

Market Feasibility Analysis

**Hillcrest Apartments
1503 John Collins Road Northeast
Pelham, Mitchell County, Georgia 31779**

Prepared For

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Table of Contents

- A. Executive Summary
- B. Project Description
- C. Site Description and Evaluation
- D. Primary Market Area Delineation
- E. Community Demographic Data
- F. Economic Trends
- G. Project-Specific Demand Analysis
- H. Rental Housing Analysis (Supply)
 - I. Absorption & Stabilization Rates
 - J. Interviews
- K. Conclusions & Recommendations
- L. Signed Statement
- M. Market Study Representation
- N. Qualifications
 - Addendum A – Field Survey of Conventional Rentals
 - Addendum B – Comparable Property Profiles
 - Addendum C – Market Analyst Certification Checklist
 - Addendum D – Methodologies, Disclaimers & Sources
 - Addendum E – Rent Roll
 - Addendum F – Achievable Market Rent Analysis
 - Addendum G – Executed Engagement Letter
 - Addendum H – Scope of Renovations

Section A – Executive Summary

This report evaluates the continued market feasibility of the Hillcrest Apartments rental community in Pelham, 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 the existing HUD Section 8 subsidy is retained, which will effectively allow all current tenants to continue to income-qualify and remain at the property, post renovations. However, even in the unlikely event that all units were vacated and had to be re-rented simultaneously exclusively under the Tax Credit guidelines, a sufficient base of support would still exist within the Pelham market for the subject project, as evidenced by our demand estimates included in Section G. The subject project is, however, 100.0% occupied and most, if not all, current tenants will remain post renovations.

1. Project Description:

Hillcrest Apartments, located in Pelham, Mitchell County, Georgia, was originally built in 1985 and has operated under the Rural Development 515 (RD 515) and HUD Section 8 programs since that time. The project contains 49 general-occupancy units, and due to the presence of the Section 8 subsidy, all tenants pay up to 30% of their adjusted gross income towards shelter costs (rent and utilities). According to management, the project is currently 100.0% occupied and maintains a 17-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 but with incomes up to 60% of Area Median Household Income (AMHI). Notably, the project will continue to operate under the RD 515 & HUD Section 8 programs, allowing all tenants to continue to pay up to 30% of their income toward rent. 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	
16	One-Br.	1.0	Garden	586	60%	\$425/\$497	\$442	\$123	\$565	\$523
25	Two-Br.	1.0	Garden	770	60%	\$476/\$591	\$495	\$125	\$620	\$628
8	Three-Br.	1.0	Garden	949	60%	\$570/\$671	\$592	\$186	\$778	\$726
49	Total									

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

AMHI – Area Median Household Income (Mitchell County, GA; 2017)

*Heated square feet

Although some of the pro forma gross rents exceed the maximum allowable LIHTC rents, due to the subsidy received by the property and also an escrow account established by the borrower, no tenant will ever pay more than the maximum allowable LIHTC rent. *In the unlikely event the subsidy was not offered, these rents will need to be lowered to or below their corresponding maximum allowable LIHTC rents. Note that the maximum allowable LIHTC rents have been utilized throughout the remainder of this report for these units.*

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. Community amenities will include on-site management, a basketball court, 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 100.0% occupancy rate and 17-household waiting list.

2. Site Description/Evaluation:

The subject site is situated within a partially established portion of northeastern Pelham, but is primarily surrounded by wooded and agricultural land in most directions. There are some scattered single-family homes in fair condition throughout the immediate site area as well. The subject site is clearly visible from John Collins Road Northeast, which borders the site to the south and provides passerby traffic to the property. The subject project also derives access from this aforementioned roadway, which was observed to experience light vehicular traffic patterns and is directly accessible to and from U.S. Highway 19 west of the subject site. The subject's proximity to U.S. Highway 19 also allows for most area services to be easily accessible from the subject site, with many being located within 2.0 miles of the site. Overall, the subject site's location is considered conducive to affordable multifamily rental product, as evident by the 100.0% occupancy rate maintained at the subject project. An in-depth site evaluation is included in *Section C* of this report.

3. Market Area Definition:

The Pelham Site PMA includes the municipalities, or portions, of Pelham, Camilla, Meigs, Ochlocknee and some outlying unincorporated areas of Mitchell, Grady, and Thomas counties. The boundaries of the Site PMA include State Route 97, the Camilla town limits and State Route 37 to the north; the Mitchell and Colquitt County boundaries and the Little Ochlocknee River to the east; State Route 188, the Ochlocknee town limits, Akridge Road, and Pine Level Road to the south; and State Routes 112, 262 and 97 to the west. A map illustrating these boundaries is included on page *D-2* of this report and details the farthest boundary is 16.9 miles from the site.

4. Community Demographic Data:

The Pelham Site PMA population base and total number of households have gone virtually unchanged since 2000, growing slightly during this time. It is projected that the population will decline by 78, or 0.4%, between 2017 and 2019, while the number of households are projected to decline by 27 households, or 0.4% from 2017 levels. The share (38.0%) of renters is relatively high and 2,877 renter households represent a good base of potential support for the subject development. The number of renter households is projected to remain virtually unchanged over the next couple of years, evidence of a stable demographic base. Additional demographic data is included in *Section E* of this report.

Also note that based on 2010 Census data, 46.1% of the vacant housing units in the market were classified as “Other Vacant”, which encompasses foreclosed, dilapidated and abandoned housing. Based on our Field Survey of Conventional Rentals within the Pelham 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 continued marketability.

5. Economic Data:

Over half of the labor force in the Site PMA is employed within the Manufacturing, Public Administration and Retail Trade 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 subject project will be able to draw support. The County's employment base has remained generally stable over the past four years. After peaking at 10.8% in 2010, the county's unemployment rate declined in each of the past six full years and the latest (May 2017) unemployment rate of 6.7% is near the lowest in the county during the past 10 years. Overall, the local economy is stable and expected to remain stable 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 assumes all rental assisted/subsidized units are leasable, per GDCA guidelines. Scenario two provides demand estimates for the entire subject project assuming both the retention of the project-based Section 8 subsidy and 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)	
	LIHTC with Subsidies (\$0 - \$25,150)	LIHTC with Subsidies (\$0 - \$25,150)	LIHTC Only Without Subsidies (\$17,931 - \$30,180)
Net Demand	1,043	1,043	191
Proposed Units/ Net Demand	0* / 1,043	49 / 1,043	49 / 191
Capture Rate	= 0.0%	= 4.7%	= 25.7%

*Assumes all subsidized (Rental Assisted) units are leasable and will remain occupied 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 4.7% (subsidized scenario) and 25.7% (Tax Credit only scenario) are both considered achievable and demonstrate a sufficient base of support for the subject project under either scenario. Effectively, however, the subject project will have a capture rate of 0.0%, as all 49 units receive a direct subsidy through HUD Section 8, which is expected to be retained and all current subsidized tenants are expected to remain, post renovations.

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)

As illustrated by our overall demand estimates, all 49 of the subject units are considered leasable, per GDCA guidelines, as the project-based HUD Section 8 subsidy will be retained for all units post renovations. Thus, the subject’s capture rate (both overall and by bedroom type) is 0.0%. As such, we have not provided separate capture rates by bedroom type for the subject project under this scenario.



Scenario Two (Entire Property)

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate
LIHTC with Subsidy						
One-Bedroom (35%)	60%	16	366	0	366	4.4%
One-Bedroom	Total	16	366	0	366	4.4%
LIHTC with Subsidy						
Two-Bedroom (45%)	60%	25	470	0	470	5.3%
Two-Bedroom	Total	25	470	0	470	5.3%
LIHTC with Subsidy						
Three-Bedroom (20%)	60%	8	207	0	207	3.9%
Three-Bedroom	Total	8	207	0	207	3.9%
LIHTC Only						
One-Bedroom (35%)	60%	16	67	0	67	23.9%
One-Bedroom	Total	16	67	0	67	23.9%
LIHTC Only						
Two-Bedroom (45%)	60%	25	86	0	86	29.1%
Two-Bedroom	Total	25	86	0	86	29.1%
LIHTC Only						
Three-Bedroom (20%)	60%	8	38	0	38	21.1%
Three-Bedroom	Total	8	38	0	38	21.1%

*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 3.9% to 29.1% 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

Following renovations, the subject project will offer one- through three-bedroom units which will target general-occupancy (family) households earning up to 60% of Area Median Household Income (AMHI), under the Low-Income Housing Tax Credit (LIHTC) program. Within the Site PMA, we identified and surveyed one general-occupancy LIHTC property, Southfork Apartments (Map ID 8). This property offers two- and three-bedroom units targeting households earning up to 50% and 60% of AMHI and therefore has been included in our comparable analysis.

Due to the limited supply of comparable LIHTC product in the Site PMA, we also identified and surveyed five additional general-occupancy LIHTC properties outside the Site PMA in the surrounding towns of Cairo, Moultrie, and Thomasville. These properties offer unit types and target income (AMHI) levels similar to those at the subject project. Note, however, that since these properties are located outside the Site PMA, they derive demographic support from different geographic areas and therefore are not considered competitive with the subject project. Thus, these properties have been included for comparability purposes only.

The six comparable LIHTC properties and the proposed development are summarized as follows. Information regarding property address and phone number, contact name, date of contact and utility responsibility is included in Addendum B, *Comparable Property Profiles*.

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Hillcrest	1985 / 2019	49	100.0%	-	17 H.H.	Families; 60% AMHI, RD 515 & Section 8
8	Southfork Apts.	1999 / 2016	96	100.0%	7.4 Miles	18 H.H.	Families; 50% & 60% AMHI
901	Kirby Creek Apts.	2007	46*	100.0%	21.6 Miles	70 H.H.	Families; 30% & 50% AMHI
906	Ashton Crossings	1999	64	100.0%	27.8 Miles	50 H.H.	Families; 50% & 60% AMHI
907	Tallokas Pointe	2015	47	100.0%	25.8 Miles	None	Families; 50% & 60% AMHI
912	Walnut Square Apts.	2012	63	98.4%	22.9 Miles	None	Families; 50% & 60% AMHI
913	Hampton Lake Apts.	2008	76*	100.0%	23.1 Miles	None	Families; 30% & 50% AMHI

900 Series Map IDs are located outside the Site PMA

OCC. – Occupancy

H.H. - Households

*Tax Credit units only

The six LIHTC projects have a combined occupancy rate of 99.7%, indicating a very strong demand for family-oriented LIHTC product in the market and region. Notably, three of the six comparable properties maintain waiting lists for their next available units, including the one property located in the Site PMA.

The gross rents for the comparable 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	Hillcrest	\$523/60% (16)	\$620/60% (25)	\$726/60% (8)	-
8	Southfork Apts.	-	\$456/50% (11/0) \$559/60% (21/0)	\$524/50% (28/0) \$701/60% (36/0)	None
901	Kirby Creek Apts.	\$243/30% (1/0) \$372/50% (5/0)	\$298/30% (2/0) \$454/50% (25/0)	\$354/30% (1/0) \$534/50% (12/0)	None
906	Ashton Crossings	\$442/50% (5/0) \$486/60% (3/0)	\$530/50% (13/0) \$608/60% (15/0)	\$613/50% (10/0) \$793/60% (18/0)	None
907	Tallokas Pointe	-	\$455-\$465/50% (7/0) \$479-\$489/60% (24/0)	\$573-\$583/50% (4/0) \$583-\$593/60% (12/0)	None
912	Walnut Square Apts.	\$429/50% (2/0) \$489/60% (6/0)	\$523/50% (7/0) \$563/60% (24/0)	\$603/50% (5/0) \$698/60% (19/1)	None
913	Hampton Lake Apts.	\$241/30% (3/0) \$425/50% (14/0)	\$292/30% (10/0) \$480/50% (30/0)	\$347/30% (4/0) \$604/50% (15/0)	None

900 Series Map IDs are located outside the Site PMA

The subject's proposed gross Tax Credit rents are the highest in the market and region, relative to similar unit types offered among the comparable LIHTC projects. It is important to note, however, that the proposed rents for the subject's one- and three-bedroom units are reflective of the maximum allowable LIHTC rent limits for Mitchell County, Georgia, as the subject project will effectively operate under the HUD Section 8 program and the proposed contract rents under the Section 8 program exceed LIHTC rent limits for the area. In the unlikely event this aforementioned subsidy was lost and the property had to operate exclusively under the LIHTC guidelines, the subject's proposed gross LIHTC rents would need to be lowered to a level which would be lower than those reported among the comparable LIHTC projects due to the age, inferior unit sizes and number of bathrooms offered, and inferior amenity package at the subject project, as compared to the non-subsidized LIHTC properties surveyed. In reality, however, the project-based Section 8 subsidy will remain in place post renovations, which will allow tenants of the property to continue paying up to 30% of their adjusted gross income towards rent. This will ensure the property continues to represent a significant value within the market.

Comparable/Competitive Tax Credit Summary

One non-subsidized general-occupancy LIHTC property, Southfork Apartments (Map ID 8), is offered within the Pelham Site PMA. This property, along with four of the five additional comparable properties surveyed outside the Site PMA, is 100.0% occupied and maintains a waiting list. It is also of note that while this property is located within the Site PMA, it is located in the town of Camilla, in the very northern portion of the Site PMA. Thus, the subject project will effectively offer the only general-occupancy LIHTC product in the immediate Pelham area. The subject’s proposed gross Tax Credit rents are considered high for the market, as they will be the highest among similar unit types offered at the comparable properties surveyed. In the unlikely event the project-based Section 8 subsidy was lost, the proposed rents would need to be lowered to a level below those currently reported among the comparable properties, as these properties are considered superior to the subject project in terms of age, unit design (square feet and number of bathrooms offered), and amenities offered. In reality, however, the subject project will retain its project-based Section 8 subsidy which will allow tenants of the property to pay up to 30% of their adjusted gross income towards rent. This will ensure the subject project remains a significant value to low-income renters within the Pelham market.

Average Market Rent

As detailed throughout this report and illustrated by our Field Survey of Conventional Rentals, no conventional unrestricted market-rate rental properties were identified or surveyed in the Pelham Site PMA. However, we did survey five properties outside the Site PMA in the nearby region 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.	Three-Br.
\$611	\$672	\$798

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.	\$611	- \$400*	\$211	/ \$400	52.8%
Two-Br.	\$672	- \$495	\$177	/ \$495	35.8%
Three-Br.	\$798	- \$540*	\$258	/ \$540	47.8%

*Reflective of maximum allowable LIHTC rent limits as proposed Section 8 contract rents exceed LIHTC limits

As the preceding illustrates, the proposed subject units represent rent advantages ranging from 35.8% to 52.8% 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 Pelham rental housing market is included in *Section H* of this report.

8. Absorption/Stabilization Estimates

It is our opinion that the 49 units at the subject site will reach a stabilized occupancy of 93.0% within four months following renovations, assuming total displacement of existing tenants and the retention of the project-based Section 8 subsidy on all units. This absorption period is based on an average absorption rate of approximately 11 to 12 units per month.

Regardless, it is important to remember that the subject project is currently 100.0% occupied and the project-based Section 8 subsidy will be retained post renovations. Therefore, very few, if any, of the subject units are expected to be vacated during or following renovations. Thus, there will effectively be no absorption period for the subject project and the property will maintain a high occupancy rate during, and following, the renovation period.

9. Overall Conclusion:

The Pelham market is relatively rural and offers a limited supply of conventional rental product, as evidenced by our Field Survey of Conventional Rentals. Notably, only one general-occupancy LIHTC property is offered within the Site PMA. Further, this property, Southfork Apartments (Map ID 8), although located in the Site PMA is located in the town of Camilla, in the far northern portion of the Site PMA. As such, the subject project will effectively offer the only general-occupancy LIHTC product within the immediate Pelham area. The one existing comparable LIHTC property in the Site PMA is 100.0% occupied with a wait list, similar to four of the five additional comparable properties surveyed outside the Site PMA. This demonstrates strong demand for general-occupancy LIHTC product within the market and region. The subject's proposed gross Tax Credit rents are considered aggressive for this market, as they are the highest among similar unit types offered at the comparable properties surveyed. Considering that the comparable properties are superior to the subject project in terms of age, unit design (square feet and number of bathrooms offered), and amenities offered, the proposed Tax Credit rents would need to be lowered in the unlikely event the project-based Section 8 subsidy was lost and the property had to operate exclusively under the LIHTC program. In

reality, however, the project-based Section 8 subsidy will remain in place post renovations and the unit designs and amenities offered are considered marketable, as evidenced by the subject's 100.0% occupancy rate. In addition, the proposed renovations will not add any additional units to the market/property and therefore are not expected to have any adverse impact on future occupancy rates among the existing affordable rental properties in the Pelham market.

The subject project will also continue to be well supported demographically, as evidenced by the subject's low overall capture rate of 4.7%, assuming the retention of the project-based Section 8 subsidy. Also note, that in the unlikely event the subsidy was lost, a sufficient base of support would continue to exist for the project, based on the 25.7% capture rate for the property under this unlikely scenario. Regardless, the subject project is currently 100.0% occupied and the retention of the project-based Section 8 subsidy will ensure that most, if not all, current tenants will remain post renovations. As such, the subject's effective capture rate is 0.0%.

Based on the preceding factors, as well as additional information contained within this report, we expect the subject project will continue to represent a significant value to low-income renters within the Pelham market. We have no recommendations to the subject project at this time.

SUMMARY TABLE (must be completed by the analyst and included in the executive summary)			
Development Name:	Hillcrest Apartments	Total # Units:	49
Location:	1503 John Collins Road Northeast, Pelham, GA 31779	# LIHTC Units:	49
PMA Boundary:	State Route 97, the Camilla town limits and State Route 37 to the north; the Mitchell and Colquitt County boundaries and the Little Ochlocknee River to the east; State Route 188, the Ochlocknee town limits, Akridge Road, and Pine Level Road to the south; and State Routes 112, 262 and 97 to the west.		
	Farthest Boundary Distance to Subject:		16.9 Miles

RENTAL HOUSING STOCK (found on page H-3 & Add. A-4 & 5)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	8	364	26	92.9%
Market-Rate Housing	N/A	N/A	N/A	N/A
Assisted/Subsidized Housing not to include LIHTC	5	168	19	88.7%
LIHTC*	3	196	7	96.4%
Stabilized Comps**	6	392	1	99.7%
Properties in Construction & Lease Up	N/A	N/A	N/A	N/A

*Non-subsidized only

**Includes comps located out of market due to limited supply of comparable product in Site PMA

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
16	One-Br.	1.0	586	\$400*	\$611	\$0.73	52.8%	\$715	\$0.88
25	Two-Br.	1.0	770	\$495	\$672	\$0.66	35.8%	\$747	\$0.86
8	Three-Br.	1.0	949	\$540*	\$798	\$0.58	47.8%	\$865	\$0.70

*Reflective of maximum allowable LIHTC rents as proposed Section 8 contract rent exceeds LIHTC rent limits

DEMOGRAPHIC DATA (found page E-2 & G-5)						
	2012		2017		2019	
Renter Households	2,901	38.0%	2,877	38.0%	2,868	38.0%
Income-Qualified Renter HHs (LIHTC)*	N/A	N/A	1,967	68.4%	2,026	70.6%
Income-Qualified Renter HHs (MR)	N/A	N/A	N/A	N/A	N/A	N/A

*As proposed with the retention of Section 8 subsidy

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)						
Type of Demand	Section 8 Units	Non-RA Units	Overall as Proposed	Market-Rate	Other__	LIHTC Only Scenario
Renter Household Growth	59	-	59	-	-	-32
Existing Households (Overburd + Substand)	984	-	984	-	-	223
Homeowner conversion (Seniors)	N/A	-	N/A	-	-	N/A
Total Primary Market Demand	1,043	-	1,043	-	-	191
Less Comparable/Competitive Supply	0	-	0	-	-	0
Adjusted Income-Qualified Renter HHs	1,043	-	1,043	-	-	191

CAPTURE RATES (found on page G-5)						
Targeted Population	Sec. 8 Units	Non-RA Units	Overall as Proposed	Market-Rate	Other__	LIHTC Only Scenario
Capture Rate*	0.0%	-	4.7%	-	-	25.7%

*Assumes all subsidized (Rental Assisted) units are leasable and will remain occupied post renovations, per GDCA guidelines. These units have been excluded from these demand estimates.

Section B - Project Description

Hillcrest Apartments, located in Pelham, Mitchell County, Georgia, was originally built in 1985 and has operated under the Rural Development 515 (RD 515) and HUD Section 8 programs since that time. The project contains 49 general-occupancy units, and due to the presence of the Section 8 subsidy, all tenants pay up to 30% of their adjusted gross income towards shelter costs (rent and utilities). According to management, the project is currently 100.0% occupied and maintains a 17-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 but with incomes up to 60% of Area Median Household Income (AMHI). Notably, the project will continue to operate under the RD 515 & HUD Section 8 programs, allowing all tenants to continue to pay up to 30% of their income toward rent. All renovations are expected to be completed in 2019. Additional details of the subject project are as follows:

1. **PROJECT NAME:** Hillcrest Apartments
2. **PROPERTY LOCATION:** 1503 John Collins Road Northeast
Pelham, Georgia 31779
(Mitchell County)
3. **PROJECT TYPE:** Rehabilitation of an existing RD 515/Section 8 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	
16	One-Br.	1.0	Garden	586	60%	\$425/\$497	\$442	\$123	\$565	\$523
25	Two-Br.	1.0	Garden	770	60%	\$476/\$591	\$495	\$125	\$620	\$628
8	Three-Br.	1.0	Garden	949	60%	\$570/\$671	\$592	\$186	\$778	\$726
49	Total									

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

AMHI – Area Median Household Income (Mitchell County, GA; 2017)

*Heated square feet

Although some of the pro forma gross rents exceed the maximum allowable LIHTC rents, due to the subsidy received by the property and also an escrow account established by the borrower, no tenant will ever pay more than the maximum allowable LIHTC rent. *In the unlikely event the subsidy was not offered, these rents will need to be lowered to or below their corresponding maximum allowable LIHTC rents. Note that the maximum allowable LIHTC rents have been utilized throughout the remainder of this report for these units.*

- 5. TARGET MARKET:** General-Occupancy
- 6. PROJECT DESIGN:** 13 single-story buildings.
- 7. ORIGINAL YEAR BUILT:** 1985
- 8. ANTICIPATED RENOVATION COMPLETION DATE:** 2019
- 9. UNIT AMENITIES:**
- Electric Range
 - Refrigerator
 - Microwave
 - Central Air Conditioning
 - Vinyl Flooring
 - Window Blinds
 - Patio
 - Washer/Dryer Hookups
- 10. COMMUNITY AMENITIES:**
- On-Site Management
 - Playground
 - Basketball Court
 - Laundry Facility
 - Covered Pavilion/Picnic Area
- 11. RESIDENT SERVICES:**
- The subject project will not offer any on-site resident services.
- 12. UTILITY RESPONSIBILITY:**
- The costs of cold water, sewer and trash collection will be included in the rent, while tenants will be responsible for all other utilities and services, including the following:
- Electric Heating
 - General Electric
 - Electric Water Heating
 - Electric Cooking
- 13. RENTAL ASSISTANCE:** All units operate under the HUD Section 8 program.
- 14. PARKING:**
- An unassigned surface parking lot is available to the tenants at no additional cost.

15. CURRENT PROJECT STATUS:

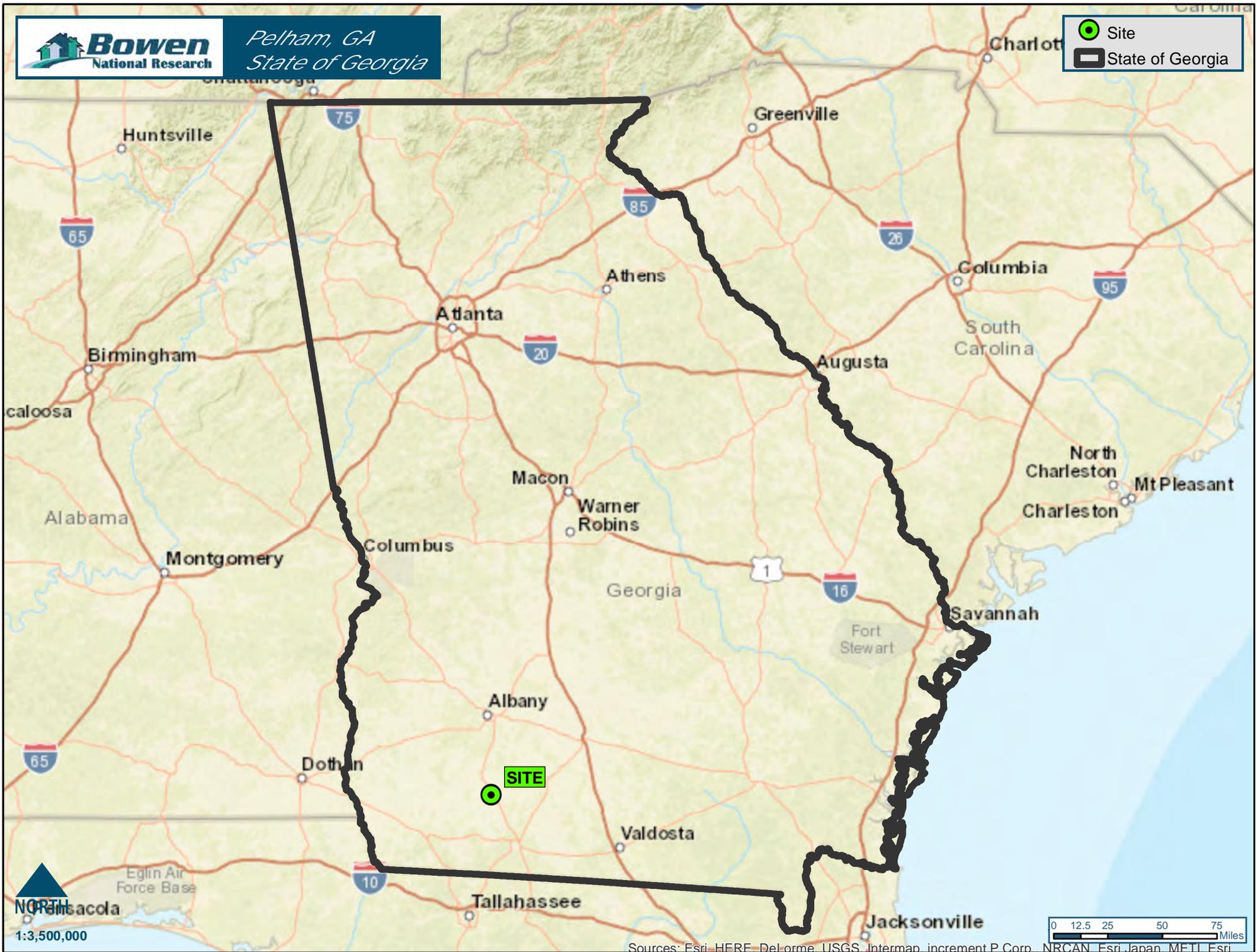
The subject project is an existing 49-unit general-occupancy property offering one-through three-bedroom units which operate under the Rural Development 515 (RD 515) and HUD Section 8 programs, with all 49 units receiving a direct subsidy through HUD Section 8. The subject project is 100.0% occupied and maintains a 17-household waiting list. The availability of the HUD Section 8 subsidy allows tenants of these units to pay up to 30% of their adjusted gross income towards rent. Assuming the retention of the project-based subsidies, we anticipate that all 49 current tenants will continue to qualify for and remain at the property post renovations. 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:

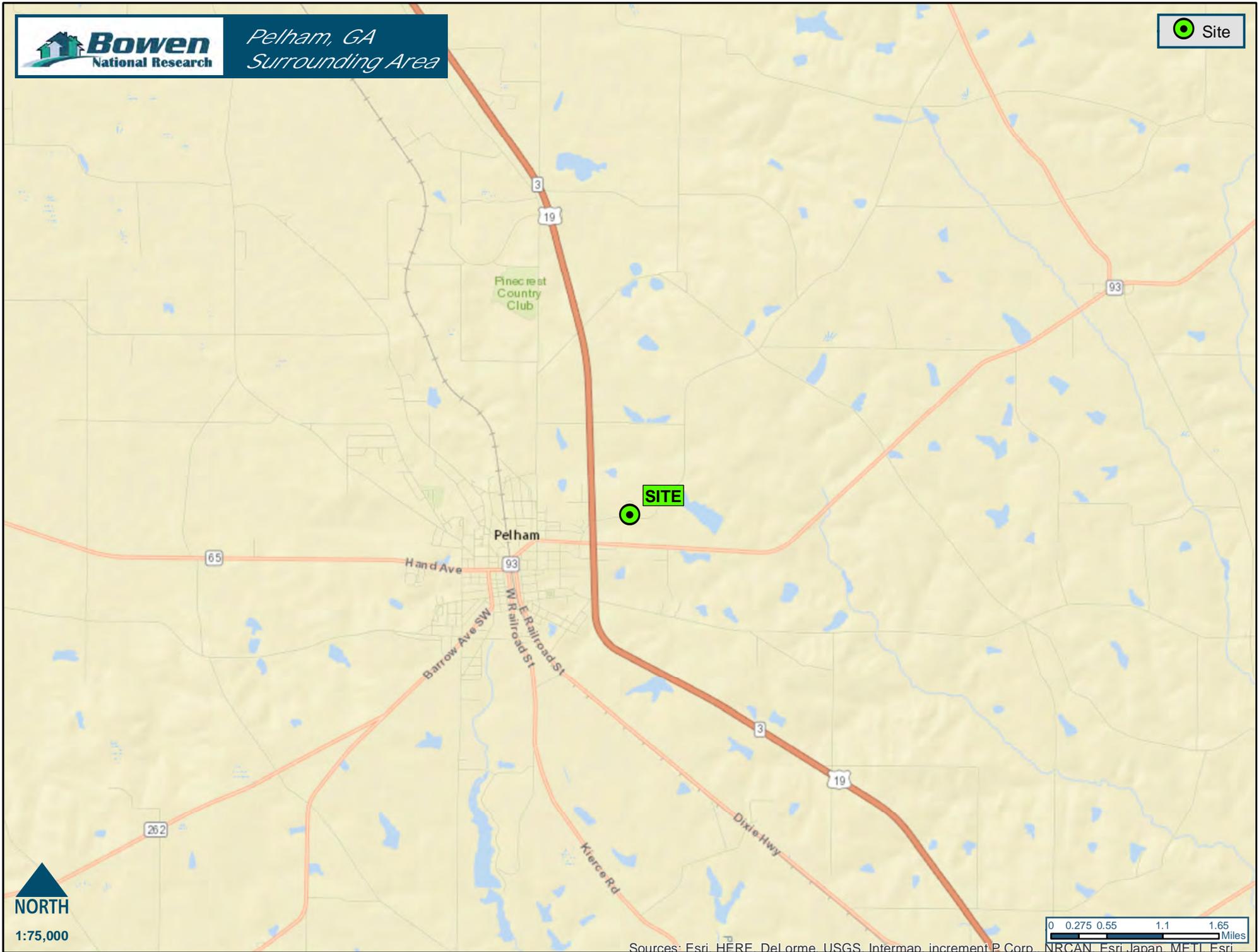
Mitchell County, Georgia (2017)

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





*Pelham, 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



Pelham, GA
Site Neighborhood

Legend
 Site Area



John Collins Rd NE

John Collins Rd

John Collins Rd NE

John Collins Rd



NORTH

1:3,000

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



Section C – Site Description And Evaluation

1. LOCATION

The subject site is the existing Hillcrest Apartments located at 1503 John Collins Road Northeast in the northwestern portion of Pelham, Georgia. Located within Mitchell County, Pelham is approximately 37.0 miles south of Albany, Georgia. Luke Mortensen, 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 a mostly undeveloped portion of Pelham, Georgia. Surrounding land uses generally include scattered single-family homes, small businesses, wooded land, and agricultural land. Adjacent land uses are detailed as follows:

North -	The northern boundary is defined by undeveloped, agricultural land, followed by wooded land and additional agricultural land which extends to Nicks Road.
East -	The eastern boundary is defined by a tree line. Continuing east is undeveloped and agricultural land, followed by single-family homes in fair condition.
South -	The southern boundary is defined by John Collins Road Northeast, a two-lane lightly traveled roadway. Continuing south is wooded land and scattered single-family homes in fair condition.
West -	The western boundary is defined by undeveloped, agricultural land, and vacant wooded land which extends to State Route 300/U.S. Highway 19.

Overall, the subject property fits well with the surrounding land uses, though much of the property is surrounded by wooded and/or agricultural land, which provides a buffer to additional land uses. The existing single-family homes in the immediate site area were observed to be in fair condition, which will contribute to the continued marketability of the subject project.

3. VISIBILITY AND ACCESS

The subject site is clearly visible from the south, given the subject's location and frontage maintained along John Collins Road Northeast. From all other directions, visibility is generally limited, due to the wooded and agricultural land surrounding much of the subject site in these directions. Regardless, the subject's 100.0% occupancy rate is clear indication that the property's somewhat limited visibility has not had any adverse impact on marketability. The subject site also derives access

from John Collins Road Northeast, which was observed to experience light vehicular traffic patterns, allowing for unimpeded ingress and egress of the subject site. This aforementioned roadway also ultimately provides direct access to and from State Route 300/U.S. Highway 19, west of the subject site. This further enhances accessibility of the subject project.

According to area planning and zoning officials, and based on the observations of our analyst, 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.

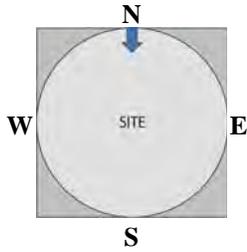
SITE PHOTOGRAPHS



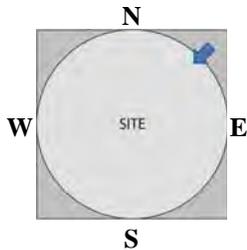
Site Entryway



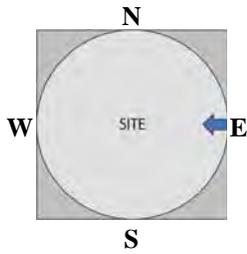
Typical Building Exterior



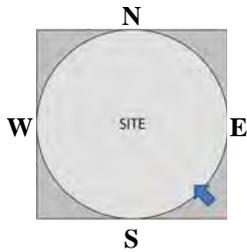
View of site from the north



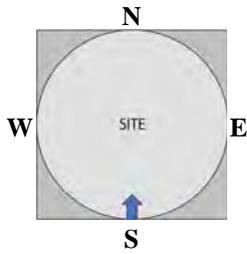
View of site from the northeast



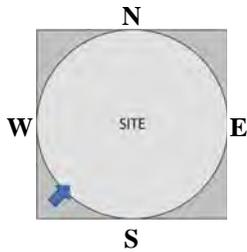
View of site from the east



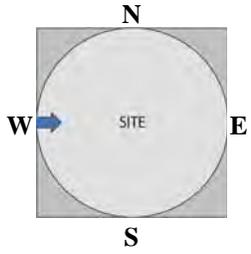
View of site from the southeast



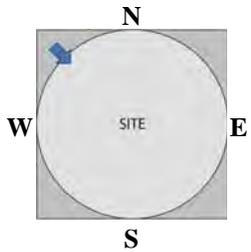
View of site from the south



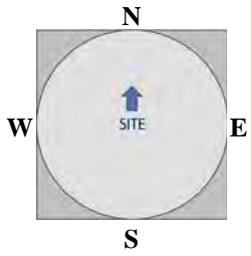
View of site from the southwest



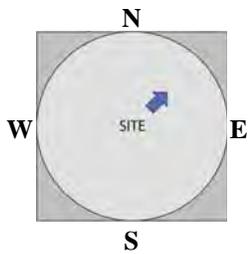
View of site from the west



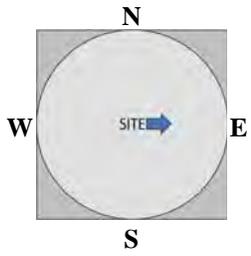
View of site from the northwest



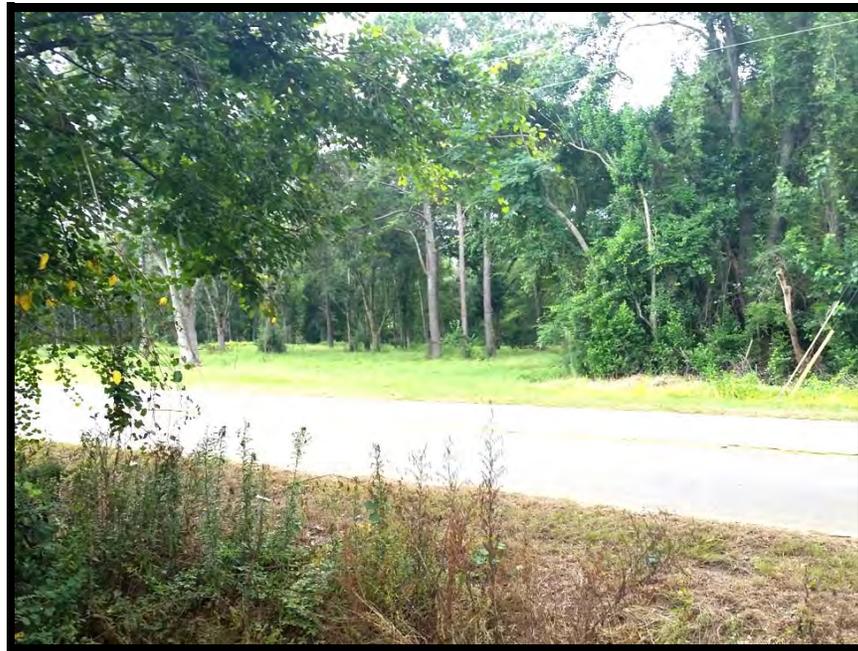
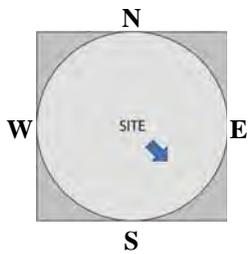
North view from site



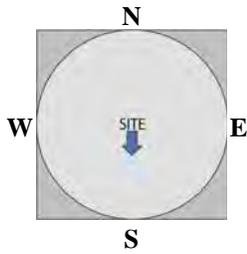
Northeast view from site



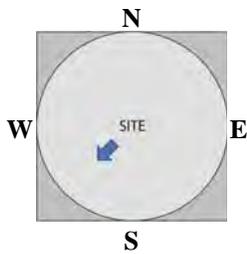
East view from site



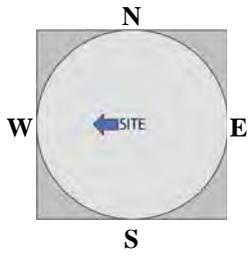
Southeast view from site



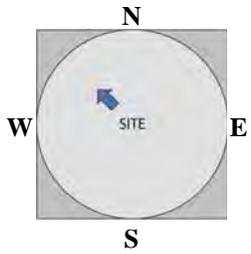
South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape- East View of John Collins Road Northeast



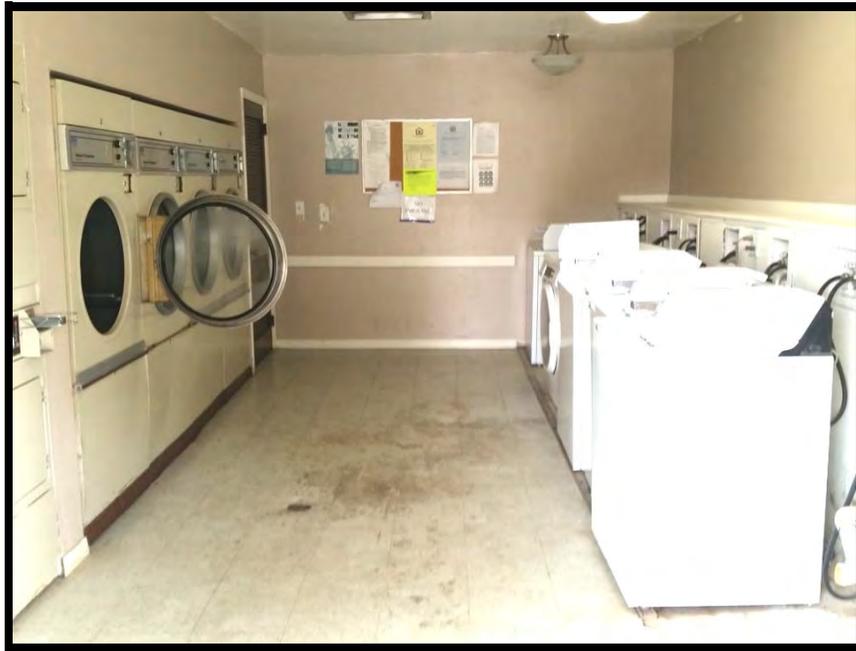
Streetscape- West View of John Collins Road Northeast



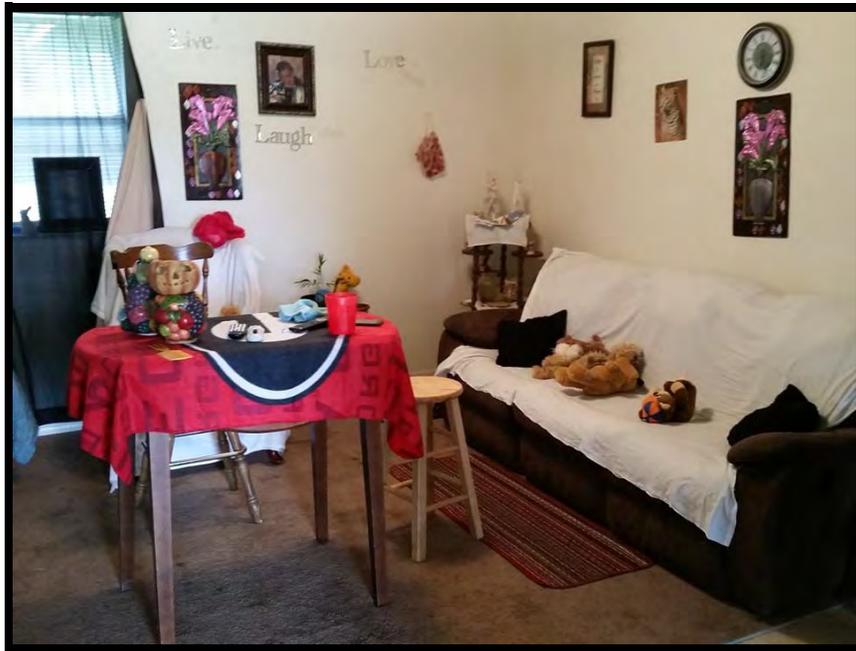
Playground



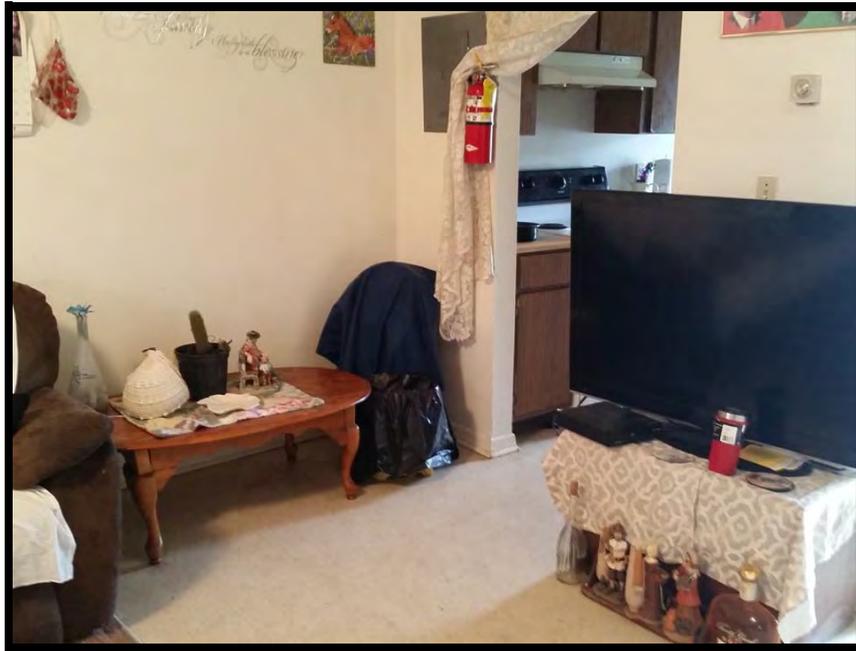
Sports Court



Laundry Facility



Typical Living Room



Typical Dining Area



Typical Kitchen



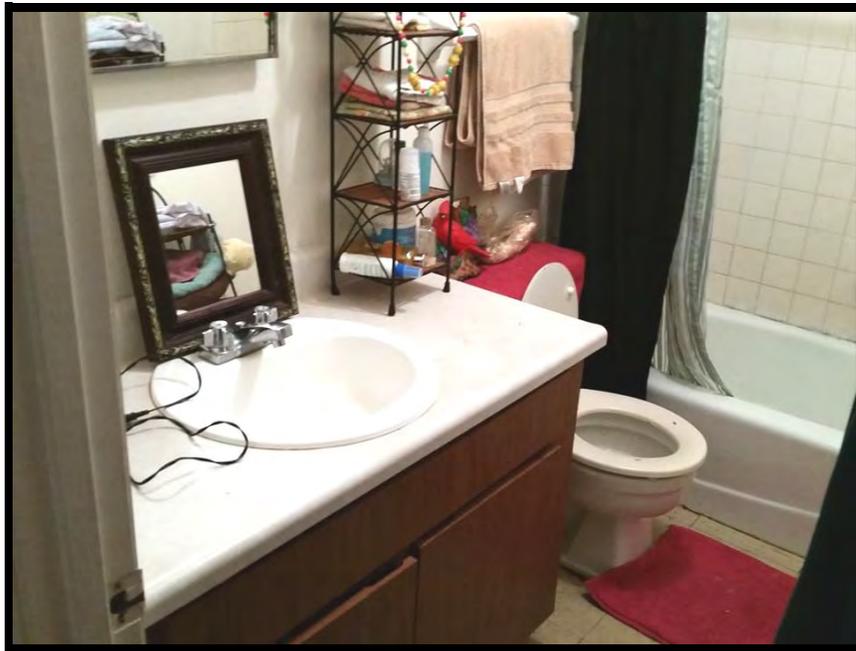
Typical Master Bedroom



Typical Spare Bedroom



Typical Bathroom Shower



Typical Bathroom Sink/Toilet



Typical Patio/Back Patio Storage

5. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

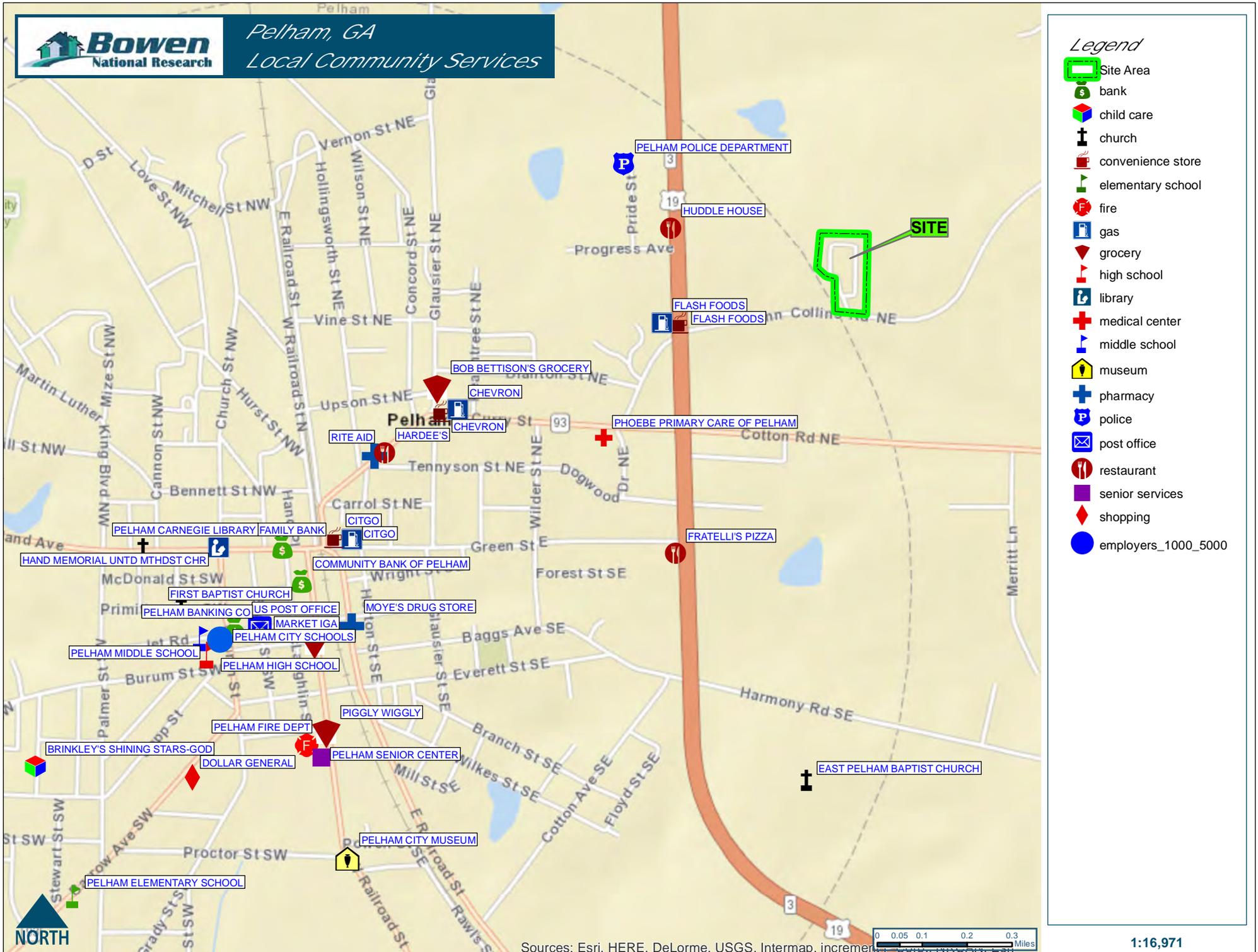
The site is served by the community services detailed in the following table:

Community Services	Name	Driving Distance From Site (Miles)
Major Highway(s)	U.S. Highway 19 State Route 93 State Route 65	0.4 West 0.5 Southwest 0.8 Southwest
Public Bus Stop	Southwest Georgia Regional Transit	On-Site/On-Call
Major Employers/ Employment Centers	Pelham City Schools	1.7 Southwest
Convenience Store	Flash Foods Chevron Citgo	0.5 West 1.0 West 1.5 Southwest
Grocery	Bob Bettison's Grocery Market IGA Piggly Wiggly	0.9 West 1.6 Southwest 1.8 Southwest
Discount Department Store	Dollar General	2.1 Southwest
Shopping Center/Mall	Downtown Pelham	1.5 Southwest
Schools: Elementary Middle/Junior High High	Pelham Elementary School Pelham Middle School Pelham High School	2.3 Southwest 1.7 Southwest 1.7 Southwest
Hospital	Phoebe Primary Care of Pelham Mitchell County Hospital	0.7 Southwest 8.6 Northwest
Police	Pelham Police Department	0.9 Northwest
Fire	Pelham Fire Department	1.8 Southwest
Post Office	U.S. Post Office	1.7 West
Bank	Family Bank Community Bank of Pelham Pelham Banking Co	1.4 Southwest 1.4 Southwest 1.7 Southwest
Senior Center	Pelham Senior Center	1.8 Southwest
Recreational Facilities	Pelham Carnegie Library Pelham City Museum	1.5 Southwest 2.0 Southwest
Gas Station	Flash Foods Chevron Citgo	0.5 West 1.0 West 1.5 Southwest
Pharmacy	Rite Aid Moye's Drug Store	1.2 West 1.5 Southwest
Restaurant	Huddle House Fratelli's Pizza Hardee's	0.6 West 0.9 Southwest 1.1 West
Day Care	Brinkley's Shining Stars-God	2.3 Southwest
Church	East Pelham Baptist Church First Baptist Church Hand Memorial United Methodist Church	1.3 South 1.7 Southwest 1.7 Southwest

The proposed subject site is located in the northwestern portion of Pelham, which although less established than other portions of Pelham, is still within relative close proximity to most basic area services. In fact, most services are located within 2.0 miles of the subject site. Such services include multiple grocery stores, restaurants, and pharmacies. Although fixed-route public transportation is unavailable within the Pelham market, an on-call transportation service is available to area residents through Southwest Georgia Regional Transit. The availability of this service is considered beneficial to the targeted low-income population at the subject project and will enhance accessibility of many area services, if needed. Most services are also easily accessible from the subject site, given the subject's proximity to State Route 300/U.S. Highway 19.

Public safety services are provided by the Pelham Police and Fire departments, which are both located within 1.8 miles of the subject site. The nearest full-service hospital is the Mitchell County Hospital located 8.6 miles northwest of the subject site. This facility offers a full-range of services, including emergency services. It is also of note that the Phoebe Primary Care of Pelham is located within 0.7 miles of the site and offers various services, including but not limited to cancer care, rehabilitation, wound care, and others. The subject site is also located within 2.3 miles of all applicable attendance schools, which is considered beneficial given the general-occupancy nature of the subject project.

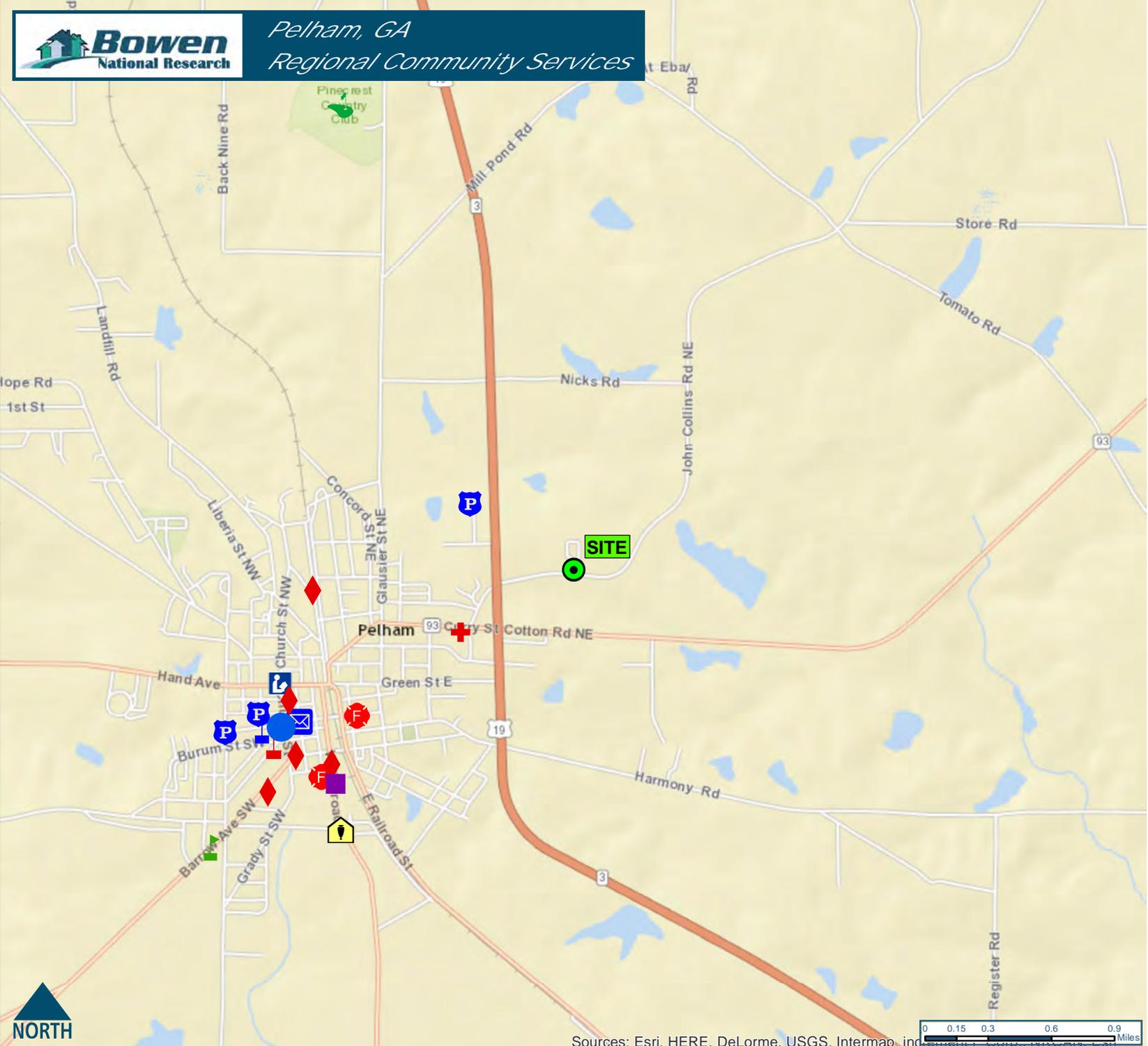
Overall, the proximity to community services should positively impact the continued marketability of the subject site.



Legend

-  Site Area
-  bank
-  child care
-  church
-  convenience store
-  elementary school
-  fire
-  gas
-  grocery
-  high school
-  library
-  medical center
-  middle school
-  museum
-  pharmacy
-  police
-  post office
-  restaurant
-  senior services
-  shopping
-  employers_1000_5000





Legend

-  Site
-  elementary school
-  fire
-  golf
-  high school
-  library
-  medical center
-  middle school
-  museum
-  police
-  post office
-  senior services
-  shopping
-  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 (69) for the Site PMA is below the national average with an overall personal crime index of 61 and a property crime index of 68. Total crime risk (80) for Mitchell County is below the national average with indexes for personal and property crime of 68 and 82, respectively.

	Crime Risk Index	
	Site PMA	Mitchell County
Total Crime	69	80
Personal Crime	61	68
Murder	99	106
Rape	50	54
Robbery	31	41
Assault	73	81
Property Crime	68	82
Burglary	95	105
Larceny	69	81
Motor Vehicle Theft	44	63

Source: Applied Geographic Solutions

The crime risk index for the Site PMA (69) is lower than that reported for Mitchell County (80) as a whole, as well as the national average of 100. Lower crime rates are typical of more rural areas such as the Pelham Site PMA and should contribute to the continued marketability of the subject project, as there is likely a low perception of crime within the Pelham market.

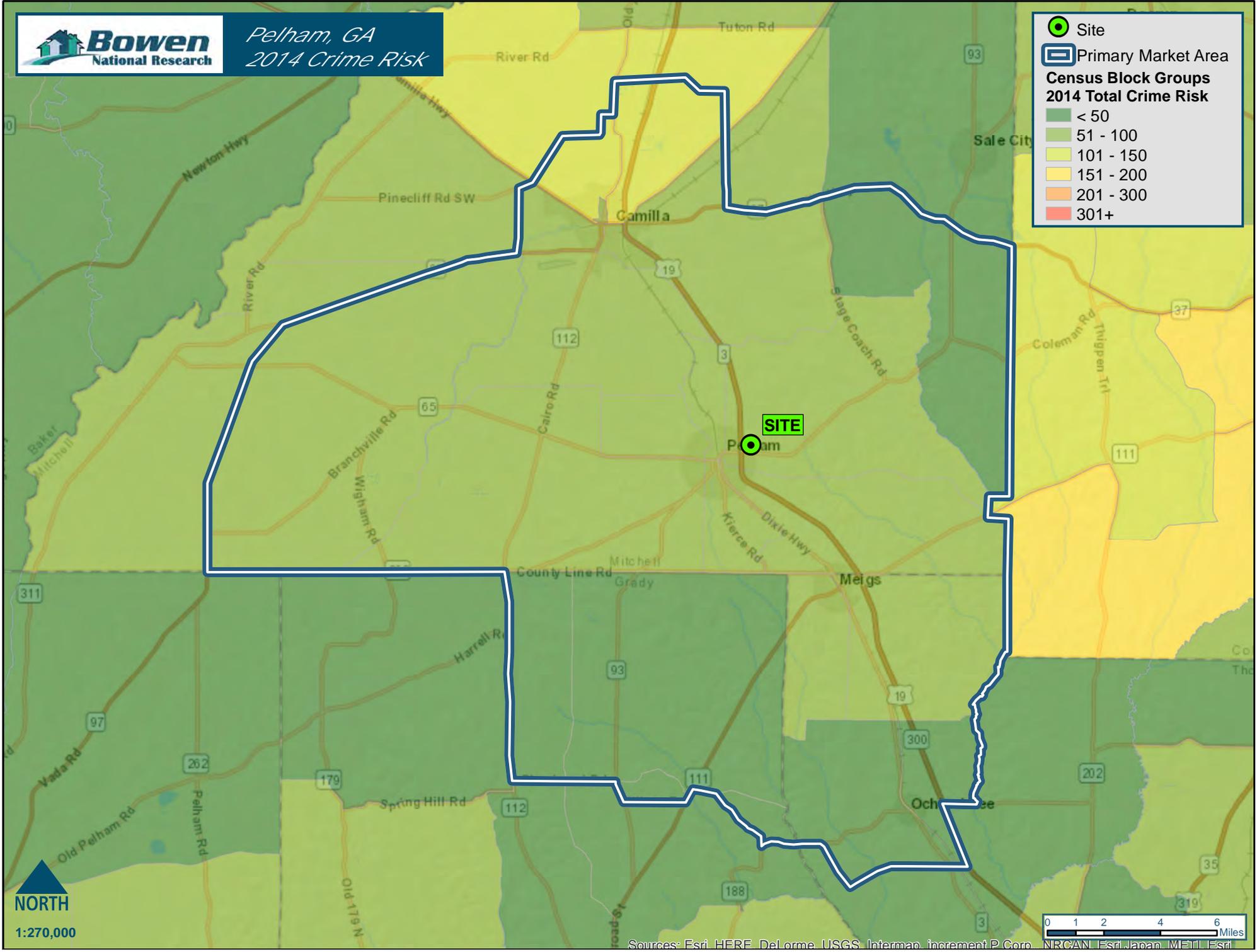
A map illustrating crime risk is on the following page.

● Site

▭ Primary Market Area

Census Block Groups
2014 Total Crime Risk

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



NORTH
1:270,000



7. OVERALL SITE EVALUATION

The subject site is situated within a partially established portion of northeastern Pelham, but is primarily surrounded by wooded and agricultural land in most directions. There are some scattered single-family homes in fair condition throughout the immediate site area as well. The subject site is clearly visible from John Collins Road Northeast, which borders the site to the south and provides passerby traffic to the property. The subject project also derives access from this aforementioned roadway, which was observed to experience light vehicular traffic patterns and is directly accessible to and from U.S. Highway 19 west of the subject site. The subject's proximity to U.S. Highway 19 also allows for most area services to be easily accessible from the subject site, with many being located within 2.0 miles of the site. Overall, the subject site's location is considered conducive to affordable multifamily rental product, as evident by the 100.0% occupancy rate maintained at the subject project.

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.

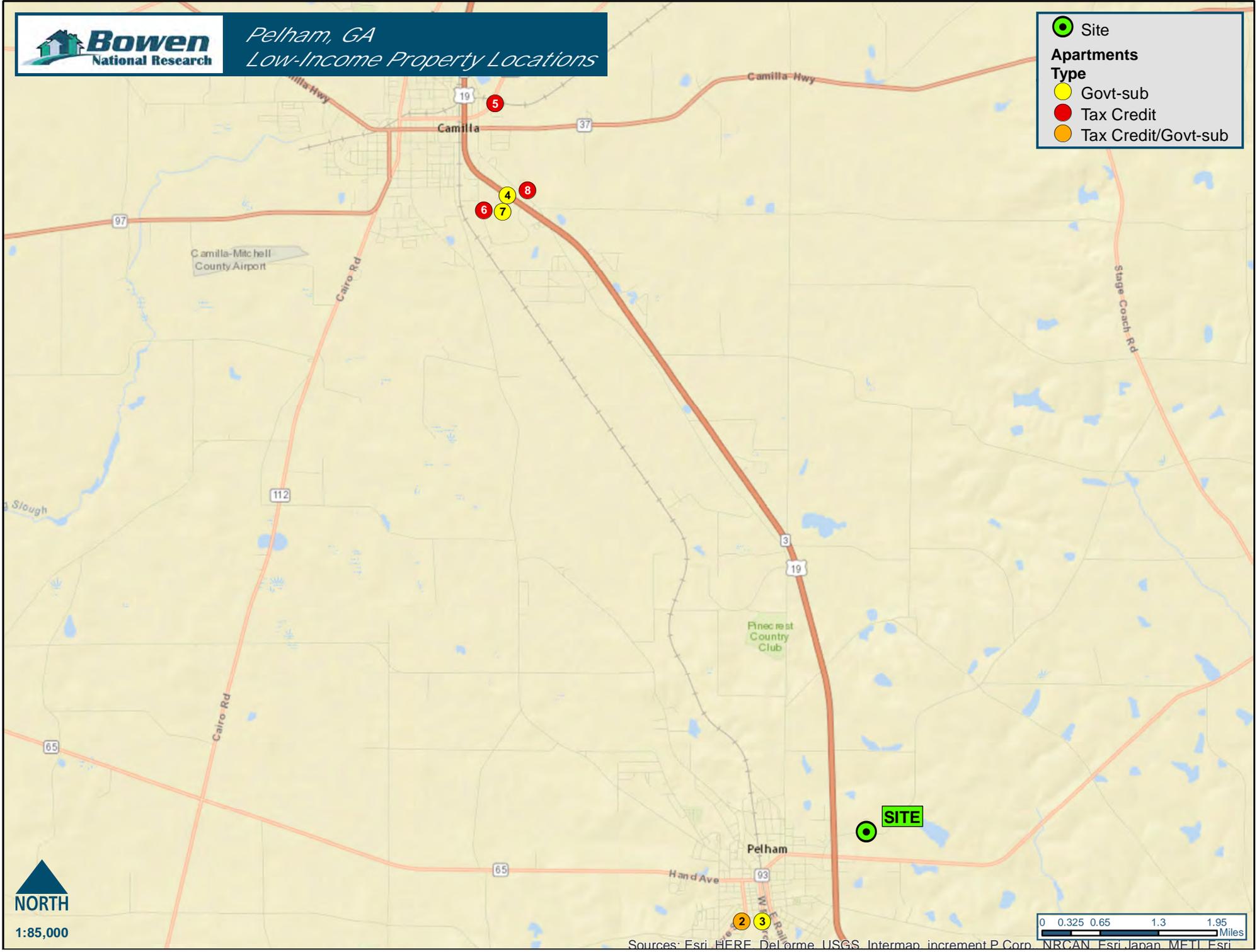


Pelham, GA
Low-Income Property Locations

Site

Apartments Type

- Govt-sub
- Tax Credit
- Tax Credit/Govt-sub



NORTH
1:85,000



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 and potential renters are expected to be drawn from. It is also the geographic area expected to generate the most demographic support for the subject development. The Pelham 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 Pelham Site PMA includes the municipalities, or portions, of Pelham, Camilla, Meigs, Ochlocknee and some outlying unincorporated areas of Mitchell, Grady, and Thomas counties. The boundaries of the Site PMA include State Route 97, the Camilla town limits and State Route 37 to the north; the Mitchell and Colquitt County boundaries and the Little Ochlocknee River to the east; State Route 188, the Ochlocknee town limits, Akridge Road, and Pine Level Road to the south; and State Routes 112, 262 and 97 to the west.

- Dion Fuller, Regional Manager for the subject site Hillcrest Apartments, stated that the PMA boundaries are accurate. According to Ms. Fuller, the majority of the subject's tenants originate from within the boundaries of the Site PMA.
- Dorothy Hill is the Site Manager at Cottonwood Pointe I & II, an age-restricted Tax Credit property located within the Site PMA in the town of Camilla. Ms. Hill confirmed the Site PMA, stating that many of her residents are local to the Camilla area where her property is located, but that she does also receive support from surrounding areas such as Pelham and Albany. Ms. Hill added that affordable product in Pelham would likely receive support from Pelham and the Camilla areas.
- Patricia Cox is the Property Manager at Heritage Square Elderly, an age-restricted Tax Credit and Rural Development property, as well as the Heritage Square Family property, a government-subsidized Rural Development 515 property, both located within the Site PMA. Ms. Cox also confirmed the Site PMA, stating that most of her residents come from within Mitchell County, with some support also originating from the Albany and other surrounding areas. Ms. Cox also added that a site in Pelham would receive support from Camilla given the close proximity of these areas (approximately eight miles) to one another.

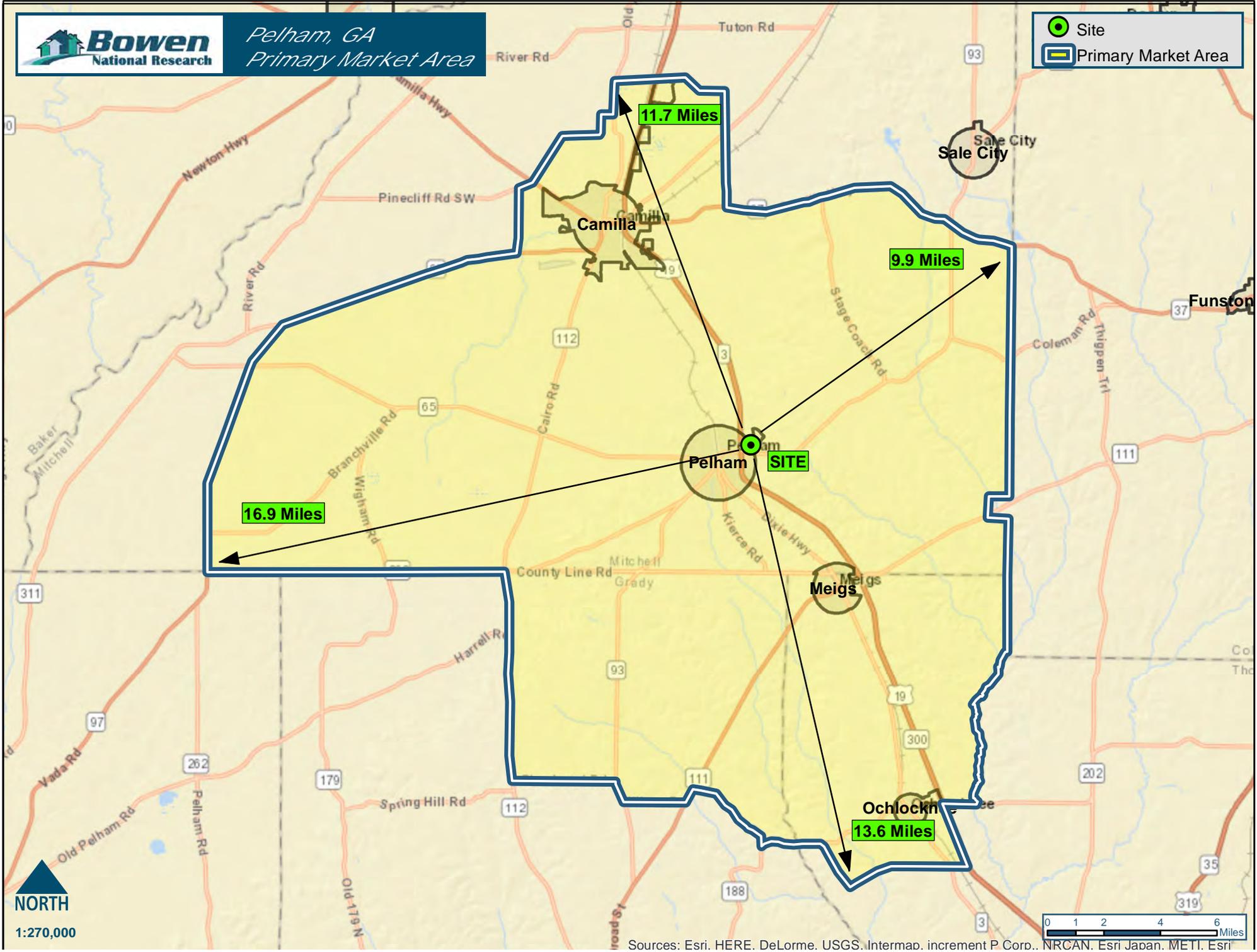
We recognize that the subject project will likely receive some support from outside the Pelham Site PMA. However, when considering the very rural nature of most areas surrounding the Site PMA, this support base is expected to be minimal. We also anticipate that residents of these outlying areas would first choose to relocate to the larger, more populated, areas of Albany, Moultrie, Thomasville, and Cairo, before relocating to the Pelham area. As such, we have not considered any secondary market area in this report.

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



*Pelham, GA
Primary Market Area*

● Site
▭ Primary Market Area



NORTH
1:270,000



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	22,063	22,104	22,188	22,109
Population Change	-	41	84	-78
Percent Change	-	0.2%	0.4%	-0.4%

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

The Pelham Site PMA population base increased by 41 between 2000 and 2010. This represents a 0.2% increase over the 2000 population, or an annual rate of 0.02%. Between 2010 and 2017, the population increased by 84, or 0.4%. It is projected that the population will decline by 78, or 0.4%, between 2017 and 2019. This is considered modest population decline.

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	6,114	27.7%	5,817	26.2%	5,796	26.2%	-20	-0.4%
20 to 24	1,460	6.6%	1,424	6.4%	1,351	6.1%	-73	-5.1%
25 to 34	2,887	13.1%	3,049	13.7%	2,982	13.5%	-67	-2.2%
35 to 44	2,988	13.5%	2,824	12.7%	2,798	12.7%	-26	-0.9%
45 to 54	3,196	14.5%	2,974	13.4%	2,891	13.1%	-82	-2.8%
55 to 64	2,541	11.5%	2,716	12.2%	2,749	12.4%	32	1.2%
65 to 74	1,669	7.5%	2,034	9.2%	2,119	9.6%	85	4.2%
75 & Over	1,251	5.7%	1,350	6.1%	1,423	6.4%	73	5.4%
Total	22,106	100.0%	22,188	100.0%	22,109	100.0%	-78	-0.4%

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

As the preceding table illustrates, over 52% of the population is expected to be between 25 and 64 years old in 2017. This age group is the primary group of support for the subject project.

2. HOUSEHOLD TRENDS

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

	Year			
	2000 (Census)	2010 (Census)	2017 (Estimated)	2019 (Projected)
Households	7,491	7,547	7,578	7,551
Household Change	-	56	31	-27
Percent Change	-	0.7%	0.4%	-0.4%
Household Size	2.95	2.93	2.66	2.66

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

Within the Pelham Site PMA, households increased by 56 (0.7%) between 2000 and 2010. Between 2010 and 2017, households increased by 31 or 0.4%. By 2019, there will be 7,551 households, a decline of 27 households, or 0.4% from 2017 levels. This is a decline of approximately 13 households annually over the next two years, which is minimal and is not expected to have any tangible impact on housing within the Site PMA.

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	310	4.1%	282	3.7%	273	3.6%	-10	-3.4%
25 to 34	984	13.0%	1,026	13.5%	996	13.2%	-30	-2.9%
35 to 44	1,325	17.5%	1,205	15.9%	1,184	15.7%	-21	-1.8%
45 to 54	1,581	20.9%	1,422	18.8%	1,365	18.1%	-58	-4.1%
55 to 64	1,446	19.2%	1,502	19.8%	1,510	20.0%	8	0.5%
65 to 74	1,058	14.0%	1,253	16.5%	1,294	17.1%	42	3.3%
75 to 84	612	8.1%	636	8.4%	679	9.0%	43	6.7%
85 & Over	234	3.1%	252	3.3%	251	3.3%	-1	-0.3%
Total	7,550	100.0%	7,579	100.0%	7,552	100.0%	-27	-0.4%

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 75 and 84, as well as between the ages of 65 and 74. As a result, there will likely be a growing demand for senior-oriented product. The subject project includes some one- and two-bedroom garden units that appeal to area seniors and will enable the property to attract some senior households.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2017 (Estimated)		2019 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	4,994	66.2%	4,700	62.0%	4,683	62.0%
Renter-Occupied	2,553	33.8%	2,877	38.0%	2,868	38.0%
Total	7,547	100.0%	7,578	100.0%	7,551	100.0%

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

In 2017, homeowners occupied 62.0% of all occupied housing units, while the remaining 38.0% were occupied by renters. The share of renters is relatively high and the 2,877 renter households represent a good base of potential support for the subject development.

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	1,292	44.9%	1,291	45.0%	0	0.0%
2 Persons	598	20.8%	596	20.8%	-2	-0.3%
3 Persons	394	13.7%	393	13.7%	-1	-0.3%
4 Persons	258	9.0%	257	9.0%	-1	-0.5%
5 Persons+	334	11.6%	329	11.5%	-5	-1.4%
Total	2,876	100.0%	2,867	100.0%	-10	-0.3%

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	1,337	28.4%	1,327	28.3%	-10	-0.7%
2 Persons	1,815	38.6%	1,810	38.6%	-5	-0.3%
3 Persons	640	13.6%	640	13.7%	0	0.0%
4 Persons	480	10.2%	478	10.2%	-2	-0.4%
5 Persons+	430	9.1%	429	9.2%	-1	-0.2%
Total	4,701	100.0%	4,684	100.0%	-18	-0.4%

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

The subject project offers one- to three-bedroom units, which enable it to accommodate most household sizes.

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

Household Income	2010 (Census)		2017 (Estimated)		2019 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$15,000	2,051	27.2%	2,100	27.7%	2,201	29.2%
\$15,000 to \$24,999	1,378	18.3%	1,301	17.2%	1,272	16.8%
\$25,000 to \$34,999	760	10.1%	923	12.2%	850	11.3%
\$35,000 to \$49,999	1,175	15.6%	1,059	14.0%	1,040	13.8%
\$50,000 to \$74,999	1,061	14.1%	1,065	14.0%	1,062	14.1%
\$75,000 to \$99,999	551	7.3%	612	8.1%	611	8.1%
\$100,000 to \$149,999	458	6.1%	378	5.0%	375	5.0%
\$150,000 to \$199,999	6	0.1%	85	1.1%	86	1.1%
\$200,000 & Over	110	1.5%	55	0.7%	53	0.7%
Total	7,550	100.0%	7,577	100.0%	7,550	100.0%
Median Income	\$29,553		\$29,202		\$28,555	

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

In 2010, the median household income was \$29,553. This declined by 1.2% to \$29,202 in 2017. By 2019, it is projected that the median household income will be \$28,555, a decline of 2.2% over 2017.

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

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	480	275	243	96	160	1,254
\$15,000 to \$24,999	232	138	120	49	80	619
\$25,000 to \$34,999	79	51	45	19	28	222
\$35,000 to \$49,999	89	61	54	21	37	262
\$50,000 to \$74,999	37	28	25	10	15	115
\$75,000 to \$99,999	12	9	8	4	4	37
\$100,000 to \$149,999	15	11	10	3	4	43
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	944	573	505	202	328	2,552

Source: ESRI; Urban Decision Group

Renter Households	2017 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	646	280	184	122	159	1,393
\$15,000 to \$24,999	260	116	76	51	66	568
\$25,000 to \$34,999	178	82	55	36	47	397
\$35,000 to \$49,999	95	52	34	22	27	230
\$50,000 to \$74,999	66	40	26	16	22	169
\$75,000 to \$99,999	27	15	11	7	8	68
\$100,000 to \$149,999	20	13	8	5	5	51
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	1,292	598	394	258	334	2,876

Source: ESRI; Urban Decision Group

Renter Households	2019 (Projected)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$15,000	683	297	195	129	168	1,473
\$15,000 to \$24,999	251	112	73	49	63	547
\$25,000 to \$34,999	162	76	50	33	42	364
\$35,000 to \$49,999	87	47	31	21	24	209
\$50,000 to \$74,999	62	37	25	15	19	158
\$75,000 to \$99,999	26	14	10	6	7	63
\$100,000 to \$149,999	21	13	9	5	5	53
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	1,291	596	393	257	329	2,867

Source: ESRI; Urban Decision Group

Demographic Summary

The Pelham Site PMA population base and total number of households have gone virtually unchanged since 2000, growing slightly during this time. It is projected that the population will decline by 78, or 0.4%, between 2017 and 2019, while the number of households are projected to decline by 27 households, or 0.4% from 2017 levels. The share (38.0%) of renters is relatively high and 2,877 renter households represent a good base of potential support for the subject development. The number of renter households is projected to remain virtually unchanged over the next couple of years, evidence of a stable demographic base.

Section F – Economic Trends

1. LABOR FORCE PROFILE

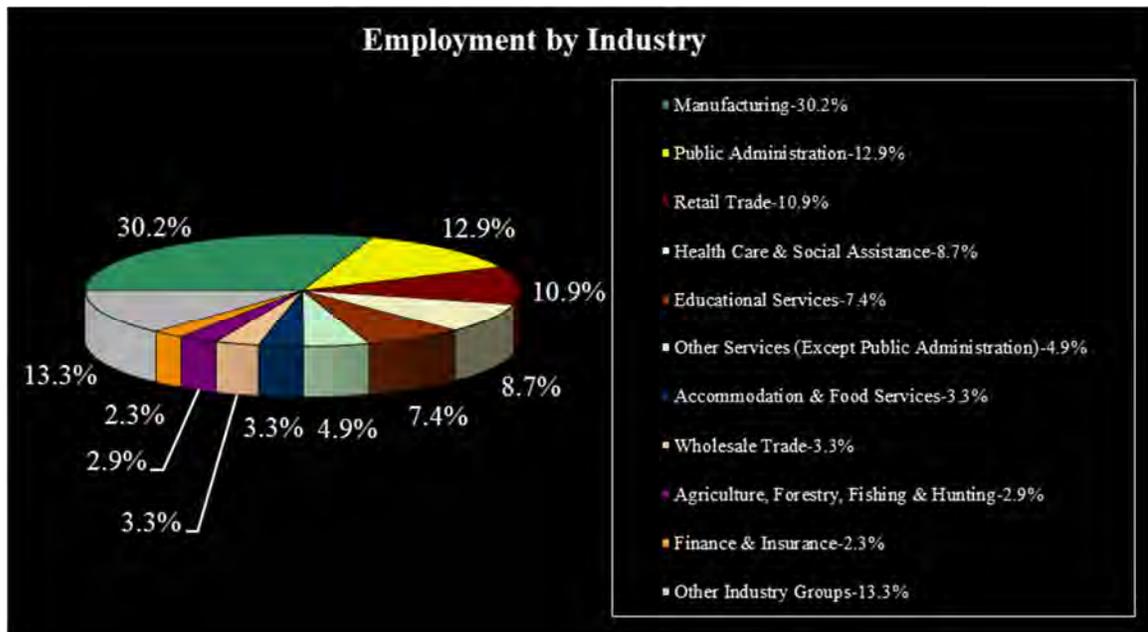
The labor force within the Pelham Site PMA is based primarily in three sectors. Manufacturing (which comprises 30.2%), Public Administration and Retail Trade comprise approximately 54% of the Site PMA labor force. Employment in the Pelham Site PMA, as of 2017, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	32	4.0%	275	2.9%	8.6
Mining	2	0.3%	12	0.1%	6.0
Utilities	2	0.3%	86	0.9%	43.0
Construction	43	5.4%	208	2.2%	4.8
Manufacturing	20	2.5%	2,860	30.2%	143.0
Wholesale Trade	33	4.1%	308	3.3%	9.3
Retail Trade	130	16.3%	1,033	10.9%	7.9
Transportation & Warehousing	24	3.0%	188	2.0%	7.8
Information	12	1.5%	58	0.6%	4.8
Finance & Insurance	75	9.4%	222	2.3%	3.0
Real Estate & Rental & Leasing	33	4.1%	140	1.5%	4.2
Professional, Scientific & Technical Services	34	4.3%	187	2.0%	5.5
Management of Companies & Enterprises	2	0.3%	42	0.4%	21.0
Administrative, Support, Waste Management & Remediation Services	16	2.0%	138	1.5%	8.6
Educational Services	20	2.5%	697	7.4%	34.9
Health Care & Social Assistance	52	6.5%	822	8.7%	15.8
Arts, Entertainment & Recreation	8	1.0%	28	0.3%	3.5
Accommodation & Food Services	40	5.0%	313	3.3%	7.8
Other Services (Except Public Administration)	113	14.2%	464	4.9%	4.1
Public Administration	92	11.5%	1,222	12.9%	13.3
Nonclassifiable	14	1.8%	168	1.8%	12.0
Total	797	100.0%	9,471	100.0%	11.9

*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 South Georgia Nonmetropolitan Area are compared with those of Georgia in the following table:

Typical Wage by Occupation Type		
Occupation Type	South Georgia Nonmetropolitan Area	Georgia
Management Occupations	\$87,480	\$114,210
Business and Financial Occupations	\$56,040	\$71,300
Computer and Mathematical Occupations	\$65,030	\$85,800
Architecture and Engineering Occupations	\$67,370	\$78,820
Community and Social Service Occupations	\$36,620	\$45,460
Art, Design, Entertainment and Sports Medicine Occupations	\$38,050	\$52,710
Healthcare Practitioners and Technical Occupations	\$67,840	\$74,310
Healthcare Support Occupations	\$24,050	\$28,330
Protective Service Occupations	\$32,530	\$36,610
Food Preparation and Serving Related Occupations	\$19,990	\$20,530
Building and Grounds Cleaning and Maintenance Occupations	\$22,980	\$25,010
Personal Care and Service Occupations	\$22,270	\$24,390
Sales and Related Occupations	\$27,190	\$38,060
Office and Administrative Support Occupations	\$30,840	\$35,470
Construction and Extraction Occupations	\$33,540	\$40,540
Installation, Maintenance and Repair Occupations	\$39,830	\$44,550
Production Occupations	\$30,640	\$33,500
Transportation and Moving Occupations	\$29,830	\$33,720

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

Most annual blue-collar salaries range from \$19,990 to \$39,830 within the South Georgia Nonmetropolitan Area. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$68,752. It is important to note that most occupational types within the South Georgia Nonmetropolitan Area have lower typical wages than the state of Georgia's typical wages. The subject project will target low-income households. Thus, the area employment base appears to have a significant number of wage-appropriate occupations from which the subject project will be able to draw support.

2. MAJOR EMPLOYERS

The ten largest employers within Mitchell County comprise a total of 4,539 employees and 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 South Georgia Nonmetropolitan Area and reflected in the *Typical Wage by Occupation Type* table earlier in this section.

Employer Name	Business Type	Total Employed
Keystone Foods	Poultry Processing	2,570
Mitchell County Schools	Education	425
Autry State Prison	Corrections	352
Archbold Medical Center	Health Care	280
Pelham City Schools	Education	208
Mitchell County Board of Commissioners	Government	200
Darwood Manufacturing	Clothing Manufacturer	150
Okinus	Financial Services	134
Pelham Parkway	Health Care	112
City of Camilla	City Government	108
Total		4,539

Source: Mitchell County Development Authority (December 2016)

According to a representative with the Mitchell County Development Authority and a representative of the City of Pelham, the Pelham economy is stable and improving. A new Pelham City Manager and Director of the Pelham Chamber of Commerce were hired in past 18 months and have helped to turn the Pelham economy in a positive direction. The city finances are now stable and growing. Some of the positive economic impacts in Pelham over the past 12 months are summarized as follows:

- There were four new restaurants opened in 2016 and all four have exceeded their projected incomes.
- Dollar General recently purchased a vacant Walmart Express building in Pelham and vacated their facilities in downtown Pelham. AutoZone purchased the vacant Dollar General building and opened a new store in March of 2017.

- Recently the city of Pelham accepted a donation of a 20,000-square foot building that is currently occupied by a Subway franchise with 18,000 square feet of space remaining vacant. A national variety retail chain is actively evaluating the building for occupancy in the 3rd or 4th quarter of 2017, though additional details of this project were unavailable at the time of this analysis.
- Mitchell County Dodge-Chrysler-Jeep recently relocated from a remote location in Mitchell County to a new facility just outside the Pelham city limits, at a cost of \$900,000.
- Pelham's only motel, Executive Inn & Suites, was completely renovated in mid-2016 and collection of Hotel/Motel Tax has doubled during the past nine months indicating a significantly higher occupancy rate compared to previous periods.

Infrastructure Projects

- Palmer Street Sidewalks: This project will involve the construction of sidewalks for school children from Hand Avenue to Barrow Street (approximately 3,150 feet of sidewalk along Palmer Avenue), new curbs and guttering, and resurfacing of the entire street. This project began in March of 2017 and is projected to cost \$281,000.
- The city of Pelham was awarded a Community Development Block Grant of \$500,000 from the Georgia Department of Community Affairs for sewer rehabilitation. This project will include the rehabilitation of 24 blocks of sewer lines, approximately 75 manholes, and the replacement of 3,500 feet of sewer line.
- The city of Pelham has advertised for bids for the replacement of 1,450 water meters with drive-by water meters and the associated hardware and software for integration into the existing utility software. This project is anticipated to be complete in the 4th quarter 2017.
- The city of Pelham has applied for an additional 2017 Local Maintenance & Improvement Grant for Off-System Safety in the amount of \$50,000. If awarded, these funds, with an additional 30% match, will be used to stripe 25 miles of roadway within the corporate city limits with completion projected for the end of December 2017.

WARN (layoff notices):

According to the Georgia Department of Economic Development's Workforce Division there have been no WARN notices of large-scale layoffs or closures reported for Mitchell 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.

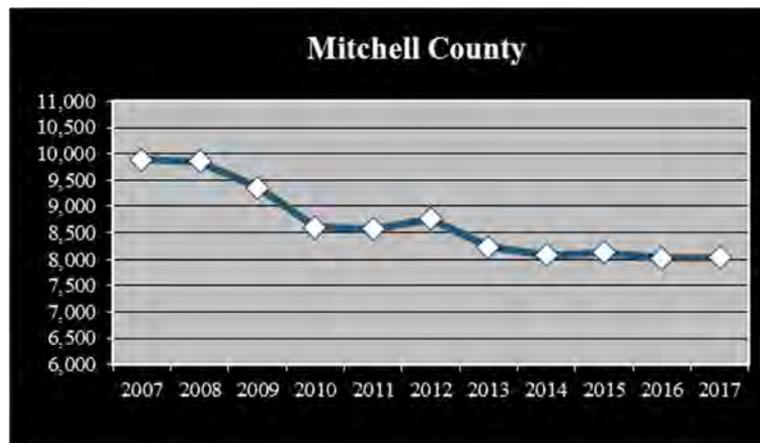
Excluding 2017, the employment base has declined by 8.5% over the past five years in Mitchell County, while the state of Georgia increased by 7.1%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Mitchell County, the state of Georgia and the United States.

Year	Total Employment					
	Mitchell County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2007	9,886	-	4,597,640	-	146,388,400	-
2008	9,851	-0.4%	4,575,010	-0.5%	146,047,748	-0.2%
2009	9,354	-5.0%	4,311,854	-5.8%	140,696,560	-3.7%
2010	8,602	-8.0%	4,202,052	-2.5%	140,469,139	-0.2%
2011	8,568	-0.4%	4,263,305	1.5%	141,791,255	0.9%
2012	8,761	2.2%	4,348,083	2.0%	143,621,634	1.3%
2013	8,244	-5.9%	4,367,147	0.4%	144,996,474	1.0%
2014	8,082	-2.0%	4,418,471	1.2%	147,403,607	1.7%
2015	8,129	0.6%	4,502,021	1.9%	149,648,686	1.5%
2016	8,019	-1.4%	4,656,255	3.4%	152,001,644	1.6%
2017*	8,038	0.2%	4,767,833	2.4%	152,065,874	0.0%

Source: Department of Labor; Bureau of Labor Statistics

*Through May



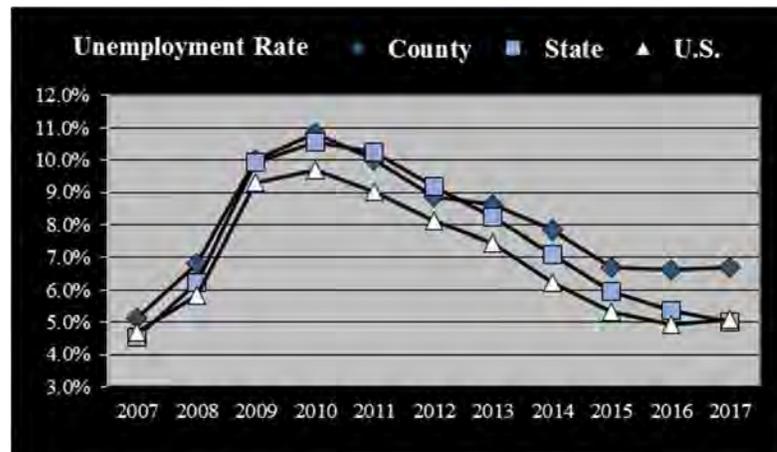
As the preceding illustrates, the Mitchell County employment base has declined by 1,867 employees since 2007. The County's employment base has remained generally stable over the past four years.

Unemployment rates for Mitchell County, the state of Georgia and the United States are illustrated as follows:

Year	Unemployment Rate		
	Mitchell County	Georgia	United States
2007	5.1%	4.5%	4.7%
2008	6.8%	6.2%	5.8%
2009	10.0%	9.9%	9.3%
2010	10.8%	10.6%	9.7%
2011	10.0%	10.2%	9.0%
2012	8.9%	9.2%	8.1%
2013	8.6%	8.2%	7.4%
2014	7.9%	7.1%	6.2%
2015	6.7%	6.0%	5.3%
2016	6.6%	5.4%	4.9%
2017*	6.7%	5.0%	5.1%

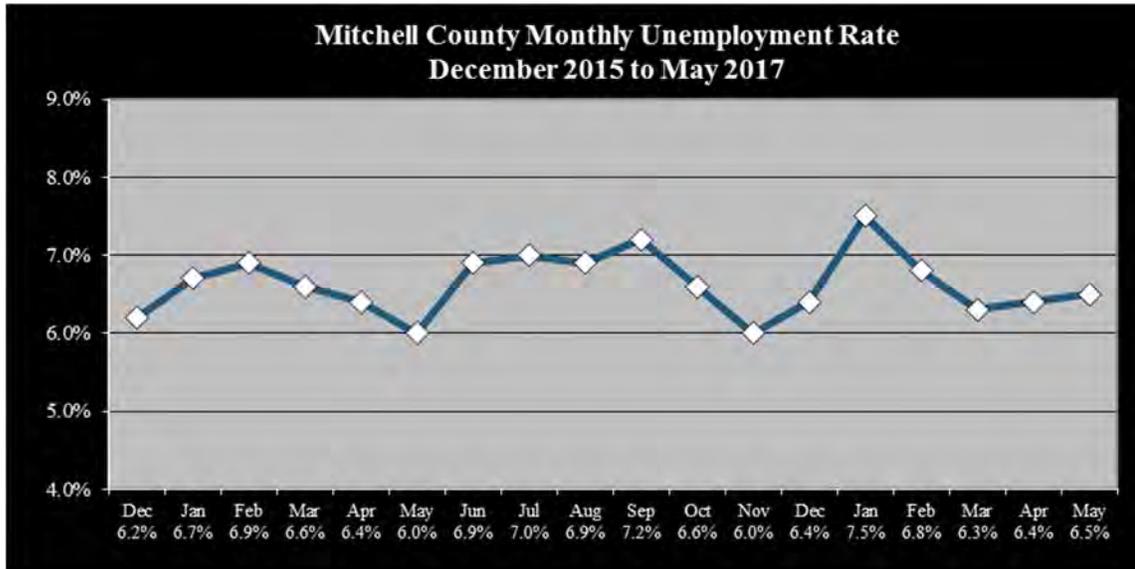
Source: Department of Labor, Bureau of Labor Statistics

*Through May



The unemployment rate in Mitchell County has ranged between 5.1% and 10.8%, above the state average since 2007. After peaking at 10.8% in 2010, the county's unemployment rate declined in each of the past six full years and the latest (May 2017) unemployment rate of 6.7% is near the lowest in the county during the past 10 years.

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



While the county's monthly unemployment rate fluctuated over the past 18 months, it has generally remained below 7.0%.

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 Mitchell County.

In-Place Employment Mitchell County			
Year	Employment	Change	Percent Change
2006	8,857	-	-
2007	8,690	-167	-1.9%
2008	8,641	-49	-0.6%
2009	8,114	-527	-6.1%
2010	7,783	-331	-4.1%
2011	7,818	35	0.4%
2012	8,002	184	2.4%
2013	7,595	-407	-5.1%
2014	7,393	-202	-2.7%
2015	7,513	120	1.6%
2016	7,121	-392	-5.2%

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 Mitchell County to be 88.8% of the total Mitchell County employment. This means that Mitchell County has more employed persons leaving the county for daytime employment than those who work in the county. Regardless, most tenants of the subject project are expected to originate from within the Mitchell

County and surrounding areas. As such, tenants of the property will be familiar with commuting trends within the area and unaffected by in-place employment trends.

4. ECONOMIC FORECAST

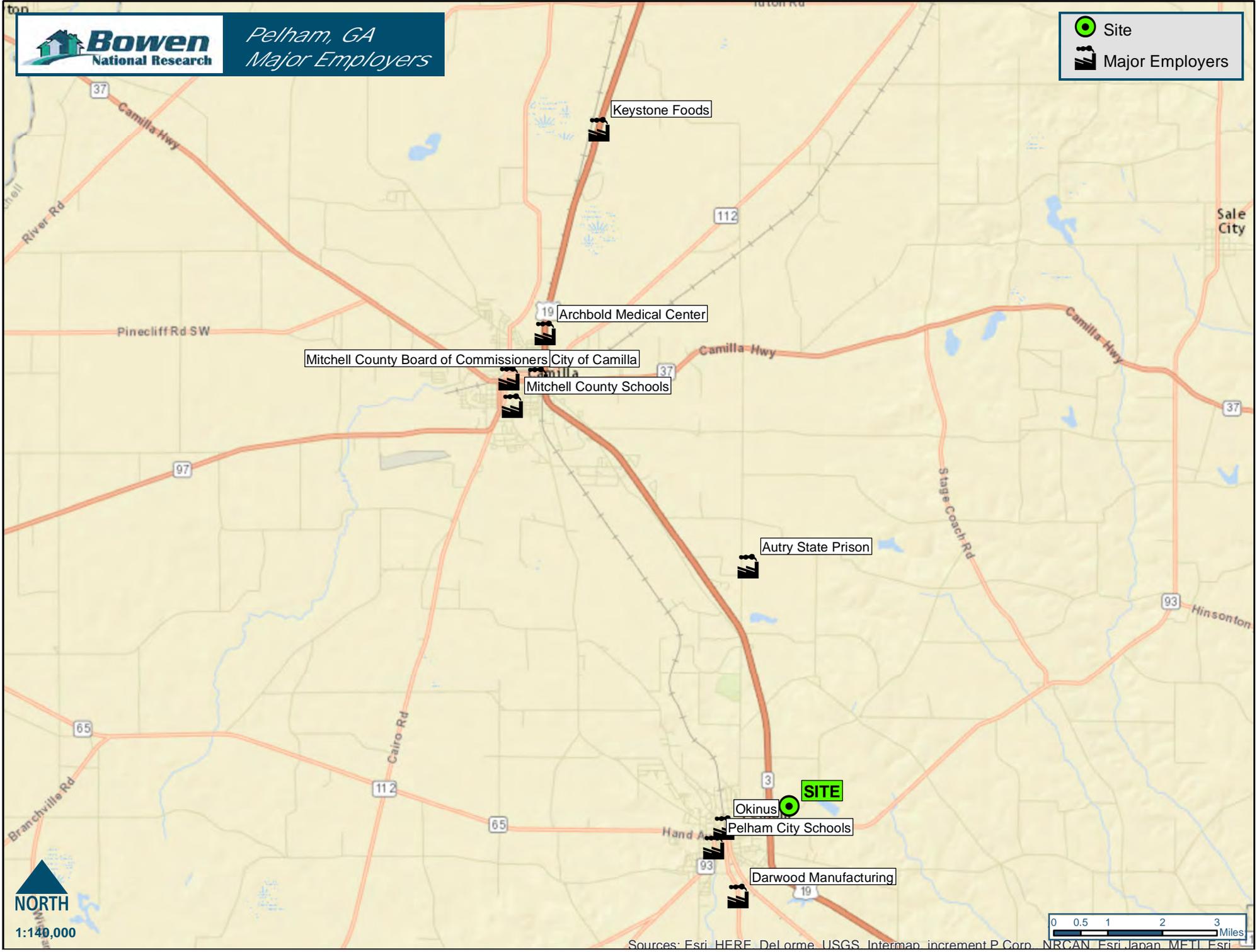
Over half of the labor force in the Site PMA is employed within the Manufacturing, Public Administration and Retail Trade job sectors. The proposed project will target low-income households. The area employment base has a significant number of wage-appropriate occupations from which the subject project will be able to draw support. The County's employment base has remained generally stable over the past four years. After peaking at 10.8% in 2010, the county's unemployment rate declined in each of the past six full years and the latest (May 2017) unemployment rate of 6.7% is near the lowest in the county during the past 10 years. Overall, the local economy is stable and expected to remain stable for the foreseeable future.

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



*Pelham, GA
Major Employers*

-  Site
-  Major Employers



NORTH
1:140,000

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

Section G – Project-Specific Demand Analysis

The subject project currently operates under the income and rent requirements of the RD Section 515 and HUD Section 8 programs. 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 and HUD Section 8 programs 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 Mitchell County, which has a four-person median household income of \$39,700 for 2017. The subject property will be restricted to households with incomes of up to 60% of AMHI under the Tax Credit program, but up to 50% of AMHI under the Section 8 program. The following table summarizes the maximum allowable income by household size at 50% and 60% of AMHI.

Household Size	Maximum Allowable Income	
	50%	60%
One-Person	\$16,300	\$19,560
Two-Person	\$18,600	\$22,320
Three-Person	\$20,950	\$25,140
Four-Person	\$23,250	\$27,900
Five-Person	\$25,150	\$30,180

a. Maximum Income Limits

The largest units (three-bedroom) at the subject site are expected to continue to house up to five-person family households. As such, the maximum allowable income at the subject site is **\$30,180**.

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.

Since the subject project will continue to operate under the Rural Development 515 (RD 515) and HUD Section 8 programs, the project will continue to serve households with little to no income. As such, we have conducted a capture rate analysis that considers the project to continue to operate with the retention of these subsidies.

In the unlikely event the project-based subsidies were lost and the property had to operate exclusively under the Tax Credit program, the proposed rents for the one- and three-bedroom units would need to be lowered to, or below, maximum allowable Tax Credit limits. In this scenario, the subject project would have a lowest gross rent of \$523. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,276. 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 \$17,931.

c. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate ranges required to live at the renovated subject project are illustrated in the following table. Note that income ranges have been provided for the subject project to operate under the RD 515 and HUD Section 8 programs and under the Tax Credit program separately.

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit with Subsidies	\$0	\$25,150
LIHTC Only without Subsidies	\$17,931	\$30,180

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 30.7% to 43.9% (depending upon targeted income level) 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, 6.1% 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.**

There are no general-occupancy LIHTC properties that were funded and/or built during the projection period (2015 to current). Additionally, there are no existing LIHTC properties operating below a stabilized occupancy 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 assumes all rental assisted/subsidized units are leasable, per GDCA guidelines. Scenario two provides demand estimates for the entire subject project assuming both the retention of the project-based Section 8 subsidy and 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)	
	LIHTC with Subsidies (\$0 - \$25,150)	LIHTC with Subsidies (\$0 - \$25,150)	LIHTC Only Without Subsidies (\$17,931 - \$30,180)
Demand From New Renter Households (Income-Appropriate)	2,026 - 1,967 = 59	2,026 - 1,967 = 59	575 - 607 = -32
+			
Demand From Existing Households (Rent Overburdened)	1,967 X 43.9% = 864	1,967 X 43.9% = 864	607 X 30.7% = 186
+			
Demand From Existing Households (Renters In Substandard Housing)	1,967 X 6.1% = 120	1,967 X 6.1% = 120	607 X 6.1% = 37
=			
Demand Subtotal	1,043	1,043	191
+			
Demand From Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2%	N/A	N/A	N/A
=			
Total Demand	1,043	1,043	191
-			
Supply (Directly Comparable Units Built and/or Funded Since 2015)	0	0	0
=			
Net Demand	1,043	1,043	191
Proposed Units	0*	49	49
Proposed Units/ Net Demand	0* / 1,043	49 / 1,043	49 / 191
Capture Rate	= 0.0%	= 4.7%	= 25.7%

N/A – Not Applicable

*Assumes all subsidized (Rental Assisted) units are leasable and will remain occupied 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 4.7% (subsidized scenario) and 25.7% (Tax Credit only scenario) are both considered achievable and demonstrate a sufficient base of support for the subject project under either scenario. Effectively, however, the subject project will have a capture rate of 0.0%, as all 49 units receive a direct subsidy through HUD Section 8, which is expected to be retained and all current subsidized tenants are expected to remain, post renovations.

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)

As illustrated by our overall demand estimates on the preceding page, all 49 of the subject units are considered leasable, per GDCA guidelines, as the project-based HUD Section 8 subsidy will be retained for all units post renovations. Thus, the subject's capture rate (both overall and by bedroom type) is 0.0%. As such, we have not provided separate capture rates by bedroom type for the subject project under this scenario.

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
LIHTC with Subsidy										
One-Bedroom (35%)	60%	16	366	0	366	4.4%	2 Months	\$611	\$475-\$715	\$442
One-Bedroom	Total	16	366	0	366	4.4%	2 Months	-	-	-
LIHTC Only										
Two-Bedroom (45%)	60%	25	470	0	470	5.3%	4 Months	\$672	\$535-\$747	\$495
Two-Bedroom	Total	25	470	0	470	5.3%	4 Months	-	-	-
Three-Bedroom (20%)	60%	8	207	0	207	3.9%	2 Months	\$798	\$580-\$865	\$592
Three-Bedroom	Total	8	207	0	207	3.9%	2 Months	-	-	-
LIHTC Only										
One-Bedroom (35%)	60%	16	67	0	67	23.9%	3 Months	\$611	\$475-\$715	\$442
One-Bedroom	Total	16	67	0	67	23.9%	3 Months	-	-	-
Two-Bedroom (45%)	60%	25	86	0	86	29.1%	8 Months	\$672	\$535-\$747	\$495
Two-Bedroom	Total	25	86	0	86	29.1%	8 Months	-	-	-
Three-Bedroom (20%)	60%	8	38	0	38	21.1%	2 Months	\$798	\$580-\$865	\$592
Three-Bedroom	Total	8	38	0	38	21.1%	2 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 3.9% to 29.1% 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 Pelham 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	7,547	88.8%	7,578	86.8%
Owner-Occupied	4,994	66.2%	4,700	62.0%
Renter-Occupied	2,553	33.8%	2,877	38.0%
Vacant	952	11.2%	1,149	13.2%
Total	8,499	100.0%	8,727	100.0%

Source: ESRI, Census 2010

Based on a 2017 update of the 2010 Census, of the 8,727 total housing units in the market, 13.2% were vacant. It is important to note, however, that the number of vacant housing units reflected in the preceding table includes abandoned, dilapidated, and/or for-sale housing units, as well as housing units utilized solely for seasonal/recreational purposes. Thus, we have conducted a Field Survey of Conventional Rentals to better determine the strength of the long-term rental market within the Pelham Site PMA.

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

Vacant Units	Number	Percent
For Rent	199	20.9%
For-Sale Only	115	12.1%
Renter/Sold, Not Occ.	73	7.7%
Seasonal or Recreational	126	13.2%
Other Vacant	439	46.1%
Total	952	100.0%

Source: 2010 Census

Based on the 2010 Census, of the 952 vacant units in the Site PMA, 46.1% are classified as “Other Vacant”, while 20.9% are classified as “For Rent”. This is a good indication that the vacant housing units included in the table earlier in this section are not reflective of the long-term rental housing 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	3,559	72.0%	1,246	46.2%
1, Attached	19	0.4%	14	0.5%
2 to 4	0	0.0%	404	15.0%
5 to 9	3	0.1%	322	11.9%
10 to 19	0	0.0%	83	3.1%
20 to 49	0	0.0%	25	0.9%
50+	0	0.0%	31	1.1%
Mobile Homes	1,355	27.4%	572	21.2%
Boat, RV, Vans	8	0.2%	0	0.0%
Total	4,944	100.0%	2,697	100.0%

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

Nearly 67.9% of all renter-occupied housing units are comprised of single-family or mobile homes. This demonstrates a limited supply of conventional rental product within the Pelham Site PMA, which is typical of many rural markets.

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	4,932	99.8%	2,660	98.6%
Lacking Complete Kitchen	12	0.2%	38	1.4%
Total	4,944	100.0%	2,698	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	4,943	100.0%	2,692	99.8%
Lacking Complete Plumbing	1	0.0%	6	0.2%
Total	4,944	100.0%	2,698	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 1.4% and 0.2%, respectively, while 0.2% of renter-occupied households had incomplete plumbing facilities compared with 0.0% 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	4,807	97.2%	2,538	94.1%
1.01 Or More Occupants Per Room	137	2.8%	159	5.9%
Total	4,944	100.0%	2,697	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 5.9% of the households, compared with 2.8% 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%	2,464	49.8%	532	19.7%
20% to 29%	866	17.5%	453	16.8%
30% or More	1,556	31.5%	1,026	38.0%
Not Computed	59	1.2%	688	25.5%
Total	4,945	100.0%	2,699	100.0%

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

As the preceding illustrates, 38.0% of renter households in the market pay more than 30% of their income towards rent, as compared to 36.5% of renter households who pay less than 30% of their income towards rent. This is a good indication of the need for affordable rental housing within the Pelham market.

Conventional Rentals

The Pelham Site PMA is relatively rural in nature and thus offers a limited supply of conventional rental product, which is further evident by the fact that we identified and personally surveyed just eight conventional rental housing projects containing a total of 364 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 92.9%, a stable rate for rental housing. Each rental housing segment surveyed is summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Tax Credit	3	196	7	96.4%
Tax Credit/Government-Subsidized	1	24	0	100.0%
Government-Subsidized	4	144	19	86.8%
Total	8	364	26	92.9%

As the preceding illustrates, the Pelham Site PMA is dominated by affordable rental product, as all eight of the conventional rental properties surveyed offer affordable (i.e. Tax Credit and/or Government-Subsidized) rental units. Six of the eight properties surveyed are 100.0% occupied, including the existing subject site, and all six of these properties maintain waiting lists for their next available unit. Note that all 19 of the vacant Government-Subsidized units are located at Coolawahee Apartments (Map ID 7) which is located within the Site PMA, but in the town of Camilla, Georgia in the far northern portion of the Site PMA. This aforementioned property currently has an occupancy rate of 17.4%, which is unusually low for a Government-Subsidized (Rural Development 515) property. It is important to note, however, that this property does not provide Rental Assistance (RA) to any of its units, thus requiring tenants of this property to pay rents between the current basic and market rents at this property. Management at this property attributed the low occupancy rate to the lack of RA at this property, as well as the overall quality of the property. Past surveys of this property conducted by our firm also revealed that this property has experienced issues with evictions which have resulted in lower than typical occupancy rates.

One non-subsidized Tax Credit property, Campbell Place (Map ID 6), also reports an occupancy rate below 90.0% (86.5%). Note, however, that this property opened in September of 2016 and is still within its initial lease-up period. According to management, this property began preleasing in July of 2016. Based on the preceding and considering the 45 currently occupied units, this property has experienced an average monthly absorption rate of approximately three units per month since preleasing began, which is considered a slow absorption.

The 100.0% occupancy rates and waiting lists reported among the six remaining affordable rental properties surveyed in the market, including the subject site, further demonstrate that the low occupancy rates reported at these two aforementioned properties are due to project-specific issues, rather than being market related.

The following table summarizes the breakdown of the non-subsidized Tax Credit units surveyed within the Site PMA.

Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	50	25.5%	4	8.0%	\$423
Two-Bedroom	1.0	24	12.2%	0	0.0%	\$534
Two-Bedroom	2.0	58	29.6%	3	5.2%	\$544
Three-Bedroom	2.0	64	32.7%	0	0.0%	\$701
Total Tax Credit		196	100.0%	7	3.6%	-

There are no market-rate units in the field survey of the Site PMA. The non-subsidized Tax Credit units are 96.4% occupied, with all seven (7) vacant units reported being located at the aforementioned Campbell Place (Map ID 6) property, which is still in its initial lease-up period. The fact that all other non-subsidized Tax Credit units surveyed are 100.0% occupied is a good indication of strong demand for such product within the Pelham Site PMA. This is especially true of general-occupancy (family) product, as the one non-subsidized LIHTC property reporting vacancies (Campbell Place) is an age-restricted property.

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.

Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	52	13.5%
B+	1	48	0.0%
B-	1	96	0.0%

Non-subsidized Tax Credit product surveyed in the market is in good to excellent condition, as each property surveyed was assigned a quality rating of "B-" or better by our analyst. The subject project is expected to have an improved overall quality upon completion of renovations, which will contribute to its continued marketability within the Pelham Site PMA.

2. SUMMARY OF ASSISTED PROJECTS

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

Map I.D.	Project Name	Type	Year Built/ Renovated	Total Units	Occup.	Gross Rent (Unit Mix)				
						Studio	One-Br.	Two-Br.	Three-Br.	Four-Br.
1	Hillcrest Apts. (Site)	RD 515 & SEC 8	1985	49	100.0%	-	\$489 - \$561 (16)	\$558 - \$673 (25)	\$671 - \$772 (8)	-
2	Heritage Square Elderly	TAX & RD 515	1981 / 2009	24	100.0%	-	\$531 - \$719 (24)	-	-	-
3	Heritage Square Family	RD 515	1981	24	100.0%	-	-	\$514 - \$735 (24)	-	-
4	Quail Valley Apts.	RD 515	1983	48	100.0%	-	\$419 - \$557 (12)	\$467 - \$648 (28)	\$531 - \$691 (8)	-
5	Cottonwood Pointe I & II	TAX	2005	48	100.0%	-	\$327 - \$482 (24)	\$414 - \$534 (24)	-	-
6	Campbell Place	TAX	2016	52	86.5%	-	\$330 - \$423 (26)	\$436 - \$544 (26)	-	-
7	Coolawahee Apts.	RD 515	1986	23	17.4%	-	\$527 - \$537 (8)	\$581 - \$639 (15)	-	-
8	Southfork Apts.	TAX	1999 / 2016	96	100.0%	-	-	\$456 - \$559 (32)	\$524 - \$701 (64)	-
Total				364	92.9%					

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

SEC - Section

RD - Rural Development

The overall occupancy is 92.9% for these projects, indicating strong market demand. Notably, six of the eight properties surveyed are 100.0% occupied with waiting lists. As previously detailed within this section of the report, two properties surveyed report occupancy rates below 90.0%, Campbell Place (Map ID 6) and Coolawahee Apartments (Map ID 7). Campbell Place is an age-restricted Tax Credit community which opened in September of 2016 and is still within its initial lease-up period, while Coolawahee Apartments has historically operated with a less than stable occupancy rate and has experienced issues with evictions which have resulted in lower than typical occupancy rates, based on previous surveys conducted by our firm. Management of this property also attributed the low occupancy rate to the lack of Rental Assistance (RA) and overall quality of the property. Regardless, the 100.0% occupancy rates and waiting lists reported among six of the eight affordable

properties surveyed, including the subject site, are clear indications of strong and pent-up demand for affordable rental product within the Pelham market.

HOUSING CHOICE VOUCHER HOLDERS

According to the Georgia Department of Community Affairs, there are approximately 63 Housing Choice Voucher holders within Mitchell County and 89 people on the waiting list for an additional Voucher. This reflects the continuing need for Housing Choice Voucher assistance.

The following table identifies the Tax Credit properties surveyed 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
5*	Cottonwood Pointe I & II	48	2	4.2%
6*	Campbell Place	52	6	11.5%
8	Southfork Apts.	96	3	3.1%
Total		196	11	5.6%

*Age-restricted

As the preceding table illustrates, there are a total of 11 Voucher holders residing at the existing non-subsidized LIHTC properties in the Site PMA. This comprises only 5.6% of the 196 total non-subsidized LIHTC units occupied among these properties. This is a good indication that Voucher support is limited and that the gross rents reported among these properties are achievable within the Pelham 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 - Mitchell 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	\$488	\$523*
Two-Bedroom	\$646	\$620
Three-Bedroom	\$820	\$726*

*Reflective of maximum allowable LIHTC rent limits

As the preceding table illustrates, the proposed gross rents for the two- and three-bedroom units are below the Payment Standards set by the Georgia Department of Community Affairs (DCA) Rental Assistance Division - Mitchell County. As such, those who hold Housing Choice Vouchers would likely respond to the two- and three-bedroom units at the subject development in the unlikely event the project-based Section 8 subsidy was lost. This will likely increase the base of income-appropriate renter households within the Pelham Site PMA in this scenario and has been considered in our absorption estimates in *Section I* of this report. In reality, the project-based Section 8 subsidy will be retained and the property will not accept tenant-based vouchers.

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 Mitchell County for the past ten years:

Housing Unit Building Permits for Mitchell County:										
Permits	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Multifamily Permits	0	0	0	0	0	0	0	0	68	0
Single-Family Permits	30	34	36	34	21	15	19	10	9	11
Total Units	30	34	36	34	21	15	19	10	77	11

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

As the preceding illustrates, aside from the 68 permits issued in 2015, most of which (52) were for the age-restricted Campbell Place (Map ID 6) rental community located in Camilla, there have been no multifamily permits issued within Mitchell County since 2007. These multifamily building permit trends suggest that the Mitchell County/Pelham market is in need of newer multifamily product. Although the subject project will not add any new units to the market during renovations, the proposed renovations will provide some much needed updated/modern rental units within this market.

4. **SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES**

Tax Credit Units

Following renovations, the subject project will offer one- through three-bedroom units which will target general-occupancy (family) households earning up to 60% of Area Median Household Income (AMHI), under the Low-Income Housing Tax Credit (LIHTC) program. Within the Site PMA, we identified and surveyed one general-occupancy LIHTC property, Southfork Apartments (Map ID 8). This

property offers two- and three-bedroom units targeting households earning up to 50% and 60% of AMHI and therefore has been included in our comparable analysis.

Due to the limited supply of comparable LIHTC product in the Site PMA, we also identified and surveyed five additional general-occupancy LIHTC properties outside the Site PMA in the surrounding towns of Cairo, Moultrie, and Thomasville. These properties offer unit types and target income (AMHI) levels similar to those at the subject project. Note, however, that since these properties are located outside the Site PMA, they derive demographic support from different geographic areas and therefore are not considered competitive with the subject project. Thus, these properties have been included for comparability purposes only.

The six comparable LIHTC properties and the proposed development are summarized as follows. Information regarding property address and phone number, contact name, date of contact and utility responsibility is included in Addendum B, *Comparable Property Profiles*.

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Hillcrest	1985 / 2019	49	100.0%	-	17 H.H.	Families; 60% AMHI, RD 515 & Section 8
8	Southfork Apts.	1999 / 2016	96	100.0%	7.4 Miles	18 H.H.	Families; 50% & 60% AMHI
901	Kirby Creek Apts.	2007	46*	100.0%	21.6 Miles	70 H.H.	Families; 30% & 50% AMHI
906	Ashton Crossings	1999	64	100.0%	27.8 Miles	50 H.H.	Families; 50% & 60% AMHI
907	Tallokas Pointe	2015	47	100.0%	25.8 Miles	None	Families; 50% & 60% AMHI
912	Walnut Square Apts.	2012	63	98.4%	22.9 Miles	None	Families; 50% & 60% AMHI
913	Hampton Lake Apts.	2008	76*	100.0%	23.1 Miles	None	Families; 30% & 50% AMHI

900 Series Map IDs are located outside the Site PMA

OCC. – Occupancy

H.H. - Households

*Tax Credit units only

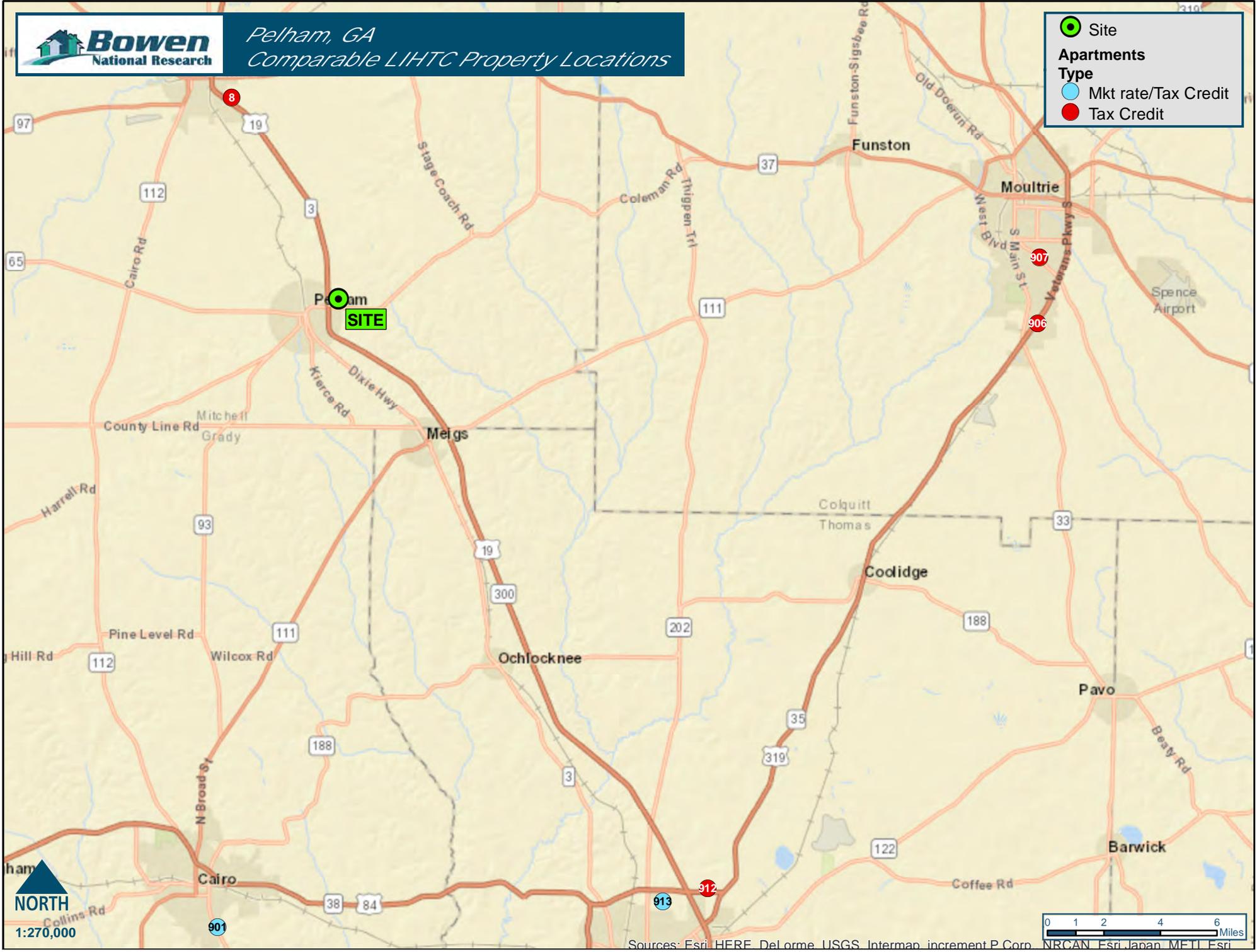
The six LIHTC projects have a combined occupancy rate of 99.7%, indicating a very strong demand for family-oriented LIHTC product in the market and region. Notably, three of the six comparable properties maintain waiting lists for their next available units, including the one property located in the Site PMA.

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



Pelham, GA
Comparable LIHTC Property Locations

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



NORTH
1:270,000

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

The gross rents for the comparable 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	Hillcrest	\$523/60% (16)	\$620/60% (25)	\$726/60% (8)	-
8	Southfork Apts.	-	\$456/50% (11/0) \$559/60% (21/0)	\$524/50% (28/0) \$701/60% (36/0)	None
901	Kirby Creek Apts.	\$243/30% (1/0) \$372/50% (5/0)	\$298/30% (2/0) \$454/50% (25/0)	\$354/30% (1/0) \$534/50% (12/0)	None
906	Ashton Crossings	\$442/50% (5/0) \$486/60% (3/0)	\$530/50% (13/0) \$608/60% (15/0)	\$613/50% (10/0) \$793/60% (18/0)	None
907	Tallokas Pointe	-	\$455-\$465/50% (7/0) \$479-\$489/60% (24/0)	\$573-\$583/50% (4/0) \$583-\$593/60% (12/0)	None
912	Walnut Square Apts.	\$429/50% (2/0) \$489/60% (6/0)	\$523/50% (7/0) \$563/60% (24/0)	\$603/50% (5/0) \$698/60% (19/1)	None
913	Hampton Lake Apts.	\$241/30% (3/0) \$425/50% (14/0)	\$292/30% (10/0) \$480/50% (30/0)	\$347/30% (4/0) \$604/50% (15/0)	None

900 Series Map IDs are located outside the Site PMA

The subject's proposed gross Tax Credit rents are the highest in the market and region, relative to similar unit types offered among the comparable LIHTC projects. It is important to note, however, that the proposed rents for the subject's one- and three-bedroom units are reflective of the maximum allowable LIHTC rent limits for Mitchell County, Georgia, as the subject project will effectively operate under the HUD Section 8 program and the proposed contract rents under the Section 8 program exceed LIHTC rent limits for the area. In the unlikely event this aforementioned subsidy was lost and the property had to operate exclusively under the LIHTC guidelines, the subject's proposed gross LIHTC rents would need to be lowered to a level which would be lower than those reported among the comparable LIHTC projects due to the age, inferior unit sizes and number of bathrooms offered, and inferior amenity package at the subject project, as compared to the non-subsidized LIHTC properties surveyed. In reality, however, the project-based Section 8 subsidy will remain in place post renovations, which will allow tenants of the property to continue paying up to 30% of their adjusted gross income towards rent. This will ensure the property continues to represent a significant value within the market.

The following table illustrates the weighted average *collected* rents of the comparable LIHTC projects located in the Site PMA by bedroom type.

Weighted Average Collected Rent Of Comparable LIHTC Units*		
One-Br.	Two-Br.	Three-Br.
N/A	\$472 (60%)	\$594 (60%)

*Only units targeting similar AMHI levels as the subject project

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.	N/A*	- \$400**	-	/ \$400	-
Two-Br.	\$472	- \$495	-\$23	/ \$472	-4.6%
Three-Br.	\$594	- \$540**	\$54	/ \$540	10.0%

*One-bedroom units not offered at the one comparable LIHTC project in PMA.

**Reflective of maximum allowable LIHTC rents as proposed Section 8 contract rents exceed LIHTC rent limits

As the preceding illustrates, the proposed subject rents represent rent advantages ranging from -4.6% to 10.0%, in comparison to the collected rents among similar unit types at the one comparable LIHTC project located in the Site PMA. Please note however that this is in comparison to the *collected* rents and 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 development's collected rents are available in *Addendum F* of this report.

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

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Hillcrest	586	770	949
8	Southfork Apts.	-	1,109	1,297
901	Kirby Creek Apts.	808	1,056	1,214
906	Ashton Crossings	744	972	1,188
907	Tallockas Pointe	-	1,056	1,211
912	Walnut Square Apts.	850	965	1,100
913	Hampton Lake Apts.	857	1,137	1,270

900 Series Map IDs are located outside the Site PMA

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Hillcrest	1.0	1.0	1.0
8	Southfork Apts.	-	2.0	2.0
901	Kirby Creek Apts.	1.0	2.0	2.0
906	Ashton Crossings	1.0	2.0	2.0
907	Tallockas Pointe	-	2.0	2.0
912	Walnut Square Apts.	1.0	2.0	2.0
913	Hampton Lake Apts.	1.0	2.0	2.0

900 Series Map IDs are located outside the Site PMA

The subject project offers the smallest unit sizes (square feet) and a lesser number of bathrooms within its two- and three-bedroom units as compared to similar unit types offered among the comparable LIHTC projects. Smaller unit sizes and a minimal number of bathrooms is typical, however, of older subsidized product such as that offered at the subject project. Further, the 100.0% occupancy rate reported at the property is a clear indication that the unit sizes (square feet) and number of bathrooms offered is appropriate for and marketable to the targeted tenant population.

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

COMPARABLE PROPERTIES AMENITIES - PELHAM, 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		V		X	X					B		S	
901	X	X	X	X	X	X	X		C		X	X	X				B		S	Exterior Storage
913	X	X		X			X		C		X	X	X				B		S	Exterior Storage
8	X	X	X	X		X	X		C		X		X				B		S	
906	X	X	X	X	X		X		C		X	X	X				B		S	Exterior Storage
907	X	X	X	X	X	X	X		C			X	X				B		S	Exterior Storage
912	X	X	X	X	X	X	X		C		X	X	X				B		S	Exterior Storage

◆ 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

COMPARABLE PROPERTIES AMENITIES - PELHAM, GEORGIA

PROJECT AMENITIES																				
MAP ID	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	OTHER	
SITE		X	X					X		B						X				Covered Pavilion
901		X	X	X	X			X		B				X		X				
913	X	X	X	X		X		X		B				X		X				
8		X	X	X	X			X								X				
906	X	X	X	X				X		B						X	X			
907		X	X		X			X						X		X				
912		X	X		A			X					X	X		X				Pavilion

◆ 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
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Sports Courts
B - Basketball
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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



The subject project offers a limited overall amenity package as compared to those offered among the comparable LIHTC projects surveyed. Most notably, the comparable properties generally offer dishwashers, ceiling fans, exterior storage areas, carpeted floors, a club house/community space, and computer lab. Regardless, a more limited amenity package is not unusual for older subsidized rental product such as that offered at the subject project and the 100.0% occupancy rate is further evidence that the amenity package offered is appropriate for the targeted tenant population.

Comparable/Competitive Tax Credit Summary

One non-subsidized general-occupancy LIHTC property, Southfork Apartments (Map ID 8), is offered within the Pelham Site PMA. This property, along with four of the five additional comparable properties surveyed outside the Site PMA, is 100.0% occupied and maintains a waiting list. It is also of note that while this property is located within the Site PMA, it is located in the town of Camilla, in the very northern portion of the Site PMA. Thus, the subject project will effectively offer the only general-occupancy LIHTC product in the immediate Pelham area. The subject’s proposed gross Tax Credit rents are considered high for the market, as they will be the highest among similar unit types offered at the comparable properties surveyed. In the unlikely event the project-based Section 8 subsidy was lost, the proposed rents would need to be lowered to a level below those currently reported among the comparable properties, as these properties are considered superior to the subject project in terms of age, unit design (square feet and number of bathrooms offered), and amenities offered. In reality, however, the subject project will retain its project-based Section 8 subsidy which will allow tenants of the property to pay up to 30% of their adjusted gross income towards rent. This will ensure the subject project remains a significant value to low-income renters within the Pelham market.

Comparable/Competitive Housing Impact

The anticipated occupancy rates of the existing comparable Tax Credit developments in the Site PMA following the first year of occupancy at the subject site following renovations is as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2019
8	Southfork Apts.	100.0%	95.0% +

As illustrated above and detailed throughout this report, the one existing general-occupancy LIHTC project in the market is 100.0% occupied. This property also maintains a waiting list for its next available unit. It is also of note that this property, while in the Site PMA, is located in the far northern portion of the PMA, in the town of Camilla. Thus, the subject project will effectively be the only general-occupancy property in the immediate Pelham area. Additionally, the subject project involves the renovations to an existing property which is currently 100.0% occupied and most, if

not all, current tenants are expected to remain post renovations, assuming the retention of the project-based Section 8 subsidy. The proposed renovations will not add any additional units to the existing property. Based on the preceding factors, we do not expect the proposed renovations to the subject project will have any adverse impact on future occupancy rates at the one existing general-occupancy LIHTC property within the Site PMA.

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 \$90,399. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$90,399 home is \$544, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$90,399
Mortgaged Value = 95% of Median Home Price	\$85,879
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$435
Estimated Taxes and Insurance*	\$109
Estimated Monthly Mortgage Payment	\$544

*Estimated at 25% of principal and interest

In comparison, the proposed monthly collected Tax Credit rents at the subject project range from \$400 to \$540, depending upon bedroom type and assuming maximum allowable rent limits for those unit types which have contract rents exceeding maximum allowable LIHTC rent limits. While some potential tenants of the subject project could potentially afford the cost of a typical monthly mortgage in this market, the number that could also afford the down payment, routine maintenance costs, and utility expenses associated with such a home is expected to be minimal. This is especially true when considering that the subject project will effectively operate with a project-based Section 8 subsidy available to all units, as this will allow tenants to pay up to 30% of their adjusted gross income towards rent. Thus, most (if not all) tenants will effectively pay subsidized rents lower than the proposed LIHTC rents previously detailed. Based on the preceding factors, 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 100.0% occupied and maintains a waiting list of 17-households. Assuming that the project-based Section 8 subsidy will be retained post renovations, 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 49 subject units will be vacated and that all units will have to be re-rented simultaneously, assuming the retention of the project-based Section 8 subsidy.

It is our opinion that the 49 units at the subject site will reach a stabilized occupancy of 93.0% within four months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately 11 to 12 units per month. Our absorption projections assume that no other projects targeting a similar 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. Finally, these absorption projections also assume that the project-based Section 8 subsidy will be retained following renovations. Should this subsidy not be retained, the 49 LIHTC units at the subject site would likely experience an extended absorption rate of up to eight months (five to six units per month), as the property could no longer target households earning below \$17,931.

In reality, it is important to remember that the subject project is currently 100.0% occupied and the project-based Section 8 subsidy will be retained post renovations. Therefore, very few, if any, of the subject units are expected to be vacated during or following renovations. Thus, there will effectively be no absorption period for the subject project and the property will maintain a high occupancy rate during, and following, the renovation period.

Section J – Interviews

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

- Mr. James Timmons, the Code Enforcement Officer for the City of Pelham, stated that there is a need for more affordable rental housing for families in the Pelham area. According to Mr. Timmons, he receives calls weekly from families looking to find an affordable place to live in Pelham and it is quite hard to find anything that is available. Mr. Timmons also stated that much of the affordable housing in the area is in need of renovations or updating.
- Ms. Dion Fuller is the Regional Manager for the subject site Hillcrest Apartments. Ms. Fuller stated that there is definitely a need for more low-income housing in the area. Ms. Fuller further explained that she currently maintains a wait list and that they are always receiving inquiries about available units.

Section K – Conclusions & Recommendations

Based on the findings reported in our market study, it is our opinion that a market will continue to exist for the subject project post renovations, assuming the project is renovated and operated as detailed within this report. Changes in the project's scope of renovations, rents, amenities and/or renovation completion date may alter these findings.

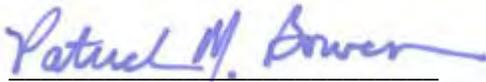
The Pelham market is relatively rural and offers a limited supply of conventional rental product, as evidenced by our Field Survey of Conventional Rentals. Notably, only one general-occupancy LIHTC property is offered within the Site PMA. Further, this property, Southfork Apartments (Map ID 8), although located in the Site PMA is located in the town of Camilla, in the far northern portion of the Site PMA. As such, the subject project will effectively offer the only general-occupancy LIHTC product within the immediate Pelham area. The one existing comparable LIHTC property in the Site PMA is 100.0% occupied with a wait list, similar to four of the five additional comparable properties surveyed outside the Site PMA. This demonstrates strong demand for general-occupancy LIHTC product within the market and region. The subject's proposed gross Tax Credit rents are considered aggressive for this market, as they are the highest among similar unit types offered at the comparable properties surveyed. Considering that the comparable properties are superior to the subject project in terms of age, unit design (square feet and number of bathrooms offered), and amenities offered, the proposed Tax Credit rents would need to be lowered in the unlikely event the project-based Section 8 subsidy was lost and the property had to operate exclusively under the LIHTC program. In reality, however, the project-based Section 8 subsidy will remain in place post renovations and the unit designs and amenities offered are considered marketable, as evidenced by the subject's 100.0% occupancy rate. In addition, the proposed renovations will not add any additional units to the market/property and therefore are not expected to have any adverse impact on future occupancy rates among the existing affordable rental properties in the Pelham market.

The subject project will also continue to be well supported demographically, as evidenced by the subject's low overall capture rate of 4.7%, assuming the retention of the project-based Section 8 subsidy. Also note, that in the unlikely event the subsidy was lost, a sufficient base of support would continue to exist for the project, based on the 25.7% capture rate for the property under this unlikely scenario. Regardless, the subject project is currently 100.0% occupied and the retention of the project-based Section 8 subsidy will ensure that most, if not all, current tenants will remain post renovations. As such, the subject's effective capture rate is 0.0%.

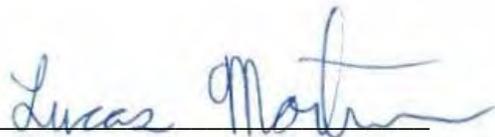
Based on the preceding factors, as well as additional information contained within this report, we expect the subject project will continue to represent a significant value to low-income renters within the Pelham market. We have no recommendations to the subject project at this time.

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
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Date: August 14, 2017



Lucas Mortensen
Market Analyst
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Date: August 14, 2017



Craig Rupert
Market Analyst
craigr@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

PELHAM, 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.

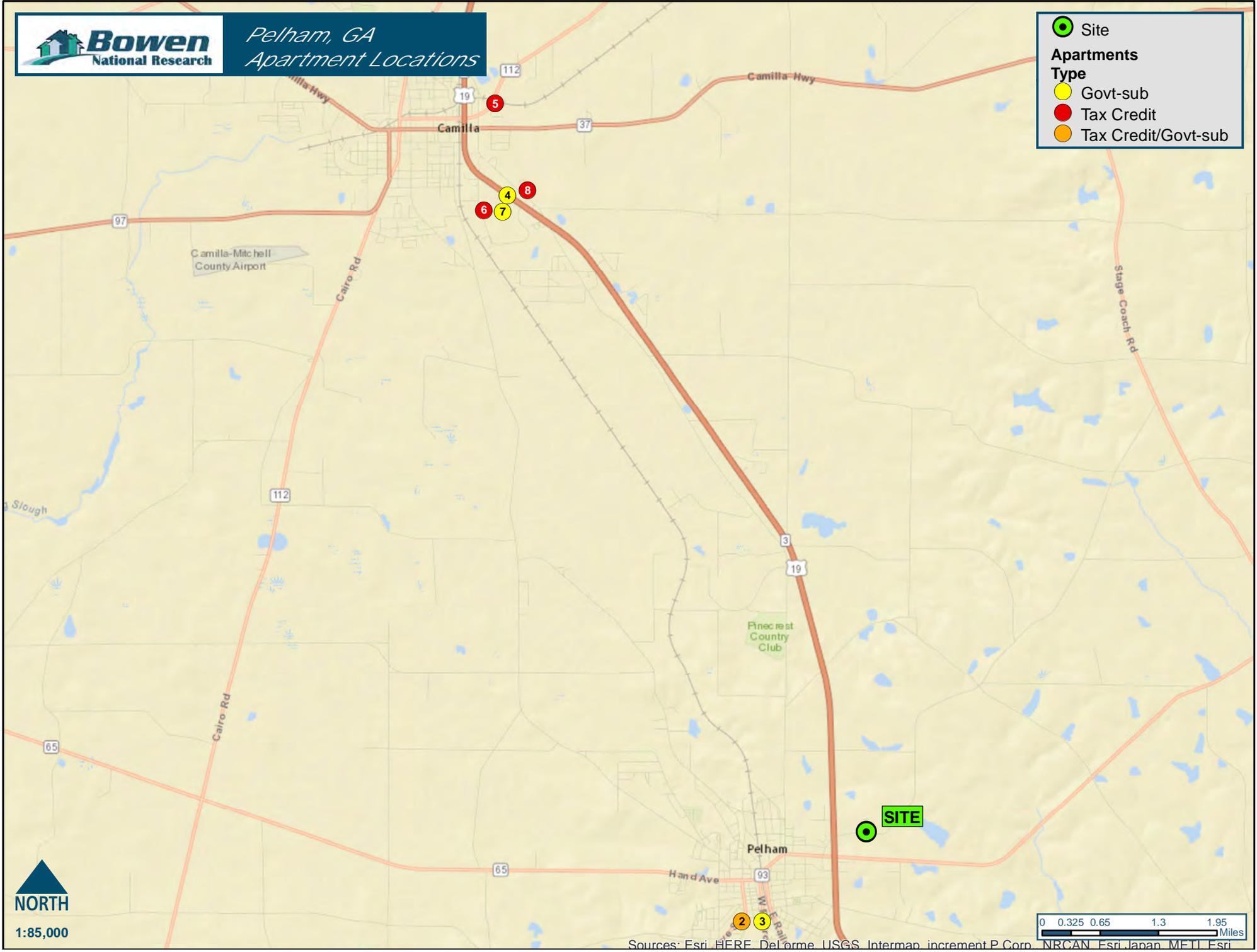


Pelham, GA Apartment Locations

Site
● Site

Apartments Type

- Govt-sub
- Tax Credit
- Tax Credit/Govt-sub



NORTH
1:85,000



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

MAP IDENTIFICATION LIST - PELHAM, GEORGIA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Hillcrest Apts. (Site)	GSS	B-	1985	49	0	100.0%	-
2	Heritage Square Elderly	TGS	B+	1981	24	0	100.0%	1.7
3	Heritage Square Family	GSS	B	1981	24	0	100.0%	1.7
4	Quail Valley Apts.	GSS	C	1983	48	0	100.0%	7.5
5	Cottonwood Pointe I & II	TAX	B+	2005	48	0	100.0%	8.5
6	Campbell Place	TAX	A	2016	52	7	86.5%	7.5
7	Coolawahee Apts.	GSS	C+	1986	23	19	17.4%	7.5
8	Southfork Apts.	TAX	B-	1999	96	0	100.0%	7.4

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
TAX	3	196	7	96.4%	0
TGS	1	24	0	100.0%	0
GSS	4	144	19	86.8%	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)

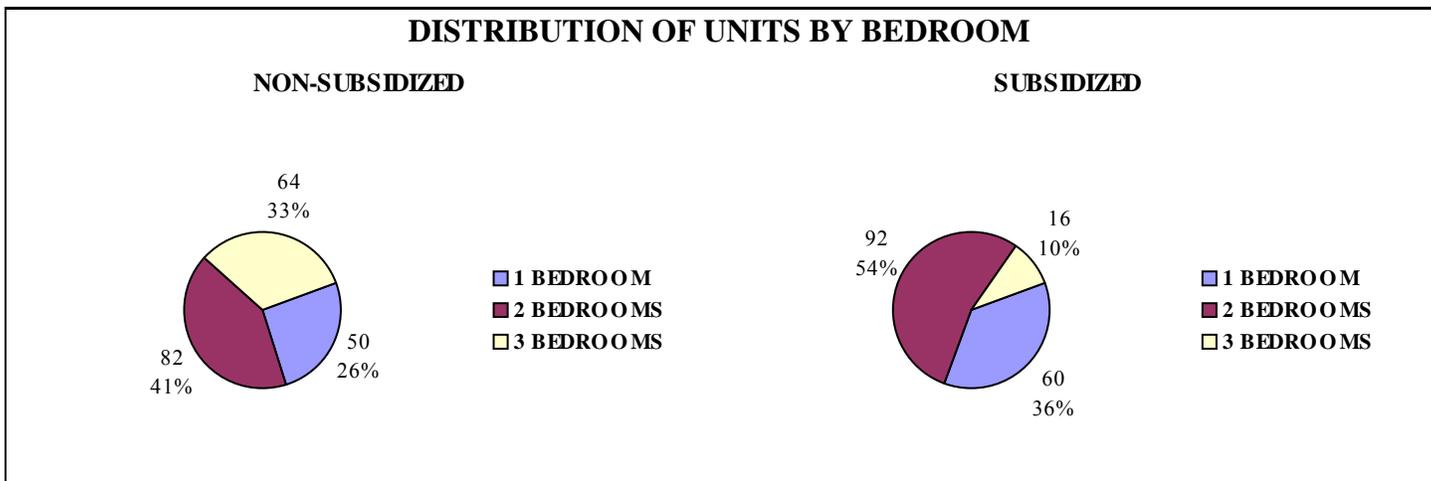
Survey Date: July 2017

DISTRIBUTION OF UNITS - PELHAM, GEORGIA

TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	50	25.5%	4	8.0%	\$423
2	1	24	12.2%	0	0.0%	\$534
2	2	58	29.6%	3	5.2%	\$544
3	2	64	32.7%	0	0.0%	\$701
TOTAL		196	100.0%	7	3.6%	

TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	24	100.0%	0	0.0%	N.A.
TOTAL		24	100.0%	0	0.0%	

GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	36	25.0%	7	19.4%	N.A.
2	1	92	63.9%	12	13.0%	N.A.
3	1	8	5.6%	0	0.0%	N.A.
3	1.5	8	5.6%	0	0.0%	N.A.
TOTAL		144	100.0%	19	13.2%	
GRAND TOTAL		364	-	26	7.1%	



SURVEY OF PROPERTIES - PELHAM, GEORGIA

1 Hillcrest Apts. (Site)			
	Address 1503 John Collins Rd. NE Pelham, GA 31779	Phone (229) 294-0985 (Contact in person)	Total Units 49
	Year Built 1985 Comments RD 515, no RA; HUD Section 8	Contact Dion	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B- Waiting List 17 households
2 Heritage Square Elderly			
	Address 307 W. Railroad St. Pelham, GA 31779	Phone (229) 294-8866 (Contact in person)	Total Units 24
	Year Built 1981 Renovated 2009 Comments 60% AMHI; RD 515, has RA (24 units); Year built estimated by manager	Contact Patricia	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B+ Senior Restricted (62+) Waiting List 2 households
3 Heritage Square Family			
	Address 307 W. Railroad St. Pelham, GA 31779	Phone (229) 294-8866 (Contact in person)	Total Units 24
	Year Built 1981 Comments RD 515, has RA (6 units); HCV (5 units); Year built & square footage estimated	Contact Patricia	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B Waiting List 5 households
4 Quail Valley Apts.			
	Address 401 U.S. Hwy. 19 S Camilla, GA 31730	Phone (229) 336-7649 (Contact in person)	Total Units 48
	Year Built 1983 Comments RD 515, no RA; Accepts HCV (0 currently)	Contact Tasha	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating C Waiting List 5 households
5 Cottonwood Pointe I & II			
	Address 388 Sylvester Rd. Camilla, GA 31730	Phone (229) 522-9959 (Contact in person)	Total Units 48
	Year Built 2005 Comments 30%, 50% & 60% AMHI; HCV (2 units)	Contact Dorothy	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+ Senior Restricted (55+) Waiting List 20 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 - PELHAM, GEORGIA

6 Campbell Place			
	Address 320 Campbell Dr. Camilla, GA 31730	Phone (229) 330-0516 (Contact in person)	Total Units 52
	Year Built 2016	Contact Suzanne	Vacancies 7
	Comments 50% & 60% AMHI; HCV (6 units); Handicap units have E-call buttons; Opened 9/2016, still in lease-up, began preleasing 7/2016		Occupied 86.5%
			Floors 3
			Quality Rating A
			Senior Restricted (55+)
			Waiting List
			None
7 Coolawahee Apts.			
	Address 330 Campbell Dr. Camilla, GA 31730	Phone (229) 382-0273 (Contact in person)	Total Units 23
	Year Built 1986	Contact Barbara	Vacancies 19
	Comments RD 515, no RA; Accepts HCV (0 currently); One 2-br manager unit not included in total; Vacancies due to lack of RA & quality of units; Square footage estimated		Occupied 17.4%
			Floors 1,2
			Quality Rating C+
			Waiting List
			None
8 Southfork Apts.			
	Address 500 S. MacArthur Dr. Camilla, GA 31730	Phone (229) 336-8080 (Contact in person)	Total Units 96
	Year Built 1999 Renovated 2016	Contact DeAnne	Vacancies 0
	Comments 50% & 60% AMHI; HCV (3 units); Unit mix estimated		Occupied 100.0%
			Floors 2
			Quality Rating B-
			Waiting List
			18 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

TAX CREDIT UNITS - PELHAM, GEORGIA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
◆ 5	Cottonwood Pointe I & II	4	760	1	30%	\$225
◆ 6	Campbell Place	13	700	1	50%	\$266
◆ 6	Campbell Place	13	700	1	60%	\$359
◆ 5	Cottonwood Pointe I & II	6	760	1	50%	\$360
◆ 5	Cottonwood Pointe I & II	14	760	1	60%	\$380
◆ 2	Heritage Square Elderly	24	709	1	60%	\$467 - \$655
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
◆ 5	Cottonwood Pointe I & II	4	1002	1	30%	\$285
◆ 6	Campbell Place	13	900	2	50%	\$354
8	Southfork Apts.	11	1109	2	50%	\$369
◆ 5	Cottonwood Pointe I & II	6	1002	1	50%	\$395
◆ 5	Cottonwood Pointe I & II	14	1002	1	60%	\$405
◆ 6	Campbell Place	13	900	2	60%	\$462
8	Southfork Apts.	21	1109	2	60%	\$472
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
8	Southfork Apts.	28	1297	2	50%	\$417
8	Southfork Apts.	36	1297	2	60%	\$594

◆ - Senior Restricted

DISTRIBUTION OF UTILITIES - PELHAM, GEORGIA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	7	268	73.6%
GAS	1	96	26.4%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	8	364	100.0%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	7	268	73.6%
GAS	1	96	26.4%
			100.0%
ELECTRIC			
TENANT			
			100.0%
WATER			
LANDLORD	5	197	54.1%
TENANT	3	167	45.9%
			100.0%
SEWER			
LANDLORD	6	293	80.5%
TENANT	2	71	19.5%
TRASH PICK-UP			
LANDLORD	7	341	93.7%
TENANT	1	23	6.3%
			100.0%

UTILITY ALLOWANCE - PELHAM, 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



Address	401 31st St. SE Moultrie, GA 31768		
Phone	(229) 890-1044	Contact	Stacy
Total Units	71	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate		
Year Open	1984	Floors	1
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B-	Neighborhood Rating	B
Remarks	Does not accept HCV; 1 & 2-br have dishwasher, disposal & washer/dryer hookups		

Features and Utilities

Utilities	No landlord paid utilities
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
0	1	G	8	0	200	\$1.95	\$390
1	1	G	49	0	600	\$0.83	\$495
2	1 to 2	G	11	0	650	\$0.86	\$560
2	2	G	3	0	700	\$0.82	\$575

909 Arbors on Fourth

25.2 miles to site



Address	1515 4th Ave. NE Moultrie, GA 31768		
Phone	(229) 891-3656	Contact	Angel
Total Units	112	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate		
Year Open	1996	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B	Neighborhood Rating	B
Remarks	Accepts HCV; Former Tax Credit property		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Meeting Room, Playground, Sports Court

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
2	2	G	32	0	975	\$0.67	\$650
3	2	G	80	0	1150	\$0.65	\$750

911 Wildwood Apts.

24.9 miles to site



Address	220 Covington Ave. Thomasville, GA 31792		
Phone	(229) 228-4760	Contact	Brooke
Total Units	216	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate		
Year Open	1988	Floors	2,3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B	Neighborhood Rating	B
Remarks	Does not accept HCV; Four 2-br/1-ba units have microwave; Select units have ceiling fan; Rents change daily		

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	Swimming Pool, On-site Management, Club House, Meeting Room, Fitness Center, Playground, Sports Court, Storage, Picnic Area

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	64	0	809	\$0.88	\$715
2	1 to 2	G	72	0	1044	\$0.72 - \$0.73	\$747 to \$767
3	2	G	80	0	1236	\$0.70	\$865

901 Kirby Creek Apts.

21.6 miles to site



Address	105 Joyner Rd. Cairo, GA 39828		
Phone	(229) 377-4100	Contact	Kim
Total Units	56	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate & Tax Credit		
Year Open	2007	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	70 households		
Quality Rating	B+	Neighborhood Rating	B
Remarks	Market-rate (10 units); 30% & 50% AMHI (46 units); HCV (3 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, Exterior Storage
Project Amenities	On-site Management, Laundry Facility, Club House, Meeting Room, Playground, Sports Court, Computer Lab, Picnic Area

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	2	0	808	\$0.59	\$475	
1	1	G	5	0	808	\$0.33	\$270	50%
1	1	G	1	0	808	\$0.17	\$141	30%
2	2	G	5	0	1056	\$0.51	\$535	
2	2	G	25	0	1056	\$0.31	\$325	50%
2	2	G	2	0	1056	\$0.16	\$169	30%
3	2	G	3	0	1214	\$0.48	\$580	
3	2	G	12	0	1214	\$0.31	\$376	50%
3	2	G	1	0	1214	\$0.16	\$196	30%

913 Hampton Lake Apts.

23.1 miles to site



Address	105 Caitlin Ln. Thomasville, GA 31792		
Phone	(229) 227-3558	Contact	Balinda
Total Units	96	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate & Tax Credit		
Year Open	2008	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B	Neighborhood Rating	B
Remarks	Market-rate (20 units); 30% & 50% AMHI (76 units); Accepts HCV; Unit mix estimated		

Features and Utilities

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

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	7	0	857	\$0.60	\$515	
1	1	G	14	0	857	\$0.38	\$323	50%
1	1	G	3	0	857	\$0.16	\$139	30%
2	2	G	8	0	1137	\$0.52	\$590	
2	2	G	30	0	1137	\$0.31	\$351	50%
2	2	G	10	0	1137	\$0.14	\$163	30%
3	2	G	5	0	1270	\$0.50	\$640	
3	2	G	15	0	1270	\$0.35	\$446	50%
3	2	G	4	0	1270	\$0.15	\$189	30%

8 Southfork Apts.

7.4 miles to site



Address	500 S. MacArthur Dr. Camilla, GA 31730		
Phone	(229) 336-8080	Contact	DeAnne
Total Units	96	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	1999	Renovated	2016
		Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	18 households		
Quality Rating	B-	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (3 units); Unit mix estimated		



Features and Utilities

Utilities	Landlord pays Sewer, Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility, Club House, Meeting Room, Playground, Picnic Area

Unit Configuration

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
2	2	G	21	0	1109	\$0.43	\$472	60%
2	2	G	11	0	1109	\$0.33	\$369	50%
3	2	G	36	0	1297	\$0.46	\$594	60%
3	2	G	28	0	1297	\$0.32	\$417	50%

906 Ashton Crossings

27.8 miles to site



Address	3109 Veterans Pkwy. S Moultrie, GA 31788		
Phone	(229) 985-5255	Contact	Jamie
Total Units	64	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	1999	Floors	1,2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	50 households		
Quality Rating	B+	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (15 units)		

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Club House, Playground, Sports Court, Picnic Area, Social Services

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	3	0	744	\$0.50	\$369	60%
1	1	G	5	0	744	\$0.44	\$325	50%
2	2	G	15	0	972	\$0.48	\$464	60%
2	2	G	13	0	972	\$0.40	\$386	50%
3	2	G	18	0	1188	\$0.52	\$620	60%
3	2	G	10	0	1188	\$0.37	\$440	50%

907 Tallokas Pointe

25.8 miles to site



Address	2001 Tallokas Pointe Rd. Moultrie, GA 31788		
Phone	(229) 890-0729	Contact	Helen
Total Units	47	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2015	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B+	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (3 units)		

Features and Utilities

Utilities	Landlord pays Sewer
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Playground, Lake, Computer Lab, Picnic Area

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
2	2	G	24	0	1056	\$0.34 - \$0.35	\$360 to \$370	60%
2	2	G	7	0	1056	\$0.32 - \$0.33	\$336 to \$346	50%
3	2	G	12	0	1211	\$0.36 - \$0.37	\$440 to \$450	60%
3	2	G	4	0	1211	\$0.36 - \$0.36	\$430 to \$440	50%

912 Walnut Square Apts.

22.9 miles to site



Address	1220 Hall Rd. Thomasville, GA 31757		
Phone	(229) 236-0161	Contact	Beverly
Total Units	63	Vacancies	1
		Percent Occupied	98.4%
Project Type	Tax Credit		
Year Open	2012	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	A-	Neighborhood Rating	B
Remarks	50% & 60% AMHI; HCV (9 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, Exterior Storage
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Playground, Security Gate, Computer Lab, Picnic Area, Pavilion

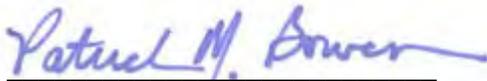
Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	6	0	850	\$0.47	\$396	60%
1	1	G	2	0	850	\$0.40	\$336	50%
2	2	G	24	0	965	\$0.46	\$446	60%
2	2	G	7	0	965	\$0.42	\$406	50%
3	2	G	19	1	1100	\$0.50	\$555	60%
3	2	G	5	0	1100	\$0.42	\$460	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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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

RENT ROLL DETAIL

As of 06/30/2017

Parameters:

Details

Unit	Floorplan	Unit Designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
A-1	1A	N/A	0	Occupied	Davis, Shellie	06/02/2016	06/02/2016	06/01/2017	497.00	RESIDENT RENT	102.00	0.00	102.00	0.00	284.00
										SUBSIDY SUBRENT	395.00	0.00	395.00	0.00	(395.00)
A-2	1A	N/A	0	Occupied	Williams, Jada	12/23/2016	12/23/2016	12/22/2017	497.00	RESIDENT UTILREIMB	0.00	(93.00)	(93.00)	23.00	(93.00)
										SUBSIDY SUBRENT	497.00	0.00	590.00	0.00	(590.00)
										SUBSIDY UTAC	0.00	93.00			
A-3	1A	N/A	0	Occupied	IRVIN, ROSE	02/24/2006	02/01/2007	01/31/2009	497.00	RESIDENT RENT	125.00	0.00	125.00	206.00	1,024.00
										SUBSIDY SUBRENT	372.00	0.00	372.00	0.00	(225.00)
A-4	1A	N/A	0	Occupied	Griggs, Ricardo	04/12/2013	04/12/2013	04/11/2014	497.00	RESIDENT UTILREIMB	0.00	(93.00)	(93.00)	25.00	(186.00)
										SUBSIDY SUBRENT	497.00	0.00	590.00	0.00	(497.00)
										SUBSIDY UTAC	0.00	93.00			
B-1	2A	N/A	0	Occupied	Gardner, Tycaria	09/26/2013	09/26/2013	09/25/2014	591.00	RESIDENT UTILREIMB	0.00	(104.00)	(104.00)	25.00	(420.00)
										SUBSIDY SUBRENT	591.00	0.00	695.00	0.00	(379.00)
										SUBSIDY UTAC	0.00	104.00			
B-2	2A	N/A	0	Occupied	Silas, Jasmine	04/04/2014	04/04/2014	04/03/2015	591.00	RESIDENT UTILREIMB	0.00	(104.00)	(104.00)	50.00	(524.00)
										SUBSIDY SUBRENT	591.00	0.00	695.00	0.00	(275.00)
										SUBSIDY UTAC	0.00	104.00			
B-3	2A	N/A	0	Occupied	Hopkins, Jasmine	08/31/2015	08/31/2015	08/30/2016	591.00	RESIDENT RENT	67.00	0.00	67.00	105.00	(31.00)
										SUBSIDY SUBRENT	524.00	0.00	524.00	0.00	(524.00)
B-4	2A	N/A	0	Occupied	BARNES, ABRIANNA	12/16/2010	12/16/2010	12/15/2011	591.00	RESIDENT UTILREIMB	0.00	(104.00)	(104.00)	75.00	(520.00)
										SUBSIDY SUBRENT	591.00	0.00	695.00	0.00	(279.00)
										SUBSIDY UTAC	0.00	104.00			
C-1	2A	Conventional	0	Vacant	VACANT				591.00		0.00 *	0.00 *			
D-1	2A	N/A	0	Occupied	Freeman, Marquita	06/28/2014	06/28/2014	06/30/2015	591.00	RESIDENT UTILREIMB	0.00	(33.00)	(33.00)	251.00	(240.00)
										SUBSIDY SUBRENT	591.00	0.00	624.00	0.00	(417.00)
										SUBSIDY UTAC	0.00	33.00			
D-2	2A	N/A	0	Occupied	Adair, Shat'ara	12/21/2016	12/21/2016	12/20/2017	591.00	RESIDENT UTILREIMB	0.00	(104.00)	(104.00)	25.00	(349.00)
										SUBSIDY SUBRENT	591.00	0.00	695.00	0.00	(450.00)
										SUBSIDY UTAC	0.00	104.00			
D-3	2A	N/A	0	Occupied	Cole, Amneasha	12/22/2016	12/22/2016	12/21/2017	591.00	RESIDENT UTILREIMB	0.00	(104.00)	(104.00)	25.00	(346.00)
										SUBSIDY SUBRENT	591.00	0.00	695.00	0.00	(453.00)
										SUBSIDY UTAC	0.00	104.00			
D-4	2A	N/A	0	Occupied	Hopkins Jr., Willie	11/09/2016	11/09/2016	11/08/2017	591.00	RESIDENT RENT	92.00	0.00	92.00	216.00	307.00

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 06/30/2017

Parameters:

Details

Unit	Floorplan	Unit Designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Sub Journal	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep On Hand	Balance
E-1	2A	N/A	0	Occupied	Hall, Ava	05/21/2015	05/21/2015	05/20/2016	591.00	RESIDENT	499.00	0.00	499.00	0.00	(499.00)
										SUBSIDY	47.00	0.00	47.00	122.66	35.00
										SUBSIDY	544.00	0.00	544.00	0.00	(544.00)
E-2	2A	N/A	0	Occupied	Stovall, Michelle	08/23/2012	08/23/2012	08/22/2013	591.00	RESIDENT	0.00	(38.00)	(38.00)	146.00	(247.00)
										SUBSIDY	591.00	0.00	629.00	0.00	(31.00)
										SUBSIDY	0.00	38.00			
E-3	2A	N/A	0	Occupied	Davis, Nancy	07/10/2015	07/10/2015	07/09/2016	591.00	RESIDENT	0.00	(104.00)	(104.00)	219.00	(171.00)
										SUBSIDY	591.00	0.00	695.00	0.00	(694.00)
										SUBSIDY	0.00	104.00			
E-4	2A	N/A	0	Occupied	Flemming, La'Quita	12/10/2010	12/10/2010	12/09/2011	591.00	RESIDENT	367.00	0.00	367.00	25.00	694.00
										SUBSIDY	224.00	0.00	224.00	0.00	(200.00)
F-1	3A	N/A	0	Occupied	DENNARD, SHUQUITA	05/09/2011	05/09/2011	05/08/2012	671.00	RESIDENT	0.00	(139.00)	(139.00)	112.00	(166.00)
										SUBSIDY	671.00	0.00	810.00	0.00	(810.00)
										SUBSIDY	0.00	139.00			
F-2	3A	N/A	0	Occupied	Lamons, Monica	08/23/2014	08/23/2014	08/22/2015	671.00	RESIDENT	187.00	0.00	187.00	442.81	458.00
										SUBSIDY	484.00	0.00	484.00	0.00	(484.00)
F-3	3A	N/A	0	Occupied	Stovall, Shirley	08/23/2012	08/23/2012	08/22/2013	671.00	RESIDENT	0.00	(79.00)	(79.00)	0.00	(160.00)
										SUBSIDY	671.00	0.00	750.00	0.00	(671.00)
										SUBSIDY	0.00	79.00			
F-4	3A	N/A	0	Occupied	COOPER, DENISE	04/08/2010	04/08/2010	04/08/2011	671.00	RESIDENT	67.00	0.00	67.00	25.00	193.00
										SUBSIDY	604.00	0.00	604.00	0.00	(604.00)
G-1	2A	N/A	0	Occupied	OBENOSKEY, TIFFANY	08/02/2012	08/02/2012	08/01/2013	591.00	RESIDENT	379.00	0.00	379.00	33.00	119.25
										SUBSIDY	212.00	0.00	212.00	0.00	(188.00)
G-2	2A	N/A	0	Occupied	CHEEVERS, CONNIE	01/31/2007	05/01/2008	05/01/2009	591.00	RESIDENT	0.00	(104.00)	(104.00)	320.00	(182.00)
										SUBSIDY	591.00	0.00	695.00	0.00	(671.00)
										SUBSIDY	0.00	104.00			
G-3	2A	N/A	0	Occupied	ANDERSON, KASHONA	07/10/2009	07/10/2009	07/10/2010	591.00	RESIDENT	0.00	(37.00)	(37.00)	68.00	(231.00)
										SUBSIDY	591.00	0.00	628.00	0.00	(434.00)
										SUBSIDY	0.00	37.00			
G-4	2A	N/A	0	Occupied	RHYMES, HELEN	03/21/2008	03/21/2008	03/21/2009	591.00	RESIDENT	243.00	0.00	243.00	184.00	99.00

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 06/30/2017

Parameters:

Details

Unit	Floorplan	Unit Designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Sub Journal	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep On Hand	Balance	
H-1	3A	N/A	0	Occupied	Dailey, Kenyetta	08/11/2014	08/11/2014	08/10/2015	671.00	RESIDENT	UTILREIMB	0.00	(139.00)	(139.00)	25.00	(193.00)
H-2	3A	N/A	0	Vacant	VACANT				671.00			0.00 *	0.00 *			
H-3	3A	N/A	0	Occupied	KIRSCH, SARAH	12/12/2008	12/12/2008	12/12/2009	671.00	RESIDENT	UTILREIMB	0.00	(68.00)	(68.00)	126.00	(68.00)
H-4	3A	N/A	0	Occupied	SIMPSON, R. JR	11/23/2007	11/23/2007	11/23/2008	671.00	RESIDENT	RENT	23.00	0.00	23.00	265.00	(17.73)
I-1	2A	N/A	0	Occupied	Conage, Konisha	12/17/2014	12/17/2014	12/16/2015	591.00	RESIDENT	UTILREIMB	0.00	(104.00)	(104.00)	50.00	(301.00)
I-2	2A	N/A	0	Occupied	SIMS, NABRIKA	04/30/2009	04/30/2009	04/30/2010	591.00	RESIDENT	RENT	285.00	0.00	285.00	140.00	2,018.00
I-3	2A	N/A	0	Occupied	SMART, TAMIKA	06/09/2004	06/01/2008	06/01/2009	591.00	RESIDENT	RENT	457.00	0.00	457.00	102.00	1,183.00
I-4	2A	N/A	0	Occupied	Rhymes, Laquesha	12/19/2016	12/19/2016	12/18/2017	591.00	RESIDENT	UTILREIMB	0.00	(104.00)	(104.00)	25.00	(282.00)
J-1	2A	N/A	0	Occupied	Williams, Nasheka	09/29/2016	09/29/2016	09/28/2017	591.00	RESIDENT	RENT	50.00	0.00	50.00	25.00	288.00
J-2	2A	N/A	0	Occupied	Mobley, Dara	12/01/2016	12/01/2016	11/30/2017	591.00	RESIDENT	RENT	86.00	0.00	86.00	25.00	(488.00)
J-3	2A	N/A	0	Occupied	RICHARDSON, VANESSA	09/29/2016	09/29/2016	09/28/2017	591.00	RESIDENT	UTILREIMB	0.00	(104.00)	(104.00)	33.00	(469.00)
J-4	2A	N/A	0	Occupied	Lee, Laquita	02/26/2016	02/26/2016	02/25/2017	591.00	RESIDENT	UTILREIMB	0.00	(76.00)	(76.00)	25.00	(602.00)
K-1	1A	N/A	0	Occupied	WOODARD, BERNICE	10/24/2006	10/24/2006	09/30/2008	497.00	RESIDENT	RENT	129.00	0.00	129.00	205.00	591.00

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 06/30/2017

Parameters:

Amt / SQFT: Market = 0 SQFT; Leased = 0 SQFT;

Floorplan	# Units	Average SQFT	Market Amt / SQFT	Average Leased	Leased Amt / SQFT	Units Occupied	Occupancy %	Units Available
1A	16	0	497.00	0.00	497.00	15	93.75	1
2A	25	0	591.00	0.00	591.04	24	96.00	1
3A	8	0	671.00	0.00	671.00	7	87.50	1
Totals / Averages:	49	0	573.37	0.00	572.54	46	93.88	3

Occupancy and Rents Summary for Current Date

Unit Status	# Units	Potential Rent
Occupied, no NTV	46	26,337.00
Occupied, NTV	0	-
Occupied NTV Leased	0	-
Vacant Leased	0	-
Admin/Down	0	-
Vacant Not Leased	3	1,759.00
Totals:	49	28,096.00

Summary Billing by Sub Journal for Current Date

Sub Journal	Amount
RESIDENT	607.00
SUBSIDY	25,730.00
Total:	26,337.00

Summary Billing by Transaction Code for Current Date

Code	Amount
RENT	2,972.00
SUBRENT	23,365.00
UTAC	2,365.00
UTILREIMB	(2,365.00)
Total:	26,337.00

Addendum F – Achievable Market Rent Analysis

A. INTRODUCTION

As discussed and illustrated in *Section H*, the Pelham Site PMA is relatively rural and offers a limited supply of conventional rental product, particularly non-subsidized rental product. In fact, the only non-subsidized rental product surveyed was non-subsidized Tax Credit product, as no unrestricted market-rate properties were identified within the Pelham Site PMA. Thus, we identified and surveyed five conventional rental properties which offer unrestricted market-rate units outside the Site PMA, but within the region in the nearby towns of Cairo, Moultrie, and Thomasville, that we consider most comparable to the subject project. Each of these aforementioned towns are considered superior to the Pelham market in terms of median household income, total population, median gross rents, and median home values, based on American Community Survey (ACS) data. As such, out of market adjustments were applied to each of these properties in the Rent Comparability Grids included later in this section, in order to account for market differences between these markets and the subject (Pelham) market. These selected properties are used to derive market rent for a project with characteristics similar to the proposed 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 proposed 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	Hillcrest	1985 / 2019	49	100.0%	-	16 (100.0%)	25 (100.0%)	8 (100.0%)
901	Kirby Creek Apts.	2007	10*	100.0%	-	2 (100.0%)	5 (100.0%)	3 (100.0%)
905	Rosewood	1984	71	100.0%	8 (100.0%)	49 (100.0%)	14 (100.0%)	-
909	Arbors on Fourth	1996	112	100.0%	-	-	32 (100.0%)	80 (100.0%)
911	Wildwood Apts.	1988	216	100.0%	-	64 (100.0%)	72 (100.0%)	80 (100.0%)
913	Hampton Lake Apts.	2008	20*	100.0%	-	7 (100.0%)	8 (100.0%)	5 (100.0%)

900 Series Map IDs are located outside the Site PMA

Occ. – Occupancy

*Market-rate units only

The five selected market-rate projects have a combined total of 429 units with an overall occupancy rate of 100.0%. These high occupancy rates indicate that these properties are well-received within their respective markets and will therefore serve as accurate benchmarks with which to compare the subject project.

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	
Hillcrest		Kirby Creek Apts.		Rosewood		Arbors on Fourth		Wildwood Apts.		Hampton Lake Apts.	
1503 John Collins Road Northeast		105 Joyner Rd.		401 31st St. SE		1515 4th Ave. NE		220 Covington Ave.		105 Caitlin Ln.	
Pelham, GA		Cairo, GA		Moultrie, GA		Moultrie, GA		Thomasville, GA		Thomasville, GA	
A. Rents Charged	Data on Subject	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$475		\$495		\$650		\$715		\$515	
2	Date Surveyed	Mar-17		Jul-17		Jul-17		Jul-17		Mar-17	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$475	0.59	\$495	0.83	\$650	0.67	\$715	0.88	\$515	0.60
B. Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
6	Structure / Stories	R/1		WU/2		R/1		WU/2		WU/2,3	
7	Yr. Built/Yr. Renovated	1985/2019		2007	(\$5)	1984	\$18	1996	\$6	1988	\$14
8	Condition/Street Appeal	G		G		G		G		G	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	No	(\$24)	No	(\$25)	No	(\$33)	No	(\$107)	No	(\$77)
C. Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
11	# Bedrooms	1		1		2	(\$50)	1		1	
12	# Baths	1		1		2	(\$30)	1		1	
13	Unit Interior Sq. Ft.	586	(\$39)	808	(\$39)	600	(\$2)	975	(\$68)	809	(\$39)
14	Balcony/Patio	Y		Y		Y		N	\$5	Y	
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	(\$10)	Y/Y	(\$10)	N/Y	(\$5)	Y/Y	(\$10)	N/Y	(\$5)
18	Washer/Dryer	HU/L		HU/L		HU	\$5	W/D	(\$25)	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	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans/Storage	N/N	(\$10)	Y/Y	(\$10)	N/N		Y/N	(\$5)	N/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		Y	
26	Security Features	N		N		N		N		N	
27	Community Space	N	(\$5)	Y	(\$5)	N		Y	(\$5)	Y	(\$5)
28	Pool/Recreation Areas	S		S		N	\$3	P/S	(\$10)	P/F/S	(\$15)
29	Computer/Business Center	N	(\$3)	Y	(\$3)	N		N		N	
30	Picnic Area	Y		Y		N	\$3	N	\$3	Y	
31	Playground	Y		Y		N	\$3	Y		Y	
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/G		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/G		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	Y/Y		N/N	\$38	N/N	\$38	Y/Y		N/N	\$38
39	Trash/Recycling	Y/N		Y/N		N/N	\$15	Y/N		N/N	\$15
F. Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	
40	# Adjustments B to D		8		6		4		3		10
41	Sum Adjustments B to D		(\$101)		\$37		(\$37)		\$14		(\$241)
42	Sum Utility Adjustments		\$38		\$53				\$53		(\$181)
			Net		Gross		Net		Gross		Net
43	Net/ Gross Adjmts B to E		(\$63)		\$139		\$53		\$127		(\$227)
44	Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent
45	Adjusted Rent (5+ 43)		\$412		\$548		\$423		\$606		\$384
45	Adj Rent/Last rent				87%		111%		65%		85%
46	Estimated Market Rent	\$495		\$0.84							
											Estimated Market Rent/ Sq. Ft

Rent Comparability Grid

Unit Type →

TWO BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Hillcrest		Kirby Creek Apts.		Rosewood		Arbors on Fourth		Wildwood Apts.		Hampton Lake Apts.	
1503 John Collins Road Northeast		105 Joyner Rd.		401 31st St. SE		1515 4th Ave. NE		220 Covington Ave.		105 Caitlin Ln.	
Pelham, GA		Cairo, GA		Moultrie, GA		Moultrie, GA		Thomasville, GA		Thomasville, GA	
A. Rents Charged	Data on Subject	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$535		\$560		\$650		\$747		\$590	
2	Date Surveyed	Mar-17		Jul-17		Jul-17		Jul-17		Mar-17	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$535	0.51	\$560	0.86	\$650	0.67	\$747	0.72	\$590	0.52
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	R/1		R/1		WU/2		WU/2,3		WU/2	
7	Yr. Built/Yr. Renovated	1985/2019		2007	(\$5)	1984	\$18	1996	\$6	1988	\$14
8	Condition/Street Appeal	G		G		G		G		G	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	No	(\$27)	No	(\$28)	No	(\$33)	No	(\$112)	No	(\$89)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	1	(\$30)	2	(\$30)	1	(\$30)	1	(\$30)	2	(\$30)
13	Unit Interior Sq. Ft.	770	(\$45)	1056	(\$45)	650	\$19	975	(\$32)	1044	(\$43)
14	Balcony/Patio	Y		Y		Y		N	\$5	Y	
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	(\$10)	Y/Y	(\$10)	N/Y	(\$5)	Y/Y	(\$10)	Y/Y	(\$10)
18	Washer/Dryer	HU/L		HU/L		HU	\$5	W/D	(\$25)	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	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans/Storage	N/N	(\$10)	Y/Y	(\$10)	N/N		Y/N	(\$5)	N/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		Y	
26	Security Features	N		N		N		N		N	
27	Community Space	N	(\$5)	Y	(\$5)	N		Y	(\$5)	Y	(\$5)
28	Pool/Recreation Areas	S		S		N	\$3	P/S	(\$10)	P/F/S	(\$15)
29	Computer/Business Center	N	(\$3)	Y	(\$3)	N		N		N	
30	Picnic Area	Y		Y		N	\$3	N	\$3	Y	
31	Playground	Y		Y		N	\$3	Y		Y	
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/G		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/G		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	Y/Y		N/N	\$47	N/N	\$47	Y/Y		N/N	\$47
39	Trash/Recycling	Y/N		Y/N		N/N	\$15	Y/N		N/N	\$15
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D		9		7		3		3		9
41	Sum Adjustments B to D		(\$140)		\$56		(\$38)		\$14		(\$155)
42	Sum Utility Adjustments		\$47		\$62				\$62		
			Net		Gross		Net		Gross		Net
43	Net/ Gross Adjmts B to E		(\$93)		\$187		\$80		\$156		(\$141)
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$442		\$640		\$509		\$633		\$416	
45	Adj Rent/Last rent		83%		114%		78%		85%		70%
46	Estimated Market Rent	\$555		\$0.72 ←		Estimated Market Rent/ Sq. Ft					

Rent Comparability Grid

Unit Type →

THREE BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4	
Hillcrest 1503 John Collins Road Northeast Pelham, GA		Kirby Creek Apts. 105 Joyner Rd. Cairo, GA		Arbors on Fourth 1515 4th Ave. NE Moultrie, GA		Wildwood Apts. 220 Covington Ave. Thomasville, GA		Hampton Lake Apts. 105 Caitlin Ln. Thomasville, GA	
Data on Subject		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged									
1 \$ Last Rent / Restricted?		\$580		\$750		\$865		\$640	
2 Date Surveyed		Mar-17		Jul-17		Jul-17		Mar-17	
3 Rent Concessions		None		None		None		None	
4 Occupancy for Unit Type		100%		100%		100%		100%	
5 Effective Rent & Rent/ sq. ft	▼	\$580	0.48	\$750	0.65	\$865	0.70	\$640	0.50
B. Design, Location, Condition									
6 Structure / Stories	R/1	WU/2		WU/2		WU/2,3		WU/2	
7 Yr. Built/Yr. Renovated	1985/2019	2007	(\$5)	1996	\$6	1988	\$14	2008	(\$6)
8 Condition/Street Appeal	G	G		G		G		G	
9 Neighborhood	G	G		G		G		G	
10 Same Market?		No	(\$29)	No	(\$38)	No	(\$130)	No	(\$96)
C. Unit Equipment/ Amenities									
11 # Bedrooms	3	3		3		3		3	
12 # Baths	1	2	(\$30)	2	(\$30)	2	(\$30)	2	(\$30)
13 Unit Interior Sq. Ft.	949	1214	(\$39)	1150	(\$29)	1236	(\$42)	1270	(\$47)
14 Balcony/Patio	Y	Y		N	\$5	Y		Y	
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	Y/Y	(\$10)	Y/Y	(\$10)	N/Y	(\$5)	N/Y	(\$5)
18 Washer/Dryer	HU/L	HU/L		W/D	(\$25)	HU	\$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		N	
22 Garbage Disposal	N	Y	(\$5)	Y	(\$5)	Y	(\$5)	N	
23 Ceiling Fans/Storage	N/N	Y/Y	(\$10)	Y/N	(\$5)	N/Y	(\$5)	Y/Y	(\$10)
D Site Equipment/ Amenities									
24 Parking (\$ Fee)	LOT/\$0	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25 On-Site Management	Y	Y		Y		Y		Y	
26 Security Features	N	N		N		N		N	
27 Community Space	N	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
28 Pool/Recreation Areas	S	S		P/S	(\$10)	P/F/S	(\$15)	P/F/S	(\$15)
29 Computer/Business Center	N	Y	(\$3)	N		N		Y	(\$3)
30 Picnic Area	Y	Y		N	\$3	Y		Y	
31 Playground	Y	Y		Y		Y		Y	
32 Social Services	N	N		N		N		N	
E. Utilities									
33 Heat (in rent?/ type)	N/E	N/E		N/G		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/G		N/E		N/E	
37 Other Electric	N	N		N		N		N	
38 Cold Water/Sewer	Y/Y	N/N	\$57	Y/Y		N/N	\$57	N/N	\$57
39 Trash/Recycling	Y/N	Y/N		Y/N		N/N	\$15	Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40 # Adjustments B to D			9	3	9	2	8		9
41 Sum Adjustments B to D			(\$136)	\$14	(\$157)	\$19	(\$237)		(\$217)
42 Sum Utility Adjustments		\$57				\$72		\$57	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross
43 Net/ Gross Adjmts B to E		(\$79)	\$193	(\$143)	\$171	(\$146)	\$328	(\$160)	\$274
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44 Adjusted Rent (5+ 43)		\$501		\$607		\$719		\$480	
45 Adj Rent/Last rent			86%		81%		83%		75%
46 Estimated Market Rent	\$665	\$0.70 ← 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 \$495 for a one-bedroom unit, \$555 for a two-bedroom unit and \$665 for a three-bedroom unit.

Bedroom Type	% AMHI	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One - Br.	60%	\$400*	\$495	19.2%
Two - Br.	60%	\$495	\$555	10.8%
Three - Br.	60%	\$540*	\$665	18.8%

*Reflective of maximum allowable LIHTC rent limits as contract rent under Section 8 program exceeds LIHTC rent limits.

Typically, Tax Credit rents in urban markets are set 10% or more below achievable market rents to ensure that a LIHTC project will have a sufficient flow of tenants. In more rural settings, such as the subject site, a market rent advantage below 10.0% is often acceptable as Tax Credit product often represents some of the most desirable rental housing opportunities available within these areas. This is believed to be true within the Pelham market as evidenced by our Field Survey of Conventional Rentals. Regardless, the subject’s market rent advantages ranging from 10.8% to 19.2% indicate the subject project will represent a value within the market, as compared to similar market-rate rentals in the area. Note, however, that the subject rents must also be competitive with existing comparable LIHTC product in the market and/or region. As illustrated and discussed in Section H, the subject’s proposed LIHTC rents will be the highest in the market and region, relative to similar unit types offered among the comparable LIHTC properties. As such, the subject’s LIHTC rents would need to be lowered in the event the project-based Section 8 subsidy was lost and the property had to operate exclusively under the LIHTC guidelines, despite the strong market rent advantages. In reality, the subject project will retain its project-based Section 8 subsidy post renovations, which will ensure the property continues to represent a significant value.

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 an effective age of a project built in 2002. The selected properties were built between 1984 and 2008. We have adjusted the rents at the selected properties by \$1 per year of effective age difference to reflect the age of these properties.
10. Due to the lack of comparable market-rate product within the Site PMA, all five of the selected market-rate comparables are located outside the Site PMA, in the towns of Cairo, Moultrie, and Thomasville, Georgia. Based on American Community Survey (ACS) data, these aforementioned markets are superior to the Pelham market in the way of median household income and gross rents, though the Cairo and Moultrie markets are more comparable. Based on ACS data, negative adjustments of 5% have been applied to each of the comparable properties located in Cairo and Moultrie, and 15% for those located in Thomasville.
11. One of the selected properties does not offer one-bedroom units. As such, we have utilized the next most comparable floor plan (two-bedroom) offered at this property as a comparable for the one-bedroom units. A negative adjustment of \$50 has been applied, however, to account for the inclusion of an additional defined bedroom at this property, as compared to the subject project.
12. There is a variety of the number of bathrooms offered among 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 which is relatively competitive with those offered among some of the selected properties, but slightly inferior to others. We have made, however, adjustments for features lacking at the subject project, and in some cases, we have made adjustments for features the selected properties do not offer.

- 24.-32. Aside from one of the comparable properties, Rosewood (Map ID 905), the subject project offers an inferior project amenities package as compared to those offered among the comparable market-rate 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, as needed. 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
Hillcrest**

Project: Hillcrest
Developer: Hallmark

Property Summary:

Street Address: 1503 John Collins Road NE
City: Lake Pelham
County: Mitchell County
Approx. Year Constructed: 1985
Target Population: Family
Total Rentable Units: 48+1 Manager
Bldg. Type: Single story garden style
Manager: Shechina Lenain
Office Phone: (229) 294-0985
Buildings: 13
Approx. # of parking spaces: 83

Unit Summary:

Type	Quantity	Sq. Ft	Bedrooms	Bathrooms
1 BR - Type A (HC)	1.00	586.00	1.00	1.00
1-BR - Type B	11.00	586.00	1.00	1.00
2 BR - Type A (HC)	1.00	770.00	2.00	1.00
2 BR - Type B	27.00	770.00	2.00	1.00
2 BR - Manager	1.00	866.00	2.00	1.00
3 BR - Type A (HC)	1.00	949.00	3.00	1.00
3 BR - Type B	7.00	949.00	3.00	1.00
Totals	49		94	49

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:

- Install new project sign board
- 1-1/2" overlay at parking lot and drive repair as indicated on drawings
- 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 at location 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 steel handrails at sidewalk per plan
- Modify railing at office to achieve code compliance
- 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 as identified on plans
- See Electrical section for site lighting
- Replace wood maintenance fencing with 6' vinyl fence & repair shed

Pressure wash roads and walkways at completion of construction

Remove existing asphalt ramps

Repair grading at exposed tree roots & add seed and straw

0

Concrete:

Replace damaged sidewalks/curb walks throughout as identified on plans

Construct wheelchair accessible curb ramps

New ADA compliant sidewalk to new amenities

Provide new ADA compliant Sidewalk to existing amenities

Replace concrete approach into office/laundry

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 as identified on plans

New concrete porches at UFAS units

0

Building Exteriors:

Replace metal entry doors: door, frame, peep, threshold & hardware(deadbolt+lever pass) (Energy Star Certified)

Exterior storage and laundry doors 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 were required. Office, Building A, Building D, and 20 windows at 3BR units (VERIFY) have been recently replaced and do not require replacement during rehab.

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: Building. A, Building. D, Building. E, Building. F, Building. G, Building. I,)

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)

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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, applicances, 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

3 BR - Type A (HC)

3 BR - Type B

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

3 BR - Type A (HC)

3 BR - Type B

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

3 BR - Type A (HC)

3 BR - Type B

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 4) 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 (8) Ranges were recently replaced and have been removed from the scope.) (Ranges are 0)

Install fire suppression systems over ranges. (Range Queens)

Install Microhoods to match existing venting over range.

Dishwasher - Waiver requested

0

HVAC:

Replace air handling units, and disconnect per Capex (Energy Star Certified) (Capex indicates (2) Air handlers were recently replaced and have been removed from the scope.) (AHU's are 0)

Replace Condensing unit with a 15 SEER unit with a 8.5 HSPF rating and new suction lines (Energy Star Certified) (Capex indicates (2) 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

0

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 (6) 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

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

Dishwasher Outlet - Waiver requested

Dishwasher circuit wiring- Waiver requested
Install or replace lighting at property signage
Re-label electrical panel

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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 community washers and dryers, 5 washers and 6 dryers

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
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 existing water heater: same as typical apartment scope
Replace interior bifold doors with 6-panel masonite or flat panel to match existing doors that remain (include frame & hardware).
Replace windows including new sills and blinds
Install 2 strobe smoke detectors in office and laundry
Wire office for internet

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