	-
Overall - Absent Subsidy	\$18,754	\$33,840	119	1,414	63	1,351	8.8%	7-8 months	-	-	-	-

As the analysis illustrates, the Subject's capture rates at the 60 percent AMI level with subsidy will range from 1.6 to 4.8 percent, with an overall capture rate of 3.6 percent. Absent subsidy, the Subject's capture rates at the 60 percent AMI level will range from 3.7 to 13.0 percent, with an overall capture rate of 8.8 percent. Therefore, we believe there is adequate demand for the Subject.

H. COMPETITIVE RENTAL ANALYSIS

COMPETITIVE RENTAL ANALYSIS

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes 12 “true” comparable properties containing 955 units. A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A map illustrating the location of the Subject in relation to comparable properties is also provided on the following pages. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

The availability of LIHTC data is considered fair; while there are five existing LIHTC properties in the PMA, only two are targeted to families. One of these two properties, Ashland Park Apartments, is located in Rome, while the second, Spring Haven Apartments, is located in Cave Springs. In October of 2016, Riverwood Park Apartments, formerly a LIHTC property, transitioned to a market rate property. It is of note that a sixth LIHTC property, South Rome Residential, which is targeted to families, is completing construction, and anticipates receiving a certificate of occupancy in June of 2017. The developer confirmed that a marketing campaign for the properties has not yet begun; hence, none of the units are pre-leased. We have included a newer property owned by the Rome Housing Authority, Pennington Place, which is an eight unit complex that was constructed in 2012. While two of its units are public housing, the remaining six are targeted to families that earn less than 50 percent of area median income under the HOME program. Due to the lack of “true” LIHTC comparables in the PMA, it was necessary to utilize three comparable properties, located outside of the PMA that target families, and are located in generally similar areas in terms of access to amenities and employment opportunities. Additionally, we were unable to locate any four-bedroom, unsubsidized, comparable properties located in the PMA or SMA. Hence, it was necessary to adjust the three-bedroom rent upward in our achievable LIHTC rent discussion regarding four-bedroom units. Finally, it is of note that 114 of the Subject’s 120 units currently benefit from a Housing Assistance Program (HAP) contract. As such, qualifying tenants will pay only 30 percent of their household income on rent. The comparable affordable properties in the PMA are located between 2.6 and 13.6 miles from the Subject, while the comparable affordable properties in the SMA are located between 17.1 and 25.2 miles from the Subject.

The availability of market-rate data is considered good. The Subject is located in Rome, and there are several market-rate properties in the area. We have included six conventional properties in our analysis of the competitive market. All of the market-rate properties are located in the PMA, between 2.0 and 6.4 miles from the Subject site. These comparables were built or renovated between 1971 and 2017. There are a limited number of new construction market-rate properties in the area. Overall, we believe the market-rate properties we have used in our analysis are the most comparable. Other market-rate properties were excluded based on condition, design or tenancy.

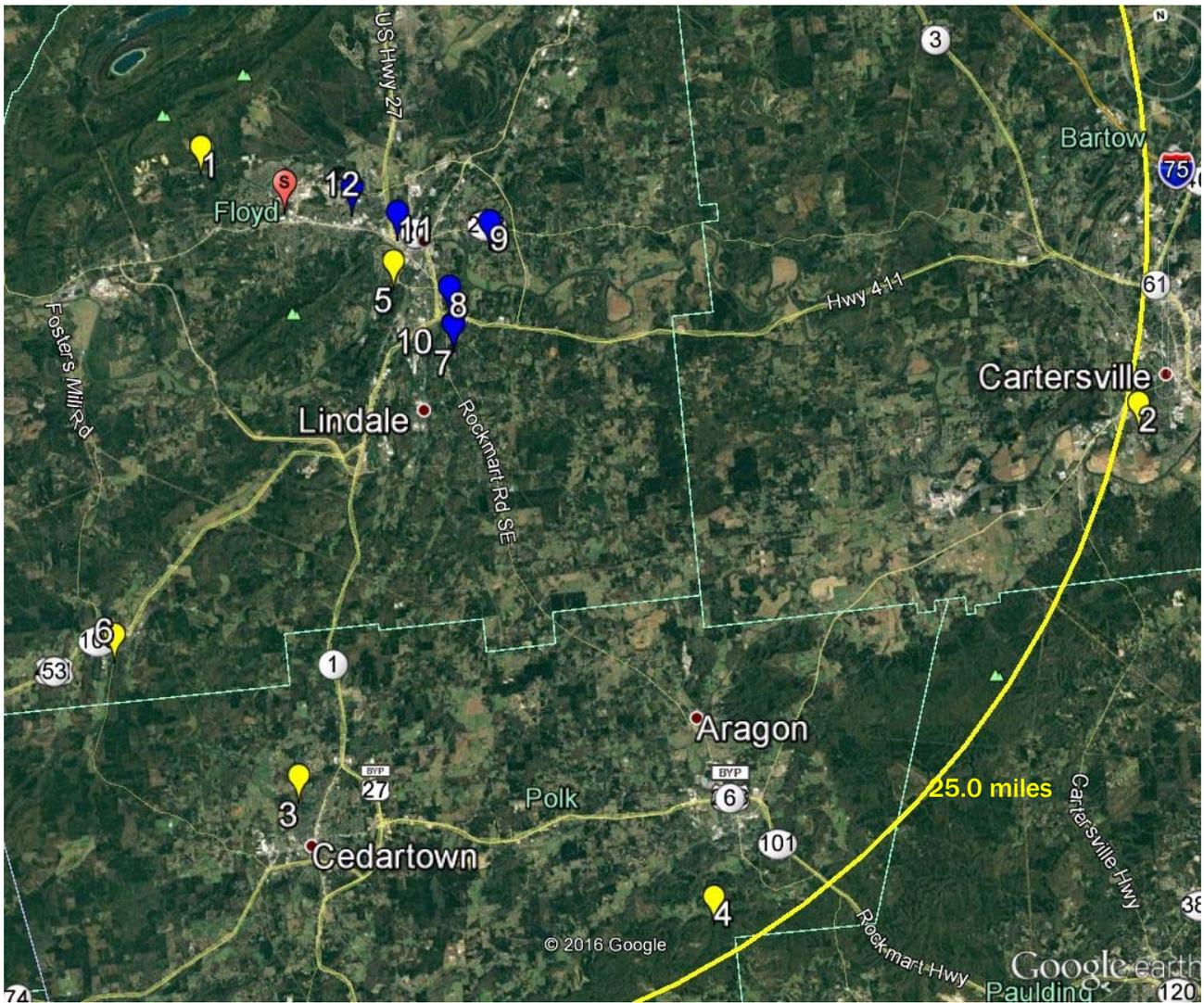
Excluded Properties

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

EXCLUDED PROPERTIES IN THE PMA

Property Name	Program	Location	Tenancy	# of Units	Reason for Exclusion
Pine Ridge Apartments	Affordable	Rome	Senior/Disabled	30	Dissimilar Tenancy
Greystone	LIHTC	Rome	Senior	68	Dissimilar Tenancy
Etowah Terrace Senior Residences	LIHTC	Rome	Senior	77	Dissimilar Tenancy
Highland Estates Senior	LIHTC	Rome	Senior	84	Subsidized Rent
Charles Hight Homes	Public Housing	Rome	Senior	303	Subsidized Rent
John Graham Homes	Public Housing	Rome	Family	150	Subsidized Rent
Main Heights/Park Homes Apartment	Public Housing	Rome	Family	164	Subsidized Rent
Willingham Village	Public Housing	Rome	Family	76	Subsidized Rent
Joe Wright Village	Public Housing	Rome	Family	31	Subsidized Rent
Callier Forest Apts	Section 8	Rome	Family	130	Subsidized Rent
Heatherwood Apartments	Section 8	Rome	Family	68	Subsidized Rent
Tamassee Apartments	Section 8	Rome	Family	80	Subsidized Rent
The Villas	Section 8	Rome	Family	39	Subsidized Rent
Steve Pettis Court Apts	Rural Housing	Cave Spring	Family	32	Subsidized Rent
Broad Street Lofts	Market	Rome	Family	24	Dissimilar Design
Dupree Apartments	Market	Rome	Family	15	Inferior Condition
Forest Place Apartments	Market	Rome	Family	40	Dissimilar Design
Griffin Apartments	Market	Rome	Senior	15	Dissimilar Tenancy
Guest House Apts	Market	Rome	Family	58	Inferior Unit Mix
Heritage Pointe	Market	Rome	Family	149	Inferior Condition
Summer Stone	Market	Rome	Family	32	Inferior Condition
Willow Way Apts	Market	Rome	Family	56	Unable to Contact

Comparable Rental Property Map



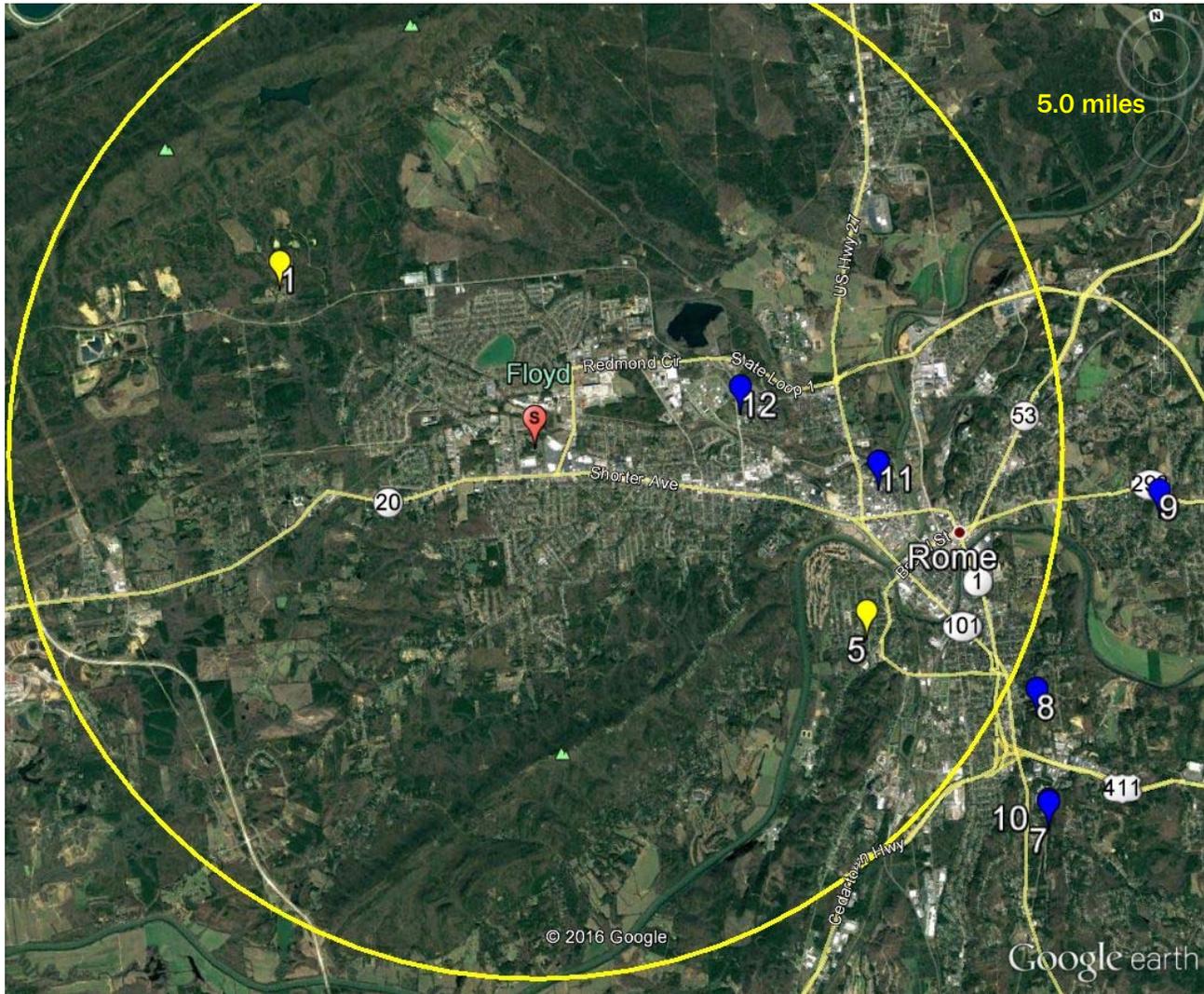
Source: Google Earth, April 2017.

COMPARABLE PROPERTIES

Map #	Property Name	Location	Program	Distance
1	Ashland Park Apartments	Rome	LIHTC	2.6 miles
2	Etowah Village*	Cartersville	LIHTC	25.2 miles
3	Evergreen Village*	Cedartown	LIHTC	17.1 miles
4	Park Place Apartments*	Rockmart	LIHTC/Market	23.9 miles
5	Pennington Place	Rome	HOME/PHA	3.8 miles
6	Spring Haven Apartments	Cave Springs	LIHTC	13.6 miles
7	Arbor Terrace Apartments	Rome	Market	6.4 miles
8	Ashton Ridge	Rome	Market	5.5 miles
9	Claridge Gate	Rome	Market	6.1 miles
10	Eastland Court	Rome	Market	5.9 miles
11	Riverwood Park	Rome	Market	4.2 miles
12	The Grove At 600	Rome	Market	2.0 miles

*outside of PMA

Comparable Rental Property Map (Rome, GA Detail)



COMPARABLE PROPERTIES

Map #	Property Name	Location	Program	Distance
1	Ashland Park Apartments	Rome	LIHTC	2.6 miles
2	Etowah Village*	Cartersville	LIHTC	25.2 miles
3	Evergreen Village*	Cedartown	LIHTC	17.1 miles
4	Park Place Apartments*	Rockmart	LIHTC/Market	23.9 miles
5	Pennington Place	Rome	HOME/PHA	3.8 miles
6	Spring Haven Apartments	Cave Springs	LIHTC	13.6 miles
7	Arbor Terrace Apartments	Rome	Market	6.4 miles
8	Ashton Ridge	Rome	Market	5.5 miles
9	Claridge Gate	Rome	Market	6.1 miles
10	Eastland Court	Rome	Market	5.9 miles
11	Riverwood Park	Rome	Market	4.2 miles
12	The Grove At 600	Rome	Market	2.0 miles

*outside of PMA

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

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Meadow Lane Apartments 22 Tamassee Lane Rome, GA 30165 Floyd County	n/a	Garden (3 stories) 1974 / Proposed	LIHTC/ Section 8	1BR / 1BA	15	12.5%	@60% (Section 8)	\$456	560	yes	Yes	0	0.0%
					2BR / 1BA	60	50.0%	@60% (Section 8)	\$550	851	yes	Yes	0	0.0%
					3BR / 1BA	27	22.5%	@60% (Section 8)	\$619	1,021	yes	Yes	0	0.0%
					3BR / 1BA	3	2.5%	@60%	\$619	1,021	yes	Yes	0	0.0%
					4BR / 1BA	13	10.8%	@60% (Section 8)	\$745	1,173	yes	Yes	0	0.0%
					4BR / 1BA	1	0.8%	@60%	\$683	1,173	yes	Yes	0	0.0%
					4BR / 1BA	1	0.8%	Non-Rental	N/A	1,173	yes	No	0	0.0%
					120	100.0%						0	0.0%	
1	Ashland Park Apartments 10 Ashland Park Boulevard NE Rome, GA 30165 Floyd County	2.6 miles	Garden (3 stories) 2005	LIHTC	1BR / 1BA	24	13.0%	@60%	\$493	874	no	Yes	0	0.0%
					2BR / 2BA	88	47.8%	@60%	\$556	1,149	no	Yes	0	0.0%
					3BR / 2BA	72	39.1%	@60%	\$596	1,388	no	Yes	1	1.4%
					184	100.0%						1	0.5%	
2	Etowah Village 366 Old Mill Road Cartersville, GA 30120 Bartow County	25.2 miles	Garden (2 stories) 1998 / 2012	LIHTC	2BR / 2BA	24	25.0%	@50%	\$664	1,106	no	Yes	0	0.0%
					3BR / 2BA	36	37.5%	@50%	\$753	1,237	no	Yes	1	2.8%
					3BR / 2BA	36	37.5%	@60%	\$766	1,237	no	Yes	0	0.0%
					96	100.0%						1	1.0%	
3	Evergreen Village 110 Evergreen Lane Cedartown, GA 30125 Polk County	17.1 miles	Garden (2 stories) 1997	LIHTC	1BR / 1BA	8	14.3%	@50%	\$392	756	yes	Yes	0	0.0%
					1BR / 1BA	8	14.3%	@60%	\$392	756	no	Yes	0	0.0%
					2BR / 1BA	10	17.9%	@50%	\$457	915	yes	Yes	0	0.0%
					2BR / 1BA	10	17.9%	@60%	\$494	915	yes	Yes	0	0.0%
					3BR / 2BA	10	17.9%	@50%	\$514	1,136	yes	Yes	0	0.0%
					3BR / 2BA	10	17.9%	@60%	\$534	1,136	yes	Yes	0	0.0%
					56	100.0%						0	0.0%	
4	Park Place Apartments 800 Park Place Circle Rockmart, GA 30153 Polk County	23.9 miles	Garden (3 stories) 2003	LIHTC/ Market	1BR / 1BA	8	13.3%	@50%	\$385	677	no	No	0	0.0%
					1BR / 1BA	2	3.3%	@60%	\$396	677	no	No	0	0.0%
					1BR / 1BA	2	3.3%	Market	\$499	677	n/a	No	0	0.0%
					2BR / 1BA	14	23.3%	@50%	\$458	883	no	No	0	0.0%
					2BR / 1BA	5	8.3%	@60%	\$471	883	no	No	0	0.0%
					2BR / 1BA	5	8.3%	Market	\$624	883	n/a	No	0	0.0%
					3BR / 2BA	14	23.3%	@50%	\$550	1,100	no	No	0	0.0%
					3BR / 2BA	5	8.3%	@60%	\$571	1,100	no	No	0	0.0%
					3BR / 2BA	5	8.3%	Market	\$677	1,100	n/a	No	0	0.0%
										60	100.0%			
5	Pennington Place 420 Pennington Ave Rome, GA 30161 Floyd County	3.8 miles	One-story 2012	PHA/ HOME	2BR / 2BA	3	37.5%	@50% (HOME)	\$644	800	yes	Yes	0	0.0%
					2BR / 2BA	3	37.5%	@50% (HOME)	\$569	800	yes	Yes	0	0.0%
					2BR / 2BA	2	25.0%	PHA	N/A	800	n/a	Yes	0	0.0%
					8	100.0%						0	0.0%	
6	Spring Haven Apartments 7 Perry Farm Rd. Cave Springs, GA 30124 Floyd County	13.6 miles	One-story 2001	LIHTC/ HOME	1BR / 1BA	10	41.7%	@50% (HOME)	\$408	649	no	Yes	0	0.0%
					1BR / 1BA	2	8.3%	@60%	\$415	649	no	Yes	0	0.0%
					2BR / 1BA	3	12.5%	@50% (HOME)	\$482	819	no	Yes	0	0.0%
					2BR / 1BA	N/A	N/A	@60%	\$504	819	no	Yes	0	N/A
					24	100.0%						0	0.0%	
7	Arbor Terrace Apartments 50 Chateau Drive SE Rome, GA 30161 Floyd County	6.4 miles	Various (2 stories) 1971	Market	3BR / 1BA (Garde	16	16.7%	Market	\$485	680	n/a	No	0	0.0%
					1.5BA (Townh	64	66.7%	Market	\$664	1,190	n/a	No	0	0.0%
					3BR / 2BA (Garde	16	16.7%	Market	\$781	1,320	n/a	No	0	0.0%
					96	100.0%						0	0.0%	
8	Ashton Ridge 2522 Callier Springs Road Rome, GA 30161 Floyd County	5.5 miles	Lowrise (3 stories) 1999 / 2016	Market	1BR / 1BA	14	15.9%	Market	\$535	708	n/a	No	0	0.0%
					2BR / 2BA	37	42.0%	Market	\$653	933	n/a	No	2	5.4%
					3BR / 2BA	37	42.0%	Market	\$711	1,134	n/a	No	3	8.1%
					88	100.0%						5	5.7%	
9	Claridge Gate 3 Keown Road SE Rome, GA 30161 Floyd County	6.1 miles	Garden 2006	Market	2BR / 2BA	24	75.0%	Market	\$815	1,221	n/a	No	2	8.3%
					3BR / 2BA	8	25.0%	Market	\$976	1,377	n/a	No	0	0.0%
					32	100.0%						2	6.2%	

MEADOW LANE APARTMENTS – ROME, GEORGIA – MARKET STUDY

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate	
10	Eastland Court 40 Chateau Drive Rome, GA 30161 Floyd County	5.9 miles	Garden (4 stories) 2005/2007	Market	1BR / 1BA	21	18.1%	Market	\$880	804	n/a	Yes	0	0.0%	
					1BR / 1BA	4	3.4%		Market	\$990	919	n/a	Yes	0	0.0%
					2BR / 2BA	68	58.6%		Market	\$1,039	1,056	n/a	Yes	2	2.9%
					3BR / 2BA	23	19.8%		Market	\$1,191	1,516	n/a	Yes	0	0.0%
					116	100.0%							2	1.7%	
11	Riverwood Park 525 West 13th Street Rome, GA 30165 Floyd County	4.2 miles	Lowrise (3 stories) 1997	Market	2BR / 2BA	56	61.5%	Market	\$581	912	no	No	1	1.8%	
					3BR / 2BA	35	38.5%		Market	\$652	1,102	no	No	0	0.0%
						91	100.0%							1	1.1%
12	The Grove At 600 600 Redmond Road NW Rome, GA 30165 Floyd County	2 miles	Townhouse (2 stories) 1971 / 2017	Market	2BR / 1.5BA	62	59.6%	Market	\$769	1,120	n/a	No	1	1.6%	
					3BR / 2.5BA	42	40.4%		Market	\$881	1,320	n/a	No	0	0.0%
						104	100.0%							1	1.0%

PROPERTY PROFILE REPORT

Ashland Park Apartments

Effective Rent Date	4/05/2017
Location	10 Ashland Park Boulevard NE Rome, GA 30165 Floyd County
Distance	2.6 miles
Units	184
Vacant Units	1
Vacancy Rate	0.5%
Type	Garden (3 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Ashton Ridge, Riverwood Park
Tenant Characteristics	Mixed tenancy, some families
Contact Name	Cynthia
Phone	706-290-1040



Market Information

Program	@60%
Annual Turnover Rate	15%
Units/Month Absorbed	N/A
HCV Tenants	40%
Leasing Pace	Pre-leased to two weeks
Annual Chg. in Rent	None reported
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	24	874	\$489	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	88	1,149	\$550	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	72	1,388	\$589	\$0	@60%	Yes	1	1.4%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$489	\$0	\$489	\$4	\$493
2BR / 2BA	\$550	\$0	\$550	\$6	\$556
3BR / 2BA	\$589	\$0	\$589	\$7	\$596

Ashland Park Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Oven
Walk-In Closet

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

Security

Perimeter Fencing

Services

None

Property

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

Car Wash
Exercise Facility
On-Site Management
Playground

Premium

None

Other

None

Comments

The contact reported that the property maintains a waiting list that is 50 households in length, and the current vacancy is pre-leased.

Ashland Park Apartments, continued

Trend Report

Vacancy Rates

2Q14	1Q15	2Q15	2Q17
25.5%	3.8%	3.8%	0.5%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$480	\$0	\$480	\$484
2015	1	0.0%	\$489	\$0	\$489	\$493
2015	2	0.0%	\$489	\$0	\$489	\$493
2017	2	0.0%	\$489	\$0	\$489	\$493

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$530	\$0	\$530	\$536
2015	1	0.0%	\$550	\$0	\$550	\$556
2015	2	0.0%	\$550	\$0	\$550	\$556
2017	2	0.0%	\$550	\$0	\$550	\$556

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$580	\$0	\$580	\$587
2015	1	9.7%	\$589	\$0	\$589	\$596
2015	2	9.7%	\$589	\$0	\$589	\$596
2017	2	1.4%	\$589	\$0	\$589	\$596

Trend: Comments

- 2Q14** The contact indicated that the property's vacancy rate is significantly higher than is typical. She reported that recent changes in management resulted in increased turnover. Additionally, she noted that many tenants have recently purchased homes and have therefore moved out.
- 1Q15** The contact reported that the property maintains a waiting list that is approximately 9 months long. Management reported that the reason for the increased turnover ratio is because the property also provides supportive housing to veterans via the Veterans Affairs Supportive Housing (VASH) program. Occupancy is reported as typical for the property. Management reported that the property offers approximately 1.5 parking spaces per unit. The contact was unable to comment on the parking utilization rate at the property.
- 2Q15** The contact reported that the property maintains a waiting list that is approximately nine months long. The property also provides supportive housing to veterans via the Veterans Affairs Supportive Housing (VASH) program, which has increased the property's turnover ratio. Management stated that the demand for affordable housing in the area is strong.
- 2Q17** The contact reported that the property maintains a waiting list that is 50 households in length, and the current vacancy is pre-leased.

Ashland Park Apartments, continued

Photos



PROPERTY PROFILE REPORT

Etowah Village

Effective Rent Date	4/19/2017
Location	366 Old Mill Road Cartersville, GA 30120 Bartow County
Distance	25.2 miles
Units	96
Vacant Units	1
Vacancy Rate	1.0%
Type	Garden (2 stories)
Year Built/Renovated	1998 / 2012
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mostly from local area
Contact Name	Niecie
Phone	770-383-9995



Market Information

Program	@50%, @60%
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	8%
Leasing Pace	Pre-leased to three weeks
Annual Chg. in Rent	11% increase since 2Q2015
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	24	1,106	\$610	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	36	1,237	\$687	\$0	@50%	Yes	1	2.8%	no	None
3	2	Garden (2 stories)	36	1,237	\$700	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$610	\$0	\$610	\$54	\$664	3BR / 2BA	\$700	\$0	\$700	\$66	\$766
3BR / 2BA	\$687	\$0	\$687	\$66	\$753						

Etowah Village, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator

Blinds
Central A/C
Dishwasher
Ceiling Fan
Oven
Washer/Dryer hookup

Security

None

Services

None

Property

Basketball Court
Car Wash
Central Laundry
On-Site Management
Volleyball Court

Business Center/Computer Lab
Carport
Off-Street Parking
Playground

Premium

None

Other

None

Comments

The contact reported that the property maintains a waiting list of six households, and the current vacant unit is pre-leased.

Etowah Village, continued

Trend Report

Vacancy Rates

3Q07	1Q15	2Q15	2Q17
9.4%	1.0%	1.0%	1.0%

Trend: @50%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	0.0%	\$550	\$76	\$474	\$528
2015	1	0.0%	\$556	\$0	\$556	\$610
2015	2	0.0%	\$556	\$0	\$556	\$610
2017	2	0.0%	\$610	\$0	\$610	\$664

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	0.0%	\$650	\$83	\$567	\$633
2015	1	0.0%	\$623	\$0	\$623	\$689
2015	2	0.0%	\$623	\$0	\$623	\$689
2017	2	2.8%	\$687	\$0	\$687	\$753

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	25.0%	\$650	\$106	\$544	\$610
2015	1	2.8%	\$623	\$0	\$623	\$689
2015	2	2.8%	\$623	\$0	\$623	\$689
2017	2	0.0%	\$700	\$0	\$700	\$766

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	3	25.0%	\$650	\$106	\$544	\$610
2015	1	2.8%	\$623	\$0	\$623	\$689
2015	2	2.8%	\$623	\$0	\$623	\$689
2017	2	0.0%	\$700	\$0	\$700	\$766

Trend: Comments

- 3Q07** The contact stated that there is enough affordable housing to meet the demand in this area.
- 1Q15** The two and three-bedroom units have waiting lists of two households and four households, respectively. The contact was unable to provide the number of households currently on the waiting list. Management reported that occupancy at the property is typical. The contact was unable to provide the number of parking spaces the property offers or comment on the parking utilization rate.
- 2Q15** No additional comments.
- 2Q17** The contact reported that the property maintains a waiting list of six households, and the current vacant unit is pre-leased.

Etowah Village, continued

Photos



PROPERTY PROFILE REPORT

Evergreen Village

Effective Rent Date 4/06/2017
Location 110 Evergreen Lane
 Cedartown, GA 30125
 Polk County
Distance 17.1 miles
Units 56
Vacant Units 0
Vacancy Rate 0.0%
Type Garden (2 stories)
Year Built/Renovated 1997 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Park Place
Tenant Characteristics Mixed tenancy
Contact Name Lynne
Phone 770-749-9333



Market Information

Program @50%, @60%
Annual Turnover Rate 40%
Units/Month Absorbed N/A
HCV Tenants 10%
Leasing Pace Pre-leased to two weeks
Annual Chg. in Rent 5% increase since 2Q2015
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	8	756	\$388	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	8	756	\$388	\$0	@60%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	10	915	\$451	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Garden (2 stories)	10	915	\$488	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	10	1,136	\$507	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	10	1,136	\$527	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$388	\$0	\$388	\$4	\$392	1BR / 1BA	\$388	\$0	\$388	\$4	\$392
2BR / 1BA	\$451	\$0	\$451	\$6	\$457	2BR / 1BA	\$488	\$0	\$488	\$6	\$494
3BR / 2BA	\$507	\$0	\$507	\$7	\$514	3BR / 2BA	\$527	\$0	\$527	\$7	\$534

Evergreen Village, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Oven
Washer/Dryer

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

Security

None

Services

None

Property

Basketball Court
Exercise Facility
Off-Street Parking
Picnic Area

Clubhouse/Meeting
Central Laundry
On-Site Management
Playground

Premium

None

Other

None

Comments

The contact reported that the waiting list has approximately seven households. The waiting list was longer, however, the list was recently purged.

Evergreen Village, continued

Trend Report

Vacancy Rates

1Q09	1Q15	2Q15	2Q17
10.7%	1.8%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$337	\$0	\$337	\$341
2015	1	6.2%	\$354	\$0	\$354	\$358
2015	2	0.0%	\$354	\$0	\$354	\$358
2017	2	0.0%	\$388	\$0	\$388	\$392

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	10.0%	\$384	\$0	\$384	\$390
2015	1	0.0%	\$441	\$0	\$441	\$447
2015	2	0.0%	\$441	\$0	\$441	\$447
2017	2	0.0%	\$451	\$0	\$451	\$457

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$488	\$0	\$488	\$495
2015	2	0.0%	\$488	\$0	\$488	\$495
2017	2	0.0%	\$507	\$0	\$507	\$514

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	0.0%	\$388	\$0	\$388	\$392

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	0.0%	\$488	\$0	\$488	\$494

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	0.0%	\$527	\$0	\$527	\$534

Trend: Comments

- 1Q09** This is a LIHTC property that has received additional HOME funding, according to management. Management stated that they have six applications pending and once they are processed they will be near full occupancy.
- 1Q15** Management reported that the property maintains a waiting list that has five households currently on it. The current vacancy has an application pending on it, according to the contact. Management reported that the rents have not increased in the past 12 months. However, since our last interview in 2009 rents have increased between seven and 15 percent. Management reported that the property offers two parking spaces per unit. The contact was unable to comment on the parking utilization rate at the property.
- 2Q15** Management reported that the property maintains a waiting list but was unable to disclose its current length. The contact reported that the demand for affordable housing in the local area remains strong.
- 2Q17** The contact reported that the waiting list has approximately seven households. The waiting list was longer, however, the list was recently purged.

Evergreen Village, continued

Photos



PROPERTY PROFILE REPORT

Park Place Apartments

Effective Rent Date	4/19/2017
Location	800 Park Place Circle Rockmart, GA 30153 Polk County
Distance	23.9 miles
Units	60
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Edward Management Co.; Privately owned properties
Tenant Characteristics	Mixed tenancy
Contact Name	Janine
Phone	(678) 757-0070



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	15%
Units/Month Absorbed	5
HCV Tenants	10%
Leasing Pace	Pre-leased to one week
Annual Chg. in Rent	19% increase since 1Q2009
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	8	677	\$381	\$0	@50%	No	0	0.0%	no	None
1	1	Garden (3 stories)	2	677	\$392	\$0	@60%	No	0	0.0%	no	None
1	1	Garden (3 stories)	2	677	\$495	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	14	883	\$452	\$0	@50%	No	0	0.0%	no	None
2	1	Garden (3 stories)	5	883	\$465	\$0	@60%	No	0	0.0%	no	None
2	1	Garden (3 stories)	5	883	\$618	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	14	1,100	\$543	\$0	@50%	No	0	0.0%	no	None
3	2	Garden (3 stories)	5	1,100	\$564	\$0	@60%	No	0	0.0%	no	None
3	2	Garden (3 stories)	5	1,100	\$670	\$0	Market	No	0	0.0%	N/A	None

Park Place Apartments, continued

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$381	\$0	\$381	\$4	\$385	1BR / 1BA	\$392	\$0	\$392	\$4	\$396
2BR / 1BA	\$452	\$0	\$452	\$6	\$458	2BR / 1BA	\$465	\$0	\$465	\$6	\$471
3BR / 2BA	\$543	\$0	\$543	\$7	\$550	3BR / 2BA	\$564	\$0	\$564	\$7	\$571

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$495	\$0	\$495	\$4	\$499
2BR / 1BA	\$618	\$0	\$618	\$6	\$624
3BR / 2BA	\$670	\$0	\$670	\$7	\$677

Amenities

In-Unit

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

Blinds
 Central A/C
 Dishwasher
 Oven
 Walk-In Closet

Security

None

Services

None

Property

Basketball Court
 Central Laundry
 On-Site Management
 Playground

Clubhouse/Meeting
 Off-Street Parking
 Picnic Area

Premium

None

Other

None

Comments

The contact reported that the property generally maintains a low turnover rate, but only occasionally has enough interest to maintain a waiting list.

Park Place Apartments, continued

Trend Report

Vacancy Rates

1Q09	2Q17
18.3%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	25.0%	\$323	\$14	\$309	\$313
2017	2	0.0%	\$381	\$0	\$381	\$385

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	21.4%	\$384	\$20	\$364	\$370
2017	2	0.0%	\$452	\$0	\$452	\$458

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	7.1%	\$461	\$26	\$435	\$442
2017	2	0.0%	\$543	\$0	\$543	\$550

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$323	\$14	\$309	\$313
2017	2	0.0%	\$392	\$0	\$392	\$396

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$384	\$20	\$364	\$370
2017	2	0.0%	\$465	\$0	\$465	\$471

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	0.0%	\$479	\$27	\$452	\$459
2017	2	0.0%	\$564	\$0	\$564	\$571

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	50.0%	\$420	\$23	\$397	\$401
2017	2	0.0%	\$495	\$0	\$495	\$499

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	60.0%	\$525	\$31	\$494	\$500
2017	2	0.0%	\$618	\$0	\$618	\$624

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2009	1	20.0%	\$569	\$35	\$534	\$541
2017	2	0.0%	\$670	\$0	\$670	\$677

Trend: Comments

1Q09 The contact reported that the property is typically 95 percent occupied but beginning in January 2009, turnover increased significantly. The contact attributed the higher vacancy rate to the economy and families moving into single-family homes. The property is 82 percent occupied and 87 percent pre-leased. The contact reported that demand is highest for the three-bedroom units and for units with income restrictions set at 60 percent AMI but with rents set at 50 percent AMI. The contact believed there is more demand for senior LIHTC housing in the area versus family units, given the currently low occupancy rate at Park Place. The concession just started this month and will continue for a currently undetermined period of time. The contact stated that Park Place competes primarily with privately owned market rate properties in the area as management does not take into consideration any LIHTC properties in the region. The contact stated that the property opened in October 2003 and leased in less than one year. The absorption rate listed is conservative as it is based on a 12 month absorption period of 60 units.

2Q17 The contact reported that the property generally maintains a low turnover rate, but only occasionally has enough interest to maintain a waiting list.

Park Place Apartments, continued

Photos



Pennington Place, continued

Comments

The contact reported that the property maintains a waiting list of 20 households.

Photos



PROPERTY PROFILE REPORT

Spring Haven Apartments

Effective Rent Date 4/04/2017
Location 7 Perry Farm Rd.
 Cave Springs, GA 30124
 Floyd County
Distance 13.6 miles
Units 24
Vacant Units 0
Vacancy Rate 0.0%
Type One-story
Year Built/Renovated 2001 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None
Tenant Characteristics Mixed tenancy, some seniors
Contact Name Erica
Phone 706-777-9600



Market Information

Program @50% (HOME), @60%
Annual Turnover Rate 5%
Units/Month Absorbed N/A
HCV Tenants 4%
Leasing Pace Pre-leased
Annual Chg. in Rent None reported
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	10	649	\$363	\$0	@50% (HOME)	Yes	0	0.0%	no	None
1	1	One-story	2	649	\$370	\$0	@60%	Yes	0	0.0%	no	None
2	1	One-story	3	819	\$428	\$0	@50% (HOME)	Yes	0	0.0%	no	None
2	1	One-story	N/A	819	\$450	\$0	@60%	Yes	0	N/A	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$363	\$0	\$363	\$45	\$408	1BR / 1BA	\$370	\$0	\$370	\$45	\$415
2BR / 1BA	\$428	\$0	\$428	\$54	\$482	2BR / 1BA	\$450	\$0	\$450	\$54	\$504

Amenities

In-Unit

Blinds
 Central A/C
 Dishwasher
 Garbage Disposal
 Oven
 Walk-In Closet
 Carpeting
 Coat Closet
 Ceiling Fan
 Microwave
 Refrigerator
 Washer/Dryer hookup

Security

None

Services

None

Property

Central Laundry
 On-Site Management

Off-Street Parking

Premium

None

Other

None

Spring Haven Apartments, continued

Comments

The contact reported that the property maintains a waiting list of four to five households.

Spring Haven Apartments, continued

Trend Report

Vacancy Rates

4Q12	1Q13	2Q15	2Q17
4.2%	12.5%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$290	\$0	\$290	\$335
2013	1	10.0%	\$295	\$0	\$295	\$340
2015	2	0.0%	\$363	\$0	\$363	\$408
2017	2	0.0%	\$363	\$0	\$363	\$408

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$355	\$0	\$355	\$400
2013	1	0.0%	\$325	\$0	\$325	\$370
2015	2	0.0%	\$370	\$0	\$370	\$415
2017	2	0.0%	\$370	\$0	\$370	\$415

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$325	\$0	\$325	\$379
2013	1	0.0%	\$382	\$0	\$382	\$436
2015	2	0.0%	\$428	\$0	\$428	\$482
2017	2	0.0%	\$428	\$0	\$428	\$482

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	N/A	\$385	\$0	\$385	\$439
2013	1	N/A	\$400	\$0	\$400	\$454
2015	2	N/A	\$450	\$0	\$450	\$504
2017	2	N/A	\$450	\$0	\$450	\$504

Trend: Comments

4Q12 Management reported that rental figures have not changed since we last spoke with them in May of this year and confirmed that they were right around the same level. Their is currently only one tenant utilizing housing choice vouchers and one vacancy in the two-bedroom at 60 percent. Management stated that their tenancy tends to stay for extended periods and they have exceptionally low turnover due to this.

Management reported demand for additional LIHTC units in general in the area, as well as demand for additional market units. Management stated that from their experience, the two and three-bedroom units are in the highest demand. They stated slight demand for one and four-bedroom units, but that they see the most clientele inquiring for two and three-bedroom units.

We inquired as to if there would be demand for LIHTC single-family rentals over garden-style or lowrise properties, and management reported yes, possibly, but was not sure about how much more rent a single-family LIHTC could charge over a garden-style or lowrise property. Management stated they thought that the single-family homes could certainly achieve higher rents, but they were not sure how much more.

Management did not know of any specific neighborhoods that lack LIHTC housing or neighborhoods that are particularly desirable for more development. Furthermore they could not think of any new construction apartments in the area. Management stated 80-90 percent of their tenancy is from Floyd County, and that the remaining tenancy is scattered from all different areas, towns and surrounding counties.

Management stated that from their knowledge, Floyd county and the Rome area could support a property bigger than theirs, and could use an additional 40 LIHTC units without negatively impacting existing LIHTC units.

1Q13 Management reported that the rents have increased between 2.0 and 7.0 percent in the past year and are pending an additional increase in June. Management stated that their tenancy tends to stay for extended periods and they have exceptionally low turnover due to this.

Management reported demand for additional LIHTC units in general in the area, as well as demand for additional market units. Management stated 80-90 percent of their tenancy is from Floyd County, and that the remaining tenancy is scattered from all different areas, towns and surrounding counties.

Management stated that from their knowledge, Floyd county and the Rome area could support a property bigger than theirs, and could use an additional 40 LIHTC units without negatively impacting existing LIHTC units.

2Q15 Management reported that the property is currently fully occupied, which is typical throughout the year. The contact noted that the property has many long-term tenants and typically maintains a low turnover ratio. The property currently maintains a waiting list that has two households on it. Since our last interview on 2013, rents have increased between 12 and 23 percent. Management was unable to provide the number of parking spaces the property offers or comment on the parking utilization ratio at the property.

2Q17 The contact reported that the property maintains a waiting list of four to five households.

Spring Haven Apartments, continued

Photos



PROPERTY PROFILE REPORT

Arbor Terrace Apartments

Effective Rent Date 4/06/2017
Location 50 Chateau Drive SE
 Rome, GA 30161
 Floyd County
Distance 6.4 miles
Units 96
Vacant Units 0
Vacancy Rate 0.0%
Type Various (2 stories)
Year Built/Renovated 1971 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None identified
Tenant Characteristics Mixed tenancy, some families
Contact Name Tina
Phone 706-295-7020



Market Information

Program Market
Annual Turnover Rate 33%
Units/Month Absorbed N/A
HCV Tenants 30%
Leasing Pace Pre-leased; within two weeks
Annual Chg. in Rent 4% increase since 2Q2015
Concession None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	16	680	\$440	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	64	1,190	\$610	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (2 stories)	16	1,320	\$715	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$440	\$0	\$440	\$45	\$485
2BR / 1.5BA	\$610	\$0	\$610	\$54	\$664
3BR / 2BA	\$715	\$0	\$715	\$66	\$781

Arbor Terrace Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Oven
Walk-In Closet

Blinds
Central A/C
Dishwasher
Refrigerator

Security

Limited Access
Patrol

Services

None

Property

Off-Street Parking
Picnic Area
Swimming Pool

On-Site Management
Playground

Premium

None

Other

None

Comments

The contact had no additional comments.

Arbor Terrace Apartments, continued

Trend Report

Vacancy Rates

1Q13	4Q13	1Q15	2Q17
7.3%	7.3%	0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	6.2%	\$375	\$0	\$375	\$420
2013	4	0.0%	\$395	\$0	\$395	\$440
2015	1	0.0%	\$425	\$0	\$425	\$470
2017	2	0.0%	\$440	\$0	\$440	\$485

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	7.8%	\$575	\$0	\$575	\$629
2013	4	7.8%	\$563	\$0	\$563	\$617
2015	1	0.0%	\$595	\$0	\$595	\$649
2017	2	0.0%	\$610	\$0	\$610	\$664

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	6.2%	\$650	\$0	\$650	\$716
2013	4	12.5%	\$650	\$0	\$650	\$716
2015	1	0.0%	\$680	\$0	\$680	\$746
2017	2	0.0%	\$715	\$0	\$715	\$781

Trend: Comments

1Q13	The contact reported three of the vacant units have applications pending approval.
4Q13	The contact reported a much stronger demand for one-bedroom units opposed to two and three-bedroom units. Two-bedroom units range from \$550 per month to \$575 per month.
1Q15	The property is fully occupied and does not typically maintain a waiting list. Management was unable to comment on the need for affordable housing in the local area.
2Q17	The contact had no additional comments.

Arbor Terrace Apartments, continued

Photos



PROPERTY PROFILE REPORT

Ashton Ridge

Effective Rent Date	4/05/2017
Location	2522 Callier Springs Road Rome, GA 30161 Floyd County
Distance	5.5 miles
Units	88
Vacant Units	5
Vacancy Rate	5.7%
Type	Lowrise (3 stories)
Year Built/Renovated	1999 / 2016
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Riverwood Park
Tenant Characteristics	Predominantly local families and seniors from Rome and the surrounding area.
Contact Name	Yvonda
Phone	706-802-0017



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	23%
Leasing Pace	Pre-leased to two weeks
Annual Chg. in Rent	None
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	14	708	\$490	\$0	Market	No	0	0.0%	N/A	None
2	2	Lowrise (3 stories)	37	933	\$599	\$0	Market	No	2	5.4%	N/A	None
3	2	Lowrise (3 stories)	37	1,134	\$645	\$0	Market	No	3	8.1%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$490	\$0	\$490	\$45	\$535
2BR / 2BA	\$599	\$0	\$599	\$54	\$653
3BR / 2BA	\$645	\$0	\$645	\$66	\$711

Ashton Ridge, continued

Amenities

In-Unit

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

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

Security

None

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Picnic Area

Central Laundry
On-Site Management
Playground

Premium

None

Other

None

Comments

The contact reported that one of the three-bedroom units is pre-leased.

Ashton Ridge, continued

Trend Report

Vacancy Rates

2Q14	1Q15	2Q15	2Q17
5.7%	4.5%	2.3%	5.7%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	7.1%	\$425	\$0	\$425	\$470
2015	2	7.1%	\$425	\$0	\$425	\$470
2017	2	0.0%	\$490	\$0	\$490	\$535

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	5.4%	\$499	\$0	\$499	\$553
2015	2	2.7%	\$499	\$0	\$499	\$553
2017	2	5.4%	\$599	\$0	\$599	\$653

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	2.7%	\$549	\$0	\$549	\$615
2015	2	0.0%	\$549	\$0	\$549	\$615
2017	2	8.1%	\$645	\$0	\$645	\$711

Trend: Comments

2Q14 The contact indicated that there are currently applications for all of the vacant units; these units are likely to be filled within the next ten days.

1Q15 Management reported that this property is now a conventional, market rate property. The tax credits expired June of 2014. Management reported that the property still accepts Housing Choice Vouchers and that currently 23 percent of tenants are using them. The property does not currently maintain a waiting list and is not currently running any concessions. Management reported that the property offers two parking spaces per unit. The contact could not comment on the parking utilization rate at the property.

2Q15 Management reported that the tax credits expired in June 2014. The property still accepts Housing Choice Vouchers and currently 23 percent of tenants are using them. The property does not currently maintain a waiting list and is not currently running any concessions.

2Q17 The contact reported that one of the three-bedroom units is pre-leased.

Ashton Ridge, continued

Photos



PROPERTY PROFILE REPORT

Claridge Gate

Effective Rent Date	4/05/2017
Location	3 Keown Road SE Rome, GA 30161 Floyd County
Distance	6.1 miles
Units	32
Vacant Units	2
Vacancy Rate	6.2%
Type	Garden
Year Built/Renovated	2006 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy, some families
Contact Name	Alice
Phone	706-291-4321



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased to two weeks
Annual Chg. in Rent	None
Concession	See comments

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden	24	1,221	\$795	\$34	Market	No	2	8.3%	N/A	None
3	2	Garden	8	1,377	\$950	\$40	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$795	\$34	\$761	\$54	\$815
3BR / 2BA	\$950	\$40	\$910	\$66	\$976

Amenities

In-Unit	Security	Services
Balcony/Patio	Perimeter Fencing	None
Carpeting		
Coat Closet		
Ceiling Fan		
Oven		
Walk-In Closet		
Blinds		
Central A/C		
Dishwasher		
Microwave		
Refrigerator		
Washer/Dryer hookup		
Property	Premium	Other
Garage	None	None
Picnic Area		
Off-Street Parking		

Comments

The contact reported that the current concession is half off the first month's rent.

Trend Report

Vacancy Rates

2Q14	1Q15	2Q15	2Q17
0.0%	0.0%	3.1%	6.2%

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$795	\$0	\$795	\$849
2015	1	N/A	\$795	\$0	\$795	\$849
2015	2	N/A	\$795	\$0	\$795	\$849
2017	2	8.3%	\$795	\$34	\$761	\$815

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	N/A	\$950	\$0	\$950	\$1,016
2015	1	N/A	\$950	\$0	\$950	\$1,016
2015	2	N/A	\$950	\$0	\$950	\$1,016
2017	2	0.0%	\$950	\$40	\$910	\$976

Trend: Comments

- 2Q14** The property does not accept Housing Choice Vouchers. Rents include wireless internet. Listed rents are for one-year leases; rents increase \$100 for each unit-type on a six-month lease.
- 1Q15** The property is currently fully occupied and does not maintain a waiting list. Management reported that the property typically pre-leases vacancies. The contact was unable to provide the number of parking spaces the property offers or comment on the parking utilization rate at the property. Management reported that the property does not accept Housing Choice Vouchers. The property is managed by the same company as the Summer Stone Apartments.
- 2Q15** The property is currently fully occupied and does not maintain a waiting list. Management reported that the property typically pre-leases vacancies. The contact was unable to provide the number of parking spaces the property offers or comment on the parking utilization rate at the property. The property charges \$75 per month for garages. Management reported that the property does not accept Housing Choice Vouchers. The property is managed by Hardy Realty, the same company that manages the Summer Stone Apartments.
- 2Q17** The contact reported that the current concession is half off the first month's rent.

Claridge Gate, continued

Photos



PROPERTY PROFILE REPORT

Eastland Court

Effective Rent Date	4/05/2017
Location	40 Chateau Drive Rome, GA 30161 Floyd County
Distance	5.9 miles
Units	116
Vacant Units	2
Vacancy Rate	1.7%
Type	Garden (4 stories)
Year Built/Renovated	2005/2007 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy, some seniors
Contact Name	Sara
Phone	706-232-2300



Market Information

Program	Market
Annual Turnover Rate	7%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased to one week
Annual Chg. in Rent	5% increase since 2Q2015
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (4 stories)	21	804	\$835	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (4 stories)	4	919	\$945	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (4 stories)	68	1,056	\$985	\$0	Market	Yes	2	2.9%	N/A	None
3	2	Garden (4 stories)	23	1,516	\$1,125	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$835 - \$945	\$0	\$835 - \$945	\$45	\$880 - \$990
2BR / 2BA	\$985	\$0	\$985	\$54	\$1,039
3BR / 2BA	\$1,125	\$0	\$1,125	\$66	\$1,191

Eastland Court, continued

Amenities

In-Unit

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

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

Security

Limited Access
Perimeter Fencing

Services

None

Property

Clubhouse/Meeting
Garage
On-Site Management
Playground

Exercise Facility
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

The contact reported that the property maintains a waiting list that is one to two months in length, and that the current vacancies are pre-leased.

Eastland Court, continued

Trend Report

Vacancy Rates

2Q14	1Q15	2Q15	2Q17
2.6%	0.0%	0.0%	1.7%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	0.0%	\$775 - \$960	\$0	\$775 - \$960	\$820 - \$1,005
2015	1	0.0%	\$795 - \$909	\$0	\$795 - \$909	\$840 - \$954
2015	2	0.0%	\$795 - \$909	\$0	\$795 - \$909	\$840 - \$954
2017	2	0.0%	\$835 - \$945	\$0	\$835 - \$945	\$880 - \$990

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	2.9%	\$899	\$74	\$825	\$879
2015	1	0.0%	\$899	\$0	\$899	\$953
2015	2	0.0%	\$899	\$0	\$899	\$953
2017	2	2.9%	\$985	\$0	\$985	\$1,039

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	2	4.3%	\$1,075	\$0	\$1,075	\$1,141
2015	1	0.0%	\$1,075	\$0	\$1,075	\$1,141
2015	2	0.0%	\$1,075	\$0	\$1,075	\$1,141
2017	2	0.0%	\$1,125	\$0	\$1,125	\$1,191

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
------	----	------	-----------	-------	-------------	-----------

Trend: Comments

- 2Q14** The property does not accept Housing Choice Vouchers. All three vacant units are currently preleased. The property manager could not provide the property's annual turnover rate.
- 1Q15** Management reported that the property is currently fully occupied and maintains a waiting list for all unit types that varies in length. The specific number of households was not provided. Management was unable to provide the annual turnover ratio for the property, and the property does not accept Housing Choice Vouchers. Since our last interview in 2014, the price on one-bedroom units with 919 square feet decreased five percent. Management was unable to provide a reason for the decrease.
- 2Q15** Management reported that the property is currently fully occupied and maintains a waiting list for all unit types that varies in length. The property does not accept Housing Choice Vouchers. Since our last interview in 2014, the price on one-bedroom units with 919 square feet decreased five percent.
- 2Q17** The contact reported that the property maintains a waiting list that is one to two months in length, and that the current vacancies are pre-leased.

Eastland Court, continued

Photos



PROPERTY PROFILE REPORT

Riverwood Park

Effective Rent Date	4/04/2017
Location	525 West 13th Street Rome, GA 30165 Floyd County
Distance	4.2 miles
Units	91
Vacant Units	1
Vacancy Rate	1.1%
Type	Lowrise (3 stories)
Year Built/Renovated	1997 / N/A
Marketing Began	N/A
Leasing Began	2/15/1998
Last Unit Leased	N/A
Major Competitors	Ashland Park, Ashton Ridge
Tenant Characteristics	Mixed local tenancy; single parents, families, professionals, and seniors.
Contact Name	Valerie
Phone	(706) 235-7666



Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	N/A
HCV Tenants	28%
Leasing Pace	Two weeks
Annual Chg. in Rent	26% increase since 2Q2015
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Lowrise (3 stories)	56	912	\$575	\$0	Market	No	1	1.8%	no	None
3	2	Lowrise (3 stories)	35	1,102	\$645	\$0	Market	No	0	0.0%	no	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$575	\$0	\$575	\$6	\$581
3BR / 2BA	\$645	\$0	\$645	\$7	\$652

Amenities

In-Unit	Security	Services
Blinds	Perimeter Fencing	None
Carpeting		
Coat Closet		
Ceiling Fan		
Oven		
Washer/Dryer hookup		
Property	Premium	Other
Clubhouse/Meeting	None	None
Central Laundry		
On-Site Management		

Comments

The contact reported that as of October of 2016, the property is no longer a tax credit property.

Riverwood Park, continued

Trend Report

Vacancy Rates

2Q14	1Q15	2Q15	2Q17
0.0%	1.1%	2.2%	1.1%

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	1.8%	\$575	\$0	\$575	\$581

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	2	0.0%	\$645	\$0	\$645	\$652

Trend: Comments

2Q14	The contact could not provide the number of households currently on the waiting list.
1Q15	N/A
2Q15	Management reported that the property typically experiences low turnover and retains many long-term tenants. Management reported that the property typically remains close to 100 percent occupancy. The property currently maintains a waiting list, however the length of the list was not disclosed. Management stated that there is a strong demand for affordable housing in the local area.
2Q17	The contact reported that as of October of 2016, the property is no longer a tax credit property.

Riverwood Park, continued

Photos



PROPERTY PROFILE REPORT

The Grove At 600

Effective Rent Date	4/19/2017
Location	600 Redmond Road NW Rome, GA 30165 Floyd County
Distance	2 miles
Units	104
Vacant Units	1
Vacancy Rate	1.0%
Type	Townhouse (2 stories)
Year Built/Renovated	1971 / 2017
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Mixed tenancy, generally families
Contact Name	Danita
Phone	706-291-2154



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/Av
HCV Tenants	15%
Leasing Pace	Pre-leased to three weeks
Annual Chg. in Rent	None reported
Concession	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Townhouse (2 stories)	62	1,120	\$715	\$0	Market	No	1	1.6%	N/A	None
3	2.5	Townhouse (2 stories)	42	1,320	\$815	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1.5BA	\$715	\$0	\$715	\$54	\$769
3BR / 2.5BA	\$815	\$0	\$815	\$66	\$881

Amenities

In-Unit
Balcony/Patio
Carpeting
Coat Closet
Ceiling Fan
Microwave
Refrigerator
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Garbage Disposal
Oven
Walk-In Closet

Security
None

Services
None

Property
Clubhouse/Meeting
On-Site Management
Swimming Pool

Off-Street Parking
Playground

Premium
None

Other
None

Comments

The contact had no additional comments.

Photos



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

Housing Choice Vouchers

We were unable to reach a representative of the Georgia Department of Community Affairs. However, we were able to speak with Sandra Hudson, Executive Director of the Northwest Georgia Housing Authority (NWGHA). She reported that NWGHA administers 672 vouchers for both Floyd and Polk counties. She also reports there are over 1,000 households on the waiting list. The following table illustrates voucher usage at the comparable properties.

TENANTS WITH VOUCHERS

Comparable Property	Type	Housing Choice Voucher Tenants
Ashland Park Apartments	LIHTC	40%
Etowah Village*	LIHTC	8%
Evergreen Village*	LIHTC	10%
Park Place Apartments*	LIHTC/Market	10%
Pennington Place	HOME/PHA	33%
Spring Haven Apartments	LIHTC/HOME	4%
Arbor Terrace Apartments	Market	30%
Ashton Ridge	Market	23%
Claridge Gate	Market	0%
Eastland Court	Market	0%
Riverwood Park	Market	28%
The Grove At 600	Market	15%

*outside the PMA

Housing Choice Voucher usage in this market ranges from zero to 40 percent. The majority of the comparable LIHTC properties have a somewhat low reliance on tenants with vouchers. Four of the market rate comparables also have voucher holders. According to Sandra Hudson, the housing authority has demolished some 150 units over the past four to five years. These units have yet to be replaced. It is likely that these displaced households represent a significant number of voucher holders at these properties. Given that 114 of the Subject’s units currently benefit from a HAP contract, it is not necessary that qualifying households have a voucher in order to benefit from subsidized rent. However, should the HAP contract not be renewed when it expires on December 31, 2017, it is likely that the Subject would maintain a voucher usage of 25 percent following renovations.

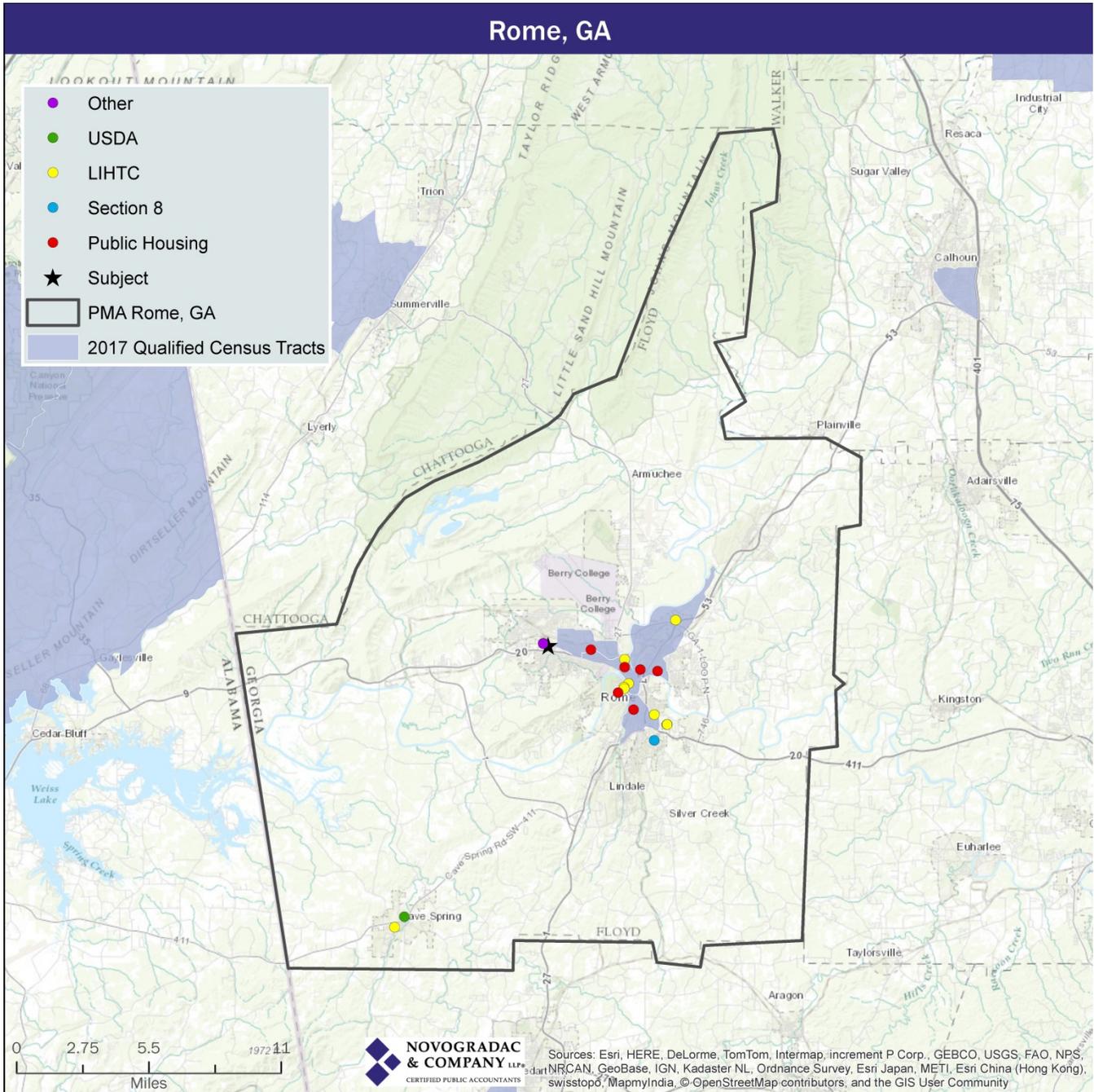
Phased Developments

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

Rural Areas

The Subject is not located in a rural area.

3. Competitive Project Map



AFFORDABLE PROPERTIES IN THE PMA

Property Name	Program	Location	Tenancy	# of Units	Distance from Subject	Map color
Meadow Lane Apartments	Section 8	Rome	Family	120	-	Star
Ashland Park Apartments*	LIHTC	Rome	Family	88	5.2 miles	Yellow
Etowah Terrace Senior Residences	LIHTC	Rome	Senior	77	3.6 miles	
Greystone	LIHTC	Rome	Senior	71	3.8 miles	
Spring Haven Apts*	LIHTC	Cave Springs	Family	24	13.4 miles	
South Rome Residential	LIHTC	Rome	Family	84	3.6 miles	
Highland Estates	LIHTC	Rome	Senior	84	2.1 miles	
Charles Hight Homes	Public Housing	Rome	Senior	303	3.4 miles	
Joe Wright Village	Public Housing	Rome	Family	31	5.0 miles	
John Graham Homes	Public Housing	Rome	Family	150	4.5 miles	
Main Heights/Park Homes	Public Housing	Rome	Family	164	4.0 miles	
Pennington Place*	Public Housing	Rome	Family	8	3.6 miles	Red
Willingham Village	Public Housing	Rome	Family	76	1.8 miles	
Ashton Ridge Apts	Section 8	Rome	Family	184	5.4 miles	
Callier Forest Apartments	Section 8	Rome	Family	130	6.0 miles	Blue
Heatherwood Apartments	Section 8	Rome	Family	68	5.7 miles	
Tamassee Apartments	Section 8	Rome	Family	80	Adjacent	
The Villas	Section 8	Rome	Senior	39	5.2 miles	
Steve Pettis Court Apts	Rural Development	Cave Springs	Family	32	12.8 miles	Green
Pine Ridge Apartments	Affordable	Rome	Disabled	30	0.2 miles	Purple

*utilized as a comparable properties

4. Amenities

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

UNIT MATRIX REPORT													
	Meadow Lane Apartments	Ashland Park	Etowah Village	Evergreen Village	Park Place Apartments	Pennington Place	Spring Haven Apartments	Arbor Terrace Apartments	Ashton Ridge	Claridge Gate	Eastland Court	Riverwood Park	The Grove At 600
Comp #	Subject	1	2	3	4	5	6	7	8	9	10	11	12
Property Information													
Property Type	Garden (3 stories)	Garden (3 stories)	Garden (2 stories)	Garden (2 stories)	Garden (3 stories)	One-story	One-story	Various (2 stories)	Lowrise (3 stories)	Garden	Garden (4 stories)	Lowrise (3 stories)	Townhouse (2 stories)
Year Built / Renovated	1974 / Proposed 2019	2005 / n/a	1998 / 2012	1997	2003	2012	2001	1971	1999 / 2016	2006	2005/2007	1997	1971 / 2017
Market (Conv.)/Subsidy Type	@60% (Section 8), Market, Non-Rental	LIHTC	LIHTC	LIHTC	LIHTC/Market	HOME/PHA	LIHTC/HOME	Market	Market	Market	Market	Market	Market
Utility Adjustments													
Cooking	no	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	yes	no	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no	no
Water	yes	yes	no	yes	yes	no	no	no	no	no	no	yes	no
Sewer	yes	yes	no	yes	yes	no	no	no	no	no	no	yes	no
Trash Collection	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
In-Unit Amenities													
Balcony/Patio	no	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	no	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite/Internet	yes	no	no	no	no	no	no	no	no	no	no	yes	no
Carpet/Hardwood	yes	no	no	no	no	yes	no	no	no	no	no	no	no
Carpeting	no	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	yes	yes	no	no	no	no	yes	yes	yes	no	no
Ceiling Fan	no	yes	yes	no	no	no	yes	no	yes	yes	yes	yes	yes
Garbage Disposal	yes	yes	yes	yes	yes	yes	yes	no	yes	no	yes	yes	yes
Microwave	yes	no	no	no	no	yes	yes	no	no	yes	no	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Walk-In Closet	no	yes	no	no	yes	no	yes	yes	yes	yes	yes	no	yes
Washer/Dryer	yes	no	no	yes	no	yes	no	no	no	no	no	no	no
Washer/Dryer hookup	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Property Amenities													
Basketball Court	no	no	yes	yes	yes	no	no	no	no	no	no	no	no
Business Center/Computer Lab	yes	yes	yes	no	no	no	no	no	no	no	no	no	no
Car Wash	no	yes	yes	no	no	no	no	no	no	no	no	no	no
Carport	no	no	yes	no	no	no	no	no	no	no	no	no	no
Clubhouse/Meeting Room/Community Room	yes	yes	no	yes	yes	no	no	no	yes	no	yes	yes	yes
Exercise Facility	no	yes	no	yes	no	no	no	no	no	no	yes	yes	no
Garage	no	no	no	no	no	yes	no	no	no	yes	yes	no	no
Central Laundry	no	no	yes	yes	yes	no	yes	no	yes	no	no	yes	no
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Management	yes	yes	yes	yes	yes	no	yes	yes	yes	no	yes	yes	yes
Picnic Area	yes	yes	no	yes	yes	no	no	yes	yes	yes	yes	no	no
Playground	yes	yes	yes	yes	yes	no	no	yes	yes	no	yes	yes	yes
Swimming Pool	no	yes	no	no	no	no	no	yes	no	no	yes	no	yes
Volleyball Court	no	no	yes	no	no	no	no	no	no	no	no	no	no
Garage Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$75.00	\$100.00	N/A	N/A
Services													
Tutoring	yes	no	no	no	no	no	no	no	no	no	no	no	no
Security													
Limited Access	no	no	no	no	no	no	no	yes	no	no	yes	no	no
Patrol	yes	no	no	no	no	no	no	yes	no	no	no	no	no
Perimeter Fencing	no	yes	no	no	no	no	no	no	no	yes	yes	yes	no
Video Surveillance	yes	no	no	no	no	no	no	no	no	no	no	no	no

The Subject will offer slightly superior in-unit amenities in comparison to the LIHTC and market-rate comparable properties and superior property amenities. The Subject will offer cable television included in rent, and will also offer in-unit washers and dryers, which most of the comparables lack. However, the Subject does not offer patios or balconies with a majority of its units, which is a feature that the majority of the comparable properties offer. In terms of property amenities, the Subject will offer a business center and computer lab as well as a community room, an amenity not offered at the majority of the comparable properties. Overall we believe that the proposed amenities will allow the Subject to effectively compete in the market.

5. Comparable Tenancy

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

6. Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Ashland Park Apartments	LIHTC	184	1	0.5%
Etowah Village*	LIHTC	96	1	1.0%
Evergreen Village*	LIHTC	56	0	0.0%
Park Place Apartments*	LIHTC/Market	60	0	0.0%
Pennington Place	HOME/PHA	8	0	0.0%
Spring Haven Apartments	LIHTC/HOME	24	0	0.0%
Arbor Terrace Apartments	Market	96	0	0.0%
Ashton Ridge	Market	88	5	5.7%
Claridge Gate	Market	32	2	6.2%
Eastland Court	Market	116	2	1.7%
Riverwood Park	Market	91	1	1.1%
The Grove At 600	Market	<u>104</u>	<u>1</u>	<u>1.0%</u>
Affordable Total		428	2	0.5%
Market Total		527	11	2.1%
Total		955	13	1.4%

*outside the PMA

As illustrated, vacancy rates in the market range from zero to 6.2 percent, averaging 1.4 percent. Total affordable vacancy is slightly lower, at 0.5 percent. Only Ashland Park Apartments and Etowah Village report having vacancies. Both report that the vacancies are pre-leased. The remaining four LIHTC comparables are fully occupied, and five of the affordable comparables report maintaining waiting lists.

The vacancy rates among the market-rate comparable properties range from zero to 6.2 percent, averaging 2.1 percent. Claridge Gate has the highest vacancy rate. However, it is relatively small compared to the other comparables, hence its two vacant units skew its vacancy rate. Ashton Ridge has the second highest vacancy rate. The contact at that property reports that one of its vacancies is pre-leased. The remaining market rate comparables have relatively low vacancy rates. Arbor Terrace Apartments reports no vacancies, while Eastland Court maintains a brief waiting list and reports that its two vacant units are pre-leased. The low to moderate vacancy rate at the comparable properties indicates that there is demand for rental housing in the Subject's PMA. As a newly renovated property with a competitive amenity package, we anticipate that the Subject would perform with a vacancy rate of five percent or less. Based on these factors, we believe that there is sufficient demand for affordable housing in the market. Given that the Subject is an existing property that is fully occupied, we do not believe that the Subject will impact the performance of the existing affordable properties if allocated.

7. Properties Under Construction and Proposed

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

South Rome Residential

- a. Location: Scattered, generally Broad Street and Etowah Terrace
- b. Owner: Laurel Street Residential (development company)
- c. Total number of units: 84 units
- d. Unit configuration: One, two and three bedroom units
- e. Rent structure: 40, 50, 60 percent AMI
- f. Estimated market entry: July 2017
- g. Relevant information: Marketing will begin in May 2017

Joe Wright Village

- a. Location: 1799 Martin Luther King Boulevard
- b. Owner: Northwest Georgia Housing Authority
- c. Total number of units: 31 units
- d. Unit configuration: One, two and three bedroom units
- e. Rent structure: Public Housing
- f. Estimated market entry: December 2017
- g. Relevant information: No units are pre-leased

Riverpoint Apartments

- a. Location: Braves Boulevard
- b. Owner: Rome Riverview Partners
- c. Total number of units: 120 units
- d. Unit configuration: One, two and three bedroom units
- e. Rent structure: Market Rate
- f. Estimated market entry: December 2017
- g. Relevant information: N/a

8. Rental Advantage

The following table illustrates the Subject’s similarity to the comparable properties. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

SIMILARITY MATRIX

#	Property Name	Type	Property Amenities	Unit Features	Location	Age / Condition	Unit Size	Overall Compariso
1	Ashland Park Apartments	LIHTC	Slightly Inferior	Slightly Inferior	Superior	Similar	Inferior	-10
2	Etowah Village	LIHTC	Slightly Inferior	Slightly Inferior	Slightly Inferior	Similar	Slightly Inferior	-20
3	Evergreen Village	LIHTC	Similar	Slightly Inferior	Superior	Slightly Superior	Slightly Inferior	5
4	Park Place Apartments	LIHTC/Market	Slightly Superior	Similar	Superior	Slightly Superior	Slightly Inferior	15
5	Pennington Place	HOME/PHA	Superior	Similar	Similar	Similar	Superior	20
6	Spring Haven Apartments	LIHTC	Superior	Slightly Inferior	Similar	Slightly Superior	Slightly Superior	15
7	Arbor Terrace Apartments	Market	Slightly Superior	Superior	Superior	Superior	Inferior	25
8	Ashton Ridge	Market	Slightly Superior	Slightly Inferior	Slightly Superior	Similar	Inferior	-5
9	Claridge Gate	Market	Superior	Similar	Superior	Slightly Superior	Inferior	15
10	Eastland Court	Market	Similar	Slightly Inferior	Superior	Slightly Superior	Slightly Inferior	5
11	Riverwood Park	Market	Slightly Superior	Superior	Slightly Inferior	Slightly Superior	Slightly Inferior	10
12	The Grove At 600	Market	Superior	Slightly Superior	Slightly Superior	Similar	Slightly Inferior	15

*Inferior=-10, slightly inferior=-5, similar=0, slightly superior=5, superior=10.

The rental rates at the LIHTC properties are compared to the Subject’s proposed 60 percent AMI rents in the following table. It is of note that there are no LIHTC properties that offer four-bedroom units in the PMA or the SMA.

LIHTC RENT COMPARISON - @60%

Property Name	1BR	2BR	3BR	4BR
Meadow Lane Apartments (Subject)	\$456	\$550	\$619	\$683
2016 LIHTC Maximum (Net)	\$456	\$550	\$619	\$683
Hold Harmless LIHTC Maximum (Net)	\$510	\$614	\$694	\$767
Ashland Park Apartments	\$493	\$556	\$596	-
Etowah Village	-	-	\$766	-
Evergreen Village	\$392	\$494	\$534	-
Park Place Apartments	\$396	\$471	\$571	-
Spring Haven Apartments	\$415	\$504	-	-
Average (excluding Subject)	\$424	\$506	\$617	-

The Subject’s proposed rents are within the range of the rents at the comparables, and similar to slightly higher than the average. This suggests that even if rents at the Subject were not subsidized through the Section 8 program, the proposed rents would be achievable. Considering the Section 8 subsidy that will be in place for all but five units, tenants will pay just 30 percent of their income toward rents, making the Subject very affordable. The Subject’s proposed LIHTC rents are set at the maximum allowable levels at the 60 percent AMI threshold, while all of the comparables reported achieving 60 percent AMI rents below the maximum allowable levels. However, the majority of the comparables are 100 percent occupied with waiting lists and do not appear to be testing the top of the market. It should be noted that Etowah Village is located in Bartow County and is subject to higher rent limits.

The Subject, upon completion, will be considered the most similar to Ashland Park Apartments and Spring Haven Apartments. These comparables reported vacancy rates of 0.5 percent and zero percent, respectively, and both maintain waiting lists. The low vacancy rates and presence of the waiting lists at the most similar LIHTC comparables indicates demand in the local area for affordable housing.

The Subject will offer slightly inferior community amenities as Ashland Park Apartments, but superior community as Spring Haven Apartments. Relative to the most similar comparables, the Subject will offer similar to slightly inferior in-unit amenities and a similar to slightly superior location and condition. Further the Subject’s unit sizes are similar to smaller than these comparables. Overall, given the strong occupancy rates and waiting lists of the comparables and reported 60 percent rents achieved at the most similar comparables; we believe the Subject’s 60 percent rents are achievable at the maximum allowable level.

Analysis of “Market Rents”

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

The Subject will continue to offer one, two, three, and four-bedroom units post renovation. We were not able to identify any market rate comparable properties that offer four-bedroom units in the PMA or SMA. As such, in order to derive an appropriate adjustment for an additional bedroom, we have utilized three of the affordable comparables and that offer two and three bedroom-units at the 60 percent restriction level, and six market rate comparables that also offer two and three bedroom units. An illustration of these comparables and the rent difference attributable to an additional bedroom is shown in the table following.

BEDROOM ADJUSTMENT

Property	Type	2BR	SF	3BR	SF	Difference
Arbor Terrace	Market	\$610	1,190	\$715	1,320	\$105
Ashton Ridge	Market	\$599	933	\$645	1,134	\$46
Claridge Gate	Market	\$795	1,221	\$950	1,377	\$155
Eastland Court	Market	\$945	1,056	\$1,125	1,516	\$180
Riverwood Park	Market	\$575	912	\$645	1,102	\$70
The Grove at 600	Market	\$715	1,120	\$815	1,320	\$100
Average						\$109

As illustrated, there is a \$109 average premium associated with an additional bedroom among the comparables. As such, we have utilized a unit type adjustment of \$100 for an additional bedroom, which we believe to be reasonable.

When comparing the Subject’s rents to the average comparable rent, we have not included surveyed rents at lower AMI levels given that this artificially lowers the average surveyed rent. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers rents at the 50 and 60 percent of AMI levels, and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent of AMI rents in the average comparable rent for the 60 percent of AMI comparison.

The overall average and the maximum and minimum adjusted rents for the comparable properties surveyed are illustrated in the table below in comparison with net rents for the Subject. It is of note that we have adjusted the surveyed average three-bedroom rent upward by \$100 to account for the additional bedroom that the Subject’s four-bedroom units offer.

SUBJECT COMPARISON TO COMPARABLE RENTS

Unit Type	Subject Proposed Rent	Surveyed Minimum	Surveyed Maximum	Surveyed Average	Rent Advantage
1BR @ 60%	\$456	\$392	\$990	\$558	18.3%
2BR @ 60%	\$550	\$471	\$1,039	\$647	15.0%
3BR @ 60%	\$619	\$534	\$1,191	\$754	17.9%
4BR @ 60%	\$683	\$634	\$1,291	\$854	20.1%

As illustrated the Subject’s proposed 60 percent rents are well below the surveyed average of the comparable properties. All of the Subject’s proposed LIHTC rents are within the surveyed range of comparable LIHTC and market rents.

Eastland Court is achieving the highest one, two and three-bedroom unrestricted rents in the market. The Subject will be similar to Eastland Court as a market-rate property, post renovation. Eastland Court was built in 2005 and exhibits good condition, which is similar to the anticipated condition of the Subject upon completion. This development’s four-story garden-style design is considered slightly inferior to the Subject’s two and three-story garden-style design. Eastland Court is located 5.9 miles from the Subject site and offers a superior location. Eastland Court offers slightly superior in-unit amenities, but similar community amenities. Eastland Court also offers larger unit sizes compared to the Subject’s floor plans. The Subject’s proposed one, two, and three-bedroom rents (\$456 to \$619) are well below Eastland Court, which range from \$880 for one-bedroom units to \$1,191 for three-bedroom units. This bodes well for the marketability of the Subject and suggests that even without the Section 8 rental assistance that will be available to residents, the proposed LIHTC rents are attainable.

9. LIHTC Competition – DCA Funded Properties within the PMA

Capture rates for the Subject affordable and market rate units range from 1.0 to 3.6 percent as proposed, which is considered excellent. Capture rates for the Subject, absent a rental subsidy, are considered good, as the 60 percent AMI level units have a capture rate of 8.9 percent and the total unit capture rate of a 6.4 percent. If allocated, the Subject will be slightly superior to superior to the existing LIHTC housing stock. The average LIHTC vacancy rate is also considered excellent at 0.5 percent. Of the six LIHTC properties, none have vacancy rates over one percent, and, of those comparables reporting vacancies, they report that those vacancies are pre-leased.

According to the DCA Program Awards Database, two properties were allocated tax credits in the last five years. As noted previously, South Rome Residential was awarded tax credits in 2015. It will consist of 84 one, two, and three-bedroom units offered at 50 and 60 percent of area median income. It is currently under construction, with the first phase of units expected to enter the market in July of 2017 and the second phase entering the market in December of 2017. According to the developer, none of the units have been pre-leased and plans to market the property are being set for early May 2017. South Rome Residential will directly compete with the Subject.

Highland Estates Senior Apartments is a LIHTC property restricted to seniors age 55 and older that was awarded tax credits in 2014. It offers 84 one and two-bedroom units at 50 and 60 percent of area median income. According to a contact at the property, Highland Estates began leasing units in September of 2016, and is currently 81.0 percent occupied. This equates an absorption rate of to eight to nine units a month. As this property is restricted to residents age 55 and older, it is not considered directly competitive with the Subject.

The Subject property is currently fully occupied with a waiting list and 114 of the Subject’s 120 units will continue to benefit from a property based rental subsidy. Additionally, existing LIHTC, and other affordable properties in the PMA, that are targeted toward families maintain high occupancy rates and waiting lists. Given this information, we do not believe that the renovation of the Subject utilizing tax credits will impact the new or existing LIHTC properties in the area that are in overall good condition and currently performing well. However, it is possible that the Subject will draw tenants from the older LIHTC, or public housing properties that suffer from deferred maintenance and those that are currently underperforming the market.

10. Rental Trends in the PMA

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

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	22,730	66.8%	11,297	33.2%
2017	21,406	59.5%	14,579	40.5%
Projected Mkt Entry June 2019	21,427	59.4%	14,630	40.6%
2021	21,450	59.4%	14,685	40.6%

Source: Esri Demographics 2017, Novogradac & Company LLP, April 2017

As the table illustrates, owner occupied households comprise 59.4 percent of households in the PMA in 2017. While the owner-to-renter household ratios are anticipated to remain stable through market entry and through 2021, the number of renter occupied households is anticipated to grow by 106 households over this time period. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, a larger percentage of renters exist in the PMA than the nation.

Historical Vacancy

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

HISTORICAL VACANCY

Comparable Property	Type	Total Units	2QTR 2012	4QTR 2012	1QTR 2013	4QTR 2013	2QTR 2014	1QTR 2015	2QTR 2015	2QTR 2017
Ashland Park Apartments	LIHTC	184	7.1%	7.1%	7.1%	N/A	25.5%	3.8%	3.8%	0.5%
Etowah Village*	LIHTC	96	N/A	N/A	N/A	N/A	N/A	1.0%	1.0%	1.0%
Evergreen Village*	LIHTC	56	N/A	N/A	N/A	N/A	N/A	1.8%	0.0%	0.0%
Park Place Apartments*	LIHTC/Market	60	N/A	0.0%						
Pennington Place	HOME/PHA	8	N/A	0.0%						
Spring Haven Apartments	LIHTC	24	4.2%	4.2%	12.5%	N/A	N/A	N/A	0.0%	0.0%
Arbor Terrace Apartments	Market	96	3.1%	N/A	7.3%	7.3%	N/A	0.0%	N/A	0.0%
Ashton Ridge	Market	88	N/A	4.5%	5.7%	N/A	5.7%	4.5%	2.3%	5.7%
Claridge Gate	Market	32	N/A	0.0%	0.0%	3.1%	0.0%	0.0%	3.1%	6.2%
Eastland Court	Market	116	5.3%	5.2%	5.2%	1.7%	2.6%	0.0%	0.0%	1.7%
Riverwood Park	Market	91	1.1%	0.0%	0.0%	N/A	0.0%	1.1%	2.2%	1.1%
The Grove At 600	Market	<u>104</u>	<u>N/A</u>	<u>1.0%</u>						
Average			4.2%	3.5%	5.4%	4.0%	6.8%	1.5%	1.6%	1.4%

*located outside of PMA

As illustrated in the table, we were not able to obtain historical vacancy rates at all of the comparable properties. In general, the comparable properties experienced decreasing vacancy from 2014 through the second quarter of 2017. Ashland Park Apartments experienced the largest decrease in vacancies, decreasing to 0.5 percent currently, from 25.5 percent in the second quarter of 2014. According to the comments from 2014, the high rate of vacancy was not typical, and was due in part to a change in management and a number of residents purchasing homes. According to the contact at Ashland Park Apartments, the current vacant unit is pre-leased. The remaining affordable properties demonstrate a historic trend of generally low vacancy rates. Overall, we believe that the current performance of the LIHTC comparable properties, as well as their historically low to moderate vacancy rates, indicate demand for affordable rental housing in the Subject's market.

Change in Rental Rates

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

RENT GROWTH		
Comparable Property	Rent Structure	Rent Growth
Ashland Park Apartments	LIHTC	None reported
Etowah Village*	LIHTC	11% increase since 2Q2015
Evergreen Village*	LIHTC	5% increase since 2Q2015
Park Place Apartments*	LIHTC/Market	19% increase since 1Q2009
Pennington Place	HOME/PHA	None reported
Spring Haven Apartments	LIHTC/HOME	None reported
Arbor Terrace Apartments	Market	4% increase since 2Q2015
Ashton Ridge	Market	None reported
Claridge Gate	Market	None reported
Eastland Court	Market	5% increase since 2Q2015
Riverwood Park	Market	26% increase since 2Q2015
The Grove At 600	Market	None reported

*Located outside the PMA

Two of the six affordable properties have reported increased rents since the second quarter of 2015, ranging from five to 11 percent, while three of the six market rate comparables also reported rent increases. We anticipate that the Subject will be able to achieve moderate rent growth in the future for both its LIHTC and market rate units. With the Section 8 rental assistance in place at the Subject, rent increases at the property should not directly impact residents, as they will continue to pay just 30 percent of their income toward rent.

11. Impact of Foreclosed, Abandoned and Vacant Structures

According to *RealtyTrac* statistics, one in every 1,588 housing units nationwide was in some stage of foreclosure as of March 2017. The city of Rome is experiencing a foreclosure rate of one in every 2,925 homes, while the state of Georgia is experiencing foreclosure rate of one in every 1,898 homes. Overall, Rome is experiencing a lower foreclosure rate than the nation and the state, indicating a healthy housing market. The Subject’s neighborhood does not have a significant amount of abandoned or vacancy structures that would impact the marketability of the Subject.

12. Primary Housing Void

Five of the six affordable comparable properties maintain waiting lists that range in length from five to 50 households. The presence of waiting lists and high occupancy rates at the affordable properties indicate demand for affordable housing in the market.

It is of note that two LIHTC properties transitioned to market rate over the last three years. Currently, this leaves one LIHTC property targeting families in Rome, and one LIHTC property targeting families in Cave Springs, approximately 13.6 miles to the south of the Subject. The tax credits for Ashton Ridge expired in June of 2014. Riverwood Park Apartments reported transitioning to a market rate property in October of 2016. This represents a loss of 179 affordable units, targeted to families, over the last three years. South Rome Residential will replace 84 of these units, bringing the net loss to 95 units. The addition of Highland Estates Senior Apartments has replaced 84 units. However, these units are restricted to those of age 55 and above, and are not considered a true replacement.

As will be discussed in the *Interviews* section, the Northwest Georgia Housing Authority (NWGHA) is undergoing a major renovation of its public housing portfolio. According to Executive Director Sandra

Hudson, NWGHA has demolished some 300 units of sub-standard housing, which have not yet been replaced. Housing Choice Vouchers were issued to those who were displaced. However, Ms. Hudson reports that many of these vouchers have gone unused, as these new voucher holders have not been able to find sufficient rental housing in Floyd or Polk counties, where the vouchers are valid.

Finally, there is a lack of four-bedroom rental units available in the area. As our research has shown, there are no four-bedroom units, affordable or market rate, for rent in the PMA or SMA.

13. Effect of Subject on Other Affordable Units in Market

As previously noted, there is one LIHTC development, South Rome Residential, which is currently under construction in the PMA. However, due to the low vacancy rate among both the affordable and market rate properties, the presence of waiting lists at five of the six affordable comparables, and one of the market rate properties, illustrates a strong demand for the addition of affordable housing within the market. As the Subject is an existing, fully occupied property, it is not considered an addition to the amount of affordable housing in the market. The vacancy rate among the existing affordable comparables is excellent, at 0.5 percent. Of the few vacancies that exist in the market, most report being pre-leased. The need for quality rental housing is further illustrated by the generally diminishing vacancy rates of the comparable properties, and the high occupancy rates of the other subsidized properties in the area. Furthermore, the Subject will continue to offer four-bedroom units, which are generally not available in this market. In summary, the performance of the comparable LIHTC properties, the existence of waiting lists for affordable and market rate units, the fact that the proposed Subject will offer a unit type that is generally not available in the market, and that the Subject is an existing, fully occupied, subsidized property, all indicate that the Subject will not negatively impact the existing or proposed affordable rental units in the market.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The affordable comparables are experiencing a weighted average vacancy rate of 0.5 percent, market rate vacancy is at 2.1 percent, and overall vacancy is at 1.4 percent. In addition, of the current vacancies in the market, most have been reported as pre-leased. Five of the six affordable properties maintain waiting lists, as does one of the market rate properties. These factors illustrate demand for both affordable and market rate housing. The Subject will offer generally similar to superior in-unit amenities in comparison to the LIHTC and market-rate comparable properties and similar property amenities. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the family LIHTC market. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered similar to superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. Additionally, the Subject will offer four-bedroom units, which are generally not available and are demonstrated to be in demand in the market. As such, the Subject will be filling a void in the market for income-restricted rate four-bedroom units. In general, the Subject will be slightly superior to superior to the comparable properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by waiting lists and low vacancy at several LIHTC comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well.

I. ABSORPTION AND STABILIZATION RATES

ABSORPTION AND STABILIZATION RATES

Due to development timing, absorption information is not available for the comparable properties. The most recent newly constructed multifamily development in Rome is Highland Estates Senior Apartments, a LIHTC property restricted to seniors age 55 and older. It offers 84 one and two-bedroom units at 50 and 60 percent of area median income. According to a contact at the property, Highland Estates began leasing units in September of 2016, and is currently 81.0 percent occupied. This equates an absorption pace of to eight to nine units a month.

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Subject is a proposed renovation of an existing Section 8 property. According the Subject's rent roll, dated February 28, 2017, the property is 100 percent occupied with a waiting list, which is typical for the property, according to management. According to the rent roll, all of the tenants in the Subject's units would continue to qualify to remain in place. Assuming the Subject were 100 percent vacant following renovations, the Subject would likely experience a faster re-absorption pace than Highland Estates Senior Residences, due to the lack of age restriction, and the benefit of a rental subsidy. The Subject would likely experience a re-absorption pace of 19 to 22 units per month for an absorption period of approximately five to six months. Should the Subject not benefit from a rental subsidy post renovation, we believe Subject would experience a somewhat faster re-absorption pace than Highland Estates Senior Apartments, of 14 to 16 units per month for an absorption period of approximately seven to eight months.

J. INTERVIEWS

INTERVIEWS

Northwest Georgia Housing Authority

We spoke with Ms. Sandra Hudson, the Executive Director for the Northwest Georgia Housing Authority (NWGHA). Ms. Hudson reported that NWGHA is currently undergoing a major renovation of its public housing portfolio and that NWGHA has demolished some 300 units of sub-standard housing, which have not yet been replaced. Housing Choice Vouchers were issued to those who were displaced. However, Ms. Hudson reports that many of these vouchers have gone unused, as these new voucher holders have not been able to find sufficient rental housing in Floyd or Polk counties, where the vouchers are valid. As mentioned in the *Competitive Analysis* section, Joe Wright Village is anticipated to be ready for occupancy by December of 2017; however, this represents only 31 units. Ms. Hudson also reported that NWGHA is working on developing a financing plan for an additional 100 units; however, no timeline was available. Ms. Hudson reported a distinct need for all types of housing, not only in Rome, but throughout Floyd and Polk counties. Not only is workforce housing needed, but also housing for the low and very low income. Anecdotally, Ms. Hudson reported that homeless seemed to be at an all-time high in the area. However, an updated point-in-time count was not available to illustrate this observation. Ms. Hudson reported that there are 672 Housing Choice Vouchers issued in Floyd and Polk counties. However, she was unable to report how many are in use at this time. She reported that waiting list for vouchers is over 1,000 households in length, and that the waiting list was briefly opened in the first week of April 2017, and is currently closed. She also reported that the waiting list for public housing was over 3,000 households in length. All households on the waiting list earn below 60 percent of the AMI and are expected to be income-qualified for the Subject's 60 percent of AMI units. The payment standards for Floyd and Polk Counties are listed below.

PAYMENT STANDARDS

Unit Type	Standard
1 Bedroom	\$501
2 Bedroom	\$670
3 Bedroom	\$879
4 Bedroom	\$1,119

Source: NWGHA, 4/2017

The Subject's proposed one-bedroom LIHTC rents are set above the current payment standards, while the remaining rents are below the payment standards. In addition, the Subject will benefit from Section 8 rental assistance and tenants of the Subject will pay 30 percent of income as rent. As such, these tenants will not utilize a Housing Choice Voucher.

Planning

According to Mr. David Thompson with the Rome-Floyd Planning Department Planning Department, there are three multifamily developments currently planned, proposed, or under construction in the Subject's PMA.

South Rome Residential was allocated LIHTC funding in the Subject's PMA in 2015. According to the developer, Lee Cochran of Laurel Street Residential, the project is currently under construction. This is a scattered site development, generally concentrated around Broad Street and Etowah Terrace, in Downtown Rome, approximately 4.5 miles east of the Subject. According to Mr. Cochran, South Rome Residential will offer 22 one-bedroom units, 41 two-bedroom units, and 21 three bedroom units at 50 and 60 percent AMI. Mr. Cochran reported that one-bedroom rents will range from \$354 to \$466, two-bedroom units will range from \$450 to \$560, and three-bedroom rents will range from \$505 to \$635. The property will offer central air conditioning, washer/dryer hook-ups, and walk-in closets. Tenants will be responsible for electric

expenses, while water, sewer, and trash expenses will be included in the rent. As of this report, the property had not yet begun to market its units, hence no data regarding pre-leasing was available. Mr. Cochran did report that he anticipates certification of occupancy to be issued in June or July of 2017.

Joe Wright Village is NWGHA newest development. According to Executive Director Sandra Hudson, the project is currently under construction. It is located at approximately 1701 Martin Luther King Jr. Boulevard, approximately five miles to the east of the Subject. Ms. Hudson stated that the final unit mix was not available due to ongoing zoning adjustments. However, it will consist of 31 units, with a preliminary unit mix consisting of 12 one-bedroom units, 15 two bedroom units, and four three-bedroom units. As this is a Public Housing development, rents will be based on 30 percent of household income. Construction is anticipated to be complete in December of 2017.

River Point Apartments is currently under construction. This 124-unit luxury market rate development will consist of 44 one-bedroom units, 62 two-bedroom units, and 18 three-bedroom units. It will be located at 24 River Point Place, approximately 3.7 miles to the east of the Subject. According to the property's website rents will range from \$835 for the one-bedroom units to \$1,450 for the three-bedroom units with views of the river and the nearby baseball stadium. The property will offer central air-conditioning, a luxury appliance package, walk-in closets, business center, swimming pool, and exercise facility, and will be elevator serviced. The developer, Charles Williams, anticipates that construction will be completed in February of 2018. In addition, Mr. Williams noted that three-bedroom units were generating the most interest.

Rome-Floyd Georgia Chamber of Commerce

According to Ken Wright, Director of Business and Industry Services for the Rome-Floyd Georgia Chamber of Commerce, Rome's manufacturing based economy was severely impacted by the recent recession. However, the demand for healthcare in the area continues to grow, and that more medical professionals are needed. He noted that many of these professionals are unable to locate quality housing in the area, which is impeding attracting those professionals to the area. He also noted that the manufacturing sector is beginning to grow again. He noted that, while it seems unlikely that the area will regain the same levels of employment seen before the recession, it does seem that employment in the area is stabilizing, with new jobs and opportunity emerging throughout the Rome-Floyd area.

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

K. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Demographics

The population in the PMA and the SMA increased significantly from 2000 to 2010, though the rate of growth slowed from 2010 to 2016. The rate of population and household growth is projected to continue to grow through 2021, although at slower rate. The current population of the PMA is 97,576 and is expected to increase slightly to 98,452 by 2021. Renter households are concentrated in the lowest income cohorts, with 49.0 percent of renters in the PMA earning less than \$30,000 annually. The Subject will target households earning between \$0 and \$38,520 for its LIHTC units. However, all units will continue to benefit from a subsidy post renovation. Overall, while population growth has been modest, the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

Employment Trends

The largest industries in the PMA are healthcare/social assistance, manufacturing, educational services, and retail trade. Positions in these industries account for 52.4 percent of all jobs in the area. The four largest employers in the area are two large hospitals, the county school district, and the Floyd County government, of which Rome is the county seat. Public administration, educational services, and health care/social assistance, are resilient during periods of economic downturn. This may help mitigate future job losses should the economy enter another period of instability.

The SMA has experienced annual employment growth from 2010 through 2016, with the exception of 2013. In addition, from December 2015 to December 2016, total employment in the SMA increased 1.8 percent, compared to a 1.4 percent increase in the nation as a whole. In addition, the unemployment rate has decreased annually since 2010; although, the unemployment rate in the SMA remains 80 basis points higher than the national average as of December 2016. While total employment has yet to surpass pre-recession levels and the unemployment rate remains higher than that of the nation, it does appear that the economy in the SMA has stabilized. This indicates that the area will have continued demand for workforce and affordable housing for the foreseeable future.

Capture Rates

The following table illustrates the demand and capture rates for the Subject's proposed units.

CAPTURE RATE ANALYSIS CHART

Unit Type	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Proposed Rents
1BR at 60% AMI/Sec. 8	15	967	34	933	1.6%	One month	\$456
1BR at 60% AMI	15	415	9	406	3.7%	One month	\$456
2BR at 60% AMI/Sec. 8	60	1,351	56	1,295	4.6%	4-5 months	\$550
2BR at 60% AMI	60	580	37	543	11.1%	4-5 months	\$550
3BR at 60% AMI/Sec. 8	27	724	25	699	3.9%	2 - 3 months	\$619
3BR at 60% AMI	30	311	17	294	10.2%	2 - 3 months	\$619
4BR at 60% AMI/Sec. 8	12	251	0	251	4.8%	One month	\$683
4BR at 60% AMI	14	108	0	108	13.0%	One month	\$683
Overall - With Subsidy	114	3,293	115	3,178	3.6%	7 - 8 months	-
Overall - Absent Subsidy	119	1,414	63	1,351	8.8%	7 - 8 months	-

We believe these calculated capture rates are reasonable, particularly as these calculations do not considered demand from outside the PMA or standard rental household turnover.

Absorption

Due to development timing, absorption information is not available for the comparable properties. The most recent newly constructed multifamily development in Rome is Highland Estates Senior Apartments, a LIHTC property restricted to seniors age 55 and older. It offers 84 one and two-bedroom units at 50 and 60 percent of area median income. According to a contact at the property, Highland Estates began leasing units in September of 2016, and is currently 81.0 percent occupied. This equates an absorption pace of to eight to nine units a month.

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. The Subject is a proposed renovation of an existing Section 8 property. According the Subject's rent roll, dated February 28, 2017, the property is 100 percent occupied with a waiting list, which is typical for the property, according to management. According to the rent roll, all of the tenants in the Subject's units would continue to qualify to remain in place. Assuming the Subject were 100 percent vacant following renovations, the Subject would likely experience a faster re-absorption pace than Highland Estates Senior Residences, due to the lack of age restriction, and the benefit of a rental subsidy. The Subject would likely experience a re-absorption pace of 19 to 22 units per month for an absorption period of approximately five to six months. Should the Subject not benefit from a rental subsidy post renovation, we believe Subject would experience a somewhat faster re-absorption pace than Highland Estates Senior Apartments, of 14 to 16 units per month for an absorption period of approximately seven to eight months.

Vacancy Trends

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY

Property Name	Rent Structure	Total Units	Vacant Units	Vacancy Rate
Ashland Park Apartments	LIHTC	184	1	0.5%
Etowah Village*	LIHTC	96	1	1.0%
Evergreen Village*	LIHTC	56	0	0.0%
Park Place Apartments*	LIHTC/Market	60	0	0.0%
Pennington Place	HOME/PHA	8	0	0.0%
Spring Haven Apartments	LIHTC/HOME	24	0	0.0%
Arbor Terrace Apartments	Market	96	0	0.0%
Ashton Ridge	Market	88	5	5.7%
Claridge Gate	Market	32	2	6.2%
Eastland Court	Market	116	2	1.7%
Riverwood Park	Market	91	1	1.1%
The Grove At 600	Market	<u>104</u>	<u>1</u>	<u>1.0%</u>
Affordable Total		428	2	0.5%
Market Total		527	11	2.1%
Total		955	13	1.4%

*outside the PMA

As illustrated, vacancy rates in the market range from zero to 6.2 percent, averaging 1.4 percent. Total affordable vacancy is slightly lower, at 0.5 percent. Only Ashland Park Apartments and Etowah Village report having vacancies. Both report that the vacancies are pre-leased. The remaining four LIHTC comparables are fully occupied, and all five of the affordable comparables report maintaining waiting lists.

The vacancy rates among the market-rate comparable properties range from zero to 6.2 percent, averaging 2.1 percent. Claridge Gate has the highest vacancy rate. However, it is relatively small compared to the

other comparables, hence its two vacant units skew its vacancy rate. Ashton Ridge has the second highest vacancy rate. The contact at that property reports that one of its vacancies is pre-leased. The remaining market rate comparables have relatively low vacancy rates. Arbor Terrace Apartments reports no vacancies, while Eastland Court maintains a brief waiting list and reports that its two vacant units are pre-leased. The low to moderate vacancy rate at the comparable properties indicates that there is demand for rental housing in the Subject's PMA. As a newly renovated property with a competitive amenity package, we anticipate that the Subject would perform with a vacancy rate of five percent or less. Based on these factors, we believe that there is sufficient demand for affordable housing in the market. Given that the Subject is an existing property that is fully occupied, we do not believe that the Subject will impact the performance of the existing affordable properties if allocated.

Strengths of the Subject

The Subject is also located in close proximity to neighborhood retail and schools. Single-family homes in the general vicinity appear to have been built in the 1950s and 1960s, but have been well maintained and exhibit average condition. Post renovation, the Subject will still have slightly inferior to inferior common area amenities when compared to other tax credit and market rate properties in the local market. It will have superior in-unit amenities, as cable television and in-unit washers and dryers are included in the rent. According to management, the current occupancy rate at the Subject is 100 percent, and the contact at the Subject reports that the property maintains a waiting list that is six to 12 months in length, which is typical in the local market. As the demand analysis indicated, there is adequate demand for the Subject based on our calculations for the 60 percent AMI units both with and without a subsidy in place.

Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The affordable comparables are experiencing a weighted average vacancy rate of 0.5 percent, market rate vacancy is at 2.1 percent, and overall vacancy is at 1.4 percent. In addition, of the current vacancies in the market, most have been reported as pre-leased. Five of the six affordable properties maintain waiting lists, as does one of the market rate properties. These factors illustrate demand for both affordable and market rate housing. The Subject will offer generally similar to superior in-unit amenities in comparison to the LIHTC and market-rate comparable properties and similar property amenities. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the family LIHTC market. As a comprehensive renovation of an existing property, the Subject will be in good condition upon completion and will be considered similar to superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. Additionally, the Subject will offer four-bedroom units, which are generally not available and are demonstrated to be in demand in the market. As such, the Subject will be filling a void in the market for income-restricted rate four-bedroom units. In general, the Subject will be slightly superior to superior to the comparable properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by waiting lists and low vacancy at several LIHTC comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well.

Recommendations

We recommend the Subject as proposed.

L. SIGNED STATEMENT REQUIREMENTS

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



Rebecca Arthur, MAI
Partner
Novogradac & Company LLP

May 10, 2017
Date



Matthew Hummel
Manager
Novogradac & Company LLP

May 10, 2017
Date



Will Hoedl
Senior Analyst
Novogradac & Company LLP

May 10, 2017
Date

M. MARKET STUDY REPRESENTATION

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



Rebecca Arthur, MAI
Partner
Novogradac & Company LLP

May 10, 2017
Date



Matthew Hummel
Manager
Novogradac & Company LLP

May 10, 2017
Date



Will Hoedl
Senior Analyst
Novogradac & Company LLP

May 10, 2017
Date

ADDENDUM A
Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the market analyst has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the market analyst did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or market study and are invalid if so used.
11. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the market analyst. Nor shall the market analyst,

firm, or professional organizations of which the market analyst is a member be identified without written consent of the market analyst.

12. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional organization with which the market analyst is affiliated.
13. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
14. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
15. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
16. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the market study report.
17. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
18. On all studies, Subject to satisfactory completion, repairs, or alterations, the report and conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time.
19. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums, except as reported to the market analyst and contained in this report.
20. The party for whom this report is prepared has reported to the market analyst there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
21. Unless stated otherwise, no percolation tests have been performed on this property. In making the market study, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use.
22. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The market analyst does not warrant the condition or adequacy of such systems.
23. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the property. The market analyst reserves the right to review and/or modify this market study if said insulation exists on the Subject property.
24. Estimates presented in this report are assignable to parties to the development's financial structure.

ADDENDUM B
SUBJECT AND NEIGHBORHOOD PHOTOGRAPHS

Photographs of Subject Site and Surrounding Uses



Subject signage on Shorter Avenue



View of the Subject's Leasing Office



View of the Subject



View of the Subject



View of the Subject



View of the Subject



View of the Subject



View of the Subject



Parking area



View of the Subject



View of the Subject



Parking area



Leasing office



Laundry room



Kitchen



Kitchen



Pantry



Living room



Coat closet



Hallway



Bedroom



Bedroom closet



Bathroom



Bathroom



Living room



Kitchen



Kitchen



Hallway



Bedroom



Bathroom



View to the north



View of wooded area to the west



View of tree line to the east



Single-family home to the south



Wooded area to the west



Wooded area to the north



View to the north



View of wooded area to the west



View of tree line to the east



Single-family home to the south



Wooded area to the west



Wooded area to the north



View along Pappalardo Street facing east



View along Pappalardo Street facing west



Tamassee Apartments to the north



Pine Ridge Apartments to the northwest



Townhome to the north



Single-family home to the west



Wal-Mart Super Center to Subject to east



Lowe's to the southwest

ADDENDUM C
Qualifications

STATEMENT OF PROFESSIONAL QUALIFICATIONS
REBECCA S. ARTHUR, MAI

I. Education

University of Nebraska, Lincoln, Nebraska
Bachelor of Science in Business Administration – Finance

Appraisal Institute
Designated Member (MAI)

II. Licensing and Professional Affiliation

Designated Member of the Appraisal Institute (MAI)
Kansas City Chapter of the Appraisal Institute Board of Directors – 2013 & 2014
Member of Commercial Real Estate Women (CREW) Network
Member of National Council of Housing Market Analysts (NCHMA)

State of Arizona Certified General Real Estate Appraisal No. 31992
State of California Certified General Real Estate Appraiser No. AG041010
State of Hawaii Certified General Real Estate Appraiser No. CGA-1047
State of Iowa Certified General Real Estate Appraiser No. CG03200
State of Indiana Certified General Real Estate Appraiser No. CG41300037
State of Kansas Certified General Real Estate Appraiser No. G-2153
State of Michigan Certified General Real Estate Appraiser No. 1201074011
State of Minnesota Certified General Real Estate Appraiser No. 40219655
State of Missouri Certified General Real Estate Appraiser No. 2004035401
State of Louisiana Certified General Real Estate Appraiser No. 4018
State of Texas Certified General Real Estate Appraiser No. TX-1338818-G

III. Professional Experience

Partner, Novogradac & Company LLP
Principal, Novogradac & Company LLP
Manager, Novogradac & Company LLP
Real Estate Analyst, Novogradac & Company LLP
Corporate Financial Analyst, Deloitte & Touche LLP

IV. Professional Training

Forecasting Revenue, June 2015
Discounted Cash Flow Model, June 2015
Business Practices and Ethics, April 2015
USPAP Update, May 2014
HUD MAP Training – June 2013
The Appraiser as an Expert Witness: Preparation & Testimony, April 2013
How to Analyze and Value Income Properties, May 2011

Appraising Apartments – The Basics, May 2011
HUD MAP Third Party Tune-Up Workshop, September 2010
HUD MAP Third Party Valuation Training, June 2010
HUD LEAN Third Party Training, January 2010
National Uniform Standards of Professional Appraisal Practice, April 2010
MAI Comprehensive Four Part Exam, July 2008
Report Writing & Valuation Analysis, December 2006
Advanced Applications, October 2006
Highest and Best Use and Market Analysis, July 2005
HUD MAP – Valuation Advance MAP Training, April 2005
Advanced Sales Comparison and Cost Approaches, April 2005
Advanced Income Capitalization, October 2004
Basic Income Capitalization, September 2003
Appraisal Procedures, October 2002
Appraisal Principals, September 2001

V. Real Estate Assignments

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

- In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2001, with an emphasis on multifamily housing and land.
- Have managed and conducted numerous market and feasibility studies for multifamily housing. Properties types include Section 42 Low Income Housing Tax Credit (LIHTC) Properties, Section 8, USDA and/or conventional. Local housing authorities, developers, syndicators, HUD and lenders have used these studies to assist in the financial underwriting and design of multifamily properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying, and overall market analysis. The Subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States and its territories.
- Have managed and conducted numerous appraisals of multifamily housing. Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered LIHTC and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and PILOT agreements.
- Performed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs, as well as the LIHTC PILOT Program.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are

used by states, FannieMae, USDA, and the developer in the underwriting process. Market studies are compliant to State, FannieMae, and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.

- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multi-family properties for DUS Lenders.
- Managed and Completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Managed and conducted various City and County-wide Housing Needs Assessments in order to determine the characteristics of existing housing, as well as determine the need for additional housing within designated areas.
- Performed numerous valuations of the General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.

VI. Speaking Engagements

A representative sample of industry speaking engagements follows:

- Institute for Professional Education and Development (IPED): Tax Credit Seminars
- Institute for Responsible Housing Preservation (IRHP): Annual Meetings
- Midwest FHA Lenders Conference: Annual Meetings
- National Council of Housing Market Analysts (NCHMA): Seminars and Workshops
- Nebraska's County Assessors: Annual Meeting
- Novogradac & Company LLP: LIHTC, Developer and Bond Conferences
- AHF Live! Affordable Housing Finance Magazine Annual Conference
- Kansas Housing Conference
- California Council for Affordable Housing Meetings

STATEMENT OF PROFESSIONAL QUALIFICATIONS

MATTHEW A. HUMMEL

I. EDUCATION

Rockhurst University – Kansas City, Missouri

Master of Business Administration - Concentration in Management and International, 2008

University of Missouri-Columbia

Bachelor of Business Administration - Finance and Banking, 2006

II. LICENSING AND PROFESSIONAL AFFLIATION

Appraisal Institute Candidate for Designation

State of Kansas Certified General Real Estate Appraiser No. G-2959

State of Washington Certified General Real Estate Appraiser No. 1102285

State of California Certified General Real Estate Appraiser No. 3002505

State of Missouri Certified General Real Estate Appraiser No. 2014030618

State of Texas Certified General Real Estate Appraiser No. TX1380146-G

State of New Mexico Certified General Real Estate Appraiser No. 03446-L

State of Michigan Certified General Real Estate Appraiser No. 1201075419

State of Minnesota Certified General Real Estate Appraiser No. 40460257

III. PROFESSIONAL EXPERIENCE

Manager - Novogradac & Company LLP

Real Estate Analyst - Novogradac & Company LLP

Researcher - Novogradac & Company LLP

December 2010 to Present

Investor Reporting Analyst - KeyBank Real Estate Capital

Insurance Specialist - KeyBank Real Estate Capital

May 2009 to December 2010

IV. PROFESSIONAL TRAINING

Educational requirements successfully completed for the Appraisal Institute

Basic Appraisal Principles - March 2012

Basic Appraisal Procedures - December 2012

Statistics, Modeling, and Finance - April 2013

General Appraiser Market Analysis Highest and Best Use - April 2013

National Uniform Standards of Professional Appraisal Practice - May 2013

General Appraiser Sales Comparison Approach – June 2013

General Appraiser Site Valuation and Cost Approach – July 2013

General Report Writing and Case Studies – August 2013

General Appraiser Income Approach – September 2013

Commercial Appraisal Review – September 2013

Expert Witness for Commercial Appraisers – October 2013

Supervisor – Trainee Course – December 2014

The Nuts and Bolts of Green Building – March 2015

Even Odder – More Oddball Appraisal – March 2015

Mortgage Fraud – April 2015

2014-2015 National USPAP Course – April 2015

V. **REAL ESTATE ASSIGNMENTS**

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

- Prepared and managed market studies and appraisals for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Prepared and managed Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed and have overseen numerous market study/appraisal assignments for USDA RD properties in several states in conjunction with acquisition/rehabilitation redevelopments. Documents are used by states, lenders, USDA, and the developer in the underwriting process. Market studies are compliant to State, lender, and USDA requirements. Appraisals are compliant to lender requirements and USDA HB-1-3560 Chapter 7 and Attachments
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.
- Performed and managed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7/Appendix 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

William C. Hoedl

I. EDUCATION

University of Denver – Denver, Colorado

Master of Science in Real Estate, *2009*

University of Kansas – Lawrence, Kansas

Bachelor of Science in Finance, *2006*

II. PROFESSIONAL EXPERIENCE

Real Estate Analyst - Novogradac & Company LLP

Asset Acquisitions Specialist - Madison Liquidity Investors, LLC

Investment Analyst – Resolute Investments, Inc.

Real Estate Analyst – Prior & Associates, LLC

III. REAL ESTATE ASSIGNMENTS

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

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Prepared Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties. Analysis includes property screenings, valuation analysis, capitalization rate analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis. Assisted in land appraisals for lenders and investment banks.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.

ADDENDUM D
Summary Matrix

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
Subject	Meadow Lane Apartments 22 Tamassee Lane Rome, GA 30165 Floyd County	n/a	Garden (3 stories) 1974 / Proposed	LIHTC/ Section 8	1BR / 1BA	15	12.5%	@60% (Section 8)	\$456	560	yes	Yes	0	0.0%
					2BR / 1BA	60	50.0%	@60% (Section 8)	\$550	851	yes	Yes	0	0.0%
					3BR / 1BA	27	22.5%	@60% (Section 8)	\$619	1,021	yes	Yes	0	0.0%
					3BR / 1BA	3	2.5%	@60%	\$619	1,021	yes	Yes	0	0.0%
					4BR / 1BA	13	10.8%	@60% (Section 8)	\$745	1,173	yes	Yes	0	0.0%
					4BR / 1BA	1	0.8%	@60%	\$683	1,173	yes	Yes	0	0.0%
					4BR / 1BA	1	0.8%	Non-Rental	N/A	1,173	yes	No	0	0.0%
					120	100.0%						0	0.0%	
1	Ashland Park Apartments 10 Ashland Park Boulevard Rome, GA 30165 Floyd County	2.6 miles	Garden (3 stories) 2005	LIHTC	1BR / 1BA	24	13.0%	@60%	\$493	874	no	Yes	0	0.0%
					2BR / 2BA	88	47.8%	@60%	\$556	1,149	no	Yes	0	0.0%
					3BR / 2BA	72	39.1%	@60%	\$596	1,388	no	Yes	1	1.4%
					184	100.0%						1	0.5%	
2	Etowah Village 366 Old Mill Road Cartersville, GA 30120 Bartow County	25.2 miles	Garden (2 stories) 1998 / 2012	LIHTC	2BR / 2BA	24	25.0%	@50%	\$664	1,106	no	Yes	0	0.0%
					3BR / 2BA	36	37.5%	@50%	\$753	1,237	no	Yes	1	2.8%
					3BR / 2BA	36	37.5%	@60%	\$766	1,237	no	Yes	0	0.0%
						96	100.0%						1	1.0%
3	Evergreen Village 110 Evergreen Lane Cedartown, GA 30125 Polk County	17.1 miles	Garden (2 stories) 1997	LIHTC	1BR / 1BA	8	14.3%	@50%	\$392	756	yes	Yes	0	0.0%
					1BR / 1BA	8	14.3%	@60%	\$392	756	no	Yes	0	0.0%
					2BR / 1BA	10	17.9%	@50%	\$457	915	yes	Yes	0	0.0%
					2BR / 1BA	10	17.9%	@60%	\$494	915	yes	Yes	0	0.0%
					3BR / 2BA	10	17.9%	@50%	\$514	1,136	yes	Yes	0	0.0%
					3BR / 2BA	10	17.9%	@60%	\$534	1,136	yes	Yes	0	0.0%
					56	100.0%						0	0.0%	
4	Park Place Apartments 800 Park Place Circle Rockmart, GA 30153 Polk County	23.9 miles	Garden (3 stories) 2003	LIHTC/ Market	1BR / 1BA	8	13.3%	@50%	\$385	677	no	No	0	0.0%
					1BR / 1BA	2	3.3%	@60%	\$396	677	no	No	0	0.0%
					1BR / 1BA	2	3.3%	Market	\$499	677	n/a	No	0	0.0%
					2BR / 1BA	14	23.3%	@50%	\$458	883	no	No	0	0.0%
					2BR / 1BA	5	8.3%	@60%	\$471	883	no	No	0	0.0%
					2BR / 1BA	5	8.3%	Market	\$624	883	n/a	No	0	0.0%
					3BR / 2BA	14	23.3%	@50%	\$550	1,100	no	No	0	0.0%
					3BR / 2BA	5	8.3%	@60%	\$571	1,100	no	No	0	0.0%
					3BR / 2BA	5	8.3%	Market	\$677	1,100	n/a	No	0	0.0%
										60	100.0%			
5	Pennington Place 420 Pennington Ave Rome, GA 30161 Floyd County	3.8 miles	One-story 2012	PHA/ HOME	2BR / 2BA	3	37.5%	@50% (HOME)	\$644	800	yes	Yes	0	0.0%
					2BR / 2BA	3	37.5%	@50% (HOME)	\$569	800	yes	Yes	0	0.0%
					2BR / 2BA	2	25.0%	PHA	N/A	800	n/a	Yes	0	0.0%
						8	100.0%						0	0.0%
6	Spring Haven Apartments 7 Perry Farm Rd. Cave Springs, GA 30124 Floyd County	13.6 miles	One-story 2001	LIHTC/ HOME	1BR / 1BA	10	41.7%	@50% (HOME)	\$408	649	no	Yes	0	0.0%
					1BR / 1BA	2	8.3%	@60%	\$415	649	no	Yes	0	0.0%
					2BR / 1BA	3	12.5%	@50% (HOME)	\$482	819	no	Yes	0	0.0%
					2BR / 1BA	N/A	N/A	@60%	\$504	819	no	Yes	0	N/A
						24	100.0%						0	0.0%
7	Arbor Terrace Apartments 50 Chateau Drive SE Rome, GA 30161 Floyd County	6.4 miles	Various (2 stories) 1971	Market	R / 1BA (Gard)	16	16.7%	Market	\$485	680	n/a	No	0	0.0%
					1.5BA (Townh)	64	66.7%	Market	\$664	1,190	n/a	No	0	0.0%
					R / 2BA (Gard)	16	16.7%	Market	\$781	1,320	n/a	No	0	0.0%
					96	100.0%						0	0.0%	
8	Ashton Ridge 2522 Callier Springs Road Rome, GA 30161 Floyd County	5.5 miles	Lowrise (3 stories) 1999 / 2016	Market	1BR / 1BA	14	15.9%	Market	\$535	708	n/a	No	0	0.0%
					2BR / 2BA	37	42.0%	Market	\$653	933	n/a	No	2	5.4%
					3BR / 2BA	37	42.0%	Market	\$711	1,134	n/a	No	3	8.1%
						88	100.0%						5	5.7%
9	Claridge Gate 3 Keown Road SE Rome, GA 30161 Floyd County	6.1 miles	Garden 2006	Market	2BR / 2BA	24	75.0%	Market	\$815	1,221	n/a	No	2	8.3%
					3BR / 2BA	8	25.0%	Market	\$976	1,377	n/a	No	0	0.0%
						32	100.0%						2	6.2%

SUMMARY MATRIX

Comp #	Project	Distance	Type / Built / Renovated	Market / Subsidy	Units	#	%	Restriction	Rent (Adj.)	Size (SF)	Max Rent?	Wait List?	Units Vacant	Vacancy Rate
10	Eastland Court 40 Chateau Drive Rome, GA 30161 Floyd County	5.9 miles	Garden (4 stories) 2005/2007	Market	1BR / 1BA	21	18.1%	Market	\$880	804	n/a	Yes	0	0.0%
					1BR / 1BA	4	3.4%	Market	\$990	919	n/a	Yes	0	0.0%
					2BR / 2BA	68	58.6%	Market	\$1,039	1,056	n/a	Yes	2	2.9%
					3BR / 2BA	23	19.8%	Market	\$1,191	1,516	n/a	Yes	0	0.0%
						116	100.0%							2
11	Riverwood Park 525 West 13th Street Rome, GA 30165 Floyd County	4.2 miles	Lowrise (3 stories) 1997	Market	2BR / 2BA	56	61.5%	Market	\$581	912	no	No	1	1.8%
					3BR / 2BA	35	38.5%	Market	\$652	1,102	no	No	0	0.0%
						91	100.0%							1
12	The Grove At 600 600 Redmond Road NW Rome, GA 30165 Floyd County	2 miles	Townhouse (2 stories) 1971 / 2017	Market	2BR / 1.5BA	62	59.6%	Market	\$769	1,120	n/a	No	1	1.6%
					3BR / 2.5BA	42	40.4%	Market	\$881	1,320	n/a	No	0	0.0%
						104	100.0%							1

ADDENDUM E
Subject Floor Plans