

Market Feasibility Analysis

Spring Hollow
800 Ash Street Extension
Springfield, Effingham County, Georgia 31329

Prepared For

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Effective Date

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Job Reference Number

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Section A – Executive Summary

This report evaluates the continued market feasibility of the Spring Hollow rental community in Springfield, Georgia, following renovations utilizing financing from the 4% Tax-Exempt Bond program. Based on the findings contained in this report, we believe a market will continue to exist for the subject project, assuming it is renovated and operated as proposed in this report. This assumes that a Private Rental Assistance (PRA) subsidy is provided, which will effectively allow all current tenants to continue to income-qualify and remain at the property, post renovations. In the unlikely event that all units were vacated and had to be re-rented simultaneously, the subject project would likely experience a reasonable lease up period. The subject project is, however, 100.0% occupied and most, if not all, current tenants will remain post renovations.

1. Project Description:

Spring Hollow, located in Springfield, Effingham County, Georgia, was originally built in 1988 and has operated under the Rural Development 515 (RD 515) program since that time. The project contains 53 general-occupancy, none of which receive Rental Assistance (RA) directly from Rural Development. One two-bedroom unit operates as a manager's unit and is excluded from the remainder of this report. According to management, the project is currently 100% occupied and maintains an eight-household waiting list.

The proposed Tax Credit renovations, which will be financed through the 4% Tax-Exempt Bond program, will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will continue to target general-occupancy households with incomes up to 60% of Area Median Household Income (AMHI). The developer has also indicated that a Private Rental Assistance (PRA) subsidy will also be provided to all current unassisted tenants. This subsidy will prevent rent increases on current unassisted tenants at the property, post renovations. All renovations are expected to be completed in 2019. Additional details regarding the proposed project are included below, as well as in *Section B* of this report.

Total Units	Bedroom Type	Baths	Style	Square Feet*	% AMHI	Current Basic & Note Rents	Proposed Rents			Max. Allowable LIHTC Gross Rent
							Collected Rent	Utility Allowance	Gross Rent	
20	One-Br.	1.0	Garden	640	60%	\$359/\$524	\$403	\$118	\$521	\$731
32	Two-Br.	1.0	Garden	753	60%	\$404/\$562	\$448	\$150	\$598	\$877
52**	Total									

Source: Greystone Servicing Corporation, Inc.; Bowen National Research, LLC

AMHI – Area Median Household Income (Savannah, GA MSA; 2017)

*Heated square feet

**Excludes one two-bedroom manager's unit.

Unit amenities to be offered at the property include a range, refrigerator, microwave, central air conditioning, washer/dryer hookups, vinyl flooring, window blinds, and a patio with exterior storage closet. Community amenities will include on-site management, laundry facility, covered pavilion/picnic area, and a playground. Overall, the amenity package offered at the property is limited as compared to those offered among the comparable properties but is considered appropriate for and marketable to the targeted tenant population, as indicated by the subject's high occupancy rate of 100.0%.

2. Site Description/Evaluation:

The subject site is located at 800 Ash Street Extension in the eastern portion of Springfield, Georgia. Surrounding land uses such as single-family homes, small commercial businesses, a senior center and a discount shopping store are expected to continue to have a positive effect on the marketability of the site. Site access is good while visibility of the site is fair. State Routes 119, 21 and 275 can be accessed within 4.0 miles for transportation throughout Springfield and surrounding areas. The site is located on a residential road with light traffic, allowing for adequate ingress and egress. Wooded land, single-family homes and small commercial businesses border the site in all directions and vehicular traffic is light in the area.

The site is close to shopping, employment, recreation, entertainment and education opportunities, some of which can be accessed inside of 2.0 miles. Law enforcement services can be accessed within approximately 1.0 miles while fire safety service is 8.7 miles northwest. Effingham County Senior Citizens Center is 0.2 miles from the site. Harvey's Supermarket, Mars Theatre and Effingham Hospital, an emergency healthcare center, are other notable services within 2.0 miles. Effingham County Schools service the subject site with the nearest applicable schools located within 4.0 miles.

Overall, we consider the site's location and proximity to community services to have a positive effect on its continued marketability. An in-depth site evaluation is included in *Section C* of this report.

3. Market Area Definition:

The Springfield Site PMA includes Springfield, Guyton, Rincon and outlying unincorporated areas. The boundaries of the Site PMA include Shearwood Road, Shawnee Egypt Road, Shawnee Road, Old Dixie Highway South, Clio Shawnee Road and Sisters Ferry Road East to the north; the Savannah River, the Savannah National Wildlife Refuge, Old Augusta Road South and State Route 21 to the east; State Route 30 and U.S. Highway 80 to the south; and Eldora Road, State Route 119, State Route 199C and Old River Road to the west. A map illustrating these boundaries is included on page *D-2* of this report and details the farthest boundary is 15.5 miles from the site.

4. Community Demographic Data:

The Site PMA's overall population increased by more than 20,000 and the total number of households grew by more than 7,000 between 2000 and 2017. This is a significant amount of growth. It is projected that the population will increase by 2,082, or 3.9%, between 2017 and 2019. By 2019, there will be 18,851 households, an increase of 665 households, or 3.7% over 2017 levels. Between 2017 and 2019, the greatest growth among household age groups is projected to be among the households between the ages of 65 and 74. The number of households between the ages of 25 and 44 is projected to increase by 243 between 2017 and 2019. These anticipated trends will increase the need for housing for families and seniors in the market. The number of renter households are projected to increase by 201 between 2017 and 2019, which will add to the demand for rental housing within the Site PMA. Additional demographic data is included in *Section E* of this report.

Also note that based on 2010 Census data, 41.3% of the vacant housing units in the market were classified as "Seasonal or Recreational", or "other vacant", which encompasses foreclosed, dilapidated and abandoned housing. Based on our Field Survey of Conventional Rentals within the Springfield Site PMA, the majority of rental properties are operating at strong occupancy levels and maintain waiting lists, illustrating that foreclosed and abandoned properties have not had any adverse impact on the overall rental housing market. It is also of note that no such structures were observed within the immediate site neighborhood. As such, it can be concluded that foreclosed/abandoned homes will not have any tangible impact on the subject's marketability.

5. Economic Data:

Nearly two-thirds of the Site PMA's labor force is employed within the Manufacturing, Retail Trade, Educational Services, Public Administration and Health Care & Social Assistance job sectors. The proposed project will target low-income households. The area employment base has a significant number of wage-appropriate occupations from which the proposed subject project will be able to draw support. The Effingham County employment base was significantly impacted during the national recession but has increased over the past six years and is near pre-recession levels. After peaking at 9.6% in 2010, the county's unemployment rate has declined in each of the past seven years. Recent economic trends in the market have been positive and are expected to remain positive for the foreseeable future. Additional economic data is included in *Section F* of this report.

6. Project-Specific Affordability and Demand Analysis:

Two demand scenarios have been analyzed for the subject project. Scenario one accounts for any current tenants which will continue to income-qualify to reside at the property under the Tax Credit guidelines, per GDCA guidelines. Scenario two provides demand estimates for the entire subject project assuming the unlikely scenario the property had to operate exclusively under the Tax Credit guidelines. The following is a summary of our demand calculations.

Demand Component	Percent Of Median Household Income	
	Scenario One (Less units to remain occupied post renovations)	Scenario Two (Overall Demand Estimates)
	RD 515/LIHTC (\$17,863 - \$27,000)	LIHTC Only (\$17,863 - \$27,000)
Net Demand	678	678
Proposed Units/ Net Demand	31* / 678	52 / 678
Capture Rate	= 4.6%	7.7%

*Assumes all units are leasable and will remain occupied and the retention of current tenants which will continue to income-qualify under the LIHTC guidelines post renovations, per GDCA guidelines. These units have been excluded from these demand estimates.

Per GDCA guidelines, capture rates below 30% for projects in urban markets and below 35% for projects in rural markets are considered acceptable. As such, the subject's overall capture rates of 4.6% (subsidized scenario) and 7.7% (Tax Credit only scenario) are both considered achievable and demonstrate a sufficient base of support for the subject project under either scenario. These are considered achievable capture rates within the Site PMA, especially when considering the lack of non-subsidized family-oriented LIHTC product in the market.

Applying the shares of demand detailed in *Section G* to the income-qualified households and existing competitive supply yields demand and capture rates for the proposed units by bedroom type as follows:

Scenario One (Less units to remain occupied post renovations)

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate
One-Bedroom (35%)	60%	17***	237	0	237	7.2%
One-Bedroom	Total	17***	237	0	237	7.2%
Two-Bedroom (45%)	60%	14***	305	0	305	4.6%
Two-Bedroom	Total	14***	305	0	305	4.6%

*Includes overlap between the targeted income levels at the subject site.

**Directly comparable units built and/or funded in the project market over the projection period.

***Assumes all units are leasable and will remain occupied and the retention of current tenants which will continue to income-qualify under the LIHTC guidelines post renovations, per GDCA guidelines. These units have been excluded from these demand estimates.

Scenario Two (Entire Property)

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate
One-Bedroom (35%)	60%	20	237	0	237	8.4%
One-Bedroom	Total	20	237	0	237	8.4%
Two-Bedroom (45%)	60%	32	305	0	305	10.5%
Two-Bedroom	Total	32	305	0	305	10.5%

*Includes overlap between the targeted income levels at the subject site.

**Directly comparable units built and/or funded in the project market over the projection period.

The capture rates by bedroom type and AMHI level range from 4.6% to 10.5% depending upon scenario and unit type. These capture rates are all considered achievable within the Site PMA utilizing this methodology and demonstrate a sufficient base of support for the subject project under all scenarios.

Detailed demand calculations are provided in *Section G* of this report.

7. Competitive Rental Analysis

Tax Credit Units

The subject project will operate under the requirements of the Low-Income Housing Tax Credit (LIHTC) and RD 515 programs. We identified and surveyed three Low-Income Housing Tax Credit projects within the Site PMA that serve general occupancy households with incomes of up to 60% of AMHI. These existing LIHTC projects are considered comparable with the subject development because they target households with incomes similar to those that will be targeted at the subject site.

The three competitive properties and the subject development are summarized as follows.

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Spring Hollow	1988 / 2019	52	100.0%	-	8 H.H.	Families; 60% AMHI & RD 515
6	Veranda Village	2003	86*	100.0%	8.9 Miles	None	Families; 30%, 50%, & 60% AMHI
10	Goshen Crossing I	2012	60	100.0%	10.6 Miles	7 H.H.	Families; 50% & 60% AMHI
11	Goshen Crossing II	2014	60	100.0%	10.8 Miles	None	Families; 50% & 60% AMHI

OCC. – Occupancy

H.H. - Households

*Tax Credit units only

The three LIHTC projects have a combined occupancy rate of 100.0%. One of the projects maintains a seven-household wait list. These characteristics are positive indicators of the strong level of demand for LIHTC housing in the subject market. The renovations of the subject project will help to preserve affordable housing that has limited availability.

The gross rents for the competing projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Spring Hollow	\$521/60% (20)	\$598/60% (32)	-	-
6	Veranda Village	\$350/30% (4/0)	\$427/30% (5/0)	\$493/30% (1/0)	None
		\$567/50% (22/0)	\$674/50% (36/0)	\$768/50% (12/0)	
		\$597/60% (2/0)	\$689/60% (2/0)	\$798/60% (2/0)	
10	Goshen Crossing I	\$567/50% (2/0)	\$679/50% (6/0)	\$773/50% (2/0)	None
		\$602/60% (10/0)	\$699/60% (30/0)	\$803/60% (10/0)	None
11	Goshen Crossing II	\$542/50% (2/0)	\$639/50% (6/0)	\$733/50% (2/0)	None
		\$602/60% (10/0)	\$694/60% (30/0)	\$808/60% (10/0)	

The proposed subject gross rents, ranging from \$521 to \$598, will be lowest priced LIHTC units targeting similar income levels in the market. This will have a positive impact on the subject project's ongoing marketability.

Comparable/Competitive Tax Credit Summary

Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the market, it is our opinion that the subject development will be marketable following renovations. The subject project's proposed LIHTC rents are lower than other affordable rentals in the area and the amenity package will be marketable to the targeted low-income households. We have no recommendations for the subject project.

Average Market Rent

As detailed throughout this report and illustrated by our Field Survey of Conventional Rentals, we surveyed five properties within the Site PMA that offer similar market-rate units, as compared to those proposed at the subject site. The following table illustrates the weighted average *collected* rents of the comparable market-rate projects by bedroom type, for units similar to those offered at the subject site.

Weighted Average Collected Rent of Comparable Market-Rate Units	
One-Br.	Two-Br.
\$788	\$890

The rent advantage for the proposed units is calculated as follows (average weighted market rent – proposed rent) / proposed rent.

Bedrooms	Weighted Avg. Rent	Proposed Rent	Difference	Proposed Rent	Rent Advantage
One-Br.	\$788	- \$403	\$385	/ \$403	95.5%
Two-Br.	\$890	- \$448	\$442	/ \$448	98.7%

As the preceding illustrates, the proposed subject units represent rent advantages ranging from 95.5% to 98.7% depending upon unit type, as compared to the weighted average collected rents of the comparable market-rate projects. Please note, however, that these are weighted averages of *collected* rents and do not reflect differences in the utility structure that gross rents include, and/or adjustments for other design characteristics, amenities, or locational differences. Therefore, caution must be used when drawing any conclusions. A complete analysis of the achievable market rent by bedroom type and the rent advantage of the proposed development's collected rents are available in *Addendum F* of this report.

An in-depth analysis of the Springfield rental housing market is included in *Section H* of this report.

8. Absorption/Stabilization Estimates

According to management, the subject project is currently 100% occupied and maintains a wait list. Based on our review of the most current tenant rent roll and assuming that a Private Rental Assistance (PRA) subsidy will be provided to all current unassisted tenants, it is anticipated that few, if any, of the current tenants will move from the project following renovations. Furthermore, it is important to note that the renovations at the subject site will not necessitate the displacement of current residents and the project will be renovated in such a way to minimize off-site relocation. Therefore, few if any, of the subject units will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 52 subject units will be vacated and that all units will have to be re-rented simultaneously under the LIHTC program.

It is our opinion that the 52 units at the subject site will reach a stabilized occupancy of 93.0% within 10 months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately five units per month. Our absorption projections assume that no other projects targeting a similar age or income group will be developed during the projection period and that the renovations will be completed as outlined in this report. Changes to the project's rents, amenities, scope of renovations, or other features may invalidate our findings. We assume the developer and/or management

will aggressively market the project throughout the Site PMA a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period.

9. Overall Conclusion:

Based on the findings reported in our market study, it is our opinion that a market exists for the 52 units proposed at the subject site, assuming it is renovated and operated as detailed in this report. Changes in the project's scope of renovations, rent, amenities or renovation completion date may alter these findings.

The project will be competitive within the market area in terms of unit amenities and unit sizes, and the proposed rents will be perceived as appropriate in the marketplace. We do not have any recommendations for the subject project.

Given the limited number of affordable developments within the Site PMA, the renovated subject project will offer a housing alternative to low-income households that is not readily available in the area. As shown in the Project Specific Demand Analysis section of this report, with low capture rates, sufficient support exists for the subject development. Because the subject project will not involve introducing any new units into the market, the subject project will not have any adverse impact on the existing and planned Tax Credit developments in the Site PMA.

SUMMARY TABLE (must be completed by the analyst and included in the executive summary)			
Development Name:	Spring Hollow	Total # Units:	53
Location:	800 Ash Street Extension, Springfield, Georgia 31329	# LIHTC Units:	52
PMA Boundary:	Shearwood Road, Shawnee Egypt Road, Shawnee Road, Old Dixie Highway South, Cloy Shawnee Road and Sisters Ferry Road East to the north; the Savannah River, the Savannah National Wildlife Refuge, Old Augusta Road South and State Route 21 to the east; State Route 30 and U.S. Highway 80 to the south; and Eldora Road, State Route 119, State Route 199C and Old River Road to the west.		
	Farthest Boundary Distance to Subject:		15.5 miles

RENTAL HOUSING STOCK (found on page H-3 & Add. A-4 & 5)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	11	1,181	19	98.4%
Market-Rate Housing*	7	874	19	97.8%
Assisted/Subsidized Housing not to include LIHTC	1	53	0	100.0%
LIHTC*	4	254	0	100.0%
Stabilized Comps*	3	206	0	100.0%
Properties in Construction & Lease Up	0	0	0	-

*Includes mixed-income properties

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
20	One-Br.	1.0	640	\$403	\$788	\$1.23	95.5%	\$890	\$1.16
32	Two-Br.	1.0	753	\$448	\$890	\$1.18	98.7%	\$1,005	\$1.02

DEMOGRAPHIC DATA (found page E-2 & G-5)						
	2012		2017		2019	
Renter Households	4,462	27.0%	4,964	27.3%	5,165	27.4%
Income-Qualified Renter HHs (LIHTC)*	N/A	N/A	1,007	20.3%	1,006	19.5%
Income-Qualified Renter HHs (MR)	N/A	N/A	N/A	N/A	N/A	N/A

*As proposed with the retention of RA

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)						
Type of Demand	RA Units	Non-RA Units	Overall as Proposed	Market-Rate	Other__	LIHTC Only Scenario
Renter Household Growth	-	0	-	-	-	0
Existing Households (Overburd + Substand)	-	678	-	-	-	678
Homeowner conversion (Seniors)	-	N/A	-	-	-	N/A
Total Primary Market Demand	-	678	-	-	-	678
Less Comparable/Competitive Supply	-	0	-	-	-	0
Adjusted Income-Qualified Renter HHs	-	678	-	-	-	678

CAPTURE RATES (found on page G-5)						
Targeted Population	RA Units	Non-RA Units	Overall as Proposed	Market-Rate	Other__	LIHTC Only Scenario
Capture Rate	-	4.6%*	-	-	-	7.7%

*Assumes all units are leasable and will remain occupied and the retention of current tenants which will continue to income-qualify under the LIHTC guidelines post renovations, per GDCA guidelines. These units have been excluded from these demand estimates.

Section B - Project Description

Spring Hollow, located in Springfield, Effingham County, Georgia, was originally built in 1988 and has operated under the Rural Development 515 (RD 515) program since that time. The project contains 53 general-occupancy, none of which receive Rental Assistance (RA) directly from Rural Development. One two-bedroom unit operates as a manager's unit and is excluded from the remainder of this report. According to management, the project is currently 100% occupied and maintains an eight-household waiting list.

The proposed Tax Credit renovations, which will be financed through the 4% Tax-Exempt Bond program, will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will continue to target general occupancy households with incomes up to 60% of Area Median Household Income (AMHI). The developer has also indicated that a Private Rental Assistance (PRA) subsidy will also be provided to all current unassisted tenants. This subsidy will prevent rent increases on current unassisted tenants at the property, post renovations. All renovations are expected to be completed in 2019. Additional details of the subject project are as follows:

1. **PROJECT NAME:** Spring Hollow
2. **PROPERTY LOCATION:** 800 Ash Street Extension
Springfield, Georgia 31329
(Effingham County)
3. **PROJECT TYPE:** Rehabilitation of an existing RD 515 project using 4% Tax-Exempt Bond financing.
4. **UNIT CONFIGURATION AND RENTS:**

Total Units	Bedroom Type	Baths	Style	Square Feet*	% AMHI	Current Basic & Note Rents	Proposed Rents			Max. Allowable LIHTC Gross Rent
							Collected Rent	Utility Allowance	Gross Rent	
20	One-Br.	1.0	Garden	640	60%	\$359/\$524	\$403	\$118	\$521	\$731
32	Two-Br.	1.0	Garden	753	60%	\$404/\$562	\$448	\$150	\$598	\$877
52**	Total									

Source: Greystone Servicing Corporation, Inc.; Bowen National Research, LLC

AMHI – Area Median Household Income (Savannah, GA MSA; 2017)

*Heated square feet

**Excludes one two-bedroom manager's unit.

5. **TARGET MARKET:** General-Occupancy
6. **PROJECT DESIGN:** 10 one-story buildings.
7. **ORIGINAL YEAR BUILT:** 1988
8. **ANTICIPATED RENOVATION COMPLETION DATE:** 2019

9. UNIT AMENITIES:

- Electric Range
- Refrigerator
- Microwave Oven
- Central Air Conditioning
- Exterior Storage Closet
- Vinyl Flooring
- Window Blinds
- Patio
- Washer/Dryer Hookups

10. COMMUNITY AMENITIES:

- On-Site Management
- Playground
- Laundry Center
- Covered Pavilion/Picnic Area

11. RESIDENT SERVICES:

The subject project will not offer any on-site resident services.

12. UTILITY RESPONSIBILITY:

Tenants will be responsible for all utilities and services, including the following:

- Electric Heating
- General Electric
- Cold Water/Sewer
- Electric Water Heating
- Electric Cooking
- Trash Collection

13. RENTAL ASSISTANCE:

None of the units currently receive Rental Assistance. There are currently seven (7) units occupied by a Housing Choice Voucher holder.

14. PARKING:

An unassigned surface parking lot is available to the tenants at no additional cost.

15. CURRENT PROJECT STATUS:

The subject project is an existing 52-unit general-occupancy property offering one- and two-bedroom units which operate under the Rural Development 515 (RD 515) program. None of the units have Rental Assistance (RA). The subject project is 100.0% occupied and maintains an eight-household waiting list. The subject units require tenants to pay rents between the basic and market rents under the RD 515 program, though the subject project does accept Housing Choice Vouchers within these non-RA units. Currently, the property has seven units occupied by Voucher holders. Based on our review of the current tenant rent roll for the subject project, it was determined that 21 of the 52 current non-RA tenants would continue to income-qualify under the LIHTC guidelines, post renovations. Effectively, however, all current tenants are expected to remain at the property post renovations, as the developer has indicated that a Private Rental Assistance (PRA) subsidy will be provided to all current

unassisted tenants. The availability of this subsidy will prevent a rent increase for all current unassisted tenants at the property. A current tenant rent roll for the subject project is included in *Addendum E, Rent Roll*.

Floor and site plans for the existing subject project were not available for review at the time this report was prepared. We conducted, however, an on-site visit and evaluation of unit interiors of select units, the exterior of the subject buildings and property grounds. Based on our evaluation, and the 100.0% occupancy rate reported at the subject project, the subject floor plans and buildings appear to be sufficient. The proposed renovations are expected to improve the general aesthetic appeal of the subject property and improve its overall marketability. A detailed scope of renovations to be completed at the subject project is included in *Addendum H, Scope of Renovations*.

16. STATISTICAL AREA:

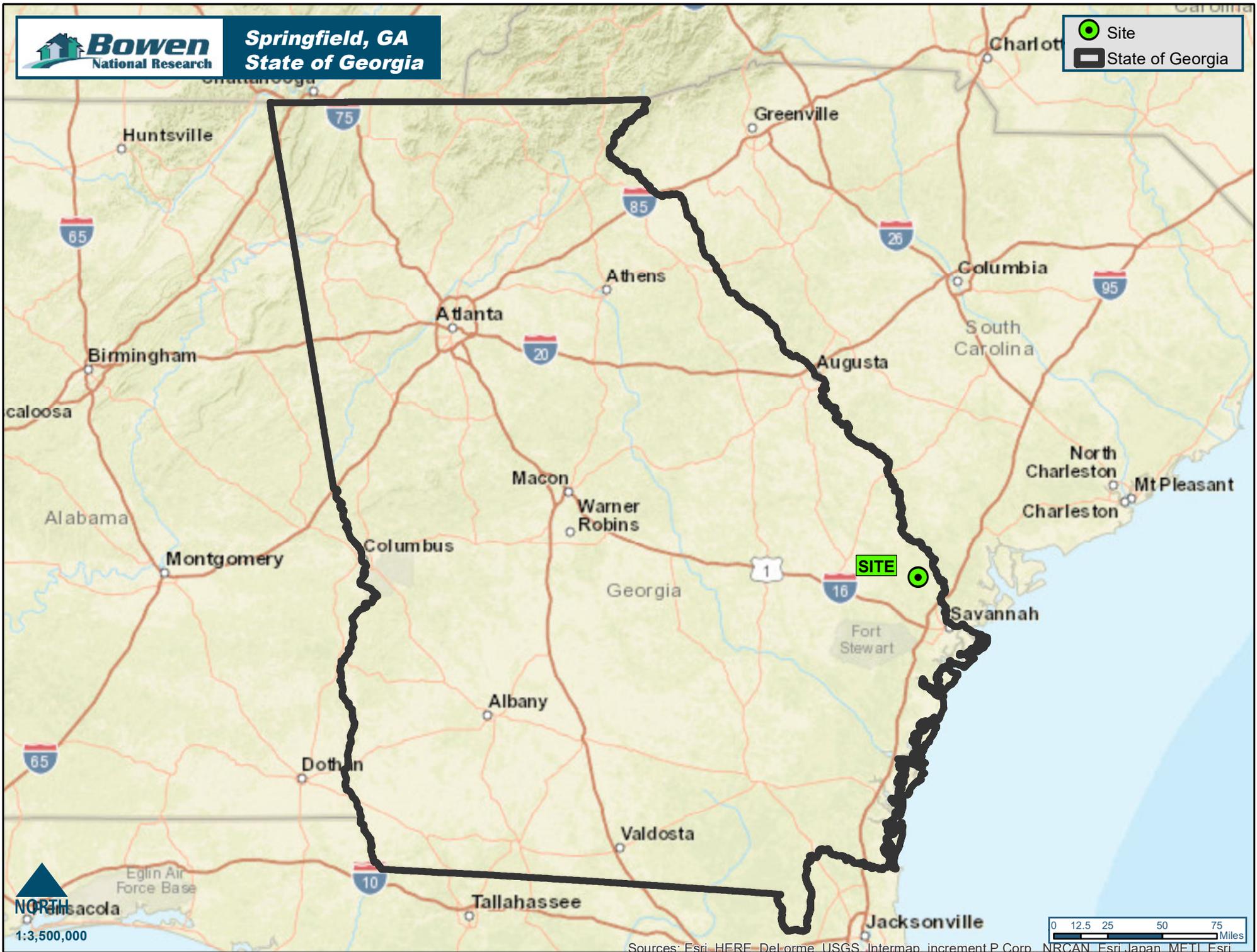
Savannah, GA MSA (2017)

A state map, an area map and a map illustrating the site neighborhood are on the following pages.



Springfield, GA State of Georgia

● Site
▭ State of Georgia



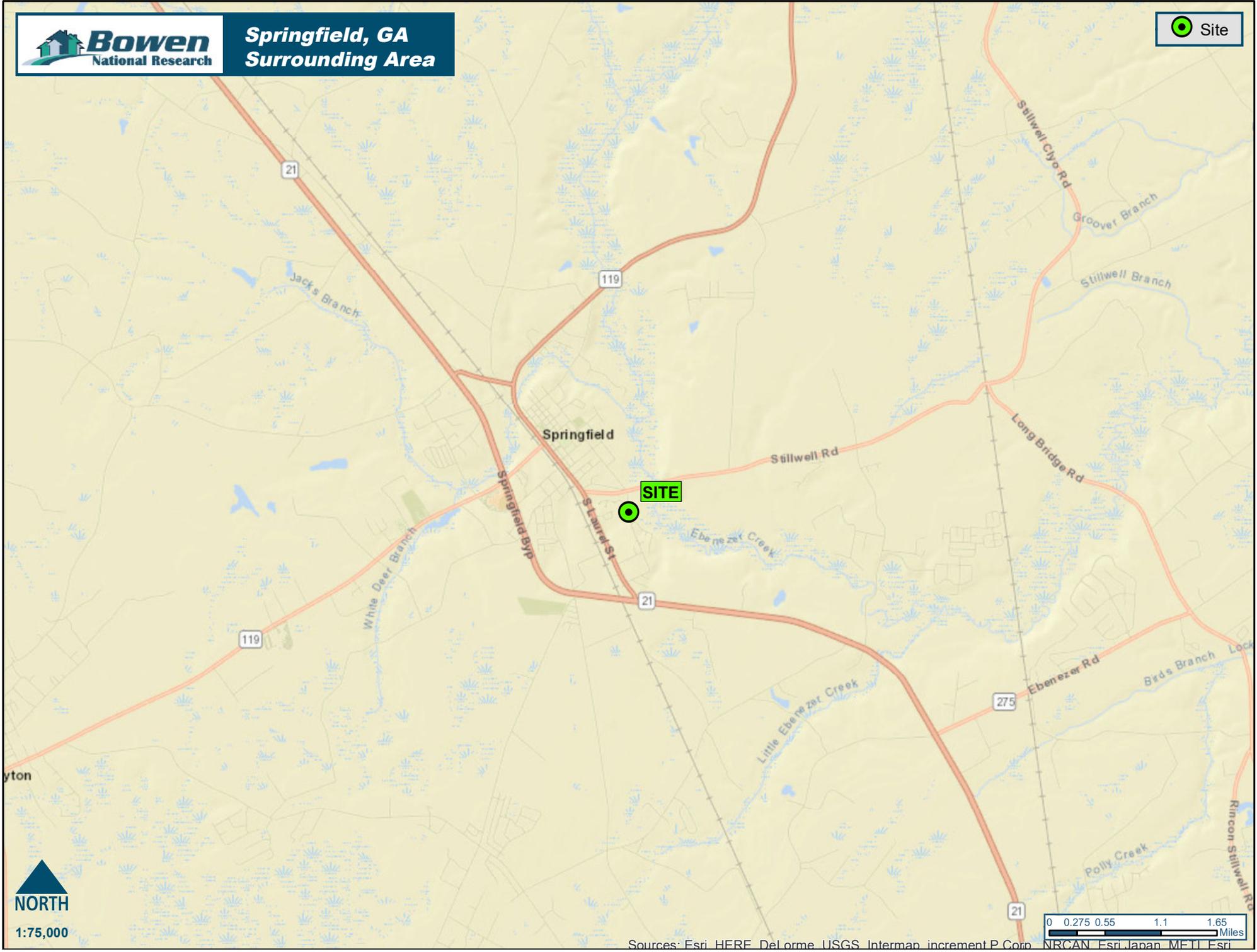
NORTH
1:3,500,000

0 12.5 25 50 75 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri



Springfield, GA Surrounding Area



NORTH
1:75,000

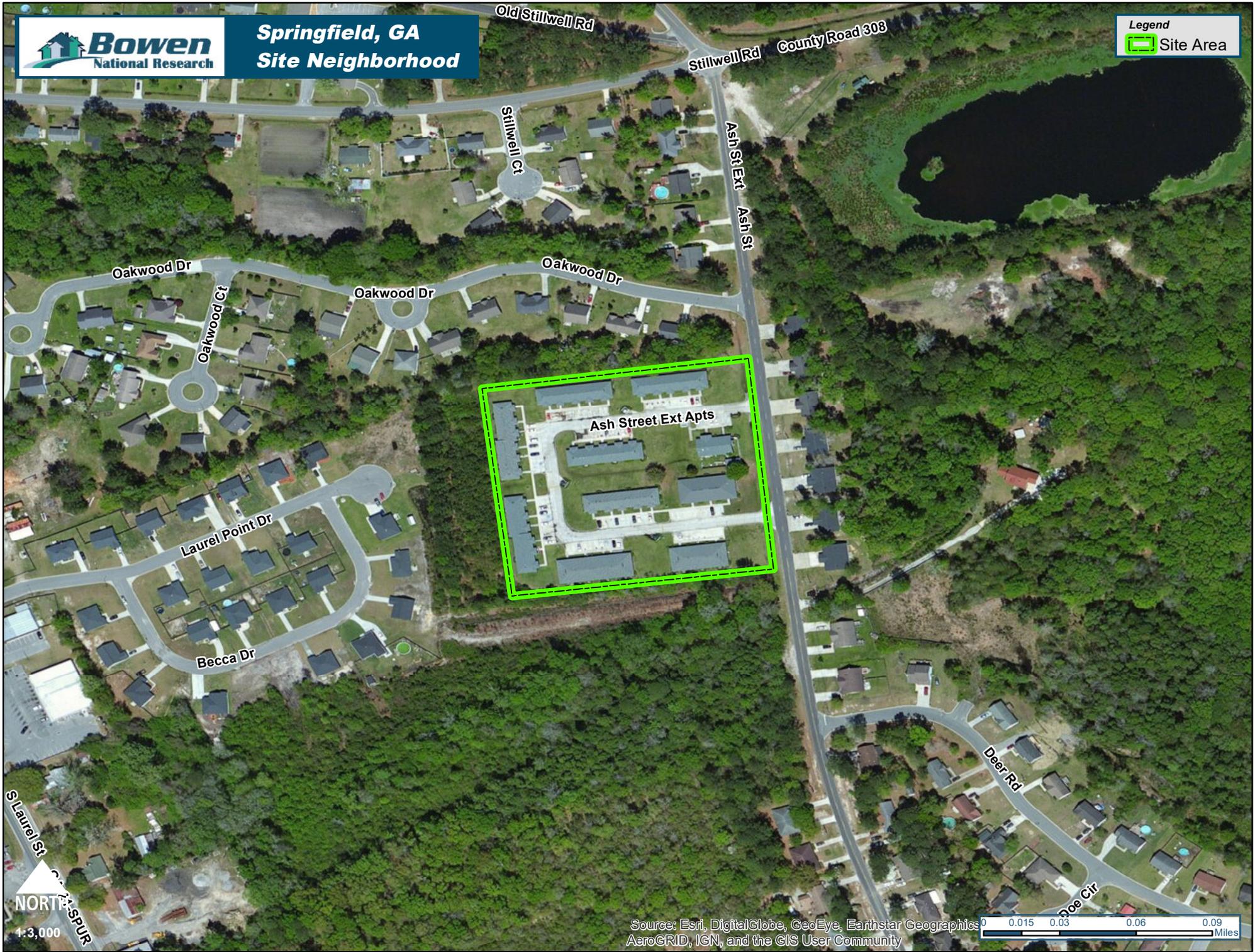
0 0.275 0.55 1.1 1.65 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri



Springfield, GA Site Neighborhood

Legend
Site Area



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, AeroGRID, IGN, and the GIS User Community



NORTH

1:3,000

Section C – Site Description And Evaluation

1. LOCATION

The subject site is an existing multifamily property comprised of one-story buildings located at 800 Ash Street Extension in the eastern portion of Springfield, Effingham County, Georgia. Springfield is approximately 25 miles northwest of Savannah, Georgia. Greg Piduch, an employee of Bowen National Research, inspected the site and area apartments during the week of July 31, 2017.

2. SURROUNDING LAND USES

The subject site is within an established area of Springfield, Georgia. Surrounding land uses include single-family homes, a senior center, a discount store, small commercial businesses and wooded land. Adjacent land uses are detailed as follows:

North -	The northern boundary is defined by Oakwood Estate, single-family homes considered to be in good condition. Continuing north is Oakwood Drive, additional single-family homes and Stillwell Road, a two-lane road with light residential traffic. The Effingham County Senior Center, single-family homes and wooded land extend beyond.
East -	The eastern boundary is defined by single-family homes in good condition and a Family Dollar discount store, laundromat and small commercial business. South Laurel Street, two-lane road with light traffic lies further west, on which Renasant Bank and 24Seven Family Fitness are located. Wooded land extends beyond.
South -	The southern boundary is defined by wooded land, Effingham County Fair Grounds and single-family homes ranging from fair to good condition. Small commercial businesses extend further south followed by State Route 21, a four-lane divided roadway with moderate traffic.
West -	The western boundary is defined by Ash Street Extension, a two-lane residential road with light traffic. Single-family homes in fair to good condition are on the opposite side of Ash Street Extension. Wooded land and Springfield Cemetery Annex lie beyond.

Overall, the subject property fits well with the surrounding land uses and they should contribute to the marketability of the site.

3. VISIBILITY AND ACCESS

The subject property is located at 800 Ash Street Extension, a two-lane, north/south street with light, residential traffic. Two points of site ingress and egress are available to site tenants. Entering and exiting the site do not appear to be a challenge due to the residential nature of the neighborhood. Major roadways within close proximity include State Routes 119, 21 and 275, all of which can be accessed in 4.0 miles or less. Also available to site tenants is Coastal Regional Coaches, an on-demand response service for affordable access throughout the area.

Visibility is considered fair as the site is relatively small and surround by wooded land and single-family homes in all directions. As previously mentioned the nature of the subject site is residential and traffic is light throughout the neighborhood. Downtown Springfield is located within 1.0 mile of the site and may be an appropriate area for signage if necessary

According to area planning and zoning officials, no notable roads or other infrastructure projects are underway or planned for the immediate site area.

4. SITE PHOTOGRAPHS

Photographs of the subject site are on located on the following pages.

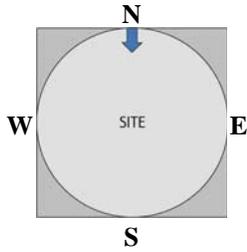
SITE PHOTOGRAPHS



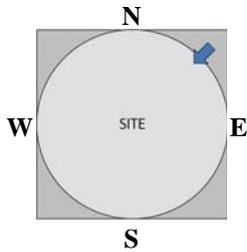
Entryway Signage



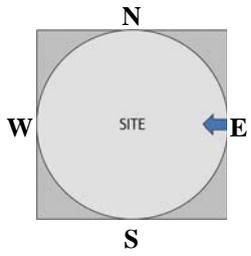
Typical Building



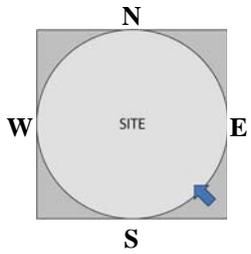
View of site from the north



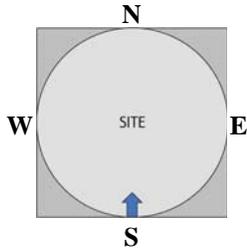
View of site from the northeast



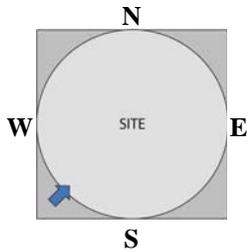
View of site from the east



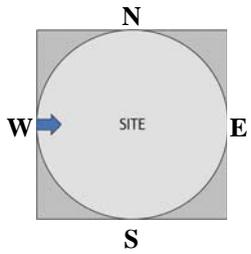
View of site from the southeast



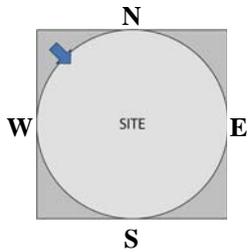
View of site from the south



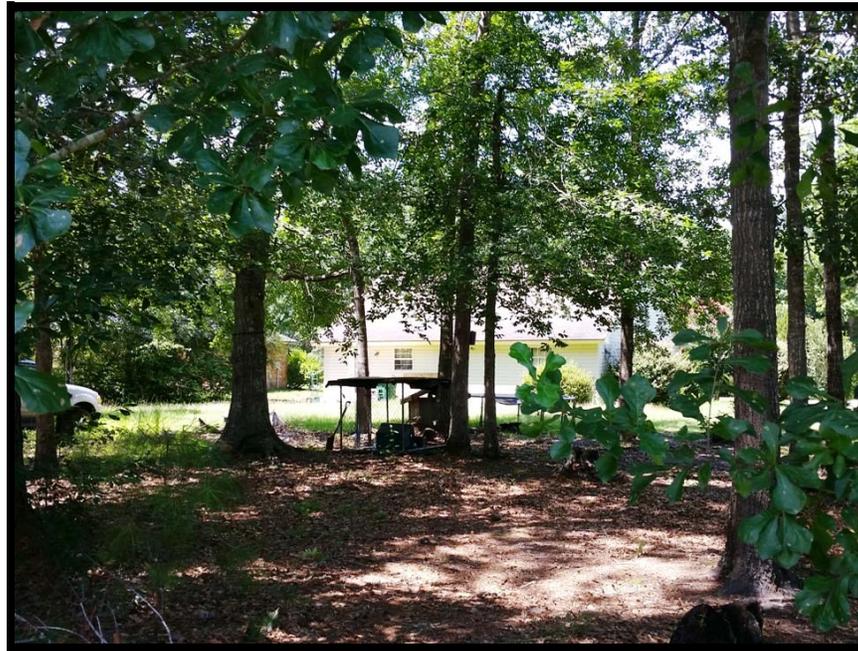
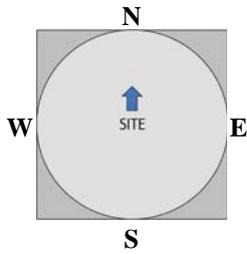
View of site from the southwest



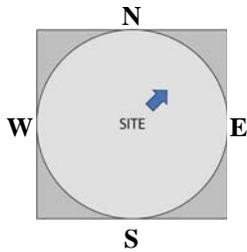
View of site from the west



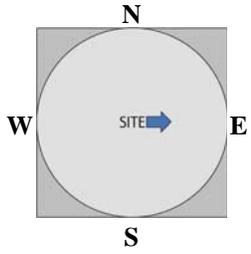
View of site from the northwest



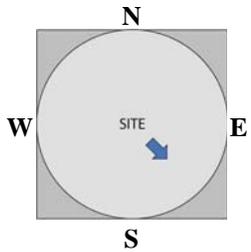
North view from site



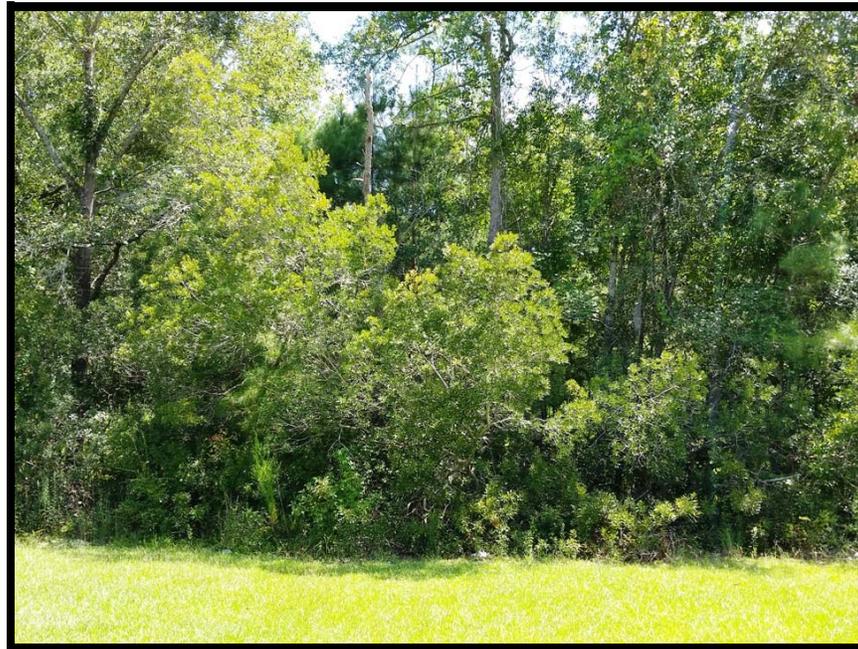
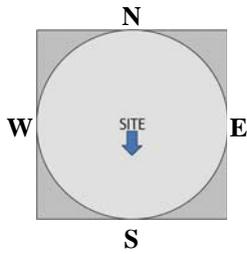
Northeast view from site



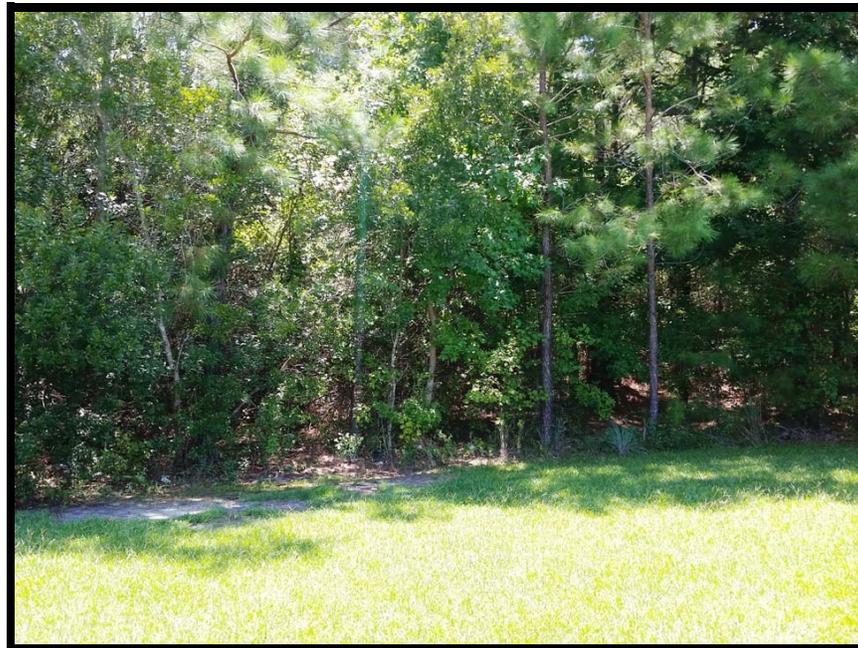
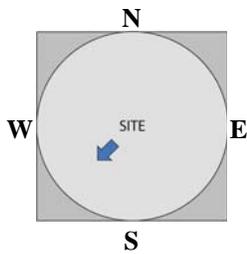
East view from site



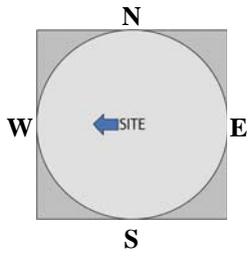
Southeast view from site



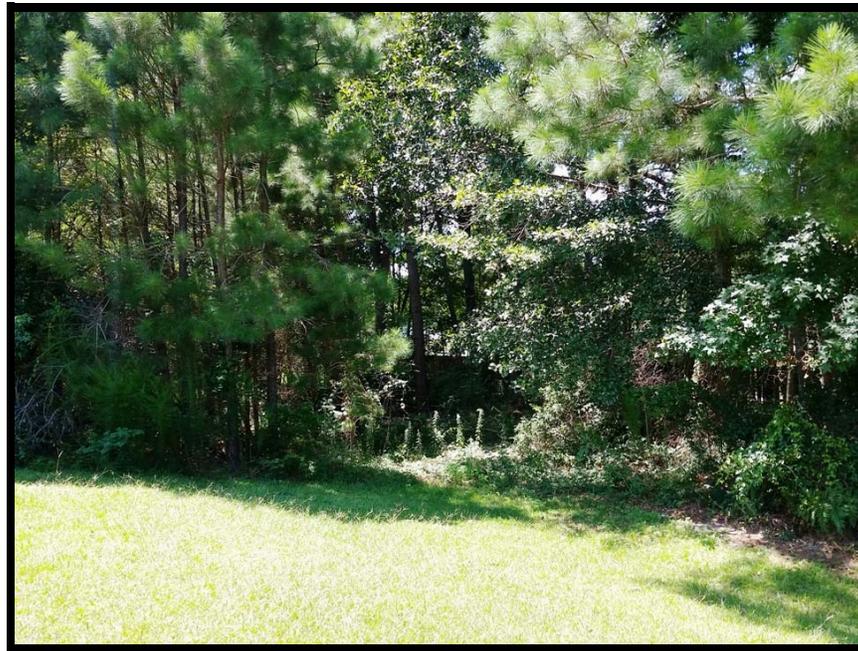
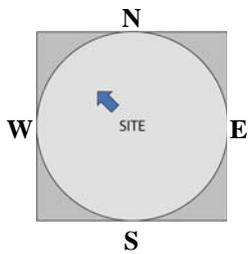
South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: South view of Ash Street



Streetscape: North view of Ash Street



Typical Home - Oakwood Estates (Oakwood Drive north of site)



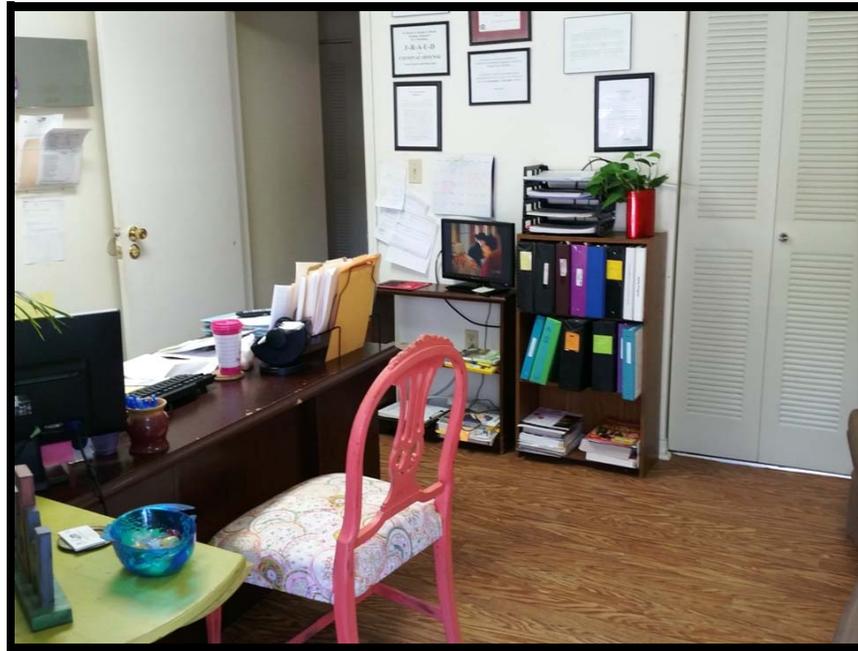
Playground



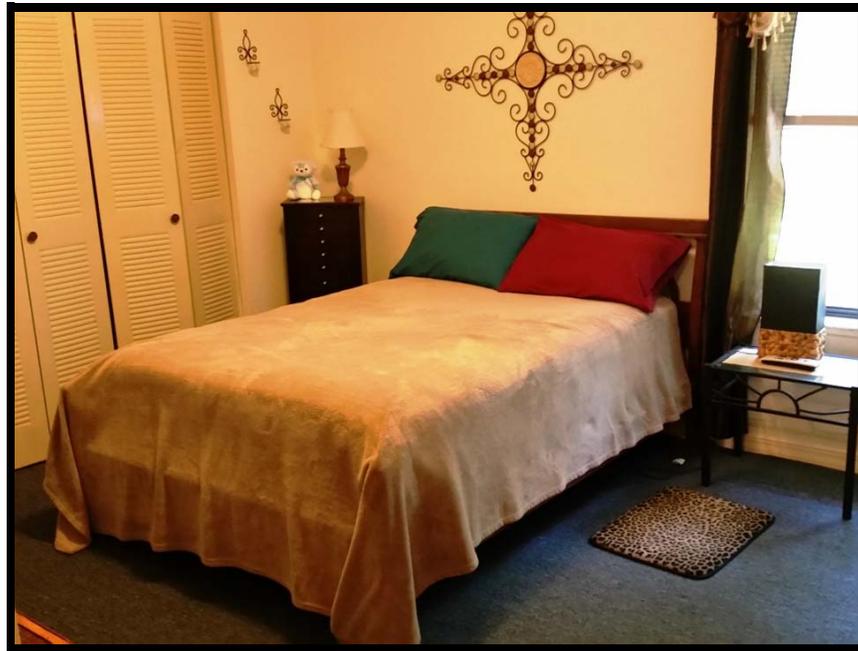
Laundry Room view 1



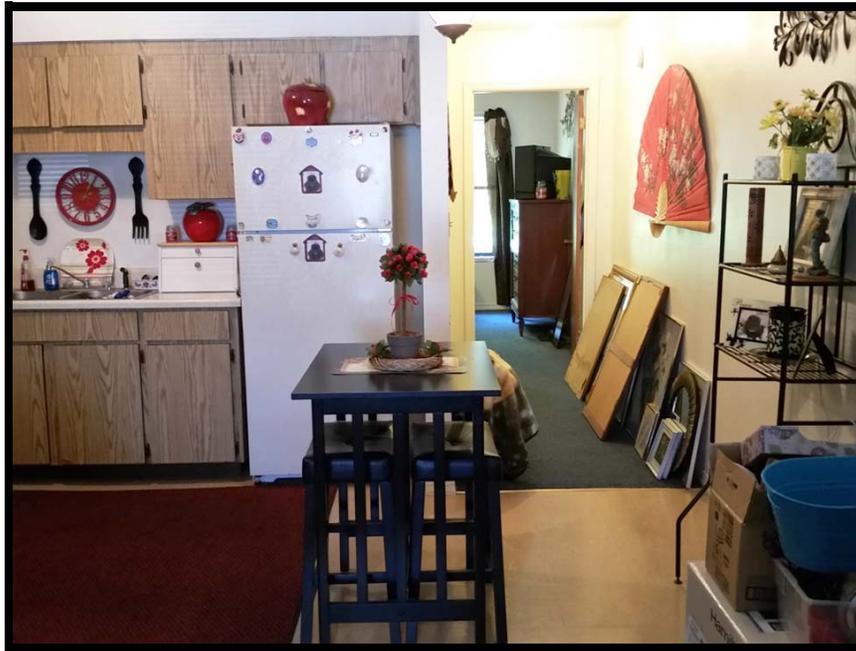
Laundry room view 2



Management Office



Bedroom - One-Bedroom



Dining Area - One-Bedroom



Kitchen view 1 - One-Bedroom



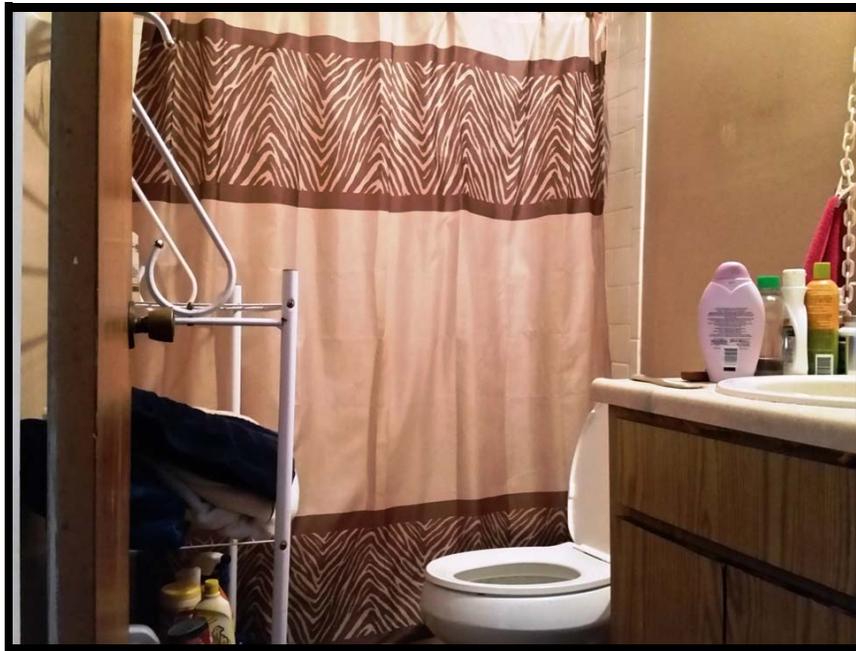
Kitchen view 2 - One-Bedroom



Bathroom - One-Bedroom



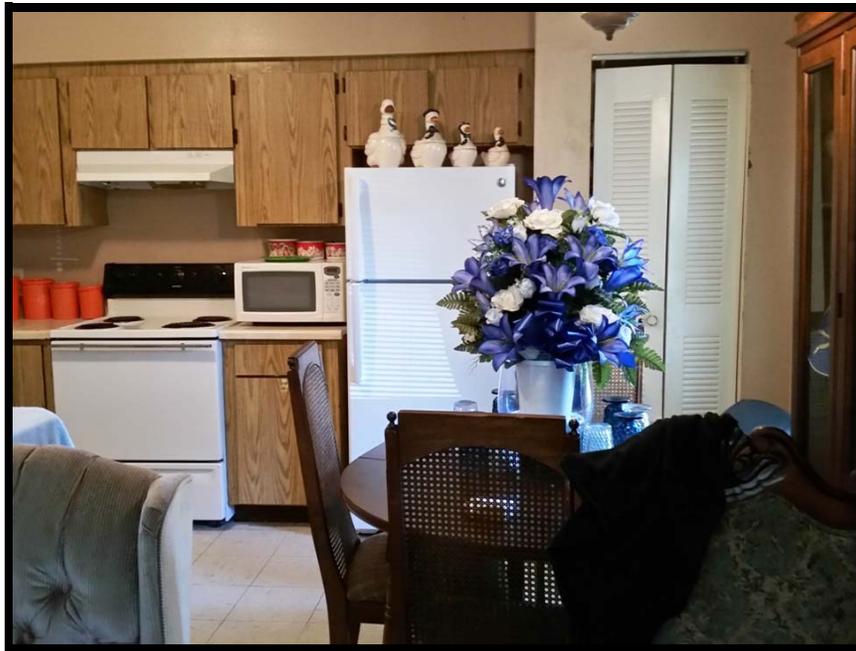
Living Room - One-Bedroom



Bathroom - Two-Bedroom



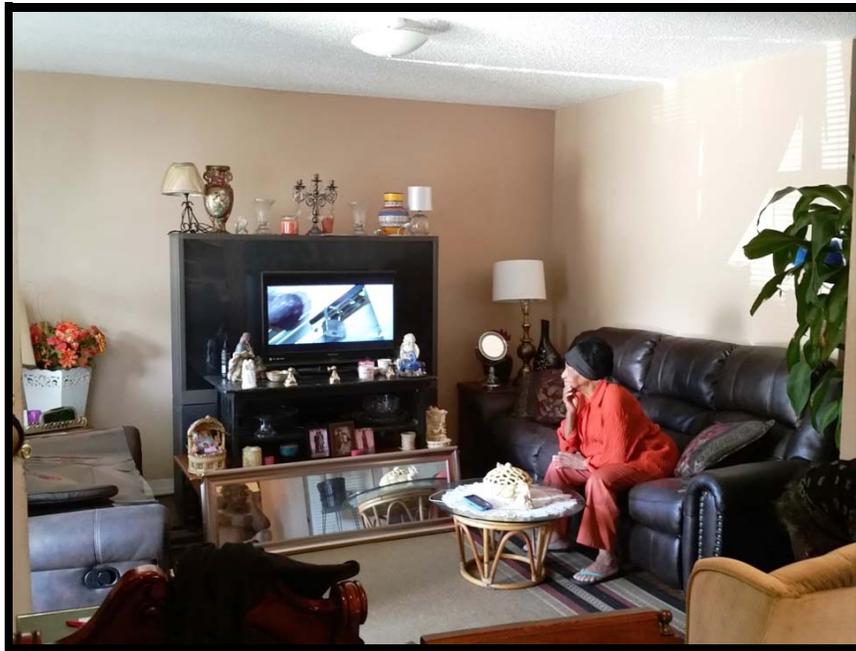
Bedroom One - Two-Bedroom



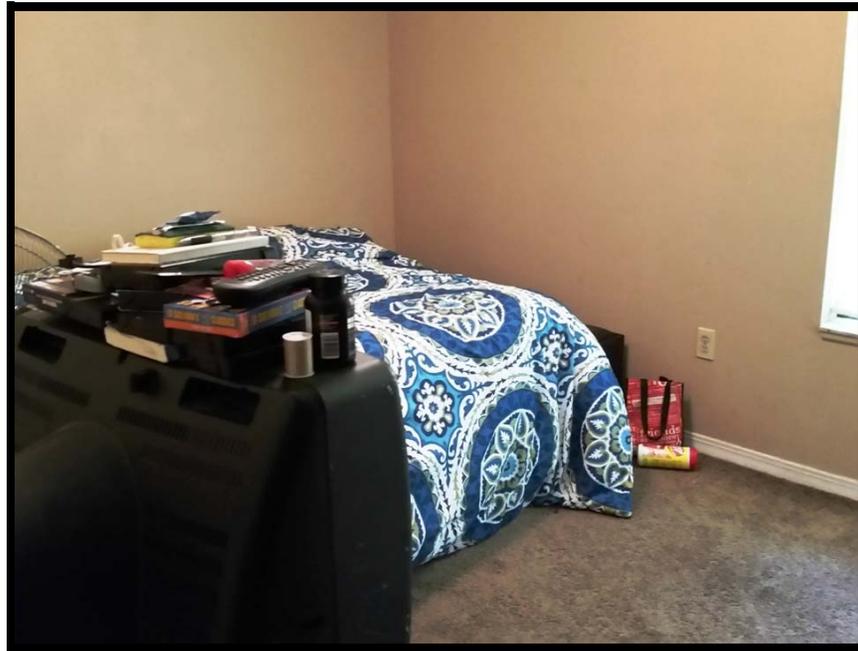
Kitchen view 1 - Two-Bedroom



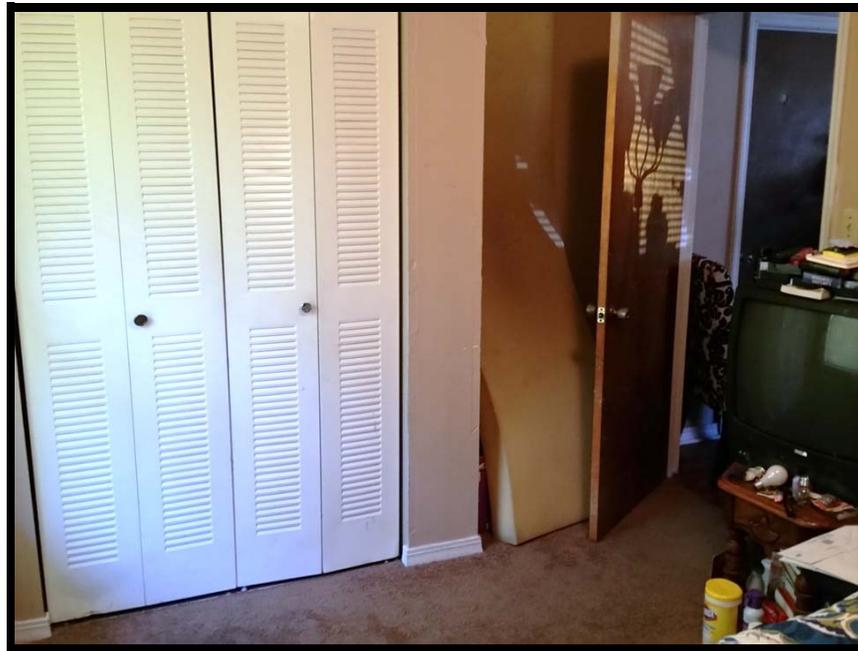
Kitchen view 2 - Two-Bedroom



Living Room - Two-Bedroom



Bedroom 2 view 1 - Two-Bedroom



Bedroom Two view 2 - Two-Bedroom

5. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

The site is served by the community services detailed in the following table:

Community Services	Name	Driving Distance From Site (Miles)
Major Highway(s)	State Route 119 State Route 21 State Route 275	1.0 Northwest 1.4 Northwest 4.0 Southeast
Public Bus Stop	Coastal Regional Coaches	N/A
Major Employers/Employment Centers	Effingham Hospital	1.6 West
Convenience Store	Shyamagi Inc. Snack Barrel EnMarket	0.5 Northwest 1.1 Northwest 1.3 South
Grocery	Harvey's Supermarket Ken's IGA Supermarket	1.7 Southeast 6.5 Southwest
Discount Department Store	Family Dollar Dollar General	0.7 West 1.6 Southeast
Schools: Elementary Middle/Junior High High	Springfield Elementary School Effingham County Middle School Effingham County High School	2.0 Northwest 4.0 Southwest 3.7 Southwest
Hospital	Effingham Hospital Family Medicine	1.6 West 1.6 Southeast
Police	Springfield Police Department Effingham County Sheriff's Office	0.7 Northwest 1.2 West
Fire	Effingham County Fire Rescue	8.7 Northwest
Post Office	U.S. Post Office	0.6 West
Bank	BB&T Renasant Bank First Effingham Bank	0.5 West 0.6 West 0.7 Northwest
Senior Center	Effingham County Senior Citizens Center	0.2 Northwest
Recreational Facilities	Mars Theatre 24Seven Family Fitness Annex Ball Park	0.7 Northwest 0.8 Southwest 0.9 Northwest
Gas Station	Shyamagi Inc. Snack Barrel EnMarket	0.5 Northwest 1.1 Northwest 1.3 South
Pharmacy	Quick Rx Drugs Harvey's Pharmacy	1.1 Northwest 1.7 Southeast
Restaurant	Daisy Mae's Café Bambino's Pizza Stacks Hamburger Stand	0.8 Northwest 1.1 Northwest 1.1 Northwest
Day Care	Carmen's Day Care Kathy's Day Care Ambra's Preschool	0.8 Northwest 0.8 South 2.3 Northwest
Community Center	Effingham County Recreation and Parks	2.2 West
Church	Springfield United Methodist Church Holy Trinity Lutheran Church First Baptist Church of Springfield	0.9 Northwest 1.0 Northwest 2.1 North
Park	Baker Lake	1.7 Southwest
Library	Effingham County Library	2.2 West

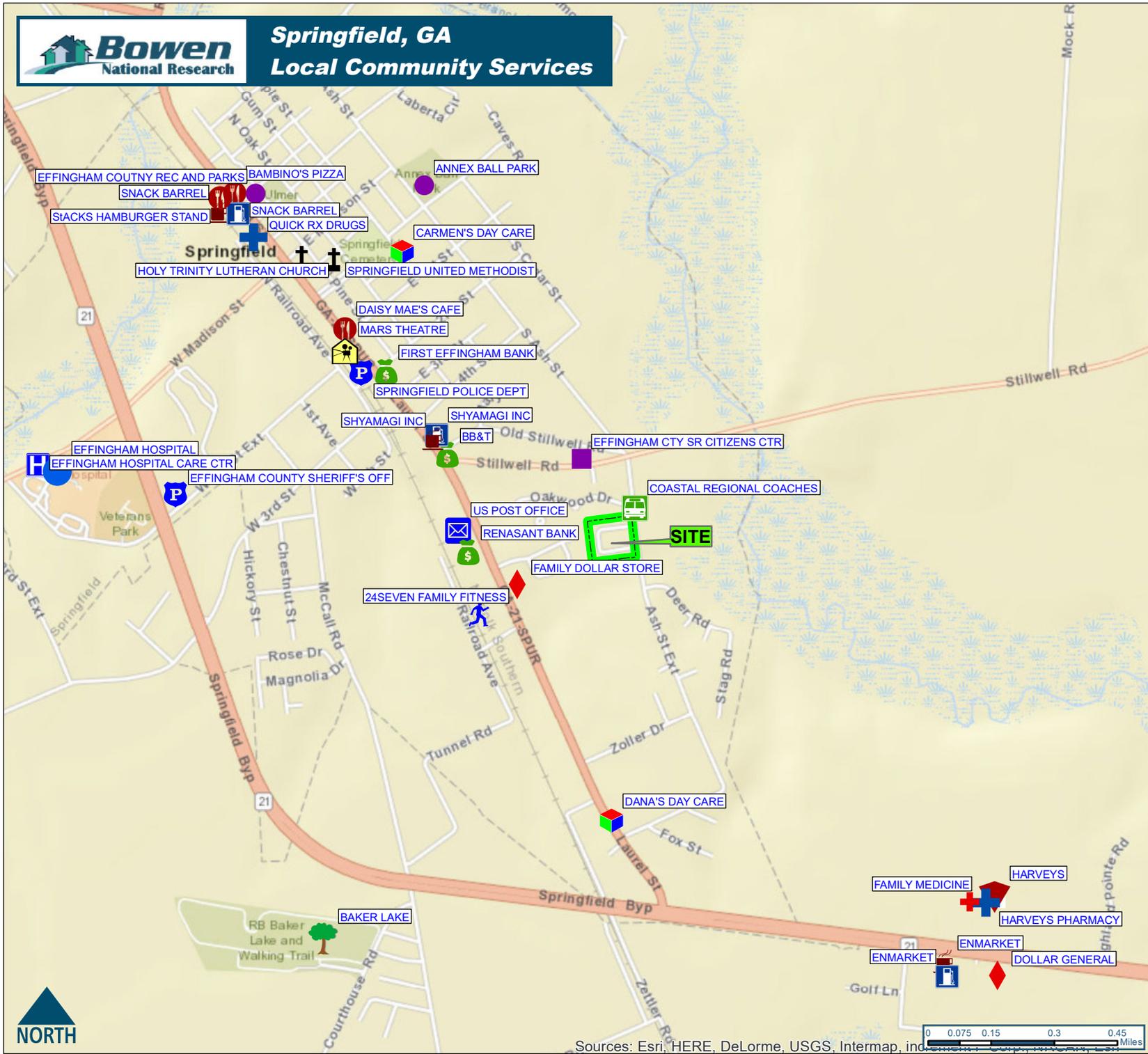
The subject site is located within an established area of Springfield, within 2.0 miles of a grocery store, day care centers, pharmacies, medical and public safety services, banks, restaurants and entertainment. Many services are located along South Laurel Street to the northwest. Major roadways that can be accessed within close proximity include state routes 119, 21 and 275. Coastal Regional Coaches is available for on-demand transit and serves the subject site area.

Effingham Hospital is located 1.6 miles west of the site and is a major employer of the area. It offers primary care, an emergency department, cancer care center, surgery and additional services. Family Medicine is located 1.6 miles southeast. The Springfield Police Department and Effingham Sheriff's Office are located within 1.2 miles while Effingham County Fire Rescue is 8.7 miles northwest.

The subject site area is served by Effingham County Schools. The nearest applicable attendance schools are located within 4.0 miles and bus routes are available to qualifying students. Day care centers such as Carmen's Day Care and Kathy's Care are located within 1.0 mile of the site.

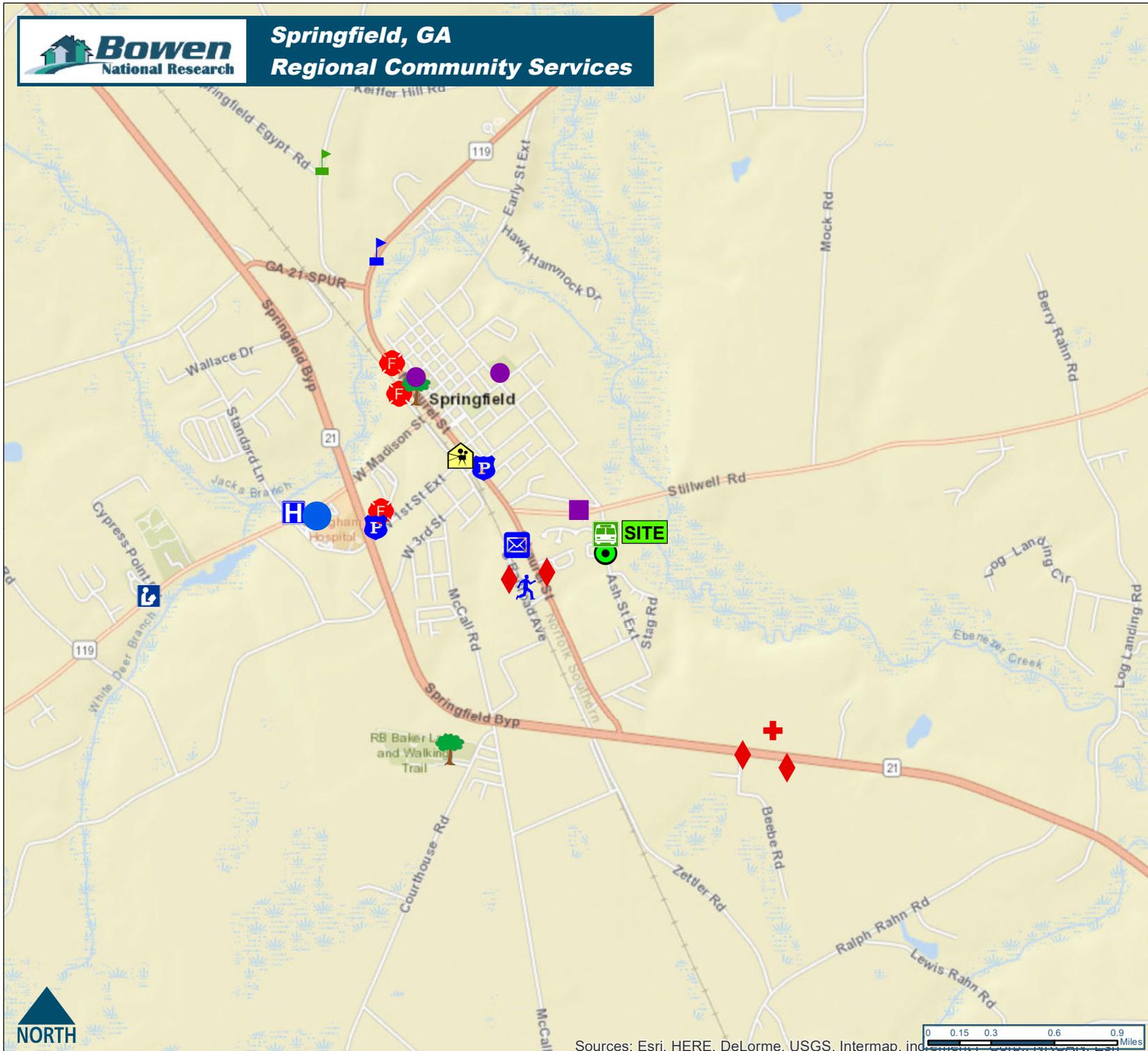
Entertainment and recreational options include Mars Theatre, 24Seven Family Fitness, Annex Ball Park and Baker Lake. The Effingham County Senior Citizens Center is 0.2 miles northwest which provides activities such as crafts, games, line dancing and includes an exercise room and library. The Effingham County Library for public use is 2.2 miles west of the site.

Maps illustrating the location of community services are on the following pages.



- ### Legend
- Site Area
 - bank
 - child care
 - church
 - cinema
 - convenience store
 - fitness center
 - gas
 - grocery
 - hospital
 - medical center
 - park
 - pharmacy
 - police
 - post office
 - recreation center
 - restaurant
 - senior services
 - shopping
 - transit
 - employers_1000_5000





- Legend**
-  Site
 -  cinema
 -  elementary school
 -  fire
 -  fitness center
 -  hospital
 -  library
 -  medical center
 -  middle school
 -  park
 -  police
 -  post office
 -  recreation center
 -  senior services
 -  shopping
 -  transit
 -  employers_1000_5000



6. CRIME ISSUES

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indexes are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

It should be noted that aggregate indexes for total crime, personal crime and property crime are not weighted, and murder is no more significant statistically in these indexes than petty theft. Thus, caution should be exercised when using them.

Total crime risk (38) for the Site PMA is below the national average with an overall personal crime index of 32 and a property crime index of 40. Total crime risk (53) for Effingham County is below the national average with indexes for personal and property crime of 55 and 51, respectively.

	Crime Risk Index	
	Site PMA	Effingham County
Total Crime	38	53
Personal Crime	32	55
Murder	36	64
Rape	46	64
Robbery	20	27
Assault	26	52
Property Crime	40	51
Burglary	35	57
Larceny	53	59
Motor Vehicle Theft	29	35

Source: Applied Geographic Solutions

Given the subject project is 100% occupied and the Site PMA's crime risk is well below the national average, we do not anticipate that crime will adversely impact the subject project's marketability.

A map illustrating crime risk is on the following page.



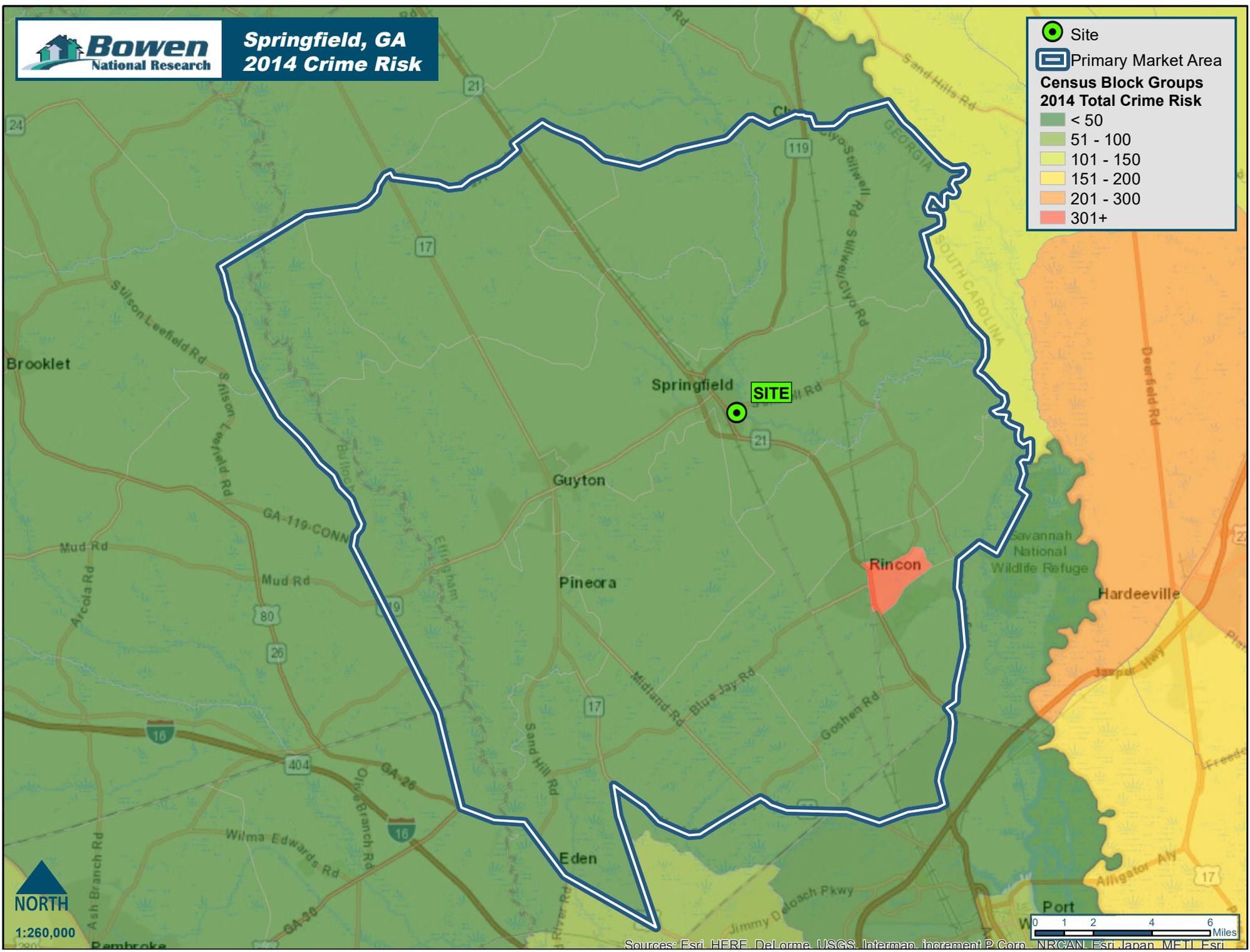
Springfield, GA 2014 Crime Risk

● Site

▭ Primary Market Area

**Census Block Groups
2014 Total Crime Risk**

- < 50
- 51 - 100
- 101 - 150
- 151 - 200
- 201 - 300
- 301+



NORTH
1:260,000

0 1 2 4 6 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

7. OVERALL SITE EVALUATION

The subject site is located at 800 Ash Street Extension in the eastern portion of Springfield, Georgia. Surrounding land uses such as single-family homes, small commercial businesses, a senior center and a discount shopping store are expected to continue to have a positive effect on the marketability of the site.

Site access is good while visibility of the site is fair. State Routes 119, 21 and 275 can be accessed within 4.0 miles for transportation throughout Springfield and surrounding areas. The site is located on a residential road with light traffic, allowing for adequate ingress and egress. Wooded land, single-family homes and small commercial businesses border the site in all directions and vehicular traffic is light in the area.

The site is close to shopping, employment, recreation, entertainment and education opportunities, some of which can be accessed inside of 2.0 miles. Law enforcement services can be accessed within approximately 1.0 miles while fire safety service is 8.7 miles northwest. Effingham County Senior Citizens Center is 0.2 miles from the site. Harvey's Supermarket, Mars Theatre and Effingham Hospital, an emergency healthcare center, are other notable services within 2.0 miles. Effingham County Schools service the subject site with the nearest applicable schools located within 4.0 miles.

Overall, we consider the site's location and proximity to community services to have a positive effect on its continued marketability.

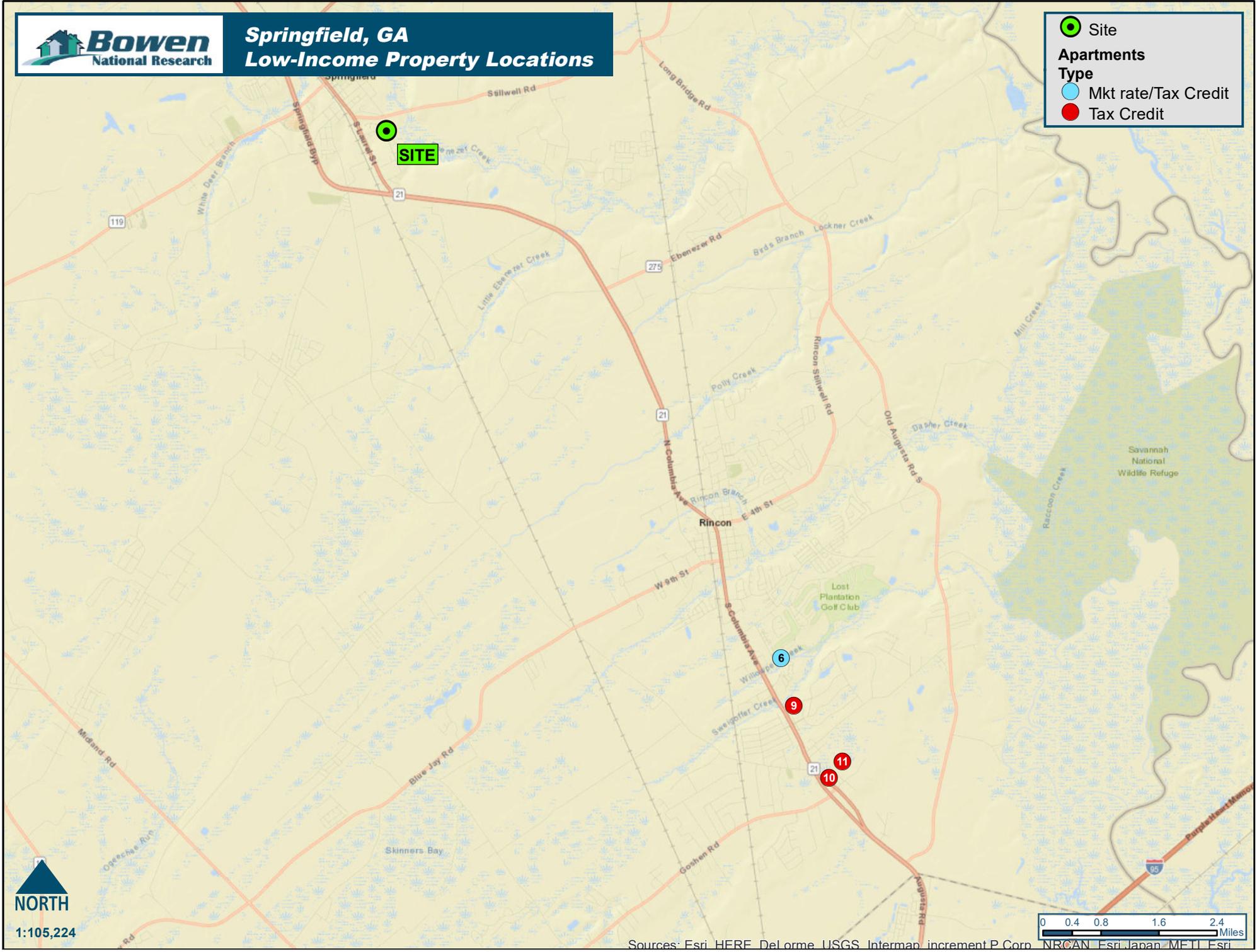
8. MAP OF LOW-INCOME RENTAL HOUSING

A map illustrating the location of low-income rental housing (4% and 9% Tax Credit Properties, Tax Exempt Bond Projects, Rural Development Properties, HUD Section 8 and Public Housing, etc.) identified in the Site PMA is included on the following page.

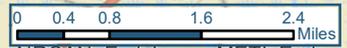


Springfield, GA Low-Income Property Locations

● Site
Apartments
Type
● Mkt rate/Tax Credit
● Tax Credit



NORTH
 1:105,224



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P. Corp., NRCAN, Esri, Japan, METI, Esri

Section D – Primary Market Area Delineation

The Site Primary Market Area (PMA) is the geographical area from which comparable properties are located. It is also the geographic area expected to generate the most demographic support for the subject development. The Springfield Site PMA was determined through interviews with management at the subject site, area leasing and real estate agents, government officials, economic development representatives and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Springfield Site PMA includes Springfield, Guyton, Rincon and outlying unincorporated areas. The boundaries of the Site PMA include Shearwood Road, Shawnee Egypt Road, Shawnee Road, Old Dixie Highway South, Clio Shawnee Road and Sisters Ferry Road East to the north; the Savannah River, the Savannah National Wildlife Refuge, Old Augusta Road South and State Route 21 to the east; State Route 30 and U.S. Highway 80 to the south; and Eldora Road, State Route 119, State Route 199C and Old River Road to the west.

- Angel Galindez is the Property Manager at Spring Hollow Apartments (subject project). Ms. Galindez agreed with the Site PMA, stating that people within the designated boundaries are moving towards the Springfield area for jobs. Ms. Galindez added that she tends to attract seniors in the area for her one-bedroom units and younger individuals for her two-bedroom apartments.
- Megan Gnann is a Leasing Agent with Veranda Village. Ms. Gnann confirmed the Site PMA, stating that an affordable housing property in Springfield will receive support from within Springfield, Rincon and surrounding areas. Ms. Gnann continued to say that it may even receive some tenants from Port Wentworth and Pooler, which is a more expensive area and employs a lot of people.

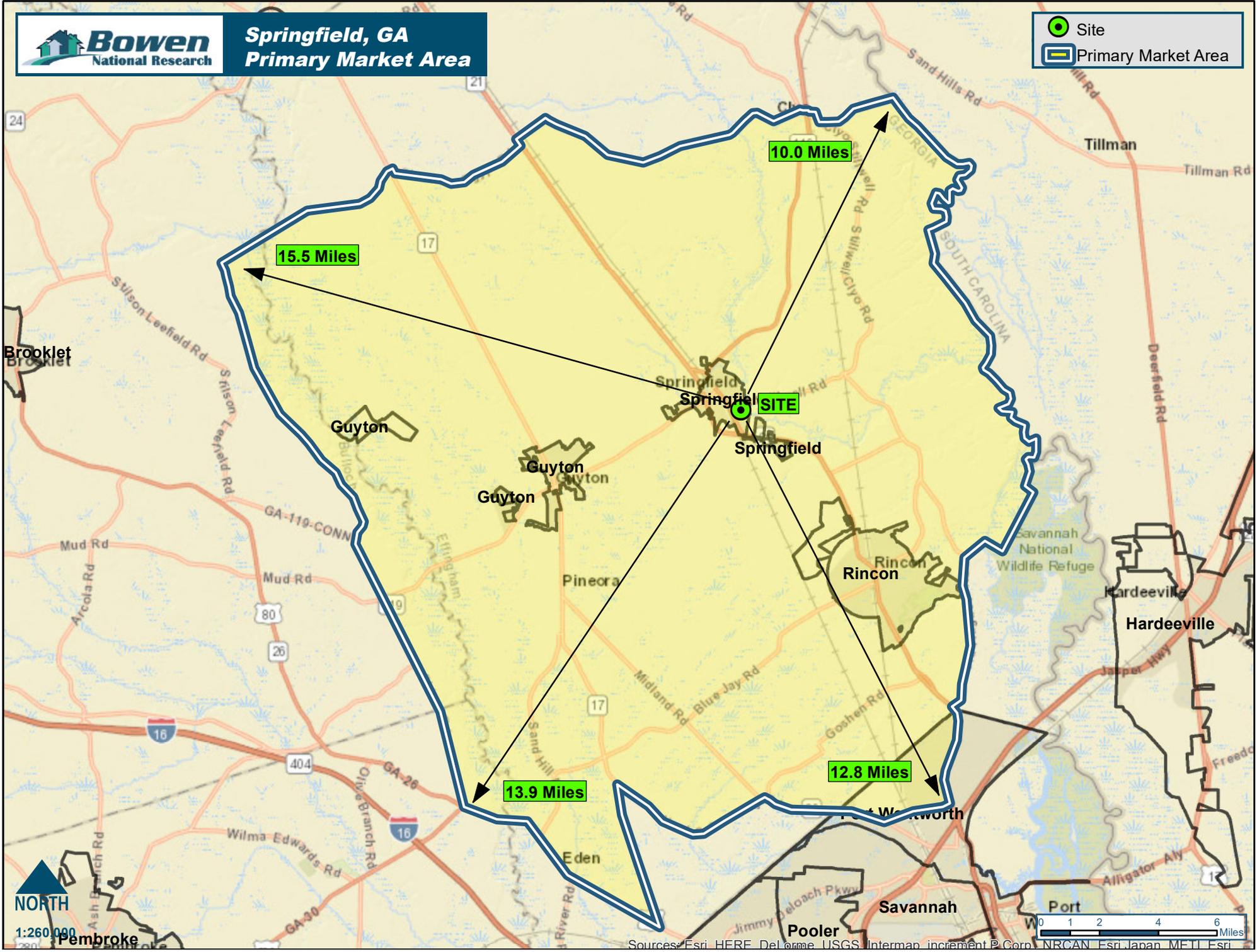
A modest portion of support may originate from some of the outlying smaller communities in the area; we have not, however, considered a secondary market area in this report.

A map delineating the boundaries of the Site PMA is included on the following page.



Springfield, GA Primary Market Area

● Site
▭ Primary Market Area



1:260,000
Pembroke



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

Section E – Community Demographic Data

1. POPULATION TRENDS

The Site PMA population bases for 2000, 2010, 2017 (estimated) and 2019 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2017 (Estimated)	2019 (Projected)
Population	31,968	46,303	53,372	55,455
Population Change	-	14,335	7,069	2,082
Percent Change	-	44.8%	15.3%	3.9%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The Springfield Site PMA population base increased by 14,335 between 2000 and 2010. This represents a 44.8% increase over the 2000 population, or an annual rate of 3.8%. Between 2010 and 2017, the population increased by 7,069, or 15.3%. It is projected that the population will increase by 2,082, or 3.9%, between 2017 and 2019.

The Site PMA population bases by age are summarized as follows:

Population by Age	2010 (Census)		2017 (Estimated)		2019 (Projected)		Change 2017-2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	14,593	31.5%	15,236	28.5%	15,719	28.3%	483	3.2%
20 to 24	2,607	5.6%	3,400	6.4%	3,300	6.0%	-100	-2.9%
25 to 34	6,193	13.4%	7,266	13.6%	7,717	13.9%	452	6.2%
35 to 44	6,952	15.0%	7,470	14.0%	7,716	13.9%	246	3.3%
45 to 54	7,112	15.4%	7,560	14.2%	7,561	13.6%	2	0.0%
55 to 64	4,753	10.3%	6,495	12.2%	6,844	12.3%	349	5.4%
65 to 74	2,631	5.7%	3,962	7.4%	4,360	7.9%	398	10.0%
75 & Over	1,462	3.2%	1,984	3.7%	2,237	4.0%	253	12.7%
Total	46,303	100.0%	53,372	100.0%	55,455	100.0%	2,082	3.9%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, nearly 54% of the population is expected to be between 25 and 64 years old in 2017. This age group is the primary group of renters for the subject site.

2. HOUSEHOLD TRENDS

Household trends within the Springfield Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2017 (Estimated)	2019 (Projected)
Households	11,081	15,965	18,186	18,851
Household Change	-	4,884	2,221	665
Percent Change	-	44.1%	13.9%	3.7%
Household Size	2.88	2.90	2.90	2.91

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Within the Springfield Site PMA, households increased by 4,884 (44.1%) between 2000 and 2010. Between 2010 and 2017, households increased by 2,221 or 13.9%. By 2019, there will be 18,851 households, an increase of 665 households, or 3.7% over 2017 levels. This is an increase of approximately 333 households annually over the next two years.

The Site PMA household bases by age are summarized as follows:

Households by Age	2010 (Census)		2017 (Estimated)		2019 (Projected)		Change 2017-2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	530	3.3%	564	3.1%	562	3.0%	-2	-0.4%
25 to 34	2,709	17.0%	3,039	16.7%	3,200	17.0%	162	5.3%
35 to 44	3,601	22.6%	3,691	20.3%	3,772	20.0%	81	2.2%
45 to 54	3,818	23.9%	3,878	21.3%	3,833	20.3%	-45	-1.2%
55 to 64	2,719	17.0%	3,496	19.2%	3,633	19.3%	137	3.9%
65 to 74	1,622	10.2%	2,298	12.6%	2,494	13.2%	196	8.5%
75 to 84	757	4.7%	952	5.2%	1,072	5.7%	120	12.6%
85 & Over	209	1.3%	267	1.5%	284	1.5%	17	6.2%
Total	15,965	100.0%	18,185	100.0%	18,850	100.0%	665	3.7%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2017 and 2019, the greatest growth among household age groups is projected to be among the households between the ages of 65 and 74. The number of households between the ages of 25 and 44 is projected to increase by 243 between 2017 and 2019. These anticipated trends will increase the need for housing for families and seniors in the market.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2017 (Estimated)		2019 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	12,191	76.4%	13,221	72.7%	13,686	72.6%
Renter-Occupied	3,774	23.6%	4,964	27.3%	5,165	27.4%
Total	15,965	100.0%	18,186	100.0%	18,851	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2017, homeowners occupied 72.7% of all occupied housing units, while the remaining 27.3% were occupied by renters.

Households by tenure are distributed as follows:

Distribution of Households	2010 (Census)		2017 (Estimated)		2019 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied (<Age 62)	9,354	58.6%	9,476	52.1%	9,659	51.2%
Owner-Occupied (Age 62+)	2,843	17.8%	3,753	20.6%	4,034	21.4%
Renter-Occupied (<Age 62)	3,216	20.1%	4,152	22.8%	4,262	22.6%
Renter-Occupied (Age 62+)	562	3.5%	816	4.5%	909	4.8%
Total	15,975	100.0%	18,197	100.0%	18,864	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Currently, 4.5% of all occupied housing units within the Site PMA are occupied by renters age 62 and older.

The household sizes by tenure within the Site PMA, based on the 2017 estimates and 2019 projections, were distributed as follows:

Persons Per Renter Household	2017 (Estimated)		2019 (Projected)		Change 2017-2019	
	Households	Percent	Households	Percent	Households	Percent
1 Person	1,298	26.1%	1,351	26.1%	52	4.0%
2 Persons	1,448	29.2%	1,505	29.1%	57	4.0%
3 Persons	759	15.3%	791	15.3%	32	4.2%
4 Persons	826	16.6%	859	16.6%	34	4.1%
5 Persons+	634	12.8%	660	12.8%	26	4.1%
Total	4,965	100.0%	5,166	100.0%	201	4.1%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Persons Per Owner Household	2017 (Estimated)		2019 (Projected)		Change 2017-2019	
	Households	Percent	Households	Percent	Households	Percent
1 Person	2,376	18.0%	2,463	18.0%	87	3.7%
2 Persons	4,599	34.8%	4,757	34.8%	158	3.4%
3 Persons	2,213	16.7%	2,288	16.7%	76	3.4%
4 Persons	2,398	18.1%	2,483	18.1%	84	3.5%
5 Persons+	1,635	12.4%	1,694	12.4%	59	3.6%
Total	13,221	100.0%	13,685	100.0%	464	3.5%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The subject project includes one- and two-bedroom units, which enables it to primarily attract one- to three-person households. These household sizes represent over 70% of the renter households in the Site PMA.

The distribution of households by income within the Springfield Site PMA is summarized as follows:

Household Income	2010 (Census)		2017 (Estimated)		2019 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$15,000	2,077	13.0%	1,794	9.9%	1,925	10.2%
\$15,000 to \$24,999	1,744	10.9%	1,566	8.6%	1,655	8.8%
\$25,000 to \$34,999	1,430	9.0%	1,615	8.9%	1,744	9.3%
\$35,000 to \$49,999	2,442	15.3%	2,118	11.6%	2,029	10.8%
\$50,000 to \$74,999	3,250	20.4%	3,776	20.8%	3,799	20.2%
\$75,000 to \$99,999	2,217	13.9%	3,107	17.1%	3,234	17.2%
\$100,000 to \$149,999	2,229	14.0%	2,969	16.3%	3,150	16.7%
\$150,000 to \$199,999	477	3.0%	799	4.4%	848	4.5%
\$200,000 & Over	99	0.6%	443	2.4%	466	2.5%
Total	15,965	100.0%	18,186	100.0%	18,851	100.0%
Median Income	\$52,227		\$63,246		\$63,637	

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2010, the median household income was \$52,227. This increased by 21.1% to \$63,246 in 2017. By 2019, it is projected that the median household income will be \$63,637, an increase of 0.6% over 2017.

The following tables illustrate renter household income by household size for 2010, 2017 and 2019 for the Springfield Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	296	278	162	157	156	1,049
\$15,000 to \$24,999	188	168	98	96	94	644
\$25,000 to \$34,999	129	150	87	84	84	534
\$35,000 to \$49,999	153	195	113	109	107	677
\$50,000 to \$74,999	96	132	77	74	74	453
\$75,000 to \$99,999	53	77	45	42	41	258
\$100,000 to \$149,999	30	43	25	24	21	143
\$150,000 to \$199,999	5	5	3	3	1	17
\$200,000 & Over	0	0	0	0	0	0
Total	950	1,048	610	589	578	3,775

Source: ESRI; Urban Decision Group

Renter Households	2017 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	377	303	161	173	133	1,147
\$15,000 to \$24,999	202	184	97	103	81	668
\$25,000 to \$34,999	135	153	80	89	67	524
\$35,000 to \$49,999	196	247	129	141	109	823
\$50,000 to \$74,999	185	254	132	144	112	828
\$75,000 to \$99,999	117	178	93	102	78	569
\$100,000 to \$149,999	59	90	47	51	37	285
\$150,000 to \$199,999	17	24	13	14	11	80
\$200,000 & Over	9	13	6	8	5	40
Total	1,298	1,448	759	826	634	4,965

Source: ESRI; Urban Decision Group

Renter Households	2019 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	414	332	176	189	145	1,256
\$15,000 to \$24,999	205	187	98	106	84	681
\$25,000 to \$34,999	130	152	79	88	66	515
\$35,000 to \$49,999	193	244	128	140	108	812
\$50,000 to \$74,999	190	262	137	149	115	853
\$75,000 to \$99,999	124	189	100	108	82	603
\$100,000 to \$149,999	62	94	50	54	40	300
\$150,000 to \$199,999	22	29	16	17	14	97
\$200,000 & Over	12	16	7	9	6	49
Total	1,351	1,505	791	859	660	5,166

Source: ESRI; Urban Decision Group

The Site PMA's overall population increased by more than 20,000 and the total number of households grew by more than 7,000 between 2000 and 2017. This is a significant amount of growth. It is projected that the population will increase by 2,082, or 3.9%, between 2017 and 2019. By 2019, there will be 18,851 households, an increase of 665 households, or 3.7% over 2017 levels. Between 2017 and 2019, the greatest growth among household age groups is projected to be among the households between the ages of 65 and 74. The number of households between the ages of 25 and 44 is projected to increase by 243 between 2017 and 2019. These anticipated trends will increase the need for housing for families and seniors in the market. The number of renter households are projected to increase by 201 between 2017 and 2019, which will add to the demand for rental housing within the Site PMA.

Section F – Economic Trends

1. LABOR FORCE PROFILE

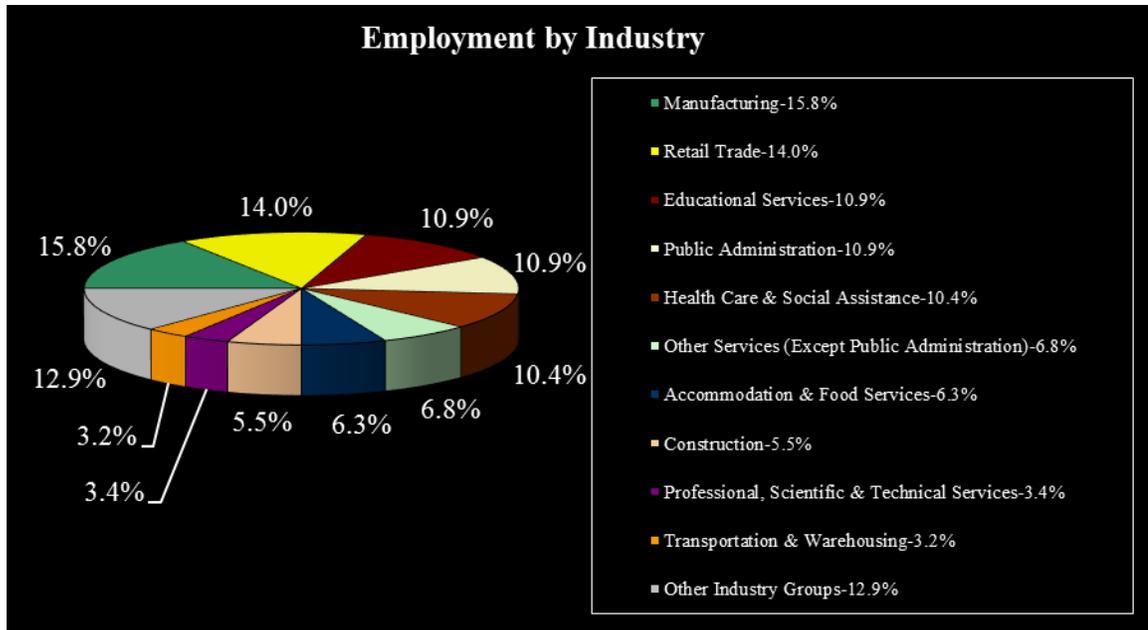
The labor force within the Springfield Site PMA is based primarily in five sectors. Manufacturing (which comprises 15.8%), Retail Trade, Educational Services, Public Administration and Health Care & Social Assistance comprise nearly 62% of the Site PMA labor force. Employment in the Springfield Site PMA, as of 2017, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	7	0.5%	22	0.2%	3.1
Mining	0	0.0%	0	0.0%	0.0
Utilities	11	0.8%	177	1.5%	16.1
Construction	139	10.2%	662	5.5%	4.8
Manufacturing	37	2.7%	1,904	15.8%	51.5
Wholesale Trade	38	2.8%	387	3.2%	10.2
Retail Trade	186	13.6%	1,688	14.0%	9.1
Transportation & Warehousing	54	4.0%	388	3.2%	7.2
Information	18	1.3%	92	0.8%	5.1
Finance & Insurance	96	7.0%	285	2.4%	3.0
Real Estate & Rental & Leasing	62	4.5%	224	1.9%	3.6
Professional, Scientific & Technical Services	90	6.6%	411	3.4%	4.6
Management of Companies & Enterprises	0	0.0%	0	0.0%	0.0
Administrative, Support, Waste Management & Remediation Services	56	4.1%	238	2.0%	4.3
Educational Services	30	2.2%	1,311	10.9%	43.7
Health Care & Social Assistance	104	7.6%	1,248	10.4%	12.0
Arts, Entertainment & Recreation	18	1.3%	95	0.8%	5.3
Accommodation & Food Services	74	5.4%	759	6.3%	10.3
Other Services (Except Public Administration)	219	16.0%	817	6.8%	3.7
Public Administration	91	6.7%	1,308	10.9%	14.4
Nonclassifiable	36	2.6%	29	0.2%	0.8
Total	1,366	100.0%	12,045	100.0%	8.8

*Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

E.P.E. - Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. These employees, however, are included in our labor force calculations because their places of employment are located within the Site PMA.



Typical wages by job category for the Savannah Metropolitan Statistical Area (MSA) are compared with those of Georgia in the following table:

Typical Wage by Occupation Type		
Occupation Type	Savannah MSA	Georgia
Management Occupations	\$97,940	\$114,210
Business and Financial Occupations	\$64,120	\$71,300
Computer and Mathematical Occupations	\$78,130	\$85,800
Architecture and Engineering Occupations	\$92,120	\$78,820
Community and Social Service Occupations	\$43,030	\$45,460
Art, Design, Entertainment and Sports Medicine Occupations	\$48,070	\$52,710
Healthcare Practitioners and Technical Occupations	\$74,930	\$74,310
Healthcare Support Occupations	\$26,780	\$28,330
Protective Service Occupations	\$35,950	\$36,610
Food Preparation and Serving Related Occupations	\$20,550	\$20,530
Building and Grounds Cleaning and Maintenance Occupations	\$23,450	\$25,010
Personal Care and Service Occupations	\$23,140	\$24,390
Sales and Related Occupations	\$34,580	\$38,060
Office and Administrative Support Occupations	\$34,830	\$35,470
Construction and Extraction Occupations	\$41,050	\$40,540
Installation, Maintenance and Repair Occupations	\$47,990	\$44,550
Production Occupations	\$43,750	\$33,500
Transportation and Moving Occupations	\$35,840	\$33,720

Source: U.S. Department of Labor, Bureau of Statistics

Most annual blue-collar salaries range from \$20,550 to \$48,070 within the Savannah MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$81,448. The proposed project will target low-income households. The area employment base has a significant number of wage-appropriate occupations from which the proposed subject project will be able to draw support.

2. MAJOR EMPLOYERS

The 10 largest employers within Effingham County are summarized in the table below. Note that the year established and salary range was not readily available for these top employers. However, these employers are well-established in the market and likely offer salaries/wages typical of those reported for the Savannah MSA and reflected in the *Typical Wage by Occupation Type* table earlier in this section.

Industry	Business Type
Container Maintenance Corporation	Marine Repair
Edwards Interiors	Aircraft Interior Manufacturing
Georgia Power Company	Utility Provider
Georgia Transformer Corporation	Transformer Manufacturing
James River Paper Company	Paper Manufacturing
Lowe’s Home Improvement	Retail
NFI Network Logistics Solutions	Supply Chain Solutions
Rayonier Wood Products	Lumber
Walmart	Retail
YMCA of Coastal Georgia	Recreation

Source: Georgia Labor Market Explorer: Local Area Profiles (Third Quarter 2016)

Despite numerous attempts, we were unable to reach an economic development entity within the market. Below are a few major economic events that recently occurred in the Springfield and Rincon areas of Effingham County.

- In Springfield, the Mars Theatre will be undergoing renovations from September to November of 2017 while an addition is being built. The addition will include changing rooms, extra storage and restrooms. The addition will cost around \$250,000, which was raised through a sales tax increase.
- Salvage Auto Auction Company is adding approximately 30 acres to its Rincon location, in order to meet growing demand. This expansion took place in May/June of 2017 and it is unknown how much was invested into it.

WARN (layoff notices):

According to the Georgia Department of Economic Development, there have been no WARN notices of large scale layoffs or closures reported for Effingham County since January 2016.

3. EMPLOYMENT TRENDS

The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

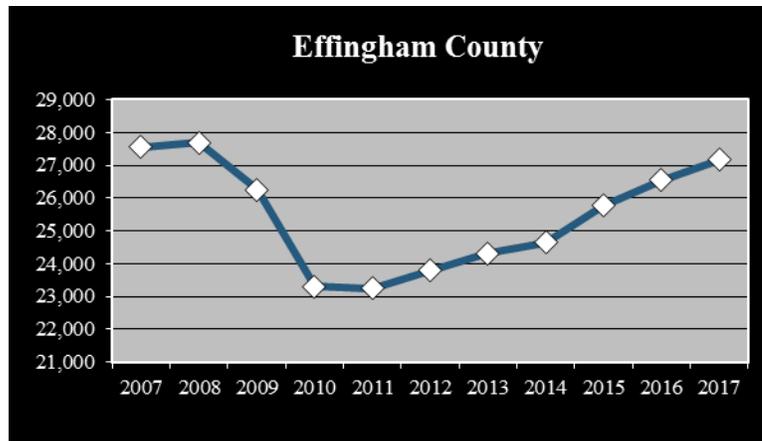
Excluding 2017, the employment base has increased by 11.6% over the past five years in Effingham County, more than the Georgia state increase of 7.1%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Effingham County, Georgia and the United States.

Year	Total Employment					
	Effingham County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2007	27,560	-	4,597,640	-	146,388,400	-
2008	27,683	0.4%	4,575,010	-0.5%	146,047,748	-0.2%
2009	26,247	-5.2%	4,311,854	-5.8%	140,696,560	-3.7%
2010	23,310	-11.2%	4,202,052	-2.5%	140,469,139	-0.2%
2011	23,251	-0.3%	4,263,305	1.5%	141,791,255	0.9%
2012	23,786	2.3%	4,348,083	2.0%	143,621,634	1.3%
2013	24,307	2.2%	4,367,147	0.4%	144,996,474	1.0%
2014	24,651	1.4%	4,418,471	1.2%	147,403,607	1.7%
2015	25,776	4.6%	4,502,021	1.9%	149,648,686	1.5%
2016	26,548	3.0%	4,656,255	3.4%	152,001,644	1.6%
2017*	27,167	2.3%	4,767,833	2.4%	152,065,874	0.0%

Source: Department of Labor; Bureau of Labor Statistics

*Through May



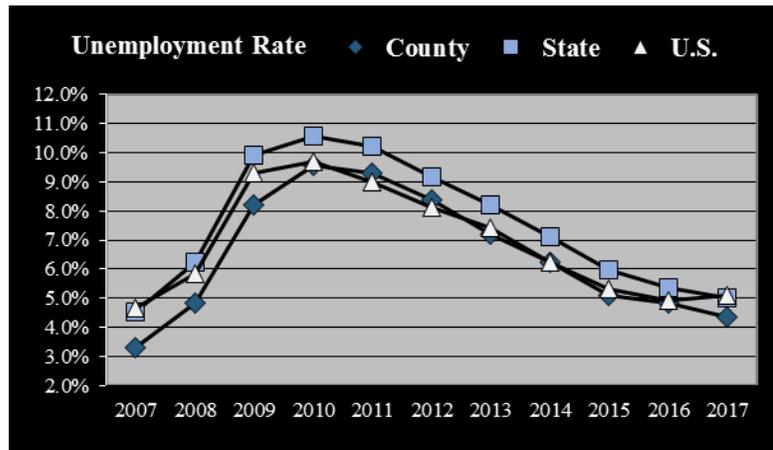
As the preceding illustrates, the Effingham County employment base was significantly impacted during the national recession but has increased over the past six years and is near pre-recession levels.

Unemployment rates for Effingham County, Georgia and the United States are illustrated as follows:

Year	Unemployment Rate		
	Effingham County	Georgia	United States
2007	3.3%	4.5%	4.7%
2008	4.8%	6.2%	5.8%
2009	8.2%	9.9%	9.3%
2010	9.6%	10.6%	9.7%
2011	9.3%	10.2%	9.0%
2012	8.4%	9.2%	8.1%
2013	7.2%	8.2%	7.4%
2014	6.2%	7.1%	6.2%
2015	5.1%	6.0%	5.3%
2016	4.9%	5.4%	4.9%
2017*	4.4%	5.0%	5.1%

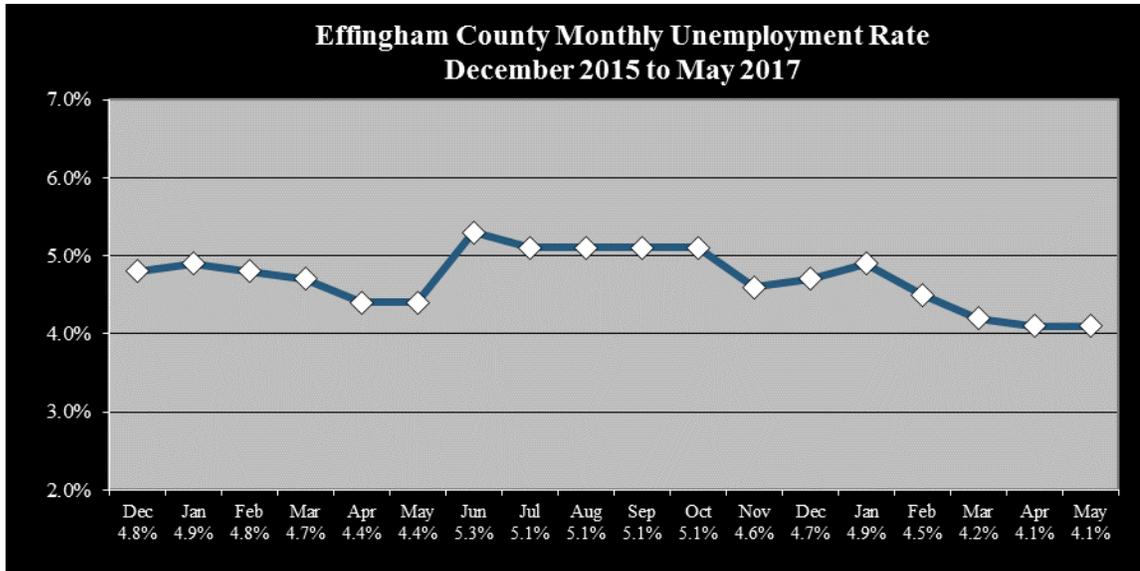
Source: Department of Labor, Bureau of Labor Statistics

*Through May



The unemployment rate in Effingham County has ranged between 3.3% and 9.6%, well below the state average since 2007. After peaking at 9.6% in 2010, the county's unemployment rate has declined in each of the past seven years.

The following table illustrates the monthly unemployment rate in Effingham County for the most recent 18-month period for which data is currently available.



The county’s monthly unemployment rate has generally fluctuated between 4.0% and 5.0% over much of the past 18 months.

In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for Effingham County.

In-Place Employment Effingham County			
Year	Employment	Change	Percent Change
2006	8,846	-	-
2007	9,598	752	8.5%
2008	9,788	190	2.0%
2009	9,266	-522	-5.3%
2010	9,235	-31	-0.3%
2011	9,089	-146	-1.6%
2012	9,167	78	0.9%
2013	9,299	132	1.4%
2014	9,280	-19	-0.2%
2015	9,419	139	1.5%
2016	9,557	138	1.5%

Source: Department of Labor, Bureau of Labor Statistics

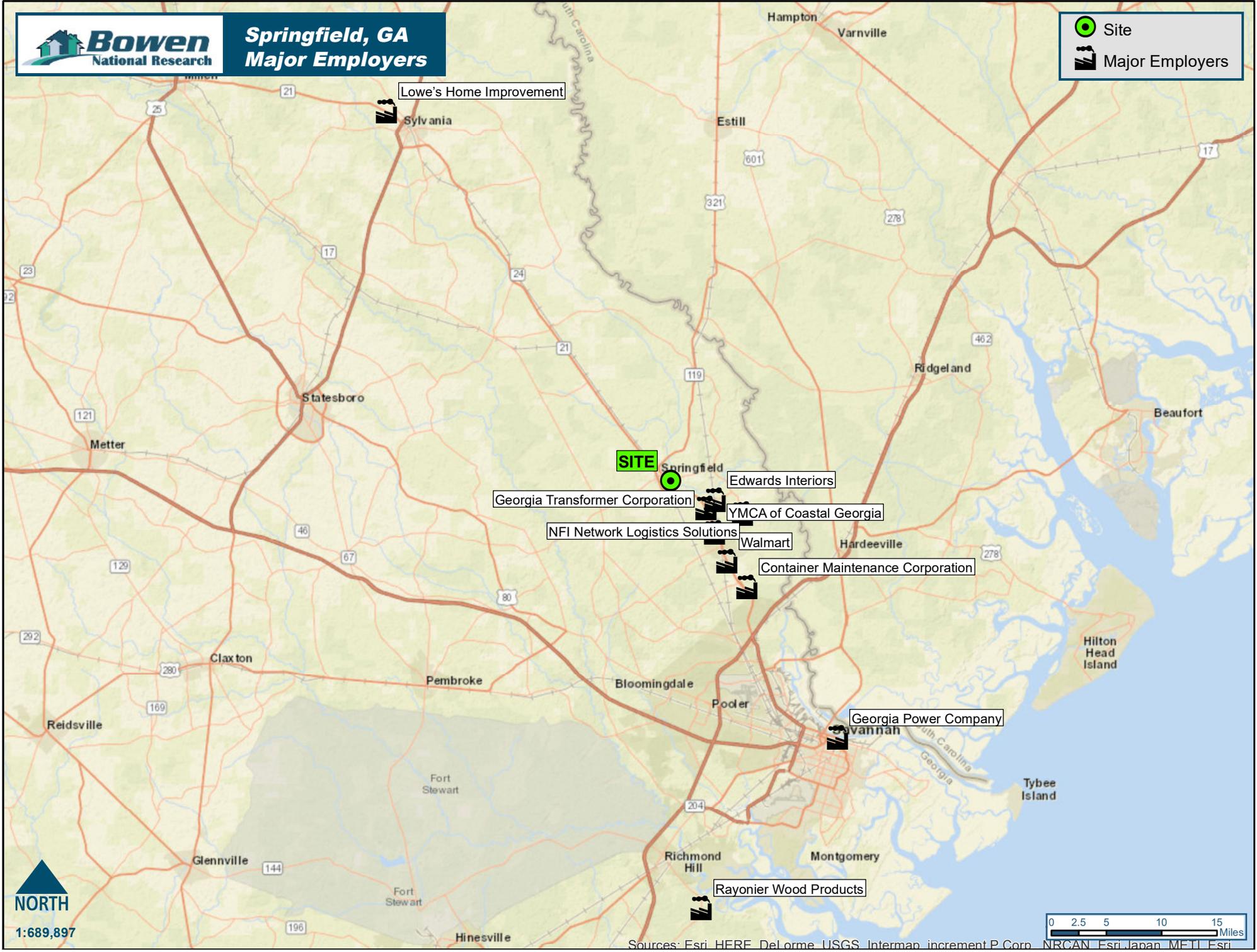
Data for 2016, the most recent year that year-end figures are available, indicates in-place employment in Effingham County to be 36.0% of the total Effingham County employment. This means that Effingham County has more employed persons leaving the county for daytime employment than those who work in the county.

4. ECONOMIC FORECAST

Nearly two-thirds of the Site PMA's labor force is employed within the Manufacturing, Retail Trade, Educational Services, Public Administration and Health Care & Social Assistance job sectors. The proposed project will target low-income households. The area employment base has a significant number of wage-appropriate occupations from which the proposed subject project will be able to draw support. The Effingham County employment base was significantly impacted during the national recession but has increased over the past six years and is near pre-recession levels. After peaking at 9.6% in 2010, the county's unemployment rate has declined in each of the past seven years. Recent economic trends in the market have been positive and are expected to remain positive for the foreseeable future.

A map illustrating notable employment centers is on the following page.

 Site
 Major Employers



Section G – Project-Specific Demand Analysis

The subject project currently operates under the income and rent requirements of the RD Section 515 program. While the project will be renovated with 4% Tax-Exempt Bond financing, it is expected to follow the same household eligibility requirements that are currently in effect. Regardless, we have provided various demand scenarios that evaluate the depth of continued support for the project under the RD program and in the event the project had to operate exclusively under the 4% Tax-Exempt Bond program.

1. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the subject project's potential.

Under the Tax Credit program, household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is within the Savannah, Georgia MSA, which has a four-person median household income of \$64,900 for 2017. The subject property will be restricted to households with incomes of up to 60% of AMHI. The following table summarizes the maximum allowable income by household size at 60% of AMHI.

Household Size	Maximum Allowable Income
	60%
One-Person	\$27,300
Two-Person	\$31,200
Three-Person	\$35,100

a. Maximum Income Limits

The largest units (two-bedroom) at the subject site are expected to continue to house up to three-person family households. As such, the maximum allowable income at the subject site is **\$35,100**.

b. Minimum Income Requirements

Leasing industry standards typically require households to have rent-to-income ratios of 27% to 40%. Pursuant to GDCA/GHFA market study guidelines, the maximum rent-to-income ratio permitted for family projects is 35%, while older person (age 55 and older) and elderly (age 62 and older) projects should utilize a 40% rent-to-income ratio.

The proposed Low-Income Housing Tax Credit units will have a lowest gross rent of \$521 (at 60% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,252. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of \$17,862.

c. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate range required to live at the renovated subject project are illustrated in the following table.

Unit Type	Income Range	
	Minimum	Maximum
Rural Development/Tax Credit	\$17,862	\$35,100

2. METHODOLOGY

Demand

The following are the demand components as outlined by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority:

- a. Demand from New Household:** **New units required in the market area due to projected household growth from migration into the market and growth from existing households in the market should be determined.** *This should be determined using current renter household data and projecting forward to the anticipated placed in service date of the project using a growth rate established from a reputable source such as ESRI or the State Data Center. This household projection must be limited to the target population, age and income group and the demand for each income group targeted (i.e. 50% of median income) must be shown separately. In instances where a significant number (more than 20%) of proposed units comprise three- and four-bedroom units, please refine the analysis by factoring in the number of large households (generally 5+ persons). A demand analysis that does not account for this may overestimate demand. Note that our calculations have been reduced to only include **renter-qualified** households.*
- b. Demand from Existing Households:** The second source of demand should be projected from:
 - **Rent overburdened households, if any, within the age group, income groups and tenure (renters) targeted for the proposed development.** *In order to achieve consistency in methodology, all analysts should assume that the rent overburdened analysis includes households paying greater than 35% (Family), or greater than 40% (Senior) of their incomes toward gross rent.*

Based on Table B25074 of the American Community Survey (ACS) 2011-2015 5-year estimates, approximately 63.0% of renter households within the market were rent overburdened. These households have been included in our demand analysis.

- **Households living in substandard housing (i.e. units that lack complete plumbing or that are overcrowded).** *Households in substandard housing should be determined based on the age, the income bands, and the tenure that apply. The analyst should use his/her own knowledge of the market area and project to determine whether households from substandard housing would be a realistic source of demand. The analyst is encouraged to be conservative in his/her estimate of demand from both rent overburdened households and from those living in substandard housing.*

Based on Table B25016 of the American Community Survey (ACS) 2011-2015 5-year estimates, 4.3% of all households in the market were living in substandard housing that lacked complete indoor plumbing or in overcrowded (1.5+ persons per room) households.

- **Elderly Homeowners likely to convert to renters:** *GDCA recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. This segment should not account for more than 2% of total demand. Due to the difficulty of extrapolating elderly (age 62 and older) owner households from elderly renter households, analyst may use the total figure for elderly households in the appropriate income band to derive this demand figure. Data from interviews with property managers of active projects regarding renters who have come from homeownership should be used to refine the analysis. A narrative of the steps taken to arrive at this demand figure must be included and any figure that accounts for more than 2% of total demand must be based on actual market conditions, as documented in the study.*

Not applicable, as the subject project will not be age-restricted.

- c. **Other:** *DCA does not consider household turnover to be a source of market demand. However, if an analyst firmly believes that demand exists that is not captured by the above methods, he/she may use other indicators to estimate demand if they are fully justified (e.g. an analysis of an under built market in the base year). Any such additional indicators should be calculated separately from the demand analysis above. Such additions should be well documented by the analyst with documentation included in the Market Study.*

Net Demand

The overall demand components illustrated above are added together and the competitive supply of competitive vacant and/or units constructed in the past two years (2015/2016) is subtracted to calculate Net Demand. Vacancies in projects placed in service prior to 2015 which have not reached stabilized occupancy (i.e. at least 90% occupied) must also be considered as part of supply. **DCA requires analysts to include ALL projects that have been funded, are proposed for funding and/or received a bond allocation from DCA, in the demand analysis, along with ALL conventional rental properties existing or planned in the market as outlined above. 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.**

To determine the Net Supply number for each bedroom and income category, the analyst will prepare a Competitive Analysis Chart that will provide a unit breakdown of the competitive properties and list each unit type. All properties determined to be competitive with the proposed development will be included in the Supply Analysis to be used in determining Net Supply in the Primary Market Area. In cases where the analyst believes the projects are not competitive with the subject units, the analyst will include a detailed description for each property and unit type explaining why the units were excluded from the market supply calculation. (e.g., the property is on the periphery of the market area, is a market-rate property; or otherwise only partially compares to the proposed subject).

There were no LIHTC properties that were funded and/or built during the projection period (2015 to current), or any such project currently planned for the Site PMA. Additionally, there are no existing LIHTC properties operating below a stabilized occupancy rate of 90.0% within the Site PMA. As such, there were no existing LIHTC properties included as part of supply in our demand analysis.

Two demand scenarios have been analyzed for the subject project. Scenario one accounts for any current tenants which will continue to income-qualify to reside at the property under the Tax Credit guidelines, per GDCA guidelines. Scenario two provides demand estimates for the entire subject project assuming the unlikely scenario the property had to operate exclusively under the Tax Credit guidelines. The following is a summary of our demand calculations.

Demand Component	Percent Of Median Household Income	
	Scenario One (Less units to remain occupied post renovations)	Scenario Two (Overall Demand Estimates)
	RD 515/LIHTC (\$17,863 - \$27,000)	LIHTC Only (\$17,863 - \$27,000)
Demand From New Renter Households (Income-Appropriate)	1,006 - 1,007 = 0	1,006 - 1,007 = 0
+		
Demand From Existing Households (Rent Overburdened)	1,007 X 63.0% = 635	1,007 X 63.0% = 635
+		
Demand From Existing Households (Renters In Substandard Housing)	1,007 X 4.3% = 43	1,007 X 4.3% = 43
=		
Demand Subtotal	678	678
+		
Demand From Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2%	0	0
=		
Total Demand	678	678
-		
Supply (Directly Comparable Units Built and/or Funded Since 2015)	0	0
=		
Net Demand	678	678
Proposed Units	31*	52
Proposed Units/ Net Demand	31* / 678	52 / 678
Capture Rate	= 4.6%	7.7%

N/A – Not Applicable

*Assumes all units are leasable and will remain occupied and the retention of current tenants which will continue to income-qualify under the LIHTC guidelines post renovations, per GDCA guidelines. These units have been excluded from these demand estimates.

Per GDCA guidelines, capture rates below 30% for projects in urban markets and below 35% for projects in rural markets are considered acceptable. As such, the subject's overall capture rates of 4.6% (subsidized scenario) and 7.7% (Tax Credit only scenario) are both considered achievable and demonstrate a sufficient base of support for the subject project under either scenario. These are considered achievable capture rates within the Site PMA, especially when considering the lack of non-subsidized family-oriented LIHTC product in the market.

Based on the distribution of households by household size, our survey of conventional apartments and the distribution of bedroom types in balanced markets, the estimated shares of demand by bedroom type for the Site PMA are distributed as follows.

Estimated Demand By Bedroom	
Bedroom Type	Percent
One-Bedroom	35%
Two-Bedroom	45%
Three-Bedroom+	20%
Total	100.0%

Applying these shares to the income-qualified households and existing competitive supply yields demand and capture rates for the proposed units by bedroom type and AMHI level as follows. Note the following demand estimates by bedroom type have also been provided for each of the scenarios previously detailed in this section of the report.

Scenario One (Less units to remain occupied post renovations)

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Subject Rents
One-Bedroom (35%)	60%	17***	237	0	237	7.2%	8 Months	\$788	\$530-\$890	\$403
One-Bedroom	Total	17***	237	0	237	7.2%	8 Months	-	-	-
Two-Bedroom (45%)	60%	14***	305	0	305	4.6%	8 Months	\$890	\$640-\$1,005	\$448
Two-Bedroom	Total	14***	305	0	305	4.6%	8 Months	-	-	-

*Includes overlap between the targeted income levels at the subject site.

**Directly comparable units built and/or funded in the project market over the projection period.

***Assumes all units are leasable and will remain occupied and the retention of current tenants which will continue to income-qualify under the LIHTC guidelines post renovations, per GDCA guidelines. These units have been excluded from these demand estimates.

Average Market Rent is the weighted average collected rent reported at comparable market-rate properties as identified in *Addendum F*.

Scenario Two (Entire Property)

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Subject Rents
One-Bedroom (35%)	60%	20	237	0	237	8.4%	10 Months	\$788	\$530-\$890	\$403
One-Bedroom	Total	20	237	0	237	8.4%	10 Months	-	-	-
Two-Bedroom (45%)	60%	32	305	0	305	10.5%	10 Months	\$890	\$640-\$1,005	\$448
Two-Bedroom	Total	32	305	0	305	10.5%	10 Months	-	-	-

*Includes overlap between the targeted income levels at the subject site.

**Directly comparable units built and/or funded in the project market over the projection period.

Average Market Rent is the weighted average collected rent reported at comparable market-rate properties as identified in *Addendum F*.

The capture rates by bedroom type and AMHI level range from 4.6% to 10.5% depending upon scenario and unit type. These capture rates are all considered achievable within the Site PMA utilizing this methodology and demonstrate a sufficient base of support for the subject project under all scenarios.

Section H – Rental Housing Analysis (Supply)

1. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Springfield Site PMA in 2010 and 2017 (estimated) are summarized in the following table:

Housing Type	2010 (Census)		2017 (Estimated)	
	Housing Units	Percent	Housing Units	Percent
Total Occupied	15,965	90.9%	18,186	90.5%
Owner-Occupied	12,191	76.4%	13,221	72.7%
Renter-Occupied	3,774	23.6%	4,964	27.3%
Vacant	1,599	9.1%	1,906	9.5%
Total	17,564	100.0%	20,092	100.0%

Source: ESRI, Census 2010

Based on a 2017 update of the 2010 Census, of the 20,092 total housing units in the market, 9.5% were vacant. In 2017, it was estimated that homeowners occupied 72.7% of all occupied housing units, while the remaining 27.3% were occupied by renters. The 4,964 renter households represent a large base of potential support in the market for the subject development.

The following table illustrates the status of vacant units within the Site PMA for 2010.

Vacant Units	Number	Percent
For Rent	473	29.6%
For-Sale Only	404	25.3%
Renter/Sold, Not Occ.	61	3.8%
Seasonal or Recreational	202	12.6%
Other Vacant	459	28.7%
Total	1,599	100.0%

Source: 2010 Census

Based on the 2010 Census, of the 1,599 vacant units in the Site PMA, 41.3% were classified as “Seasonal or Recreational”, or “other vacant”. This is a good indication that much of the vacant housing units included in the table on the preceding page are not reflective of the long-term rental housing market within the Site PMA. Regardless, we have conducted a Field Survey of Conventional Rentals to better determine the strength of the long-term rental market within the Site PMA.

The estimated distribution of occupied housing by units in a structure and tenure is detailed within the following table.

Units in Structure	Owner		Renter	
	Number	Percent	Number	Percent
1, Detached	9,843	80.6%	1,504	37.0%
1, Attached	110	0.9%	136	3.3%
2 to 4	17	0.1%	417	10.2%
5 to 9	0	0.0%	413	10.1%
10 to 19	2	0.0%	192	4.7%
20 to 49	0	0.0%	130	3.2%
50+	0	0.0%	92	2.3%
Mobile Homes	2,206	18.1%	1,185	29.1%
Boat, RV, Vans	34	0.3%	0	0.0%
Total	12,212	100.0%	4,069	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

Nearly 70% of all renter-occupied housing units are single-family or mobile homes.

The following tables demonstrate the share of substandard housing found in the Site PMA, based on the presence or absence of kitchen and bathroom facilities:

	Kitchen Characteristics			
	Owner-Occupied		Renter-Occupied	
	Number	Percent	Number	Percent
Complete Kitchen	12,185	99.8%	4,044	99.3%
Lacking Complete Kitchen	27	0.2%	27	0.7%
Total	12,212	100.0%	4,071	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

	Bathroom Characteristics			
	Owner-Occupied		Renter-Occupied	
	Number	Percent	Number	Percent
Complete Plumbing	12,199	99.9%	4,054	99.6%
Lacking Complete Plumbing	13	0.1%	17	0.4%
Total	12,212	100.0%	4,071	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

Based on the 2011-2015 ACS estimates, the percentage of owner- and renter-occupied housing with incomplete kitchen facilities was 0.2% and 0.7%, respectively, while 0.4% of renter-occupied households had incomplete plumbing facilities compared with the 0.1% of owner-occupied households.

The following table illustrates the percentage of households that are living in crowded quarters, as defined by the presence of 1.01 or more occupants per room.

	Owner-Occupied		Renter-Occupied	
	Number	Percent	Number	Percent
1.0 Or Less Occupants Per Room	11,925	97.6%	3,914	96.1%
1.01 Or More Occupants Per Room	287	2.4%	157	3.9%
Total	12,212	100.0%	4,071	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

The number of renter-occupied housing units with 1.01 or more occupants per room and considered overcrowded was 3.9% of the households, compared with 2.4% of owner-occupied households.

Owner and renter cost as a percent of income is illustrated in the following table:

Percentage of Income	Owner		Renter	
	Number	Percent	Number	Percent
Less Than 20%	6,866	56.2%	1,248	30.7%
20% to 29%	2,705	22.2%	886	21.8%
30% or More	2,544	20.8%	1,538	37.8%
Not Computed	94	0.8%	398	9.8%
Total	12,209	100.0%	4,070	100.0%

Source: American Community Survey (2011-2015); ESRI; Urban Decision Group; Bowen National Research

As the preceding illustrates, 37.8% of renter households in the market pay more than 30% of their income towards rent. This is significantly lower than the national average of 47.9%.

Conventional Rentals

We identified and personally surveyed 11 conventional housing projects containing a total of 1,181 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 98.4%, a very high rate for rental housing. Among these projects, ten are non-subsidized (market-rate and Tax Credit) projects containing 1,128 units. These non-subsidized units are 98.3% occupied. The remaining one projects contain 53 government-subsidized units, which are 100.0% occupied.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	6	864	19	97.8%
Market-rate/Tax Credit	1	96	0	100.0%
Tax Credit	3	168	0	100.0%
Government-Subsidized	1	53	0	100.0%
Total	11	1,181	19	98.4%

All surveyed multifamily rental housing segments within the Site PMA are operating at occupancy levels of 97.8% or higher, with all affordable (Tax Credit and subsidized) rental units occupied. As such, there do not appear to be any weaknesses in the market.

The following table summarizes the breakdown of market-rate and Tax Credit units surveyed within the Site PMA.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	48	5.5%	0	0.0%	\$866
One-Bedroom	1.0	314	35.9%	4	1.3%	\$992
Two-Bedroom	1.0	86	9.8%	3	3.5%	\$942
Two-Bedroom	1.5	20	2.3%	0	0.0%	\$794
Two-Bedroom	2.0	307	35.1%	10	3.3%	\$1,149
Three-Bedroom	1.0	11	1.3%	0	0.0%	\$923
Three-Bedroom	2.0	88	10.1%	2	2.3%	\$1,308
Total Market-rate		874	100.0%	19	2.2%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	70	27.6%	0	0.0%	\$592
Two-Bedroom	2.0	145	57.1%	0	0.0%	\$674
Three-Bedroom	2.0	39	15.4%	0	0.0%	\$798
Total Tax Credit		254	100.0%	0	0.0%	-

The market-rate units are 97.8% occupied and the Tax Credit units are 100.0% occupied. With only 19 vacancies among the market-rate supply and no vacancies among the Tax Credit rentals, there is clearly limited availability among the non-subsidized supply. It is worth noting that the median gross rents of the Tax Credit units are well below the median gross rents of the market-rate supply.

We rated each property surveyed on a scale of "A" through "F". All properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). Following is a distribution by quality rating, units and vacancies.

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A+	1	352	0.3%
A	1	240	4.6%
A-	1	10	0.0%
B	1	40	0.0%
B-	1	184	2.7%
C	2	48	4.2%

Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	3	168	0.0%
A-	1	86	0.0%

Vacancies are low among all quality levels. The subject project is anticipated to have an improved quality following renovations, which should enhance the subject project's marketability.

2. SUMMARY OF ASSISTED PROJECTS

There are a total of five federally subsidized and/or Tax Credit apartment developments in the Springfield Site PMA. These projects were surveyed in July 2017. They are summarized as follows:

Map I.D.	Project Name	Type	Year Built	Total Units	Occup.	Gross Rent (Unit Mix)				
						Studio	One-Br.	Two-Br.	Three-Br.	Four-Br.
1	Spring Hollow Apts. (Site)	RD 515	1988	52	100.0%	-	\$476 - \$641 (20)	\$548 - \$706 (33)	-	-
6	Veranda Village	TAX	2003	86*	100.0%	-	\$350 - \$597 (28)	\$427 - \$689 (43)	\$493 - \$798 (15)	-
9	Silverwood Place	TAX	2013	48	100.0%	-	\$548 - \$592 (18)	\$649 - \$669 (30)	-	-
10	Goshen Crossing I	TAX	2012	60	100.0%	-	\$567 - \$602 (12)	\$679 - \$699 (36)	\$773 - \$803 (12)	-
11	Goshen Crossing II	TAX	2014	60	100.0%	-	\$542 - \$602 (12)	\$639 - \$694 (36)	\$733 - \$808 (12)	-
				Total	307	100.0%				

Note : Contact names and method of contact, as well as amenities and other features are listed in the field survey

OCCUP. - Occupancy

TAX - Tax Credit

RD - Rural Development

*Market-rate units not included

The overall occupancy is 100.0% for these projects, indicating strong market demand for housing that serves low- and very low-income households. The proposed project will target households with incomes of up to 60% of AMHI, and will be competitive with most of the affordable rental properties in the Site PMA.

HOUSING CHOICE VOUCHER HOLDERS

According to the Georgia Department of Community Affairs, there are approximately 130 Housing Choice Voucher holders within Effingham County and 178 people on the waiting list for an additional Voucher. This reflects the continuing need for Housing Choice Voucher assistance.

The following table identifies the existing non-subsidized Tax Credit properties within the Site PMA that accept Housing Choice Vouchers as well as the approximate number and share of units occupied by residents utilizing Housing Choice Vouchers:

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
6	Veranda Village	86*	8	9.3%
9	Silverwood Place	48^	N/A	-
10	Goshen Crossing I	60	2	3.3%
11	Goshen Crossing II	60	3	5.0%
Total		206	13	6.3%

*Tax Credit units only

^Units not included in total

N/A – Number not available

As the preceding table illustrates, there are a total of just 13 Voucher holders residing at the existing non-subsidized LIHTC properties in the Site PMA. This comprises only 6.3% of the 206 total non-subsidized LIHTC units occupied among these properties. This is a good indication that Voucher support is limited within the Site PMA.

If the rents do not exceed the Payment Standards established by the local/regional housing authority, households with Housing Choice Vouchers may be willing to reside at a LIHTC project. Established by the Georgia Department of Community Affairs (DCA) Rental Assistance Division – Effingham County, the regional Payment Standards, as well as the proposed subject gross rents, are summarized in the following table:

Bedroom Type	Payment Standards	Proposed Tax Credit Gross Rents (AMHI)
One-Bedroom	\$778	\$521 (60%)
Two-Bedroom	\$922	\$598 (60%)

As the preceding table illustrates, the proposed gross rents are below the Payment Standards set by the Georgia Department of Community Affairs (DCA) Rental Assistance Division - Effingham County. As such, those who hold Housing Choice Vouchers will likely respond to the non-Rental Assistance (RA) units at the subject development. This will likely increase the base of income-appropriate renter households within the Springfield Site PMA for the non-RA units at the subject project and has been considered in our absorption estimates in *Section I* of this report.

3. PLANNED MULTIFAMILY DEVELOPMENT

Based on our interviews with local planning representatives, it was determined that there are no rental housing projects planned within the Site PMA.

Building Permit Data

The following tables illustrate single-family and multifamily building permits issued within the city of Springfield and Effingham County for the past ten years:

Housing Unit Building Permits for Springfield, GA:

Permits	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Multifamily Permits	0	0	0	0	0	0	0	0	0	0
Single-Family Permits	0	0	0	0	0	0	5	12	457	9
Total Units	0	0	0	0	0	0	5	12	457	9

Source: SOCDs Building Permits Database at <http://socds.huduser.org/permits/index.html>

Housing Unit Building Permits for Effingham County:

Permits	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Multifamily Permits	0	10	22	0	0	52	64	5	0	0
Single-Family Permits	534	201	231	121	134	208	365	477	1,041	580
Total Units	534	211	253	121	134	260	429	482	1,041	580

Source: SOCDs Building Permits Database at <http://socds.huduser.org/permits/index.html>

All of the residential building permit activity within Springfield has involved single-family product, as no multifamily units have been permitted over the past decade. Within Effingham County, most of the residential permits issued have involved single-family units.

4. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

Tax Credit Units

The subject project will operate under the requirements of the Low-Income Housing Tax Credit (LIHTC) and RD 515 programs. We identified and surveyed three Low-Income Housing Tax Credit projects within the Site PMA that serve general occupancy households with incomes of up to 60% of AMHI. These existing LIHTC projects are considered comparable with the subject development because they target households with incomes similar to those that will be targeted at the subject site.

The three competitive properties and the subject development are summarized as follows.

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Spring Hollow	1988 / 2019	52	100.0%	-	8 H.H.	Families; 60% AMHI & RD 515
6	Veranda Village	2003	86*	100.0%	8.9 Miles	None	Families; 30%, 50%, & 60% AMHI
10	Goshen Crossing I	2012	60	100.0%	10.6 Miles	7 H.H.	Families; 50% & 60% AMHI
11	Goshen Crossing II	2014	60	100.0%	10.8 Miles	None	Families; 50% & 60% AMHI

OCC. – Occupancy
H.H. - Households
*Tax Credit units only

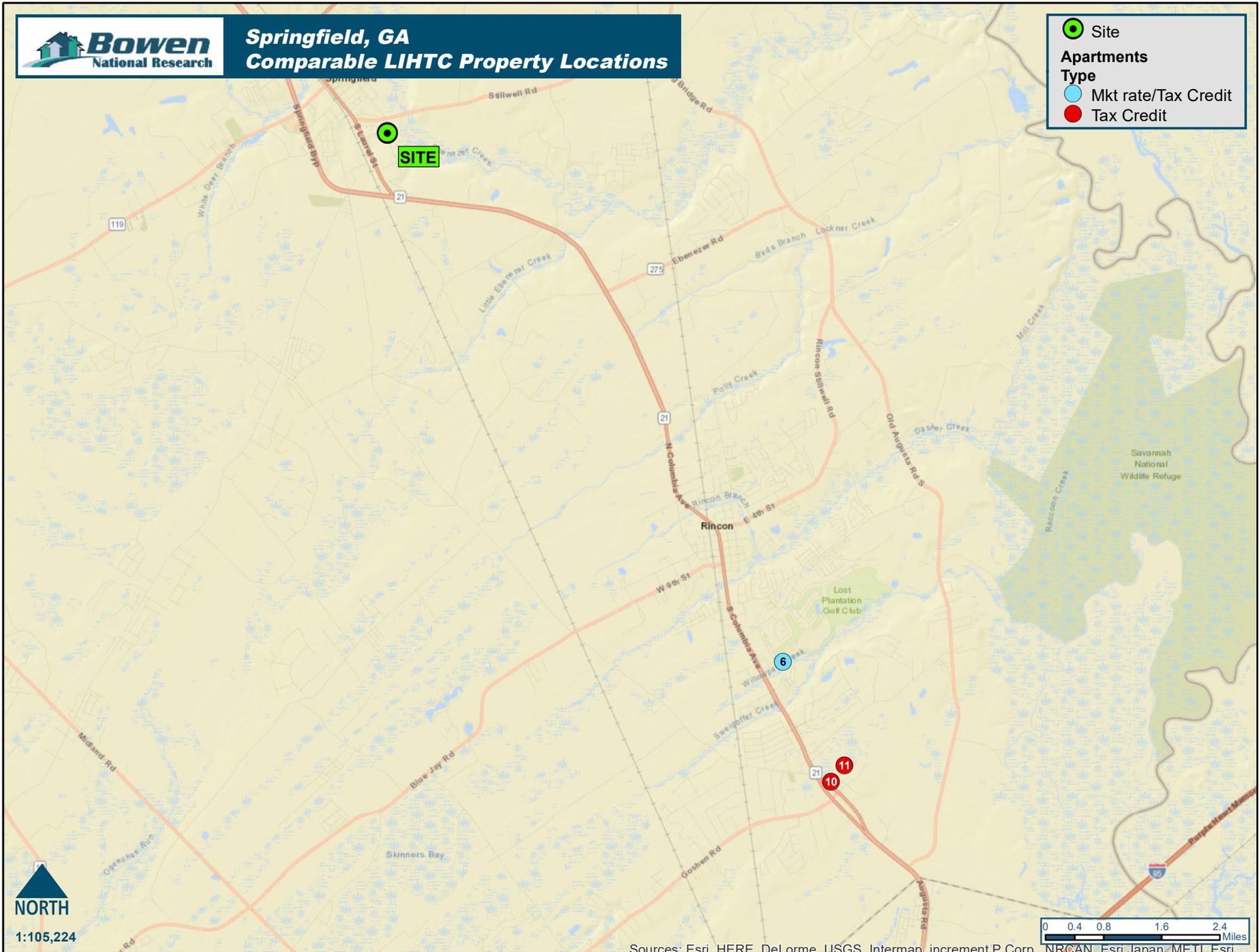
The three LIHTC projects have a combined occupancy rate of 100.0%. One of the projects maintains a seven-household wait list. These characteristics are positive indicators of the strong level of demand for LIHTC housing in the subject market. The renovations of the subject project will help to preserve affordable housing that has limited availability.

The map on the following page illustrates the location of the comparable Tax Credit properties relative to the subject site location.



Springfield, GA Comparable LIHTC Property Locations

● Site
● Apartments
Type
● Mkt rate/Tax Credit
● Tax Credit



The gross rents for the competing projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Spring Hollow	\$521/60% (20)	\$598/60% (32)	-	-
6	Veranda Village	\$350/30% (4/0) \$567/50% (22/0) \$597/60% (2/0)	\$427/30% (5/0) \$674/50% (36/0) \$689/60% (2/0)	\$493/30% (1/0) \$768/50% (12/0) \$798/60% (2/0)	None
10	Goshen Crossing I	\$567/50% (2/0) \$602/60% (10/0)	\$679/50% (6/0) \$699/60% (30/0)	\$773/50% (2/0) \$803/60% (10/0)	None
11	Goshen Crossing II	\$542/50% (2/0) \$602/60% (10/0)	\$639/50% (6/0) \$694/60% (30/0)	\$733/50% (2/0) \$808/60% (10/0)	None

The proposed subject gross rents, ranging from \$521 to \$598, will be lowest priced LIHTC units targeting similar income levels in the market. This will have a positive impact on the subject project's ongoing marketability.

Per Georgia DCA guidelines, the rent advantage for the proposed units is calculated as follows (average weighted market rent – proposed rent) / proposed rent.

Bedrooms	Weighted Avg. Rent	Proposed Rent	% AMHI	Difference	Proposed Rent	% AMHI	Rent Advantage
One-Br.	\$499	- \$403	60%	\$96	/ \$403	60%	23.8%
Two-Br.	\$567	- \$448	60%	\$119	/ \$448	60%	26.6%

The proposed LIHTC rents at the site represent rent advantages of 23.8% to 26.6%, when compared with the other LIHTC projects in the market.

Please note that these are weighted averages of *collected* rents do not reflect differences in the utility structure that gross rents include. Therefore caution must be used when drawing any conclusions. A complete analysis of the achievable market rent by bedroom type and the rent advantage of the proposed gross rents is available in Addendum F.

The unit sizes (square footage) and number of bathrooms included in each of the different LIHTC unit types offered in the market are compared with the subject development in the following table:

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Spring Hollow	640	753	-
6	Veranda Village	783	1,025	1,180
10	Goshen Crossing I	770	1,150	1,250
11	Goshen Crossing II	770	1,150	1,250

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Spring Hollow	1.0	1.0	-
6	Veranda Village	1.0	2.0	2.0
10	Goshen Crossing I	1.0	2.0	2.0
11	Goshen Crossing II	1.0	2.0	2.0

While the proposed subject project will offer smaller units (square footage) and fewer bathrooms), it will also offer the lowest rents among comparable LIHTC project. As such, the proposed development will be competitive with the existing LIHTC projects

The following tables compare the amenities of the subject development with the other LIHTC projects in the market.

COMPARABLE PROPERTIES AMENITIES - SPRINGFIELD, GEORGIA

MAP ID	APPLIANCES						UNIT AMENITIES										OTHER			
	RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	BASEMENT	INTERCOM	SECURITY		WINDOW TREATMENTS	E-CALL BUTTONS	PARKING
SITE	X	X				X	X		>		X	X					B		S	Exterior Storage
6	X	X	X	X	X		X		C		X	X	X				B		S	Exterior Storage
10	X	X	X	X	X	X	X		C		X	X	X				B		S	
11	X	X	X	X	X	X	X		C		X	X	X				B		S	

MAP ID	PROJECT AMENITIES														OTHER				
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE	COMPUTER LAB		LIBRARY	PICNIC AREA	SOCIAL SERVICES	BUSINESS CENTER
SITE		X	X				X									X			Covered Pavilion
6		X	X		X	X	X		B				X		X				
10		X	X		X	X	X						X						Walking Path; Garden
11		X	X		X	X	X						X						Walking Trail; Garden

◆ Senior Restricted
■ Market-rate
■ Market-rate/Tax Credit
■ Market-rate/Government-subsidized
■ Market-rate/Tax Credit/Government-subsidized
■ Tax Credit
■ Tax Credit/Government-subsidized
■ Government-subsidized

X - All Units	
S - Some Units	
O - Optional	
Window Treatments	
B - Blinds	C - Curtains
D - Drapes	

Parking	
A - Attached	C - Carport
D - Detached	O - On Street
S - Surface	G - Parking Garage
(o) - Optional	(s) - Some

Sports Courts	
B - Basketball	D - Baseball Diamonds
P - Putting Green	T - Tennis
V - Volleyball	X - Multiple

Floor Covering	
C - Carpet	H - Hardwood
V - Vinyl	W - Wood
T - Tile	

Community Space	
A - Activity Room	L - Lounge/Gathering Room
T - Training Room	

While the subject project will not offer such features a dishwashers, ice makers, garbage disposals, or ceiling fans in the units, and it will not have a fitness center or computer lab, which are offered at comparable LIHTC projects, we believe the lack of these features are offset by the lower rents offered at the site. The subject development does not appear to lack any amenities that would hinder its ability to operate as a Low-Income Housing Tax Credit project.

Based on our analysis of the rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the market, it is our opinion that the subject development will be marketable following renovations. The subject project’s proposed LIHTC rents are lower than other affordable rentals in the area and the amenity package will be marketable to the targeted low-income households. We have no recommendations for the subject project.

The anticipated occupancy rates of the existing comparable Tax Credit developments following renovations at the subject site are as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2019
6	Veranda Village	100.0%	95.0%-100.0%
10	Goshen Crossing I	100.0%	95.0%-100.0%
11	Goshen Crossing II	100.0%	95.0%-100.0%

The subject project involves the renovation of existing units that are fully occupied. As a result, we do not believe the subject project will have any adverse impact on the future occupancies of the competing Tax Credit properties.

One page profiles of the Comparable/Competitive Tax Credit properties are included in Addendum B of this report.

5. SINGLE-FAMILY HOME IMPACT

According to ESRI, the median home value within the Site PMA was \$162,379. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$162,379 home is \$977, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$162,379
Mortgaged Value = 95% of Median Home Price	\$154,260
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$782
Estimated Taxes and Insurance*	\$195
Estimated Monthly Mortgage Payment	\$977

*Estimated at 25% of principal and interest

The subject project will offer LIHTC rents ranging from \$403 to \$448 and target households with incomes of up to 60% of AMHI. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

Section I – Absorption & Stabilization Rates

For the purposes of this analysis, we assume the absorption period at the site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow GDCA/GHFA guidelines that assume a 2019 renovation completion date for the site, we also assume that initial units at the site will be available for rent sometime in 2019.

According to management, the subject project is currently 100% occupied and maintains a wait list. Based on our review of the most current tenant rent roll and assuming that a Private Rental Assistance (PRA) subsidy will be provided to all current unassisted tenants, it is anticipated that few, if any, of the current tenants will move from the project following renovations. Furthermore, it is important to note that the renovations at the subject site will not necessitate the displacement of current residents and the project will be renovated in such a way to minimize off-site relocation. Therefore, few if any, of the subject units will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 52 subject units will be vacated and that all units will have to be re-rented simultaneously.

It is our opinion that the 52 units at the subject site will reach a stabilized occupancy of 93.0% within 10 months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately five units per month. Our absorption projections assume that no other projects targeting a similar age or income group will be developed during the projection period and that the renovations will be completed as outlined in this report. Changes to the project's rents, amenities, scope of renovations, or other features may invalidate our findings. We assume the developer and/or management will aggressively market the project throughout the Site PMA a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period.

Section J – Interviews

The following are summaries of interviews conducted with various local sources regarding the need for affordable housing within the Springfield Site PMA.

- Tara Brownly, property manager of the Silverwood Place apartments, stated there is a great need for affordable housing in the area. Silverwood Place Apartments opened in 2013, and currently have a waiting list over 200 people. She has spoken to other properties in the area and they have waiting list as well.
- Erin Phillips, Community Development Director of the Town of Springfield, stated that there is a need for more affordable housing for young families and single individuals. She stated that these should be smaller units, as these units are in greater demand.
- Megan Gnann, Leasing Agent at Veranda Village, stated that there is “absolutely a need” for more affordable housing in the Springfield and Rincon areas. Ms. Gnann mentioned that all properties nearby have a waiting list and she receives calls every day about affordable housing. Ms. Gnann added that there is a need for multifamily housing.
- Angel Galindez, Property Manager at Spring Hollow Apartments, stated that there is definitely a need for more affordable housing in Springfield. Ms. Galindez added that there is not enough affordable housing in the area and she maintains a waiting list. Seniors tend to ask about one-bedroom units while younger individuals tend to ask about her two-bedroom units.

Section K – Conclusions & Recommendations

Based on the findings reported in our market study, it is our opinion that a market exists for the 52 units proposed at the subject site, assuming it is renovated and operated as detailed in this report. Changes in the project's scope of renovations, rent, amenities or renovation completion date may alter these findings.

The project will be competitive within the market area in terms of unit amenities and unit sizes, and the proposed rents will be perceived as appropriate in the marketplace. We do not have any recommendations for the subject project.

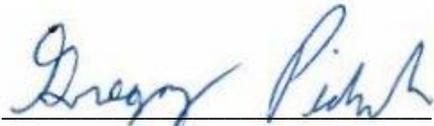
Given the limited number of affordable developments within the Site PMA, the renovated subject project will offer a housing alternative to low-income households that is not readily available in the area. As shown in the Project Specific Demand Analysis section of this report, with low capture rates, sufficient support exists for the subject development. Because the subject project will not involve introducing any new units into the market, the subject project will not have any adverse impact on the existing and planned Tax Credit developments in the Site PMA.

Section L - Signed Statement

I affirm that I have made a physical inspection of the market area and the subject property and that information has been used in the full study regarding the need and demand for new rental units. To the best of my knowledge, the market can support the demand shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in the Georgia Department of Community Affairs rental housing programs. I also affirm that I have no interest in the project or any relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written in accordance with my understanding of the GA-DCA market study manual and GA-DCA Qualified Action Plan.



Patrick M. Bowen
President/Market Analyst
Bowen National Research
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Date: August 14, 2017



Gregory Piduch
Market Analyst
gregp@bowennational.com
Date: August 14, 2017

Section M – Market Study Representation

The Georgia Department of Community Affairs (DCA) may rely on the representation made in the market study and that the market study is assignable to other lenders that are parties to the DCA loan transaction.

Section N - Qualifications

The Company

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has the expertise to provide the answers for your development.

Company Leadership

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

Desireé Johnson is the Director of Operations at Bowen National Research. Ms. Johnson is involved in the day-to-day communication with clients. She has been involved in extensive market research in a variety of project types since 2006. Ms. Johnson has the ability to research, find, analyze and manipulate data in a multitude of ways. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Market Analysts

Lisa Goff, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

Luke Mortensen, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. He is also experienced in evaluating projects in the development pipeline and economic trends. Mr. Mortensen received his Bachelor's Degree in Sports Leadership and Management from Miami University.

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

Gregory Piduch, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Piduch holds a Bachelor of Arts in Communication and Rhetoric from the University of Albany, State University of New York and a Master of Professional Studies in Sports Industry Management from Georgetown University.

Craig Rupert, Market Analyst, has conducted market analysis in both urban and rural markets throughout the United States since 2010. Mr. Rupert is experienced in the evaluation of multiple types of housing programs, including market-rate, Tax Credit and various government subsidies and uses this knowledge and research to provide both qualitative and quantitative analysis. Mr. Rupert has a degree in Hospitality Management from Youngstown State University.

Garth Semple, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Semple graduated from Elizabethtown College and has a Bachelor of Arts degree in Sociology.

Jack Wiseman, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2007. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, student housing, and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

Research Staff

Bowen National Research employs a staff of in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices, chambers of commerce, housing authorities and residents.

Stephanie Viren is the Research and Travel Coordinator at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg University.

Kelly Wiseman, Research Specialist Director, has significant experience in the evaluation and surveying of housing projects operating under a variety of programs. In addition, she has conducted numerous interviews with experts throughout the country, including economic development, planning, housing authorities and other stakeholders.

June Davis, Office Manager of Bowen National Research, has been in the market feasibility research industry since 1988. Ms. Davis has overseen production on over 20,000 market studies for projects throughout the United States.

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

SPRINGFIELD, GEORGIA

The following section is a field survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and our own field inspection. The intent of this field survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site.

The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.

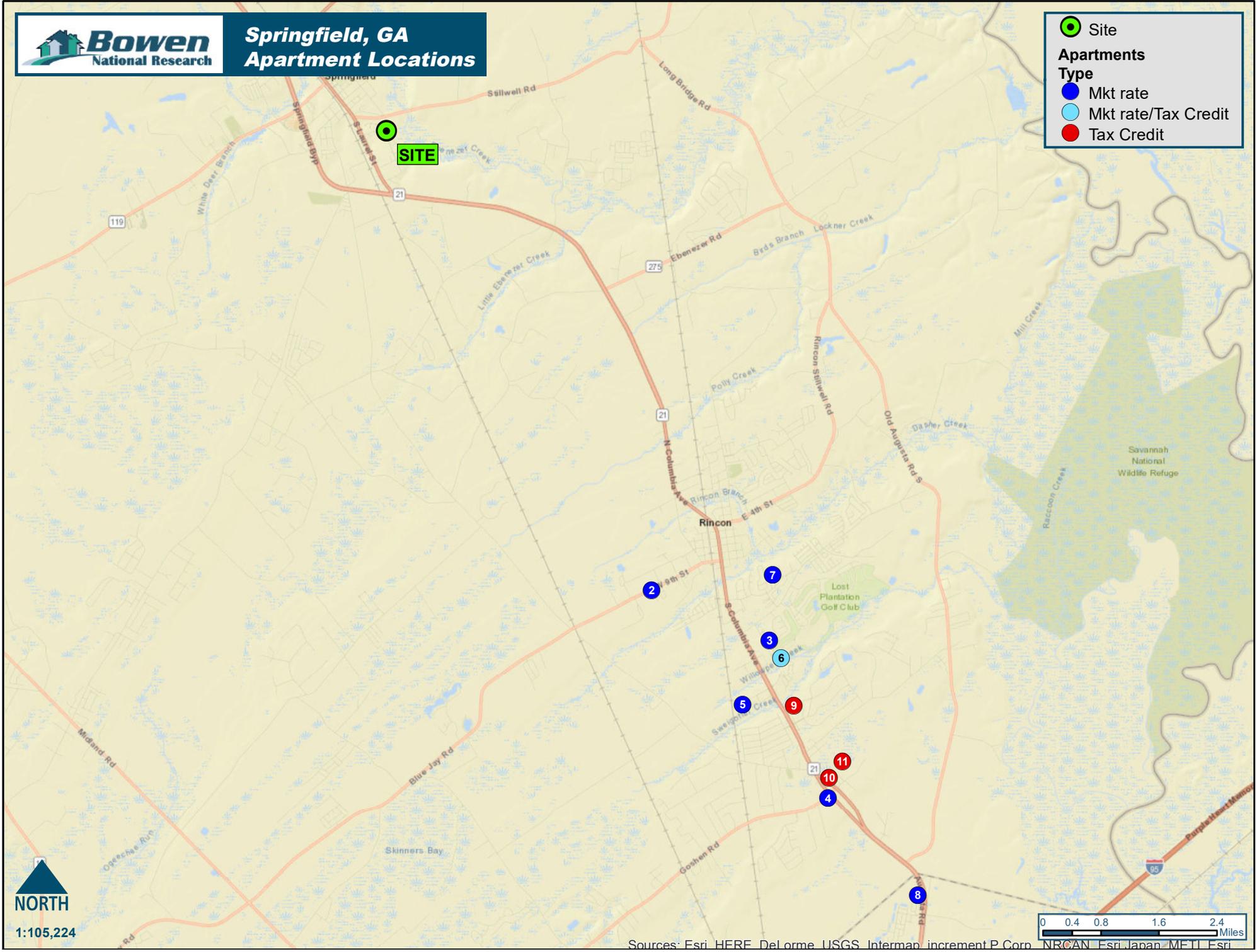


Springfield, GA Apartment Locations

Site
● Site

Apartments Type

- Mkt rate
- Mkt rate/Tax Credit
- Tax Credit



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P. Corp., NRCAN, Esri, Japan, METI, Esri

MAP IDENTIFICATION LIST - SPRINGFIELD, GEORGIA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Spring Hollow Apts. (Site)	GSS	B-	1988	53	0	100.0%	-
2	Brothers Keepers MHP	MRR	C	1970	28	0	100.0%	7.9
3	Georgian Apts.	MRR	B-	1988	184	5	97.3%	8.7
4	Barn at Goshen Apts.	MRR	C	1976	20	2	90.0%	10.4
5	Effingham Park	MRR	A+	2008	352	1	99.7%	9.3
6	Veranda Village	MRT	A-	2003	96	0	100.0%	8.9
7	Weisenbaker Place Apts.	MRR	B	1989	40	0	100.0%	8.6
8	Rice Creek	MRR	A	2009	240	11	95.4%	12.1
9	Silverwood Place	TAX	A	2013	48	0	100.0%	9.8
10	Goshen Crossing I	TAX	A	2012	60	0	100.0%	10.6
11	Goshen Crossing II	TAX	A	2014	60	0	100.0%	10.8

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	6	864	19	97.8%	0
MRT	1	96	0	100.0%	0
TAX	3	168	0	100.0%	0
GSS	1	53	0	100.0%	0

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

* - Drive Distance (Miles)

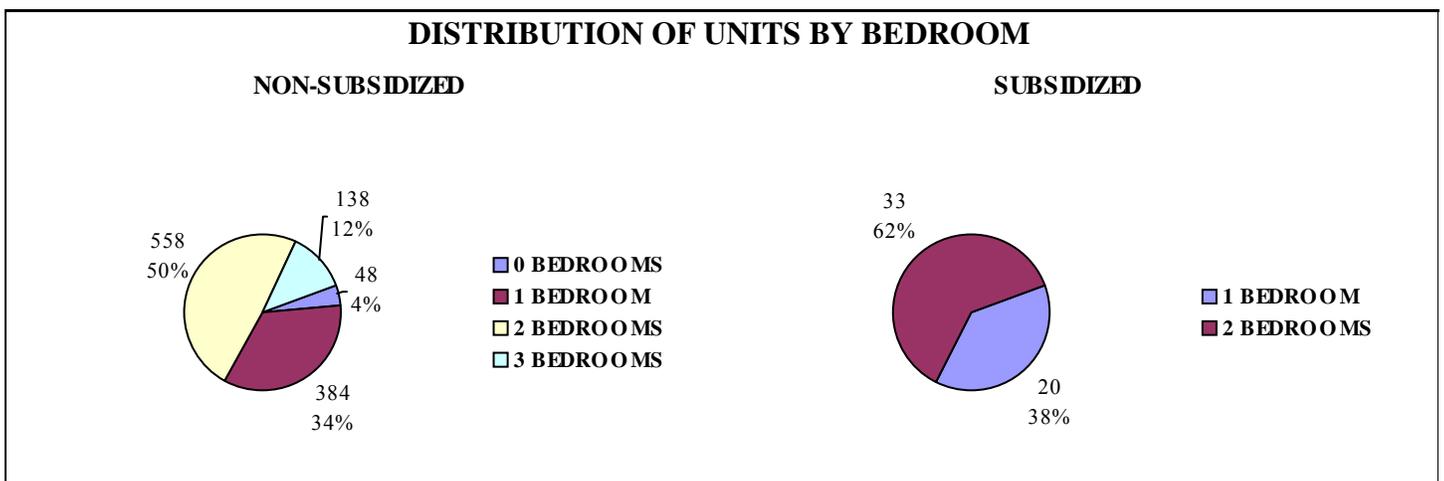
Survey Date: July 2017

DISTRIBUTION OF UNITS - SPRINGFIELD, GEORGIA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
0	1	48	5.5%	0	0.0%	\$866
1	1	314	35.9%	4	1.3%	\$992
2	1	86	9.8%	3	3.5%	\$942
2	1.5	20	2.3%	0	0.0%	\$794
2	2	307	35.1%	10	3.3%	\$1,149
3	1	11	1.3%	0	0.0%	\$923
3	2	88	10.1%	2	2.3%	\$1,308
TOTAL		874	100.0%	19	2.2%	

TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	70	27.6%	0	0.0%	\$592
2	2	145	57.1%	0	0.0%	\$674
3	2	39	15.4%	0	0.0%	\$798
TOTAL		254	100.0%	0	0.0%	

GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	20	37.7%	0	0.0%	N.A.
2	1	33	62.3%	0	0.0%	N.A.
TOTAL		53	100.0%	0	0.0%	
GRAND TOTAL		1,181	-	19	1.6%	



SURVEY OF PROPERTIES - SPRINGFIELD, GEORGIA

1 Spring Hollow Apts. (Site)			
	Address 800 Ash St. Springfield, GA 31329	Phone (912) 754-9043 (Contact in person)	Total Units 53
	Year Built 1988 Comments RD 515, no RA; HCV (7 units)	Contact Angel	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B- Waiting List 8 households
2 Brothers Keepers MHP			
	Address W. 9th St. & Anderson St. Rincon, GA 31326	Phone (912) 210-2562 (Contact in person)	Total Units 28
	Year Built 1970 Comments Does not accept HCV; Mobile homes; Year built, unit mix & square footage estimated	Contact Stanley	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating C Waiting List None
3 Georgian Apts.			
	Address 105 Lisa St. Rincon, GA 31326	Phone (912) 826-2963 (Contact in person)	Total Units 184
	Year Built 1988 Comments Does not accept HCV; 0 & 1-br do not have dishwasher; Square footage estimated	Contact Glenda	Vacancies 5 Occupied 97.3% Floors 2 Quality Rating B- Waiting List None
4 Barn at Goshen Apts.			
	Address 142 Goshen Rd. Rincon, GA 31326	Phone (912) 352-0983 (Contact in person)	Total Units 20
	Year Built 1976 Comments Does not accept HCV; Year built & square footage estimated	Contact Destiny	Vacancies 2 Occupied 90.0% Floors 2 Quality Rating C Waiting List None
5 Effingham Park			
	Address 617 Towne Park Dr. W Rincon, GA 31326	Phone (912) 826-1999 (Contact in person)	Total Units 352
	Year Built 2008 Comments Does not accept HCV; 2 & 3-br have attached garage; 1, 2 & 3-br have patio/balcony & exterior storage	Contact Stephanie	Vacancies 1 Occupied 99.7% Floors 2 Quality Rating A+ Waiting List None

Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: July 2017

SURVEY OF PROPERTIES - SPRINGFIELD, GEORGIA

6 Veranda Village			
	Address 501 Lisa St. Rincon, GA 31326	Phone (912) 826-6476 (Contact in person)	Total Units 96
	Year Built 2003 Comments Market-rate (10 units); 30%, 50% & 60% AMHI (86 units); HCV (8 units)	Contact Megan	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating A- Waiting List None
7 Weisenbaker Place Apts.			
	Address 430 Weisenbaker Rd. Rincon, GA 31326	Phone (912) 754-6422 (Contact in person)	Total Units 40
	Year Built 1989 Comments Does not accept HCV; Year built & square footage estimated	Contact Cheryl	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B Waiting List 16 households
8 Rice Creek			
	Address 9001 Georgia Hwy. 21 Port Wentworth, GA 31407	Phone (912) 963-0900 (Contact in person)	Total Units 240
	Year Built 2009 Comments Does not accept HCV Rent Special 2-br: \$750 off 1st month's rent	Contact Tammy	Vacancies 11 Occupied 95.4% Floors 3 Quality Rating A Waiting List None
9 Silverwood Place			
	Address 141 Silverwood Ct. Rincon, GA 31326	Phone (912) 826-5312 (Contact in person)	Total Units 48
	Year Built 2013 Comments 50% & 60% AMHI	Contact Tara	Vacancies 0 Occupied 100.0% Floors 3 Quality Rating A Senior Restricted (55+) Waiting List 250 households
10 Goshen Crossing I			
	Address 121 Goshen Commercial Dr. Rincon, GA 31326	Phone (912) 826-0180 (Contact in person)	Total Units 60
	Year Built 2012 Comments 50% & 60% AMHI; HCV (2 units)	Contact Jessica	Vacancies 0 Occupied 100.0% Floors 3 Quality Rating A Waiting List 7 households

Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: July 2017

SURVEY OF PROPERTIES - SPRINGFIELD, GEORGIA

11 Goshen Crossing II			
	Address 120 Goshen Commercial Park Dr. Rincon, GA Year Built 2014 Comments 50% & 60% AMHI; HCV (3 units); Opened 6/2014, 100% occupied 7/2014, began preleasing 6/2014	Phone (912) 826-7125 (Contact in person) Contact Stacy	Total Units 60 Vacancies 0 Occupied 100.0% Floors 3 Quality Rating A Waiting List None

Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: July 2017

COLLECTED RENTS - SPRINGFIELD, GEORGIA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
2			\$650	\$750 to \$800					
3	\$698	\$728	\$860	\$970					
4		\$610	\$665	\$775					
5	\$785	\$890	\$990 to \$1075	\$1297					
6		\$248 to \$530	\$298 to \$640	\$335 to \$715					
7			\$650 to \$700						
8		\$890 to \$905	\$1005 to \$1090	\$1135 to \$1165					
9		\$446 to \$490	\$520 to \$540						
10		\$465 to \$500	\$550 to \$570	\$615 to \$645					
11		\$440 to \$500	\$510 to \$565	\$575 to \$650					

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: July 2017

PRICE PER SQUARE FOOT - SPRINGFIELD, GEORGIA

STUDIO UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
3	Georgian Apts.	1	550	\$743	\$1.35
5	Effingham Park	1	575	\$866	\$1.51
ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
3	Georgian Apts.	1	750 to 800	\$792	\$0.99 to \$1.06
4	Barn at Goshen Apts.	1	525	\$674	\$1.28
5	Effingham Park	1	741 to 838	\$992	\$1.18 to \$1.34
8	Rice Creek	1	857 to 921	\$1007 to \$1022	\$1.11 to \$1.18
6	Veranda Village	1	783	\$350 to \$632	\$0.45 to \$0.81
9	Silverwood Place	1	750	\$548 to \$592	\$0.73 to \$0.79
10	Goshen Crossing I	1	770	\$567 to \$602	\$0.74 to \$0.78
11	Goshen Crossing II	1	770	\$542 to \$602	\$0.70 to \$0.78
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	Brothers Keepers MHP	1	600	\$794	\$1.32
3	Georgian Apts.	1	950	\$942	\$0.99
4	Barn at Goshen Apts.	2	650	\$747	\$1.15
5	Effingham Park	2	801 to 1055	\$1119 to \$1204	\$1.14 to \$1.40
7	Weisenbaker Place Apts.	1.5 to 2	775	\$794 to \$844	\$1.02 to \$1.09
8	Rice Creek	2	1131 to 1186	\$1149 to \$1234	\$1.02 to \$1.04
6	Veranda Village	2	1025	\$427 to \$769	\$0.42 to \$0.75
9	Silverwood Place	2	955	\$649 to \$669	\$0.68 to \$0.70
10	Goshen Crossing I	2	1150	\$679 to \$699	\$0.59 to \$0.61
11	Goshen Crossing II	2	1150	\$639 to \$694	\$0.56 to \$0.60
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	Brothers Keepers MHP	1 to 2	750	\$923 to \$973	\$1.23 to \$1.30
3	Georgian Apts.	2	1250	\$1071	\$0.86
4	Barn at Goshen Apts.	2	750	\$876	\$1.17
5	Effingham Park	2	1361 to 1441	\$1455	\$1.01 to \$1.07
8	Rice Creek	2	1344 to 1362	\$1308 to \$1338	\$0.97 to \$0.98
6	Veranda Village	2	1180	\$493 to \$873	\$0.42 to \$0.74
10	Goshen Crossing I	2	1250	\$773 to \$803	\$0.62 to \$0.64
11	Goshen Crossing II	2	1250	\$733 to \$808	\$0.59 to \$0.65

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: July 2017

AVERAGE GROSS RENT PER SQUARE FOOT - SPRINGFIELD, GEORGIA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$1.16	\$1.12	\$1.05
TOWNHOUSE	\$0.00	\$0.00	\$0.00

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.74	\$0.63	\$0.64
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$1.08	\$0.99	\$0.93
TOWNHOUSE	\$0.00	\$0.00	\$0.00

TAX CREDIT UNITS - SPRINGFIELD, GEORGIA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
6	Veranda Village	4	783	1	30%	\$248
11	Goshen Crossing II	2	770	1	50%	\$440
◆ 9	Silverwood Place	3	750	1	50%	\$446
6	Veranda Village	22	783	1	50%	\$465
10	Goshen Crossing I	2	770	1	50%	\$465
◆ 9	Silverwood Place	15	750	1	60%	\$490
6	Veranda Village	2	783	1	60%	\$495
11	Goshen Crossing II	10	770	1	60%	\$500
10	Goshen Crossing I	10	770	1	60%	\$500
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
6	Veranda Village	5	1025	2	30%	\$298
11	Goshen Crossing II	6	1150	2	50%	\$510
◆ 9	Silverwood Place	5	955	2	50%	\$520
◆ 9	Silverwood Place	25	955	2	60%	\$540
6	Veranda Village	36	1025	2	50%	\$545
10	Goshen Crossing I	6	1150	2	50%	\$550
6	Veranda Village	2	1025	2	60%	\$560
11	Goshen Crossing II	30	1150	2	60%	\$565
10	Goshen Crossing I	30	1150	2	60%	\$570
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
6	Veranda Village	1	1180	2	30%	\$335
11	Goshen Crossing II	2	1250	2	50%	\$575
6	Veranda Village	12	1180	2	50%	\$610
10	Goshen Crossing I	2	1250	2	50%	\$615
6	Veranda Village	2	1180	2	60%	\$640
10	Goshen Crossing I	10	1250	2	60%	\$645
11	Goshen Crossing II	10	1250	2	60%	\$650

◆ - Senior Restricted

QUALITY RATING - SPRINGFIELD, GEORGIA

MARKET-RATE PROJECTS AND UNITS

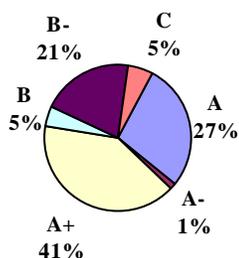
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A+	1	352	0.3%	\$866	\$992	\$1,119	\$1,455	
A	1	240	4.6%		\$1,007	\$1,149	\$1,308	
A-	1	10	0.0%		\$632	\$769	\$873	
B	1	40	0.0%			\$794		
B-	1	184	2.7%	\$743	\$792	\$942	\$1,071	
C	2	48	4.2%		\$674	\$794	\$923	

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

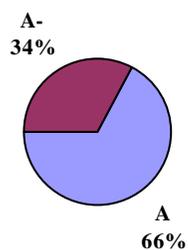
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	3	168	0.0%		\$592	\$694	\$803	
A-	1	86	0.0%		\$567	\$674	\$768	

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - SPRINGFIELD, GEORGIA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	2	48	2	4.2%	48	4.3%
1980 to 1989	2	224	5	2.2%	272	19.9%
1990 to 1999	0	0	0	0.0%	272	0.0%
2000 to 2005	1	96	0	0.0%	368	8.5%
2006 to 2010	2	592	12	2.0%	960	52.5%
2011	0	0	0	0.0%	960	0.0%
2012	1	60	0	0.0%	1020	5.3%
2013	1	48	0	0.0%	1068	4.3%
2014	1	60	0	0.0%	1128	5.3%
2015	0	0	0	0.0%	1128	0.0%
2016	0	0	0	0.0%	1128	0.0%
2017**	0	0	0	0.0%	1128	0.0%
TOTAL	10	1128	19	1.7%	1128	100.0 %

* Only Market-Rate and Tax Credit projects. Does not include government-subsidized projects.

** As of July 2017

Survey Date: July 2017

A-14



APPLIANCES AND UNIT AMENITIES - SPRINGFIELD, GEORGIA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	10	100.0%	1,128
REFRIGERATOR	10	100.0%	1,128
ICEMAKER	6	60.0%	856
DISHWASHER	9	90.0%	1,100
DISPOSAL	8	80.0%	1,060
MICROWAVE	5	50.0%	760
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	10	100.0%	1,128
AC - WINDOW	0	0.0%	
FLOOR COVERING	10	100.0%	1,128
WASHER/DRYER	0	0.0%	
WASHER/DRYER HOOK-UP	9	90.0%	944
PATIO/DECK/BALCONY	8	80.0%	1,060
CEILING FAN	7	70.0%	1,040
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	1	10.0%	240
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	10	100.0%	1,128
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

PROJECT AMENITIES - SPRINGFIELD, GEORGIA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	3	30.0%	776
ON-SITE MANAGEMENT	7	70.0%	1,040
LAUNDRY	7	70.0%	1,040
CLUB HOUSE	2	20.0%	592
MEETING ROOM	4	40.0%	264
FITNESS CENTER	7	70.0%	1,040
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	5	50.0%	932
COMPUTER LAB	5	50.0%	616
SPORTS COURT	1	10.0%	96
STORAGE	0	0.0%	
LAKE	1	10.0%	352
ELEVATOR	0	0.0%	
SECURITY GATE	2	20.0%	288
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	2	20.0%	592
PICNIC AREA	2	20.0%	448
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	0	0.0%	

DISTRIBUTION OF UTILITIES - SPRINGFIELD, GEORGIA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	11	1,181	100.0%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	11	1,181	100.0%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	11	1,181	100.0%
			100.0%
ELECTRIC			
TENANT	11	1,181	100.0%
			100.0%
WATER			
LANDLORD	2	204	17.3%
TENANT	9	977	82.7%
			100.0%
SEWER			
LANDLORD	2	204	17.3%
TENANT	9	977	82.7%
TRASH PICK-UP			
LANDLORD	7	820	69.4%
TENANT	4	361	30.6%
			100.0%

UTILITY ALLOWANCE - SPRINGFIELD, GEORGIA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$6	\$8		\$2	\$3	\$9	\$2	\$5	\$23	\$17	\$19	\$15	\$20
1	GARDEN	\$8	\$12		\$2	\$5	\$14	\$3	\$7	\$31	\$18	\$20	\$15	\$20
1	TOWNHOUSE	\$9	\$13		\$2	\$5	\$14	\$3	\$7	\$33	\$18	\$20	\$15	\$20
2	GARDEN	\$10	\$15		\$3	\$6	\$18	\$4	\$9	\$40	\$22	\$25	\$15	\$20
2	TOWNHOUSE	\$11	\$16		\$3	\$6	\$18	\$4	\$9	\$42	\$22	\$25	\$15	\$20
3	GARDEN	\$12	\$18		\$4	\$8	\$23	\$5	\$11	\$49	\$27	\$30	\$15	\$20
3	TOWNHOUSE	\$13	\$20		\$4	\$8	\$23	\$5	\$11	\$51	\$27	\$30	\$15	\$20
4	GARDEN	\$15	\$24		\$5	\$9	\$28	\$6	\$15	\$61	\$32	\$35	\$15	\$20
4	TOWNHOUSE	\$17	\$26		\$5	\$9	\$28	\$6	\$15	\$66	\$32	\$35	\$15	\$20

GA-Southern Region (1/2017)

Survey Date: July 2017

ADDENDUM B

COMPARABLE PROPERTY PROFILES

3 Georgian Apts.

8.7 miles to site



Address	105 Lisa St. Rincon, GA 31326		
Phone	(912) 826-2963	Contact	Glenda
Total Units	184	Vacancies	5
		Percent Occupied	97.3%
Project Type	Market-Rate		
Year Open	1988	Floors	2
Concessions	No Rent Specials		
Parking	Detached Garages, Surface Parking		
Waiting List	NONE		
Quality Rating	B-	Neighborhood Rating	B
Remarks	Does not accept HCV; 0 & 1-br do not have dishwasher; Square footage estimated		



Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Fitness Center, Playground, Tennis Court(s), Gazebo

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
0	1	G	4	0	550	\$1.27	\$698
1	1	G	88	1	750 to 800	\$0.91 - \$0.97	\$728
2	1	G	80	3	950	\$0.91	\$860
3	2	G	12	1	1250	\$0.78	\$970

4 Barn at Goshen Apts.

10.4 miles to site



Address	142 Goshen Rd. Rincon, GA 31326		
Phone	(912) 352-0983	Contact	Destiny
Total Units	20	Vacancies	2
		Percent Occupied	90.0%
Project Type	Market-Rate		
Year Open	1976	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	C	Neighborhood Rating	B
Remarks	Does not accept HCV; Year built & square footage estimated		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds
Project Amenities	

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
1	1	G	10	2	525	\$1.16	\$610
2	2	G	4	0	650	\$1.02	\$665
3	2	G	6	0	750	\$1.03	\$775

7 Weisenbaker Place Apts.

8.6 miles to site



Address	430 Weisenbaker Rd. Rincon, GA 31326		
Phone	(912) 754-6422	Contact	Cheryl
Total Units	40	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate		
Year Open	1989	Floors	1
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	16 households		
Quality Rating	B	Neighborhood Rating	B
Remarks	Does not accept HCV; Year built & square footage estimated		

Features and Utilities

Utilities No landlord paid utilities
Unit Amenities Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Blinds
Project Amenities

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
2	1.5 to 2	G	40	0	775	\$0.84 - \$0.90	\$650 to \$700

8 Rice Creek

12.1 miles to site



Address	9001 Georgia Hwy. 21 Port Wentworth, GA 31407		
Phone	(912) 963-0900	Contact	Tammy
Total Units	240	Vacancies	11
		Percent Occupied	95.4%
Project Type	Market-Rate		
Year Open	2009	Floors	3
Concessions	2-br: \$750 off 1st month's rent		
Parking	Detached Garages, Surface Parking		
Waiting List	NONE		
Quality Rating	A	Neighborhood Rating	B
Remarks	Does not accept HCV		

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Intercom, Blinds, Exterior Storage
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Storage, Security Gate, Car Wash Area, Dog Park

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	80	1	857 to 921	\$0.98 - \$1.04	\$890 to \$905
2	2	G	124	9	1131 to 1186	\$0.89 - \$0.92	\$1005 to \$1090
3	2	G	36	1	1344 to 1362	\$0.84 - \$0.86	\$1135 to \$1165

6 Veranda Village

8.9 miles to site



Address	501 Lisa St. Rincon, GA 31326		
Phone	(912) 826-6476	Contact	Megan
Total Units	96	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate & Tax Credit		
Year Open	2003	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	A-	Neighborhood Rating	B
Remarks	Market-rate (10 units); 30%, 50% & 60% AMHI (86 units); HCV (8 units)		

Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Fitness Center, Playground, Sports Court, Computer Lab, Picnic Area

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	4	0	783	\$0.68	\$530	
1	1	G	2	0	783	\$0.63	\$495	60%
1	1	G	22	0	783	\$0.59	\$465	50%
1	1	G	4	0	783	\$0.32	\$248	30%
2	2	G	5	0	1025	\$0.62	\$640	
2	2	G	2	0	1025	\$0.55	\$560	60%
2	2	G	36	0	1025	\$0.53	\$545	50%
2	2	G	5	0	1025	\$0.29	\$298	30%
3	2	G	1	0	1180	\$0.61	\$715	
3	2	G	2	0	1180	\$0.54	\$640	60%
3	2	G	12	0	1180	\$0.52	\$610	50%
3	2	G	1	0	1180	\$0.28	\$335	30%

10 Goshen Crossing I

10.6 miles to site



Address	121 Goshen Commercial Dr. Rincon, GA 31326		
Phone	(912) 826-0180	Contact	Jessica
Total Units	60	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2012	Floors	3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	7 households		
Quality Rating	A	Neighborhood Rating	A
Remarks	50% & 60% AMHI; HCV (2 units)		

Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Fitness Center, Playground, Computer Lab, Walking Path; Garden

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	10	0	770	\$0.65	\$500	60%
1	1	G	2	0	770	\$0.60	\$465	50%
2	2	G	30	0	1150	\$0.50	\$570	60%
2	2	G	6	0	1150	\$0.48	\$550	50%
3	2	G	10	0	1250	\$0.52	\$645	60%
3	2	G	2	0	1250	\$0.49	\$615	50%

11 Goshen Crossing II

10.8 miles to site



Address	120 Goshen Commercial Park Dr. Rincon, GA		
Phone	(912) 826-7125	Contact	Stacy
Total Units	60	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2014	Floors	3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	A	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (3 units); Opened 6/2014, 100% occupied 7/2014, began preleasing 6/2014		



Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Fitness Center, Computer Lab, Walking Trail; Garden

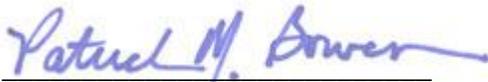
Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	10	0	770	\$0.65	\$500	60%
1	1	G	2	0	770	\$0.57	\$440	50%
2	2	G	30	0	1150	\$0.49	\$565	60%
2	2	G	6	0	1150	\$0.44	\$510	50%
3	2	G	10	0	1250	\$0.52	\$650	60%
3	2	G	2	0	1250	\$0.46	\$575	50%

Addendum C – NCHMA Member Certification & Checklist

This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Housing Projects*, and *Model Content Standards for the Content of Market Studies for Housing Projects*. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

Bowen National Research is duly qualified and experienced in providing market analysis for housing. The company's principals participate in the National Council of Housing Market Analysts (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Bowen National Research is an independent market analyst. No principal or employee of Bowen National Research has any financial interest whatsoever in the development for which this analysis has been undertaken.



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Date: August 14, 2017

Note: Information on the National Council of Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting <http://www.housingonline.com>.

Addendum C – Market Study Index

A. INTRODUCTION

Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. In cases where the item is not relevant, the author has indicated ‘N/A’ or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a ‘VAR’ (variation) with a comment explaining the conflict.

C. CHECKLIST

		Section (s)
Executive Summary		
1.	Executive Summary	A
Project Description		
2.	Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances	B
3.	Utilities (and utility sources) included in rent	B
4.	Project design description	B
5.	Unit and project amenities; parking	B
6.	Public programs included	B
7.	Target population description	B
8.	Date of construction/preliminary completion	B
9.	If rehabilitation, existing unit breakdown and rents	B
10.	Reference to review/status of project plans	B
Location and Market Area		
11.	Market area/secondary market area description	D
12.	Concise description of the site and adjacent parcels	C
13.	Description of site characteristics	C
14.	Site photos/maps	C
15.	Map of community services	C
16.	Visibility and accessibility evaluation	C
17.	Crime Information	C

CHECKLIST (Continued)

		Section (s)
Employment and Economy		
18.	Employment by industry	F
19.	Historical unemployment rate	F
20.	Area major employers	F
21.	Five-year employment growth	F
22.	Typical wages by occupation	F
23.	Discussion of commuting patterns of area workers	F
Demographic Characteristics		
24.	Population and household estimates and projections	E
25.	Area building permits	H
26.	Distribution of income	E
27.	Households by tenure	E
Competitive Environment		
28.	Comparable property profiles	Addendum B
29.	Map of comparable properties	H
30.	Comparable property photographs	H
31.	Existing rental housing evaluation	H
32.	Comparable property discussion	H
33.	Area vacancy rates, including rates for Tax Credit and government-subsidized	H
34.	Comparison of subject property to comparable properties	H
35.	Availability of Housing Choice Vouchers	H
36.	Identification of waiting lists	H
37.	Description of overall rental market including share of market-rate and affordable properties	H
38.	List of existing LIHTC properties	H
39.	Discussion of future changes in housing stock	H
40.	Discussion of availability and cost of other affordable housing options including homeownership	H
41.	Tax Credit and other planned or under construction rental communities in market area	H
Analysis/Conclusions		
42.	Calculation and analysis of Capture Rate	G
43.	Calculation and analysis of Penetration Rate	N/A
44.	Evaluation of proposed rent levels	H & Addendum F
45.	Derivation of Achievable Market Rent and Market Advantage	Addendum F
46.	Derivation of Achievable Restricted Rent	N/A
47.	Precise statement of key conclusions	A
48.	Market strengths and weaknesses impacting project	A
49.	Recommendations and/or modification to project discussion	K
50.	Discussion of subject property's impact on existing housing	H
51.	Absorption projection with issues impacting performance	I
52.	Discussion of risks or other mitigating circumstances impacting project projection	A
53.	Interviews with area housing stakeholders	J

CHECKLIST (Continued)

Other Requirements		Section (s)
54.	Preparation date of report	Title Page
55.	Date of Field Work	Addendum A
56.	Certifications	L
57.	Statement of qualifications	N
58.	Sources of data not otherwise identified	Addendum D
59.	Utility allowance schedule	Addendum A

Addendum D – Methodologies, Disclaimers & Sources

1. PURPOSE

The purpose of this report is to evaluate the market feasibility of an existing apartment project in Georgia following renovations under the 4% Tax-Exempt Bond program. Currently, the project is a Rural Development Section 515 (RD Section 515) project. When applicable, we have incorporated the market study requirements as outlined in exhibits 4-10 and 4-11 of the Rural Development Handbook.

This market feasibility analysis complies with the requirements established by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority (GDCA/GHFA) and conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the accepted definitions of key terms used in market studies for affordable housing projects, and model content standards for the content of market studies for affordable housing projects. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

2. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

- The Primary Market Area (PMA) generated for the subject project is identified. The PMA is generally described as the smallest geographic area from which most of the support for the subject project originates. PMAs are not defined by a radius. The use of a radius is an ineffective approach because it does not consider mobility patterns, changes in the socioeconomic or demographic character of neighborhoods or physical landmarks that might impede development.

PMAs are established using a variety of factors, including, but not limited to:

- A detailed demographic and socioeconomic evaluation
 - Interviews with area planners, realtors and other individuals who are familiar with area growth patterns
 - A drive-time analysis for the site
 - Personal observations of the field analyst
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of the unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the subject property.

- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to those of the subject development. An in-depth evaluation of these two property types provides an indication of the potential of the subject development.
- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics and area growth perceptions. The demographic evaluation uses the most recently issued Census information, as well as projections that determine what the characteristics of the market will be when the subject property renovations are complete and after it achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of the properties that might be planned or proposed for the area that will have an impact on the marketability of the subject development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project and its impact on the market and the subject development.
- An analysis of the subject project's market capture of income-appropriate renter households within the PMA is conducted. This analysis follows GDCA's methodology for calculating potential demand. The resulting capture rates are compared with acceptable market capture rates for similar types of projects to determine whether the subject development's capture rate is achievable.
- Achievable market rent for the subject development is determined. Using a Rent Comparability Grid, the features of the subject development are compared item by item to the most comparable properties in the market. Adjustments are made for each feature that differs from that of the subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the subject unit. This analysis is done for each bedroom type offered at the site.

Please note that non-numbered items in this report are not required by GDCA; they have been included, however, based on Bowen National Research's opinion that it is necessary to consider these details to effectively address the continued market feasibility of the subject project.

3. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period. Bowen National Research relies on a variety of sources of data to generate this report. These data sources are not always verifiable; however, Bowen National Research makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the property that is the subject of this report and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event (such as the approval of a loan) resulting from the analyses, opinions or conclusions in, or the use of, this study.

Any reproduction or duplication of this report without the expressed approval of Greystone Servicing Corporation, Inc. or Bowen National Research is strictly prohibited.

4. SOURCES

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources, which are cited throughout this report, include the following:

- The 2000 and 2010 Census on Housing
- American Community Survey
- Urban Decision Group (UDG)
- ESRI
- Area Chamber of Commerce
- Georgia Department of Community Affairs
- U.S. Department of Labor
- U.S. Department of Commerce
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives

Addendum E:
RENT ROLL

PROJECT WORKSHEET FOR CREDIT AND RENTAL ASSISTANCE

(SERVICING OFFICE USE ONLY)

PART I	1. Date Received in the Servicing Office:
2. Borrower Name:	3. Case Number : 4. Project Number :
5. Location of Project:	6. Report for the month of :
7. Kind of Loan : RRH RCH LH Direct RRH	8. Plan of Operation: Full Profit Plan I Section 8* Plan II (w/Sec. 8) Plan II Plan II RA Plan RA

9. Loan No.:	10. Loan Paymt.:	11. Overage/ Surcharge:	12. Total Due:	RENTAL ASSISTANCE	
				18. RA Agreement Number(s):	19. No. of Units Receiving RA This Month:
		Late Fees :	13.	20. Obligation Balance Brought Forward:	
		Total Payment Due:	14.		
		Less #21:	15.	21. Rental Assistance Requested this month:	
		Net Payment Due:	16.		
		Net Payment Remitted:	17.	22. Remaining Obligation Balance :	

Use Only for Projects with New Construction	23.		Section 8 Units x	24.	=	25.
Section 8 Units when HUD rent exceeds note rate rent .	26.		Section 8 Units x :	27.	=	28.
				<i>HUD Rent</i>		
				<i>RHS Note Rate Rent</i>		29.
ADDITIONAL PAYMENT TO RESERVE ACCOUNT						

In accordance with Rural Housing Service formula and procedures, all rental units are occupied by households who have executed Form 1944-8 , "Tenant Certification" and are farm workers if this is the Labor Housing Project or if this is the Rental Housing Project, have incomes within the limitations as set forth in Rural Development regulations or the Project has written permission from RHS to rent to ineligible occupants on a temporary basis.

I certify that the statements made above and in Part II are true to the best of my knowledge and belief and are made in good faith.

WARNING: Section 1001 of Title 18, United States code provides; "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes false, fictitious or fraudulent statements or representation, or makes or uses any false writing or document knowing the same or contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than 5 years, or both.

30. _____
Date

31. _____
Signature - Borrower or Borrower's Representativ

*Includes previous Plan I S 8.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this collection is 0575-0033. The time required to complete this information collection is estimated to average 40 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Addendum F – Achievable Market Rent Analysis

A. INTRODUCTION

We identified five market-rate properties within the Site PMA that we consider comparable in terms of unit and project amenities to the subject development. These selected properties are used to derive market rent for a project with characteristics similar to the subject development and the subject property's market advantage. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the subject units without maximum income and rent restrictions.

The basis for the selection of these projects includes, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, midrise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer features are adjusted positively. For example, if the subject project does not have a washer or dryer and a selected property does, then we lower the collected rent of the selected property by the estimated value of a washer and dryer to derive an *achievable market rent* for a project similar to the subject project.

The rent adjustments used in this analysis are based on various sources, including known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies and Bowen National Research's prior experience in markets nationwide.

It is important to note that one or more of the selected properties may be more similar to the subject property than others. These properties are given more weight in terms of reaching the final achievable market rent determination. While monetary adjustments are made for various unit and project features, the final market rent determination is based upon the judgments of our market analysts.

The proposed subject development and the five selected properties include the following:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)			
					Studio	One-Br.	Two-Br.	Three-Br.
Site	Spring Hollow	1988 / 2019	52	100.0%	-	20 (100.0%)	32 (100.0%)	-
3	Georgian Apts.	1988	184	97.3%	4 (100.0%)	88 (98.9%)	80 (96.3%)	12 (91.7%)
4	Barn at Goshen Apts.	1976	20	90.0%	-	10 (80.0%)	4 (100.0%)	6 (100.0%)
6	Veranda Village	2003	10*	100.0%	-	4 (100.0%)	5 (100.0%)	1 (100.0%)
7	Weisenbaker Place Apts.	1989	40	100.0%	-	-	40 (100.0%)	-
8	Rice Creek	2009	240	95.4%	-	80 (98.8%)	124 (92.7%)	36 (97.2%)

Occ. – Occupancy

*Market-rate units only

The five selected market-rate projects have a combined total of 494 units with an overall occupancy rate of 96.4%. None of the comparable properties has an occupancy rate below 90.0%.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist among the selected properties and the subject development.

Rent Comparability Grid

Unit Type →

ONE BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Spring Hollow		Georgian Apts.		Barn at Goshen Apts.		Veranda Village		Weisenbaker Place Apts.		Rice Creek	
800 Ash Street Extension		105 Lisa St.		142 Goshen Rd.		501 Lisa St.		430 Weisenbaker Rd.		9001 Georgia Hwy. 21	
Springfield, GA		Rincon, GA		Rincon, GA		Rincon, GA		Rincon, GA		Port Wentworth, GA	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$728		\$610		\$530		\$675		\$890	
2	Date Surveyed	Jul-17		Jul-17		Jul-17		Jul-17		Jul-17	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	99%		80%		100%		100%		99%	
5	Effective Rent & Rent/ sq. ft	\$728	0.97	\$610	1.16	\$530	0.68	\$675	0.87	\$890	1.04
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	R/1		WU/2		WU/2		R/1		WU/3	
7	Yr. Built/Yr. Renovated	1988/2019		1988	\$16	1976	\$28	2003	\$1	1989	\$15
8	Condition/Street Appeal	G		G		F	\$15	E	(\$15)	G	
9	Neighborhood	G		G		G		G		G	
10	Same Market?			Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		1		2	(\$50)	1	
12	# Baths	1		1		1		1.5	(\$15)	1	
13	Unit Interior Sq. Ft.	640	(\$26)	750	\$27	525	(\$33)	783	(\$31)	775	(\$50)
14	Balcony/Patio	Y		Y		N	\$5	Y		N	\$5
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/N	\$5	N/N	\$5	N/Y	(\$5)	N/Y	(\$5)	Y/Y	(\$10)
18	Washer/Dryer	HU/L	\$10	L	\$10	HU	\$5	HU/L	\$5	HU/L	
19	Floor Coverings	V		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Secured Entry	N		N		N		N		Y	(\$3)
22	Garbage Disposal	N	(\$5)	Y	(\$5)	Y	(\$5)	N		Y	(\$5)
23	Ceiling Fans/Storage	N/Y	(\$5)	Y/Y	(\$5)	N/N	\$5	Y/Y	(\$5)	N/N	\$5
24	Y/Y	(\$5)		Y/Y	(\$5)			Y/Y	(\$5)		
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		N	\$5	Y		N	\$5
26	Security Features	N		N		N		N		N	
27	Community Space	N		N		N		Y	(\$5)	N	
28	Pool/Recreation Areas	N	(\$15)	P/F	(\$15)	N		F/S	(\$8)	N	
29	Computer/Business Center	N		N		N		Y	(\$3)	N	
30	Picnic Area	Y	\$3	N	\$3	N	\$3	Y		N	\$3
31	Playground	Y		Y		N	\$3	Y		N	\$3
32	Social Services	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N	(\$38)	Y/Y	(\$38)	N/N		N/N		N/N	
39	Trash/Recycling	N/N	(\$15)	Y/N	(\$15)	Y/N	(\$15)	N/N		N/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	4	4	10	1	1	8	7	4	1	10
41	Sum Adjustments B to D	\$34	(\$51)	\$101	(\$5)	\$1	(\$79)	\$41	(\$101)	\$3	(\$118)
42	Sum Utility Adjustments		(\$53)		(\$53)		(\$15)				
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$70)	\$138	\$43	\$159	(\$93)	\$95	(\$60)	\$142	(\$115)	\$121
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$658		\$653		\$437		\$615		\$775	
45	Adj Rent/Last rent		90%		107%		82%		91%		87%
46	Estimated Market Rent	\$675	\$1.05 ←	Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type →

TWO BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Spring Hollow		Georgian Apts.		Barn at Goshen Apts.		Veranda Village		Weisenbaker Place Apts.		Rice Creek	
800 Ash Street Extension		105 Lisa St.		142 Goshen Rd.		501 Lisa St.		430 Weisenbaker Rd.		9001 Georgia Hwy. 21	
Springfield, GA		Rincon, GA		Rincon, GA		Rincon, GA		Rincon, GA		Port Wentworth, GA	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$860		\$665		\$640		\$675		\$1,005	
2	Date Surveyed	Jul-17		Jul-17		Jul-17		Jul-17		Jul-17	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	96%		100%		100%		100%		93%	
5	Effective Rent & Rent/ sq. ft	\$860	0.91	\$665	1.02	\$640	0.62	\$675	0.87	\$1,005	0.89
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	R/1		WU/2		WU/2		R/1		WU/3	
7	Yr. Built/Yr. Renovated	1988/2019		1988	\$16	1976	\$28	2003	\$1	1989	\$15
8	Condition/Street Appeal	G		G		F	\$15	E	(\$15)	G	
9	Neighborhood	G		G		G		G		G	
10	Same Market?			Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	1		1		2	(\$30)	2	(\$30)	1.5	(\$15)
13	Unit Interior Sq. Ft.	753	(\$42)	950		650	\$22	1025	(\$58)	775	(\$5)
14	Balcony/Patio	Y		Y		N	\$5	Y		N	\$5
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/N	(\$5)	N/Y		N/N	\$5	N/Y	(\$5)	N/Y	(\$5)
18	Washer/Dryer	HU/L	\$10	L		HU	\$5	HU/L		HU	\$5
19	Floor Coverings	V		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	N	(\$5)	Y		Y	(\$5)	Y	(\$5)	N	
23	Ceiling Fans/Storage	N/Y	(\$5)	Y/Y		N/N	\$5	Y/Y	(\$5)	N/N	\$5
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		N	\$5	Y		N	\$5
26	Security Features	N		N		N		N		N	
27	Community Space	N		N		N		Y	(\$5)	N	
28	Pool/Recreation Areas	N	(\$15)	P/F		N		F/S	(\$8)	N	
29	Computer/Business Center	N		N		N		Y	(\$3)	N	
30	Picnic Area	Y	\$3	N		N	\$3	Y		N	\$3
31	Playground	Y		Y		N	\$3	Y		N	\$3
32	Social Services	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N	(\$47)	Y/Y		Y/Y	(\$47)	N/N		N/N	
39	Trash/Recycling	N/N	(\$15)	Y/N		Y/N	(\$15)	Y/N	(\$15)	N/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D			3	5	10	2	1	9	7	3
41	Sum Adjustments B to D			\$29	(\$72)	\$96	(\$35)	\$1	(\$134)	\$41	(\$25)
42	Sum Utility Adjustments				(\$62)		(\$62)		(\$15)		
				Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E			(\$105)	\$163	(\$1)	\$193	(\$148)	\$150	\$16	\$66
44	Adjusted & Market Rents			Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)			\$755		\$664		\$492		\$691	
45	Adj Rent/Last rent				88%		100%		77%		102%
46	Estimated Market Rent	\$735		\$0.98		← Estimated Market Rent/ Sq. Ft					

Once all adjustments to collected rents were made, the adjusted rents for each comparable were used to derive an achievable market rent for each bedroom type. Each property was considered and weighed based upon its proximity to the subject site and its amenities and unit layout compared to the subject site.

Based on the preceding Rent Comparability Grid, it was determined that the current achievable market rent (aka *Conventional Rents for Comparable Units-CRCU*) for units similar to the subject development are \$675 for a one-bedroom unit and \$735 for a two-bedroom unit.

Bedroom Type	Proposed Collected Rent	% AMHI	Achievable Market Rent	Market Rent Advantage
One-Bedroom	\$403	60%	\$675	40.3%
Two-Bedroom	\$448	60%	\$735	39.0%

Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will have a sufficient flow of tenants. The proposed collected rents represent market rent advantages ranging from 39.0% to 40.3%. As such, the proposed rents should represent an excellent value for the local market. This is considered in our absorption rate estimates.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions. When multiple rent levels were offered, we included an average rent.

7. Upon completion of renovations, the subject project will have a more modern effective age. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.

8. It is anticipated that the subject project will have an improved appearance, once renovations are complete. We have made adjustments for those properties that we consider to be of superior or inferior quality compared to the subject development.

12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The subject project will offer a unit amenity package similar to the selected properties. We have made, however, adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.
- 24.-32. The subject project offers a project amenities package that is similar to the selected comparable properties. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

Addendum G:
Executed Engagement Letter



July 20, 2017

Ms. Tanya Eastwood
 Greystone Affordable Housing Initiatives LLC
 4025 Lake Boone Trail, Suite 209
 Raleigh, NC 27607-2986
 Sent via email: vanessa.finn@greyco.com

Dear Ms. Eastwood,

Thank you for the opportunity to provide a proposal to conduct multiple market feasibility studies for existing affordable housing projects located in various cities in Georgia. **Each market study will comply with market study guidelines set by the Georgia Department of Community Affairs (GDCA) and by the USDA.**

Below is a listing of the studies requested. Please check the box next to the sites for which you are in need of a market study.

Property Name	Address	City	County	Population	Fee
Plantation I, Plantation II, Plantation III	201 Casey Drive	Richmond Hill	Bryan	Family	
Wildwood Villas I	50 Wildwood Circle	Statesboro	Bulloch	Family	
Wildwood Villas II	54 Wildwood Circle	Statesboro	Bulloch	Senior	
Hilltop Terrace I	4059 Martin Luther King Jr Boulevard	Kingsland	Camden	Family	
Hilltop Terrace II	4059 Martin Luther King Jr Boulevard	Kingsland	Camden	Senior	
Cumberland Village	116 Martha Drive	St Mary's	Camden	Family	
Satilla Villas	1100 Mcdonald Avenue	Woodbine	Camden	Family	
Quail Hollow I	888 Carswell Street	Homerville	Clinch	Senior	
Quail Hollow II	962 Carswell Street	Homerville	Clinch	Family	
Hunters Run	701 Lupo Lane	Douglas	Coffee	Senior	
The Forest I & The Forest II	582 26th Avenue SE	Moultrie	Colquitt	Senior	
The Forest III	2701 5th Street SE	Moultrie	Colquitt	Family	
Chester	400 Wynne Avenue	Chester	Dodge	Family	
Spring Hollow	800 Ash Street Extension	Springfield	Effingham	Family	
Gray Gardens	200 Eatonton Highway	Gray	Jones	Family	
Sandalwood Terrace	23 Fourth Street Northwest	Ludowici	Long	Senior	
Piedmont Hills	1001 West Main Street	Forsyth	Monroe	Family	
Arrowhead	369 Broad Street	Hawkinsville	Pulaski	Family	
Quail Village	199 Memorial Drive	Reidsville	Tattnall	Senior	

Continued)

Property Name	Address	City	County	Population	Fee
Meadow Crossing	408 Spinks Drive	Omega	Tift	Family	
The Grove	303 Jerriel Street	Vidalia	Toombs	Senior	
Yester Oaks	51 Yester Oaks Drive	Lafayette	Walker	Family	
Hillcrest	1503 John Collins Road NE	Pelham	Mitchell	Family	
Total Price					

The purpose of each study is to provide a detailed market analysis focusing on such items as unit-mix, proposed affordable rental levels compared to market rate rents, achievable Tax Credit and market-rate rents, absorption rate to achieve stabilized occupancy, competitive amenity package, market penetration, unit configuration, and a competitive analysis.

Pricing

Because of the amount of studies being ordered concurrently, the fee for each study will not exceed [REDACTED] if the site stands alone and there is no overlap with another county, or [REDACTED] if the site is within the same county as another, or [REDACTED] if the site is located in the same town as another. The total cost of all studies combined will not exceed [REDACTED]. Our fees include all expenses and out of pocket costs. *The fees are payable within 30 days of completion of each market study. Accounts not paid within the terms outlined are subject to a late fee of 1.5% interest per month past due.*

In order to commence work on this assignment, we will require an advance payment of \$[REDACTED] (20.0% of the total cost). Upon the receipt of this signed proposal, we will immediately commence work on this assignment.

Cancellation Policy: If research has begun, the following is a summary of the percentage of the total cost to be billed based upon the work completed at the time of cancellation:

- In-house research and phone calls: 25.0%
- Fieldwork/Site Work completed: 50.0%
- Partial Writing/Analysis: 75.0%
- Full Analysis Completed: 100.0%

Delivery

Per your request, we will deliver a draft of the first market study by August 4th, which will allow you to review and comment on the contents of the report. Subsequently, we will incorporate any modifications you requested in the first study into all remaining studies. All studies will be delivered no later than August 14th. These delivery data are contingent upon all associated parties providing the necessary information (i.e. site contact information, scope of renovations, proposed rents and utility allowances, rent rolls, etc.) for each subject project by no later than August 2nd.

Please sign and return this contract via email, and we will commence work on each report immediately.

Thank you for contacting us.



Patrick M. Bowen
Bowen National Research



Authorized Signer
Greystone Affordable Housing Initiatives LLC



Printed Name

Date: 7/20/17

Addendum H:

Scope of Renovations

**Scope of Work
Spring Hollow**

Project: Spring Hollow
Developer: Hallmark Inc.

Property Summary:

Street Address:	534 McIntosh Rd
City:	Springfield
County:	Effingham
Approx. Year Constructed:	1988
Target Population:	Family
Total Rentable Units:	53
Bldg. Type	Single Story Garden Style
Manager:	
Office Phone:	
Buildings:	10
Approx. # of parking spaces:	94

Unit Summary:

Type	Quantity	Sq. Ft.	Bedrooms	Bathrooms
1 BR - Type A (HC)	1.00	660.00	1.00	1.00
1-BR - Type B	19.00	660.00	1.00	1.00
2 BR - Type A (HC)	2.00	818.00	2.00	1.00
2 BR - Type B	30.00	818.00	2.00	1.00
2 BR - Manager	1.00	866.00	2.00	1.00
Totals	53		86	53

The following Preliminary Scope of Work ("SOW") as prepared this 17th day of May 2017 by Greystone Affordable Development LLC ("GAD") is being presented to Hallmark Management, Inc and its successors, affiliates, or assigned "Owner" for review and approval. The included SOW has been prepared based on preliminary information provided to GAD by the Owner regarding the above referenced property.

The work described herein shall be completed in accordance with all regulations and requirements set forth by USDA Rural Housing Service ("RHS") and the Georgia Department of Community Affairs ("DCA"). The documents utilized and referred to during the preparation of this SOW include the 2017 DCA Qualified Allocation Plan and Multifamily Finance Guidelines, and applicable RHS guidelines, to the extent that it pertains to "moderate preservation or rehabilitation". All work shall also comply with all regulatory agencies, lenders, and additional items as prescribed by the developer, as well as any applicable local and state codes, ordinances, and amendments in the jurisdiction of the "Property" or "Owner".

The following SOW described within this document illustrates items typically required by participating governing agencies and GAHI standard SOW items. As efforts continue, GAD will utilize the required Environmental Studies, Capital Needs Assessments, and SOW item comparison to current Capital Expenditure information specific to the above referenced property. The review and comparison of these documents are necessary to ensure that proper action is taken to remediate any existing environmental concerns and to analyze the Estimated Useful Life for the various items that have been recently purchases/installed by Property Management and then to determine the condition and Remaining Useful Life of such items to substantiate or negate the need for item replacements and/or incorporation into the SOW.

Scope of Work:

Site Work:

- Replace sign board only (Masonry surround to remain)
- Concrete parking and drive repair per plans (use sealant to repair minor concrete cracks)
- Stripe parking lots
- Install HC reserve parking signage
- Landscaping allowance: (Trim exist. Shrubs and trees as directed, add mulch, redo beds, add additional plantings per drawings.)
- Remove and replace existing dumpster enclosure per drawings (6' Vinyl panels)
- Remove and replace existing dumpster pads and apron per drawings, add bollards (apron: min 10 ft from front of dumpster.)
- Install new mail pedestals per plans
- Remove existing playground and install new playground (w/ ADA new sidewalk to accessible route)
- Provide positive drainage away from all buildings (Per allowance)
- Install new 6 post pavilion, include BBQ Grill and picnic table

Replace office directional sign 2'x3'
Steel handrails at walks/ramps over 1:20 slope per plans
See Electrical section for site lighting
Repair wood maintenance fencing & shed: (50% replacement)
Pressure wash roads and walkways at completion of construction
0

Concrete:

Replace damaged sidewalks/curb walks throughout per plans
Construct wheelchair accessible curb ramps
New ADA compliant sidewalk to new amenities
Provide new ADA compliant Sidewalk to existing amenities
Install new concrete pad at mailbox location per plans
Pour new 5ft observation pad at playground
Install new slab and foundation for Pavillion
Demo existing slab and repair as necessary for plumbing modifications at accessible units and at office bathroom
Pour Concrete slabs at accessible parking spaces to meet 2%
Repair concrete curbs as required per plans
Replace 25% of condenser pads
Replace porches at all UFAS units
0

Building Exteriors:

Replace metal entry doors: door, frame, peep, threshold & hardware (deadbolt+lever pass) (Energy Star Certified)
Exterior storage door repair, new metal door, frame, threshold & Hardware
Install apartment signage in existing location at front of units
Remove exterior hose bibs/ Install (1) regular flush mount with wheel handle hose bib per unit
Paint existing gang meter cans
Tuck point all brick surfaces
Pressure wash all brick surfaces
Replace apt and community bldg. windows with low E energy efficient windows, include screens (Energy Star Certified). Windows must be compliant with egress regulations.
No existing shutters
Remove existing siding and replace with vinyl siding (Install building wrap over existing substrate)
No wall sheathing replacement included, any replacement will be handled via change order
Replace soffit and fascia with vinyl to match wall siding
Replace existing and/or provide new gutters and downspouts as needed at front, back, and sides of buildings
Replace roofing with 30 year Architectural shingles and 15# felt as indicated by Capex (Capex indicates the following roofs were recently replaced and will not be included for replacement: Office, Building. A, Building. B, Building. D, Building. E, Building. F, Building. I, J)
With roof replacement, replace all vent caps and boots
No roof sheathing replacement included, any replacement will be handled via change order
Replace rear patio door (includes frame and hardware)
0

Building Interiors:

Retain and store any of the following that are in good condition: Appliances, HVAC units, Cabinetry, Steel doors, Water heaters, and etc. (OPTION)

General Demo: doors per plans, trim, cabinets, plumbing, hvac, appliances, etc.
Replace interior bifold doors with 6-panel masonite or flat panel to match existing doors that remain (include frame & hardware).
Replace all interior door hardware and install new door stops (Round wall mounted)
Install louvered door at mechanical closet where indicated.
Install new draft stops in the attic space if none existing
Install additional blown cellulose insulation to achieve an R-38 rating in the attics of all buildings.
Remove and replace all blinds with new 1" mini-blinds
Drywall repair for trade cuts and Tub repair with moisture resistant drywall
Drywall repair allowance per apartment. (Trade cuts and Tub drywall repair carried separate from allowance)
Painting interiors & ceiling, doors and trim (Low VOC) (one color/one sheen)

1 BR - Type A (HC)

1-BR - Type B

2 BR - Type A (HC)

2 BR - Type B

2 BR - Manager

Install Luxury vinyl floors throughout entire unit including stairs with tread cap (LVT to be 12mil with 15 year residential warranty and waterproof)

1 BR - Type A (HC)

1-BR - Type B

2 BR - Type A (HC)

2 BR - Type B

2 BR - Manager

Replace shoe mold where new vinyl or LVT floors are provided

Replace Kitchen Cabinets (base, wall, pantry, c.top,)

Replace Bath Vanities, (base, c.top,) and Wall hungs over toilet where they currently exist.

Cabinets and Vanities w/ Formica or P-Lam countertop

1 BR - Type A (HC)

1-BR - Type B

2 BR - Type A (HC)

2 BR - Type B

2 BR - Manager

Replace towel bars w/ 18" min., shower rod, wall mounted toilet paper, med cabinets w/ 16" x 20" mirrors, and vanity mirror.

Replace refrigerators with Energy Star certified model per Capex (Capex indicates (7) Refrigerators were recently replaced and have been removed from the scope.)

Replace 30" range and grease shield (rear wall and side walls as required) per capex. (front control at HC units) (Capex indicates (10) Ranges were recently replaced and have been removed from the scope.) (Ranges are Electric)

Install fire suppression systems over ranges. (Range Queens)

Install Microhoods to match existing venting over range.

Infill existing drywall light pocket above sink.

Dishwasher - Waiver requested for this item

0

HVAC:

Replace air handling units, and disconnect per Capex (Energy Star Certified) (Capex indicates (13) Air handlers were recently replaced and have been removed from the scope.) (AHU's are Electric)

Replace Condensing unit with a 15 SEER unit with a 8.5 HSPF rating and new suction lines (Energy Star Certified) (Capex indicates (13) condensing units were recently replaced and have been removed from the scope.)

Vent condensate lines to exteriors or to floor drain as allowed by AHJ

New Programmable thermostats

New registers/diffusers/return grilles

Flush all condensate drains to remove debris

Clean interiors of ductwork

Level existing concrete a/c pads as needed

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Plumbing:

Replace toilets with water sense labeled (1.28 GPF) toilets w/ elongated bowl.

Replace 100% of tub/showers and surround (3 piece fiberglass)-Waiver requested for 1-piece

New tub control, water sense showerhead, diverter and drain at all tubs

Replace electric water heaters with 0.95 energy efficient rated water heater as well as associated piping, disconnect, pan on all floors (Energy Star) (Capex indicates (9) water heaters were recently replaced and have been removed from the scope.)

Install new Kitchen and Lavatory sinks. Lavatory sinks are to be water sense labeled

Replace existing washer boxes, trim ring, and valves in units

Repair or install new unit water shut off for each unit

Polybutylene piping existing: Cap off existing piping at slab or wall location and run new PEX piping

Install hammer arresters at washer boxes

If pressure reducing valve exists install expansion tanks at water heaters

0

Electrical

Electrical switches and outlets to receive new decorative cover plates (Arch faults if mandated by AHJ installed via Change Order)

Replace bath exhaust fans & ducts to exterior with 70cfm Energy Star efficient fan(wire w/ bath light, unit must be on timer)

New energy star light fixtures and bulbs at all locations to include exterior building lights, exit, and emergency lights. Provide energy star E-26 screw in type CFL bulbs for standard unit fixtures, (80% Fluorescent or LED)

New GFI outlets in kitchens/bath/exteriors (Exteriors include new cover)

Install hardwired smoke detectors w/ battery backup per Code (3ft Away from HVAC grills and Bath door)

New TV Cable at LR's and BR's. Cable junction to be consolidated to one accessible exterior location for provider access.

Replace all entry lights

Install or replace lighting at property signage

Re-label electrical panel

0

Type A (Handicap) Unit Conversion

Provide HDCP Apt. (see also all general items above for typ. Apts.):

General demo/construction for clearances

Grab bars at toilet

Handheld shower with slide bar

Provide UFAS/ADA compliant cabinets (include in general count)

Pipe wrap at kitchen and bath sinks

Install remote switch for hood fan/light

Install hardwired smoke/strobe detector with battery back up in (2) apt.

Repair non functional call systems.

Plumbing/Elect./HVAC/Appliance handicap packages

New Accessible tub/shower units w/ bars & seats

Provide compliant flooring, transitions, and thresholds

Provide compliant interior & exterior Doors/Frames/hardware and hallway access per drawings.

Repair drywall per reframing requirements

Install new wire shelving at closets, include additional brackets.

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Laundry Room

Remove and replace existing washer boxes including valves, trim ring, and outlet.

Provide and install new permanent folding table

Remove and replace existing laundry sink

New electrical fixtures & devices per above electrical section

New registers/diffusers/return grilles

Install new VCT flooring

Install new 80 gal. water heater

Replace exist. Wall heater

Replace windows including sill and blinds

Replace exhaust fans

Replace entry door including frame and hardware

Replace existing community washers and dryers, 5 washers and 6 dryers. 1 washer and 1 dryer are less than 5yrs old and do not need replacement

0

Office / Storage

Install LVT throughout Office

New shoe mold

New electrical fixtures & devices per above electrical section

Paint throughout

Drywall patch

New interior & exterior doors & hardware as indicated in matrix

No existing lavatory in office

Follow interior & exterior replacement for HC unit items, when item currently exists in common spaces (doors, cabinets, appliances, etc.)

No Kitchen existing in office

Replace interior bifold doors with 6-panel masonite or flat panel to match existing doors that remain (include frame & hardware).

Repalce windows including new sills and blinds

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