

Market Feasibility Analysis

Quail Hollow II
962 Carswell Street
Homerville, Clinch County, Georgia 31634

Prepared For

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Section A – Executive Summary

This report evaluates the continued market feasibility of the Quail Hollow II rental community in Homerville, 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 Rental Assistance (RA) and a Private Rental Assistance (PRA) subsidy is provided, which will effectively allow all current tenants to continue to income-qualify and remain at the property, post renovations. In the unlikely event that all units were vacated and had to be re-rented simultaneously, and exclusively under the LIHTC guidelines, the subject project would likely experience difficulty reaching and maintaining a stabilized occupancy rate, as evidenced by our demand estimates included in Section G. The subject project is, however, 92.5% occupied and most, if not all, current tenants will remain post renovations.

1. Project Description:

Quail Hollow II, located in Homerville, Clinch County, Georgia, was originally built in 1994 and has operated under the Low-Income Housing Tax Credit (LIHTC) and Rural Development 515 (RD 515) programs since that time. The project contains 40 general-occupancy units, and all units target households earning up to 50% of Area Median Household Income (AMHI). The project contains 31 units that receive Rental Assistance (RA) directly from Rural Development. The RA requires tenants to pay up to 30% of their adjusted gross incomes towards housing costs (collected rent and tenant-paid utilities). According to management, the project is currently 92.5% occupied, reflective of just three vacant units, all of which are non-RA units.

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 of up to 60% of AMHI. Notably, the project will continue to operate under the RD 515 program and all 31 units of RA will be retained. The developer has also indicated that a Private Rental Assistance (PRA) subsidy will also be provided to all current unassisted tenants. This subsidy will prevent rent increases on current unassisted tenants at the property, post renovations. All renovations are expected to be completed in 2019. Additional details regarding the proposed project are included on the following page, 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	
12	One-Br.	1.0	Garden	674	60%	\$365/\$447	\$379	\$106	\$485	\$523
28	Two-Br.	1.0	Garden	796 - 828	60%	\$395/\$485	\$409	\$162	\$571	\$628
40	Total									

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

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

*Heated square feet

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 community room, 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. However, the subject’s 92.5% occupancy rate is an indication that the amenities offered are appropriate for the targeted tenant population.

2. Site Description/Evaluation:

The subject site is situated in a partially established portion of Homerville, but is also surrounded by wooded land in some directions, which provides an aesthetically pleasing natural buffer to additional surrounding land uses and a private living environment at the subject site. The subject project is clearly visible and easily accessible from Carswell Street, a moderately traveled roadway bordering the site to the west and providing access throughout the Homerville area. The subject’s location along Carswell Street also allows for convenient access to many area services, most of which are located within 2.0 miles of the subject project. Overall, the subject’s location is considered conducive to affordable rental housing, as evidenced by the high occupancy rate reported at the subject project. An in-depth site evaluation is included in *Section C* of this report.

3. Market Area Definition:

The Homerville Site PMA includes all of Homerville, DuPont and Argyle and some of the outlying unincorporated areas of Clinch County. The boundaries of the Site PMA include the Clinch County boundary to the north; the Clinch County and Okefenokee National Wildlife Refuge boundaries to the east; the Clinch County boundary, railroad tracks, and Big Island Road to the south; and the Clinch County boundary to the west. A map illustrating these boundaries is included on page *D-2* of this report and details the farthest boundary is 19.3 miles from the site.

4. Community Demographic Data:

Overall population and total household growth trends have been stable between 2000 and 2017. It is projected that the population will increase by 23, or 0.4%, between 2017 and 2019, while the number of households will increase by 16, or 0.6% during this same time period. The majority of the projected demographic growth for the market will be among seniors, though it is of note that households between the ages of 25 and 64 comprise approximately 68.0% of the total household base within the market. Nearly 850 renter households are projected to exist in the market in 2019, representing approximately 34.0% of the overall household base. It is also of note that more than 48.0% of all renter households are projected to earn less than \$25,000 in 2019. These are good indications that demand for affordable rental housing will remain high in the Homerville market. Additional demographic data is included in *Section E* of this report.

Also note that based on 2010 Census data, 57.0% 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 Homerville Site PMA, the majority of rental properties are operating at strong occupancy levels and maintain waiting lists, illustrating that foreclosed and abandoned properties have not had any adverse impact on the overall rental housing market. It is also of note that no such structures were observed within the immediate site neighborhood. As such, it can be concluded that foreclosed/abandoned homes will not have any tangible impact on the subject's marketability.

5. Economic Data:

More than 45.0% of the Site PMA's labor force is employed within the Manufacturing, Retail Trade, and Administrative, Support, Waste Management and Remediation Services job sectors. Typically, these industry segments offer lower wage paying positions which are conducive to affordable rental housing such as that offered at the subject project. The Clinch County employment base has experienced an increase of 3.2% between 2015 and May of 2017 and has been above pre-recession levels since 2016. The unemployment rate within the county has steadily improved since the end of the national recession (2010), declining to a rate of 5.4% through May of 2017. This is nearly six full percentage points lower than the 11.1% rate reported at the end of the national recession within the county. Based on the preceding factors, we expect the Clinch County economy will continue to improve for the foreseeable future, though we also expect demand for affordable housing alternatives to remain high, regardless of economic conditions. 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 units are leasable (and will remain occupied) and also accounts for any current tenants which will continue to income-qualify to reside at the property under the Tax Credit guidelines, per GDCA guidelines. Scenario two provides demand estimates for the entire subject project assuming both the retention of Rental Assistance (RA) 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)	
	RD 515/LIHTC w/ RA (\$0 - \$25,140)	RD 515/ LIHTC Without RA (\$16,629 - \$25,140)	RD 515/LIHTC w/ RA (\$0 - \$25,140)	LIHTC Only Without RA (\$16,629 - \$25,140)
Net Demand	135	21	135	21
Proposed Units/ Net Demand	0* / 135	7 / 21	40 / 135	40 / 21
Capture Rate	= 0.0%	= 33.3%	= 29.6%	= >100.0%

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

Per GDCA guidelines, capture rates below 30% for projects in urban markets and below 35% for projects in rural markets are considered acceptable. As such, the subject's overall capture rate 29.6% when assuming the retention of RA is considered acceptable and demonstrates a sufficient base of support for the subject project, which is further evident by the subject's high occupancy rate. A more limited base of support exists for the project in the unlikely event the property lost RA and had to operate exclusively under the LIHTC guidelines, as the subject's capture rate under this scenario exceeds 100.0%. It is important to reiterate, however, that the subject project is an existing property and most current tenants are expected to remain post renovations, with only those units which are currently vacant or occupied by tenants which would no longer income-qualify needing re-rented. In this scenario, the subject's capture rate is 33.3%, as illustrated in the preceding table. This is considered achievable and is below the GDCA threshold of 35% for projects in rural markets. Regardless, the developer has also indicated that a Private Rental Assistance (PRA) subsidy will be provided to all current unassisted tenants. This will prevent a rent increase on the unassisted tenants. As such, most, if not all, current tenants are expected to remain post renovations. Therefore, only the three (3) currently vacant units would need rented following renovations, resulting in an effective capture rate of 14.3% for the subject project.

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

Scenario One (Less units to remain occupied post renovations)

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate
One-Bedroom (35%)	60%	4***	7	0	7	57.1%
One-Bedroom	Total	4***	7	0	7	57.1%
Two-Bedroom (45%)	60%	3***	9	0	9	33.3%
Two-Bedroom	Total	3***	9	0	9	33.3%

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

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

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

Scenario Two (Entire Property)

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate
RD 515/LIHTC with Rental Assistance (RA)						
One-Bedroom (35%)	60%	12	47	0	47	25.5%
One-Bedroom	Total	12	47	0	47	25.5%
Two-Bedroom (45%)	60%	28	61	0	61	45.9%
Two-Bedroom	Total	28	61	0	61	45.9%
LIHTC Only						
One-Bedroom (35%)	60%	12	7	0	7	>100.0%
One-Bedroom	Total	12	7	0	7	>100.0%
Two-Bedroom (45%)	60%	28	9	0	9	>100.0%
Two-Bedroom	Total	28	9	0	9	>100.0%

*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.

As the preceding tables illustrate, the capture rates by bedroom type range from 33.3% to 57.1% depending upon unit type and assuming the retention of current qualified tenants to remain post renovations. In the unlikely event the entire property was vacated and all units had to be re-rented simultaneously, the subject's capture rates by bedroom type are 25.5% and 45.9% for the one- and two-bedroom units under the subsidized scenario. Although the 57.1% capture rate for the one-bedroom units which would need to be re-rented post renovations could be construed as being high, these aforementioned 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 this scenario, given the general lack of quality affordable LIHTC product in this market. As previously stated earlier in this section, and illustrated in the preceding table, the subject's non-subsidized (LIHTC only) capture rates exceed 100.0%, indicative of a more limited and likely insufficient base of support for the subject project in this unlikely scenario. Regardless, as detailed earlier, a PRA subsidy to be provided by the developer, along with the retention of RA, will result in very little (if any) tenant turnover during or following renovations. 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- and two-bedroom units targeting family (general-occupancy) households earning up to 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Aside from the existing subject project, no other LIHTC properties (subsidized or non-subsidized) are offered within the Homerville Site PMA.

Due to the lack of conventional LIHTC product within the Site PMA, we identified and surveyed four LIHTC properties outside the Site PMA in the nearby towns of Waycross and Valdosta, Georgia. These properties offer one- and two-bedroom units targeting households earning up to 60% of AMHI, similar to the subject project. All four of these properties are general-occupancy (family) projects, similar to the subject project. However, since these properties are located outside the Site PMA, they are not considered competitive and have been included for comparability purposes only.

The four comparable LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name 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	Quail Hollow II	1994 / 2019	41	92.5%	-	None	Families; 60% AMHI & RD 515
903	Peachwood Place	1999	72	100.0%	27.7 Miles	10 H.H.	Families; 50% & 60% AMHI
906	Ware Hotel	2011	35	100.0%	27.0 Miles	40 H.H.	Families; 50% & 60% AMHI
909	Heron Lake I	2005	70*	100.0%	36.8 Miles	50 H.H.	Families; 30%, 50%, & 60% AMHI
910	Heron Lake II	2008	54*	100.0%	36.8 Miles	50 H.H.	Families; 30%, 50%, & 60% AMHI

900 Series Map IDs are located outside the Site PMA

OCC. – Occupancy

H.H. - Households

*Tax Credit units only

The four LIHTC projects have a combined occupancy rate of 100.0% and all four properties surveyed maintain waiting lists which range from 10- to 50-households. This is a good indication of strong demand for non-subsidized general-occupancy LIHTC product within the region. It is of note, however, that the subject project is an existing LIHTC property which also operates under the Rural Development 515 (RD 515) program and that all three of the vacant units currently reported are units which do not receive Rental Assistance (RA). This indicates that there may be less demand for non-subsidized LIHTC product within the Homerville Site PMA, as compared to the surrounding areas in which the comparable LIHTC properties are located.

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.	Four-Br.	
Site	Quail Hollow II	\$485/60% (12)	\$571/60% (29)	-	-	-
903	Peachwood Place	-	\$557/50% (6/0) \$587/60% (10/0)	\$630/50% (12/0) \$660/60% (20/0)	\$703/50% (12/0) \$753/60% (12/0)	None
906	Ware Hotel	\$471/50% (3/0) \$574/60% (14/0)	\$565/50% (3/0) \$643/60% (15/0)	-	-	None
909	Heron Lake I	\$285/30% (2/0) \$477/50% (10/0) \$541/60% (1/0)	\$347/30% (5/0) \$577/50% (29/0) \$698/60% (4/0)	\$411/30% (2/0) \$676/50% (15/0) \$842/60% (2/0)	-	None
910	Heron Lake II	\$286/30% (1/0) \$478/50% (2/0) \$548/60% (4/0)	\$348/30% (4/0) \$578/50% (10/0) \$693/60% (13/0)	\$412/30% (2/0) \$677/50% (7/0) \$842/60% (11/0)	-	None

900 Series Map IDs are located outside the Site PMA

The subject's proposed gross Tax Credit rents will be the lowest in the region, relative to those reported among similar unit types at the comparable properties surveyed. This is appropriate, however, given the age of the subject project as compared to the surveyed properties, as well as their location in more populated, superior, markets as compared to the Homerville market.

Comparable/Competitive Tax Credit Summary

The existing subject project (Quail Hollow II) is the only general-occupancy LIHTC property offered within the Homerville Site PMA, demonstrating a very limited supply of such product within the market. Thus, the four comparable properties surveyed are all located outside the Site PMA in the nearby towns of Waycross and Valdosta, Georgia. All four of these properties are 100.0% occupied with wait lists. While this demonstrates strong demand for non-subsidized family-oriented LIHTC product within the region, it should be noted that the three (3) vacant units currently reported at the subject site are all units which do not receive Rental Assistance (RA). As such, it is likely that demand is not as strong within the Homerville Site PMA for non-subsidized LIHTC product, as compared to the larger, more populated, surrounding areas. The subject's proposed gross LIHTC rents are the lowest in the region, relative to those offered among the comparable properties, which is considered appropriate given the age of the subject project and its location within a less populated and generally inferior market as compared to the surveyed LIHTC properties. The subject's unit designs (square feet and number of bathrooms) as well as the amenity packages offered are considered appropriate for the targeted tenant population, which is evident by the 92.5% occupancy rate reported. Overall, the subject project is expected to continue to represent a value to low-income renters within the Homerville market, especially when considering the anticipated retention of RA on 31 of the 40 subject units, and availability of a

Private Rental Assistance (PRA) subsidy to be provided by the developer to all current unassisted tenants.

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 Homerville 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.
\$534	\$576

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.	\$534	- \$379	\$155	/ \$379	40.9%
Two-Br.	\$576	- \$409	\$167	/ \$409	40.8%

As the preceding illustrates, the proposed subject units represent rent advantages ranging from 40.8% to 40.9% 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 Homerville rental housing market is included in *Section H* of this report.

8. Absorption/Stabilization Estimates

It is our opinion that the 40 units at the subject site will reach a stabilized occupancy of 93.0% within seven months following renovations, assuming total displacement of existing tenants and the retention of RA on 31 of the 40 subject units. This absorption period is based on an average absorption rate of approximately five to six units per month.

Regardless, it is important to remember that 31 of the 40 subject units will continue to receive RA following renovations, with tenants of these units continuing to pay up to 30% of their adjusted gross income towards housing costs. In addition, the Private Rental Assistance (PRA) subsidy to be provided by the developer to any current unassisted tenant will prevent such tenants from experiencing rent increases. Therefore, in reality, only the three currently vacant units will need to be rented immediately following renovations. The subject project would only need to fill one of these three currently vacant units in order to reach a stabilized occupancy rate of 93.0% or higher. It is our opinion that the subject project would be able to lease one of the three vacant units within the first month following renovations.

9. Overall Conclusion:

The Homerville Site PMA is very rural in nature and offers a very limited supply of conventional rental product. Notably, all five of the properties surveyed in the market (including the subject site) are affordable (Tax Credit and/or Government-Subsidized) properties. These five properties are 97.0% occupied, reflective of just five (5) vacant units, all of which are units which do not receive direct Rental Assistance. This indicates that while affordable rental product is in high demand, there is less of a market for non-subsidized product within the Homerville Site PMA. This coincides with the fact that more than 40.0% of all (owner and renter) households in this market earn less than \$25,000, with approximately 51.0% of all renter households earning less than \$25,000. The subject's proposed gross Tax Credit rents are lower than those reported among the comparable properties surveyed in the region, which is considered appropriate given the subject's age and location in a smaller, less populated, market as compared the LIHTC properties surveyed. However, as indicated by our demand estimates and the currently vacant units reported among the affordable rental properties in the market (including the subject site), it is unlikely that the subject project would be able maintain a stabilized occupancy rate at the proposed rent levels, without the retention of RA. The subject project is considered marketable in the way of unit design (square feet and number of bathrooms offered) and amenities offered.

In reality, the majority of the existing tenants are expected to remain at the property post renovations, due to the retention of RA and the developer-provided Private Rental Assistance (PRA) subsidy which will prevent rent increases on current unassisted tenants. As such, the subject project will maintain a high occupancy rate and only need to fill the currently vacant units upon completion of renovations. Based on the preceding factors, the subject project will continue to provide an affordable rental alternative to very low-income households within the Homerville market and the proposed renovations will improve the property's overall marketability, without adversely impacting future occupancy rates among other existing affordable rental properties in the 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:	Quail Hollow II	Total # Units:	40
Location:	962 Carswell Street, Homerville, Georgia (Clinch County) 31634	# LIHTC Units:	40
PMA Boundary:	The Clinch County boundary to the north; the Clinch County and Okefenokee National Wildlife Refuge boundaries to the east; the Clinch County boundary, railroad tracks, and Big Island Road to the south; and the Clinch County boundary to the west.		
	Farthest Boundary Distance to Subject:		19.3 miles

RENTAL HOUSING STOCK (found on page H-3 & 6 & Add. A-4 & 5)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	5	166	5	97.0%
Market-Rate Housing	0	-	-	-
Assisted/Subsidized Housing not to include LIHTC	4	126	2	99.0%
LIHTC*	1	40	3	92.5%
Stabilized Comps**	4	231	0	100.0%
Properties in Construction & Lease Up	0	-	-	-

*Includes mixed-income properties

**All comps located out of market due to lack 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
12	One-Br.	1.0	674	\$379	\$534	\$0.72	40.9%	\$600	\$0.82
28	Two-Br.	1.0	796 - 828	\$409	\$576	\$0.62	40.8%	\$750	\$0.67

DEMOGRAPHIC DATA (found page E-2 & G-5)						
	2012		2017		2019	
Renter Households	819	33.9%	835	34.0%	842	34.1%
Income-Qualified Renter HHs (LIHTC)*	N/A	N/A	430	51.5%	407	48.3%
Income-Qualified Renter HHs (MR)	N/A	N/A	N/A	N/A	N/A	N/A

*As proposed with the retention of RA

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)						
Type of Demand	RA Units	Non-RA Units	Overall as Proposed	Market-Rate	Other__	LIHTC Only Scenario
Renter Household Growth	-23	-10	-23	-	-	-10
Existing Households (Overburd + Substand)	158	31	158	-	-	31
Homeowner conversion (Seniors)	0	0	0	-	-	0
Total Primary Market Demand	135	21	135	-	-	21
Less Comparable/Competitive Supply	0	0	0	-	-	0
Adjusted Income-Qualified Renter HHs	135	21	135	-	-	21

CAPTURE RATES (found on page G-5)						
Targeted Population	RA Units	Non-RA Units	Overall as Proposed	Market-Rate	Other__	LIHTC Only Scenario
Capture Rate*	0.0%	33.3%	29.6%	-	-	>100.0%

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

Section B - Project Description

Quail Hollow II, located in Homerville, Clinch County, Georgia, was originally built in 1994 and has operated under the Low-Income Housing Tax Credit (LIHTC) and Rural Development 515 (RD 515) programs since that time. The project contains 40 general-occupancy units, and all units target households earning up to 50% of Area Median Household Income (AMHI). The project contains 31 units that receive Rental Assistance (RA) directly from Rural Development. The RA requires tenants to pay up to 30% of their adjusted gross incomes towards housing costs (collected rent and tenant-paid utilities). According to management, the project is currently 92.5% occupied, reflective of just three vacant units, all of which are non-RA units.

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 of up to 60% of AMHI. Notably, the project will continue to operate under the RD 515 program and all 31 units of RA will be retained. The developer has also indicated that a Private Rental Assistance (PRA) subsidy will also be provided to all current unassisted tenants. This subsidy will prevent rent increases on current unassisted tenants at the property, post renovations. All renovations are expected to be completed in 2019. Additional details of the subject project are as follows:

- 1. PROJECT NAME:** Quail Hollow II
- 2. PROPERTY LOCATION:** 962 Carswell Street
Homerville, Georgia 31634
(Clinch County)
- 3. PROJECT TYPE:** Rehabilitation of an existing LIHTC and RD 515 project using 4% Tax-Exempt Bond financing.
- 4. UNIT CONFIGURATION AND RENTS:**

Total Units	Bedroom Type	Baths	Style	Square Feet*	% AMHI	Current Basic & Note Rents	Proposed Rents			Max. Allowable LIHTC Gross Rent
							Collected Rent	Utility Allowance	Gross Rent	
12	One-Br.	1.0	Garden	674	60%	\$365/\$447	\$379	\$106	\$485	\$523
28	Two-Br.	1.0	Garden	796 - 828	60%	\$395/\$485	\$409	\$162	\$571	\$628
40	Total									

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

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

*Heated square feet

- 5. TARGET MARKET:** General-Occupancy
- 6. PROJECT DESIGN:** Seven (7) one-story residential buildings and one (1) stand-alone community building.

7. ORIGINAL YEAR BUILT: 1994

**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
- Community Room
- Playground
- Laundry Facility
- Covered Pavilion/Picnic Area

11. RESIDENT SERVICES:

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

12. UTILITY RESPONSIBILITY:

The cost of 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
- Cold Water
- Electric Water Heating
- Electric Cooking
- Sewer

13. RENTAL ASSISTANCE: 31 units currently receive Rental Assistance. There is currently one (1) unit occupied by a Housing Choice Voucher holder.

14. PARKING:

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

15. CURRENT PROJECT STATUS:

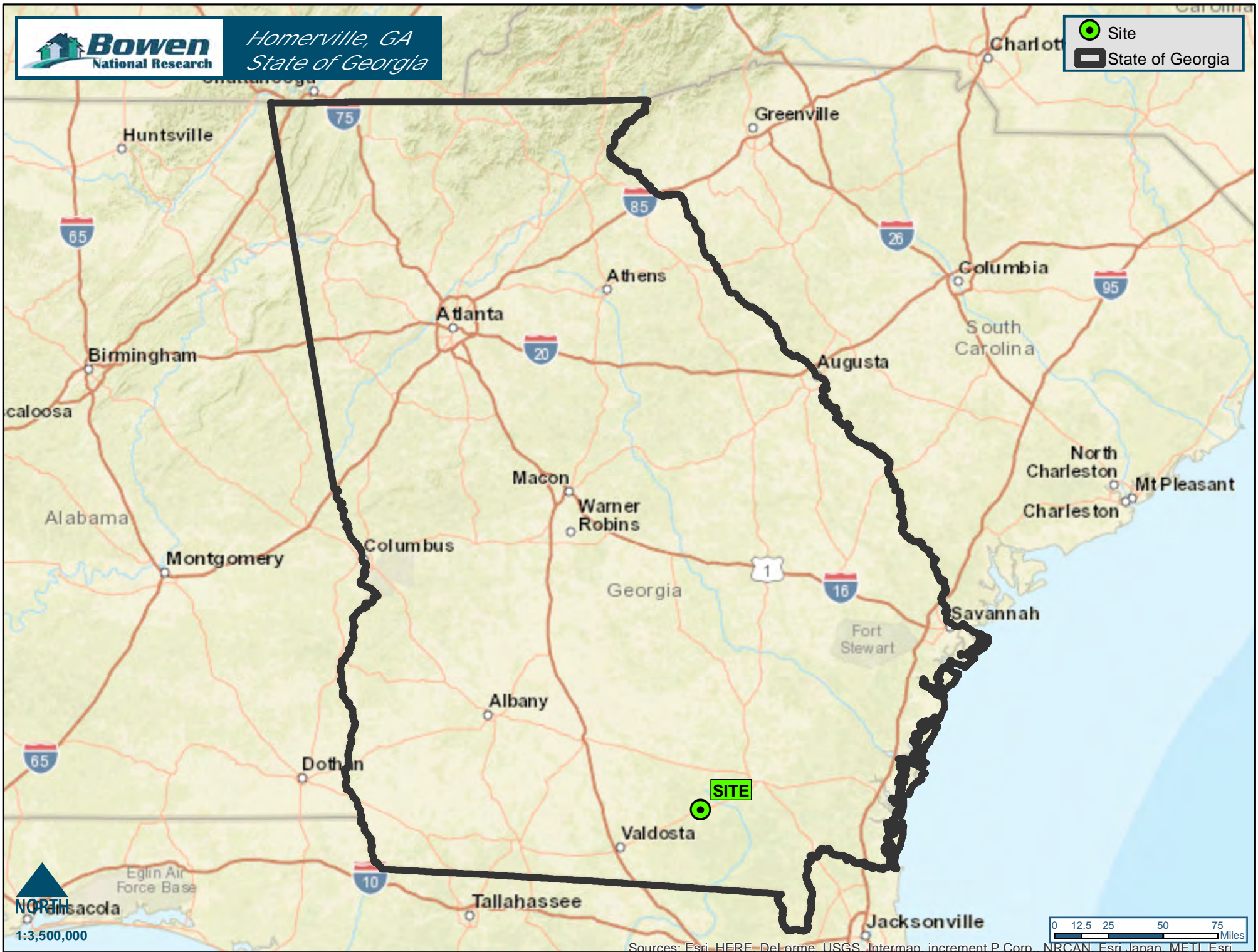
The subject project is an existing 40-unit general-occupancy property offering one- and two-bedroom units which operate under the Rural Development 515 (RD 515) and Low-Income Housing Tax Credit (LIHTC) programs, with Rental Assistance (RA) provided to 31 of the 40 subject units directly through RD. The subject project is 92.5% occupied, which is reflective of three (3) vacant non-RA units. The availability of RA allows tenants of these units to pay up to 30% of their adjusted gross income towards rent. The remaining non-RA units require tenants to pay rents between the basic and market rents under the RD 515 program, though the subject project does accept Housing Choice Vouchers within these non-RA units. Currently, the property has one (1) unit occupied by a Voucher holder. Based on our review of the current tenant rent roll for the subject project, it was determined that two (2) of the current non-RA tenants would continue to income-qualify under the LIHTC guidelines, post renovations. Assuming the retention of RA and the continued acceptance of Housing Choice Vouchers, we anticipate that 34 of the 37 current tenants will continue to qualify and remain at the property post renovations. Effectively, however, all current tenants are expected to remain at the property post renovations, as the developer has indicated that a Private Rental Assistance (PRA) subsidy will be provided to all current unassisted tenants. The availability of this subsidy will prevent a rent increase for all current unassisted tenants at the property. A current tenant rent roll for the subject project is included in Addendum E, Rent Roll.

Floor and site plans for the existing subject project were not available for review at the time this report was prepared. We conducted, however, an on-site visit and evaluation of unit interiors of select units, the exterior of the subject buildings and property grounds. Based on our evaluation, and the 92.5% 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:

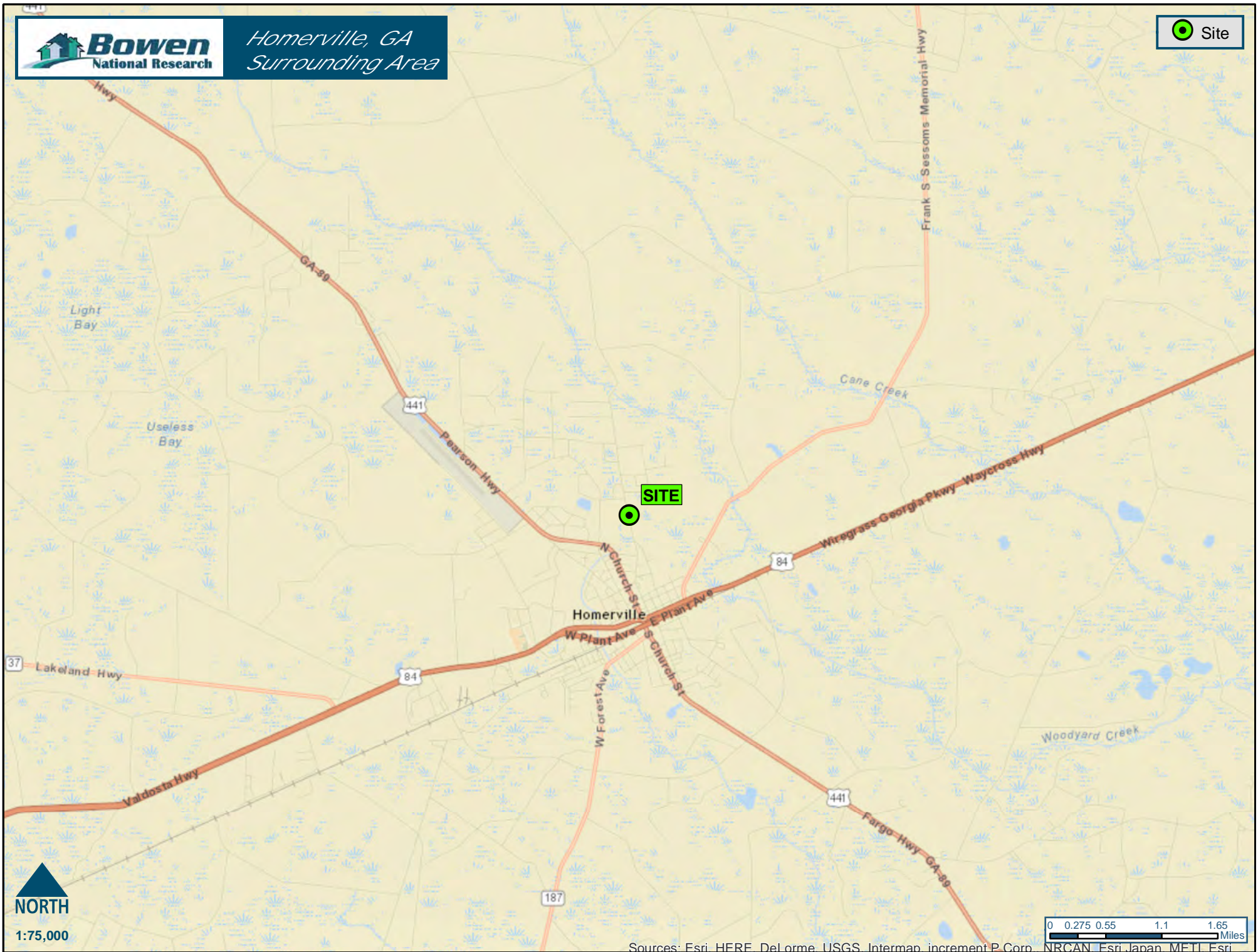
Clinch County, Georgia (2017)

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





Homerville, GA
Surrounding Area





Homerville, GA
Site Neighborhood

Legend
Site Area



NORTH
1:3,000

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, AeroGRID, IGN, and the GIS User Community
0 0.015 0.03 0.06 0.09 Miles

Section C – Site Description And Evaluation

1. LOCATION

The subject site is the existing Quail Hollow II rental community located at 962 Carswell Street in the northern portion of Homerville, Georgia. Located within Clinch County, Homerville is approximately 27.0 miles southwest of Waycross, 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 an established area of Homerville, Georgia. Surrounding land uses generally include single-family homes, a government-subsidized multifamily apartment complex, forested land, and the Clinch County High School. Adjacent land uses are detailed as follows:

North -	The northern boundary is defined by a tree line, followed by a single-family home in good condition. Continuing north is a vacant parcel of wooded land, and single-family homes in good condition.
East -	The eastern boundary is defined by wooded land which extends for a considerable distance.
South -	The southern boundary is defined by Quail Hollow I, a one-story multifamily complex in good condition. Continuing farther south is vacant and wooded land, followed by single-family and multifamily homes in poor to fair condition.
West -	The western boundary is defined by Carswell Street, a two-lane moderately traveled roadway. Continuing west is Clinch County High School, while areas farther west are primarily residential neighborhoods comprised of single-family homes in good condition.

Overall, the subject property fits well with the surrounding land uses and is provided a relatively private living environment given the natural buffer created by the wooded land that surrounds the subject site to the north and east.

3. VISIBILITY AND ACCESS

The wooded land and additional multifamily property surrounding the subject site limit visibility of the subject project from the north, east and south. The property is, however, clearly visible from Carswell Street which borders the site to the west and provides passerby traffic to the subject project. Thus, visibility of the property is considered good upon ingress. The subject project also derives access from Carswell Street, which was observed to experience moderate vehicular traffic patterns. It is likely, however, that Carswell Street experiences increased traffic volume during typical school hours, given the subject's location across from Clinch County High School. Regardless, residents and visitors of the subject project are not expected to experience any major traffic delays upon ingress or egress 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.

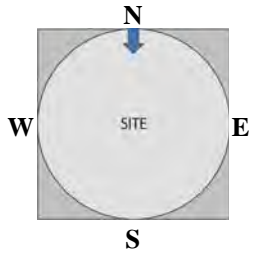
SITE PHOTOGRAPHS



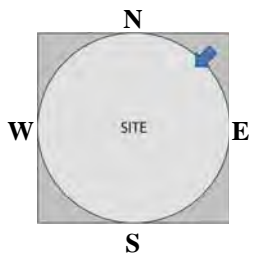
Site Entryway



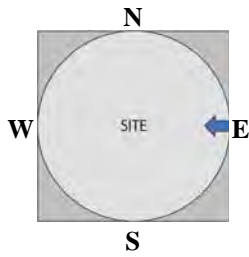
Typical Building Exterior



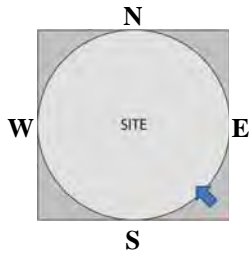
View of site from the north



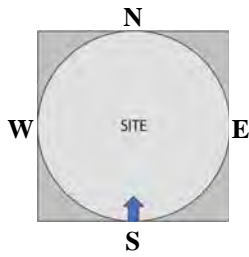
View of site from the northeast



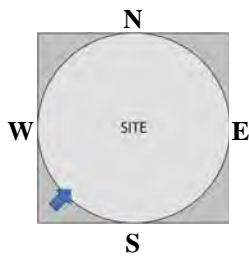
View of site from the east



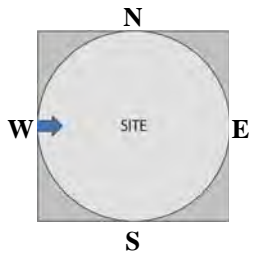
View of site from the southeast



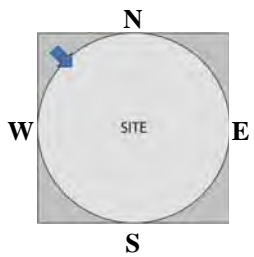
View of site from the south



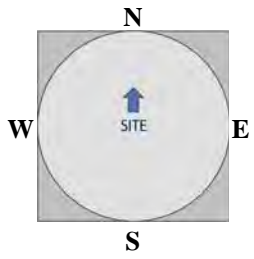
View of site from the southwest



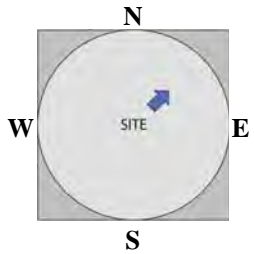
View of site from the west



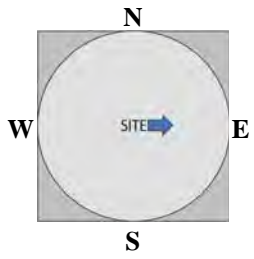
View of site from the northwest



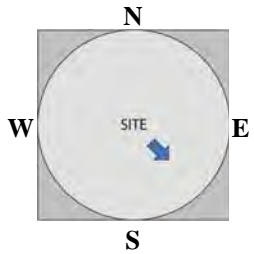
North view from site



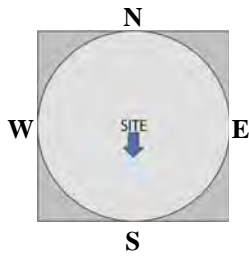
Northeast view from site



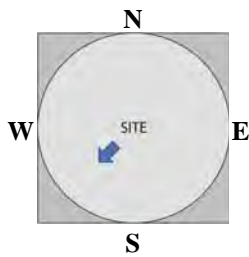
East view from site



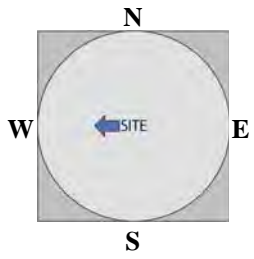
Southeast view from site



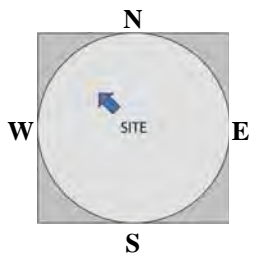
South view from site



Southwest view from site



West view from site



Northwest view from site



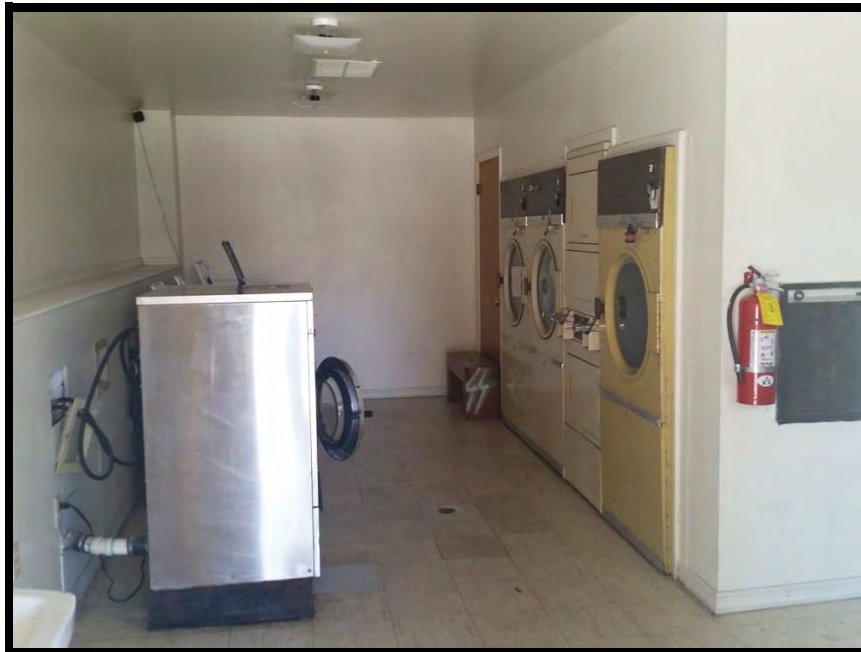
Streetscape- North View of Carswell Street



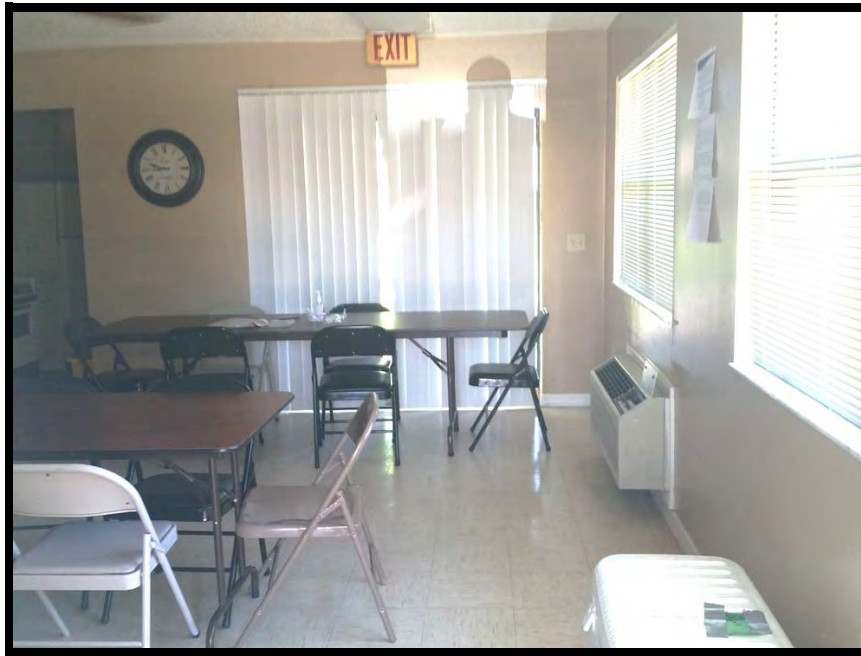
Streetscape- South View of Carswell Street



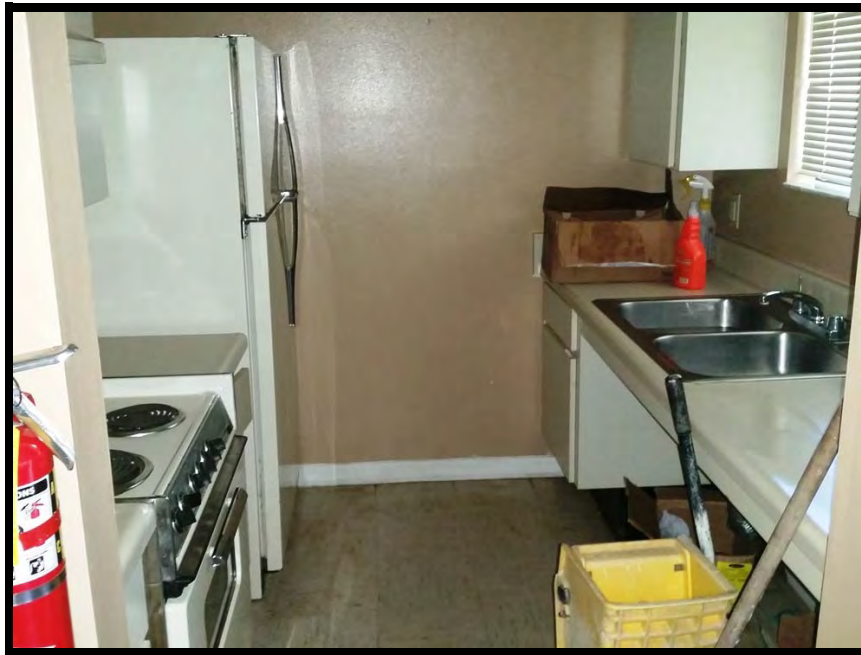
Playground



Laundry Facility



Community Room



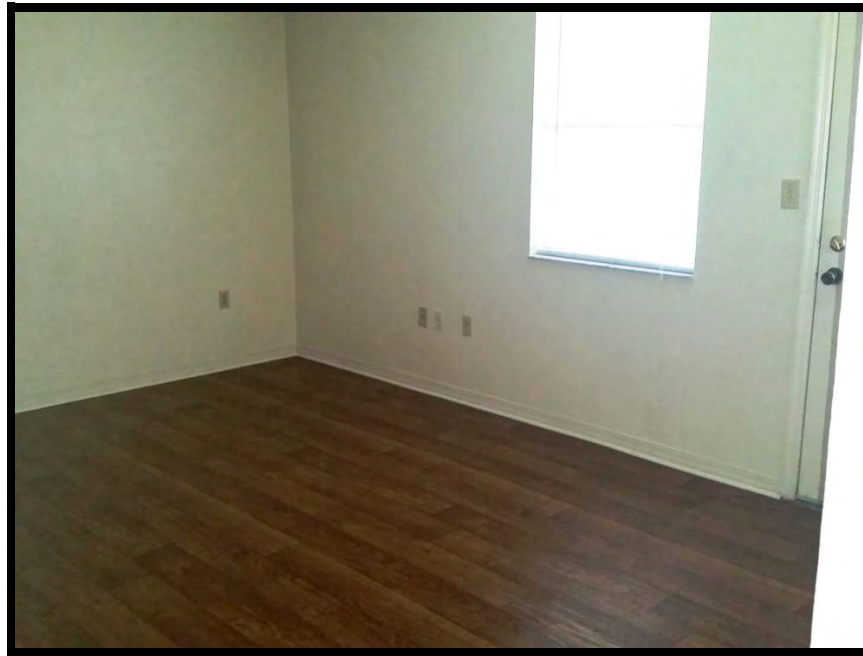
Community Room Kitchen



One-Bedroom- Living Room



One-Bedroom- Kitchen



One-Bedroom- Bedroom View One



One-Bedroom- Bedroom View Two



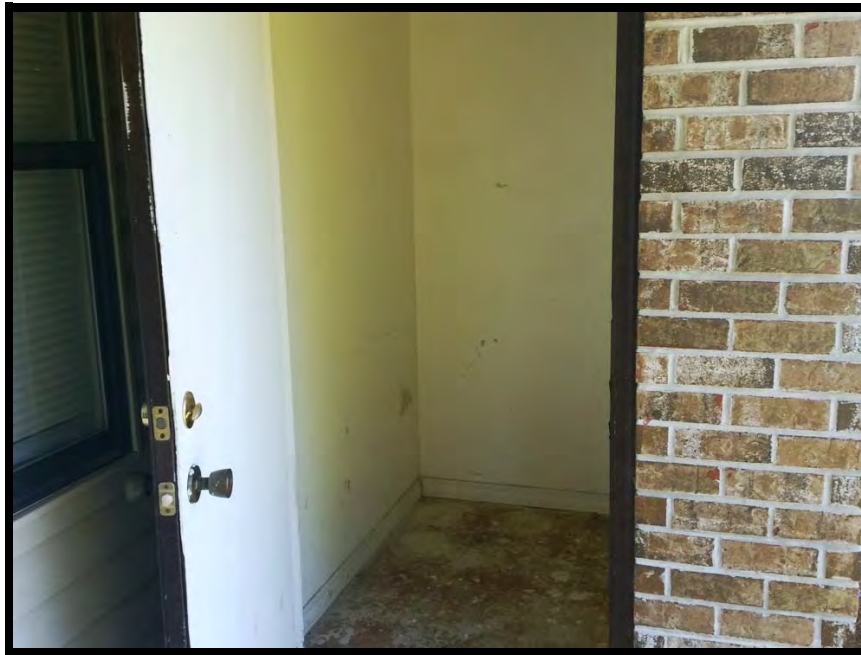
One-Bedroom- Bathroom Shower



One-Bedroom- Bathroom Toilet



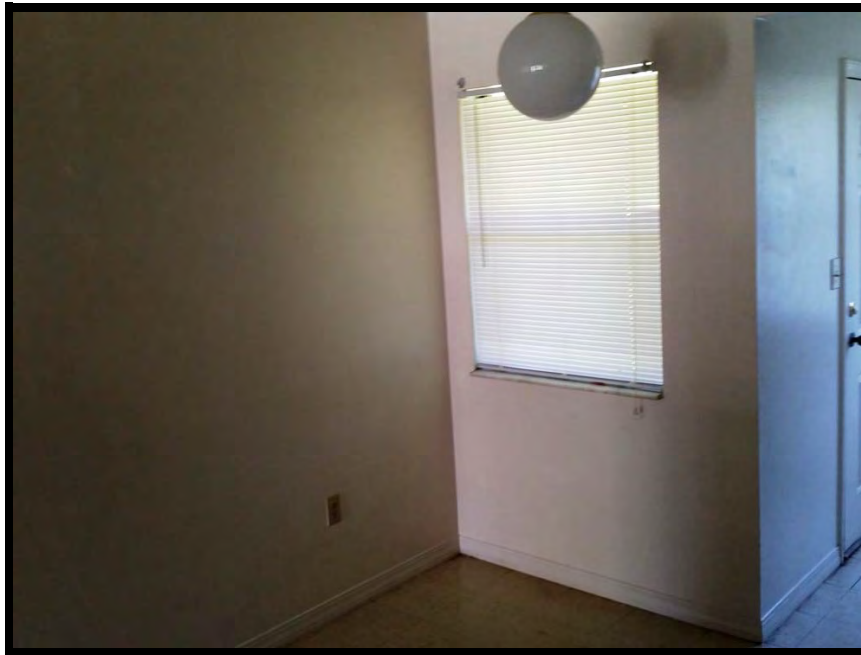
One-Bedroom- Patio



One-Bedroom- Patio Storage



Two-Bedroom- Living Room



Two-Bedroom- Dining Area



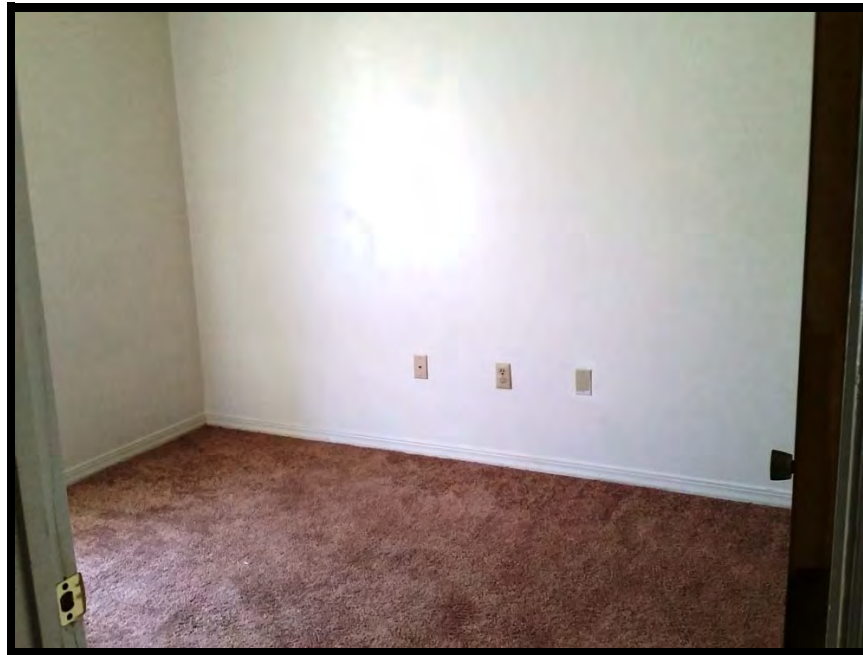
Two-Bedroom- Kitchen



Two-Bedroom- Master Bedroom View One



Two-Bedroom- Master Bedroom View Two



Two-Bedroom- Spare Bedroom



Two-Bedroom- Bathroom Shower



Two-Bedroom- Bathroom Sink/Shower



Two-Bedroom - Patio

5. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

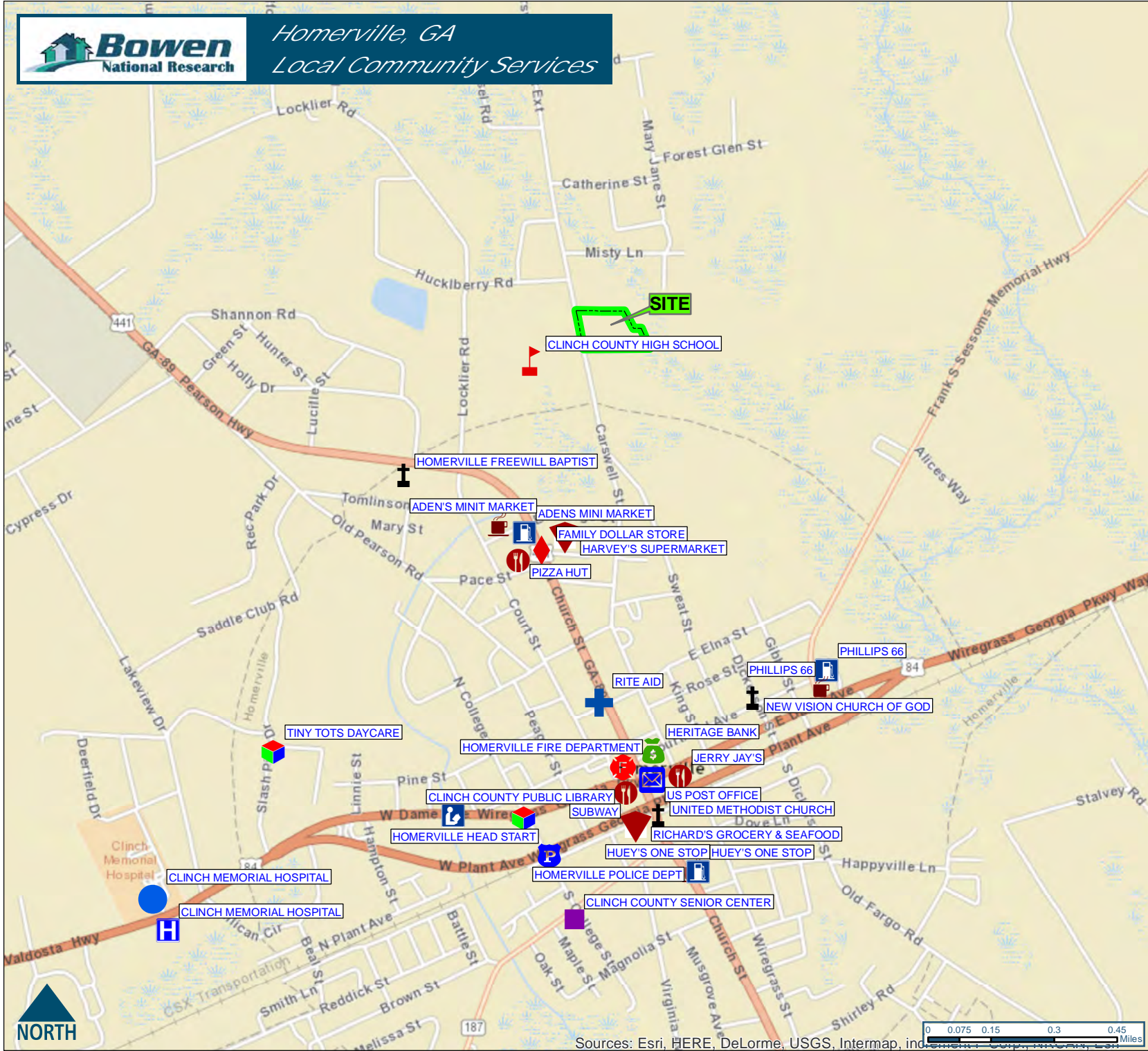
Community Services	Name	Driving Distance From Site (Miles)
Major Highways	U.S. Highway 441 U.S. Highway 84 State Route 187	0.5 Southwest 0.9 South 1.1 South
Public Bus Stop	N/A	N/A
Major Employers/ Employment Centers	Clinch Memorial Hospital	1.8 Southwest
Convenience Store	Aden's Mini Market Phillips 66 Huey's One Stop	0.5 South 1.1 South 1.2 South
Grocery	Harvey's Supermarket Richard's Grocery & Seafood	0.5 South 1.0 South
Discount Department Store	Family Dollar Store	0.5 South
Shopping Center/Mall	N/A	N/A
Schools: Elementary Middle/Junior High High	Clinch County Elementary School Clinch County Middle School Clinch County High School	1.9 West 1.9 West Adjacent West
Hospital	Clinch Memorial Hospital	1.8 Southwest
Police	Homerville Police Department	1.3 South
Fire	Homerville Fire Department	1.0 South
Post Office	US Post Office	0.9 South
Bank	Heritage Bank Farmers & Merchant Bank	0.9 South 2.6 Southwest
Senior Center	Clinch County Senior Center	1.3 Southwest
Gas Station	Aden's Mini Market Phillips 66 Huey's One Stop	0.5 South 1.1 South 1.2 South
Pharmacy	Rite Aid	0.8 South
Restaurant	Pizza Hut Subway Jerry Jay's	0.5 South 0.9 South 0.9 South
Day Care	Homerville Head Start Tiny Tots Daycare	1.3 South 2.0 Southwest
Church	New Vision Church of God Homerville Freewill Baptist United Methodist Church	0.8 Southeast 0.9 Southwest 1.0 South

N/A – Not Available

The subject site is located in the northern portion of Homerville and within relative close proximity of most basic area services, most of which are located within 2.0 miles. Most area services are easily accessible from the subject site given the subject's proximity to arterial and major roadways such as U.S. Highways 84 and 441, and State Route 187.

Public safety services are provided by the Homerville Police and Fire departments, both located within 1.3 miles. The nearest full-service hospital is Clinch Memorial Hospital, which is located within 1.8 miles of the site and offers a full-range of services, including emergency services. All educational opportunities are provided by the Clinch County School System, with all applicable attendance schools being located within 1.9 miles of the site. Notably, the Clinch County High School is adjacent the subject site to the west, directly across Carswell Street. Additionally, the nearest senior center is the Clinch County Senior Center, located within 1.3 miles of the site.

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








- Legend*
- Site Area
 - Bank
 - Child Care
 - Church
 - Convenience Store
 - Fire
 - Gas
 - Grocery
 - High School
 - Hospital
 - Library
 - Pharmacy
 - Police
 - Post Office
 - Restaurant
 - Senior Services
 - Shopping
 - Employer 1000-5000

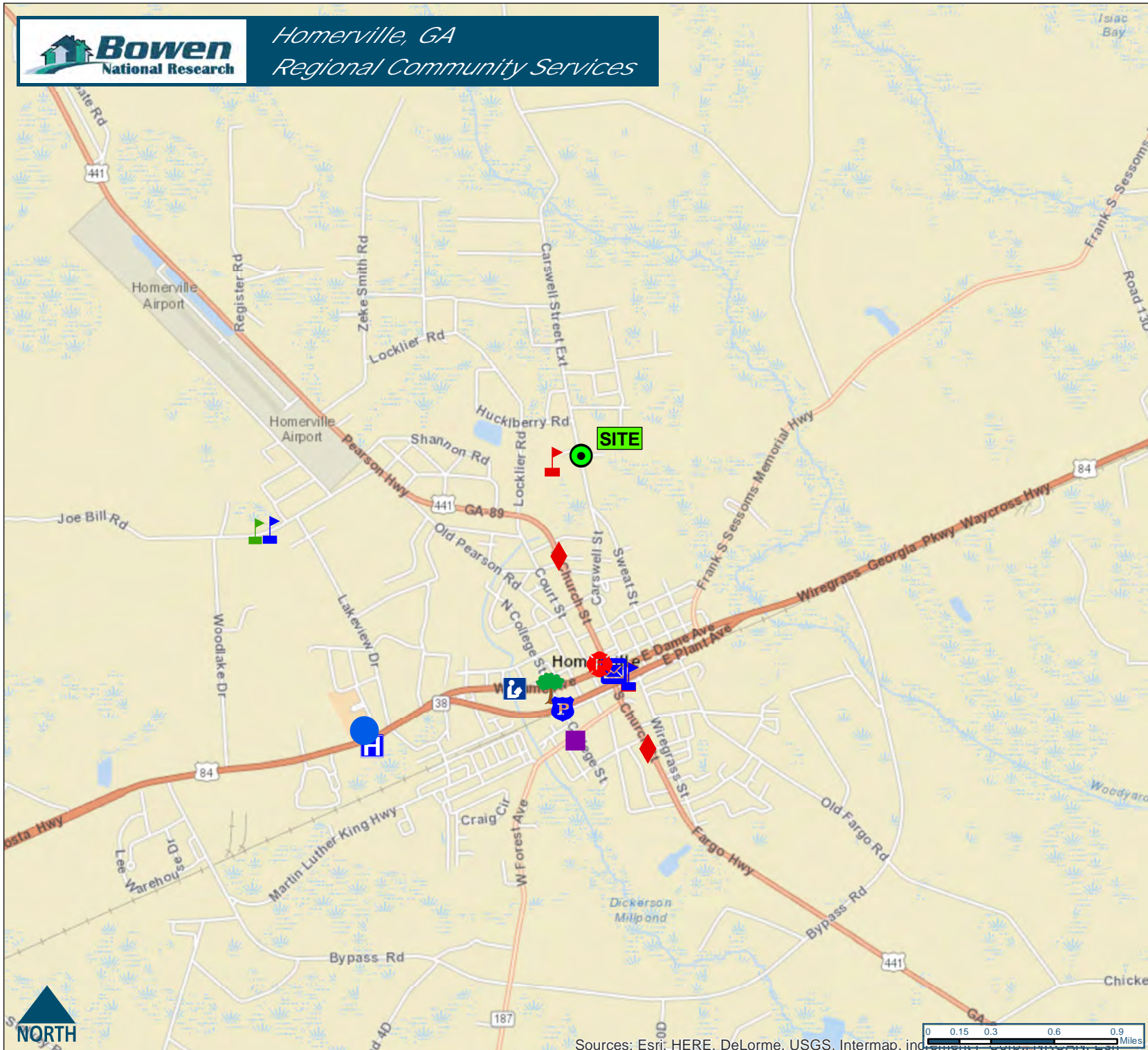


Sources: Esri, HERE, DeLorme, USGS, Intermap, inc

1:20,000

Legend

-  Site
-  Elementary School
-  Fire
-  High School
-  Hospital
-  Library
-  Middle School
-  Park
-  Police
-  Post Office
-  Senior Services
-  Shopping
-  Employer 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 for the Site PMA is 87 with an overall personal crime index of 118 and property crime index of 44. Total crime risk for Clinch County is 80 with indexes for personal and property crime of 109 and 42, respectively.

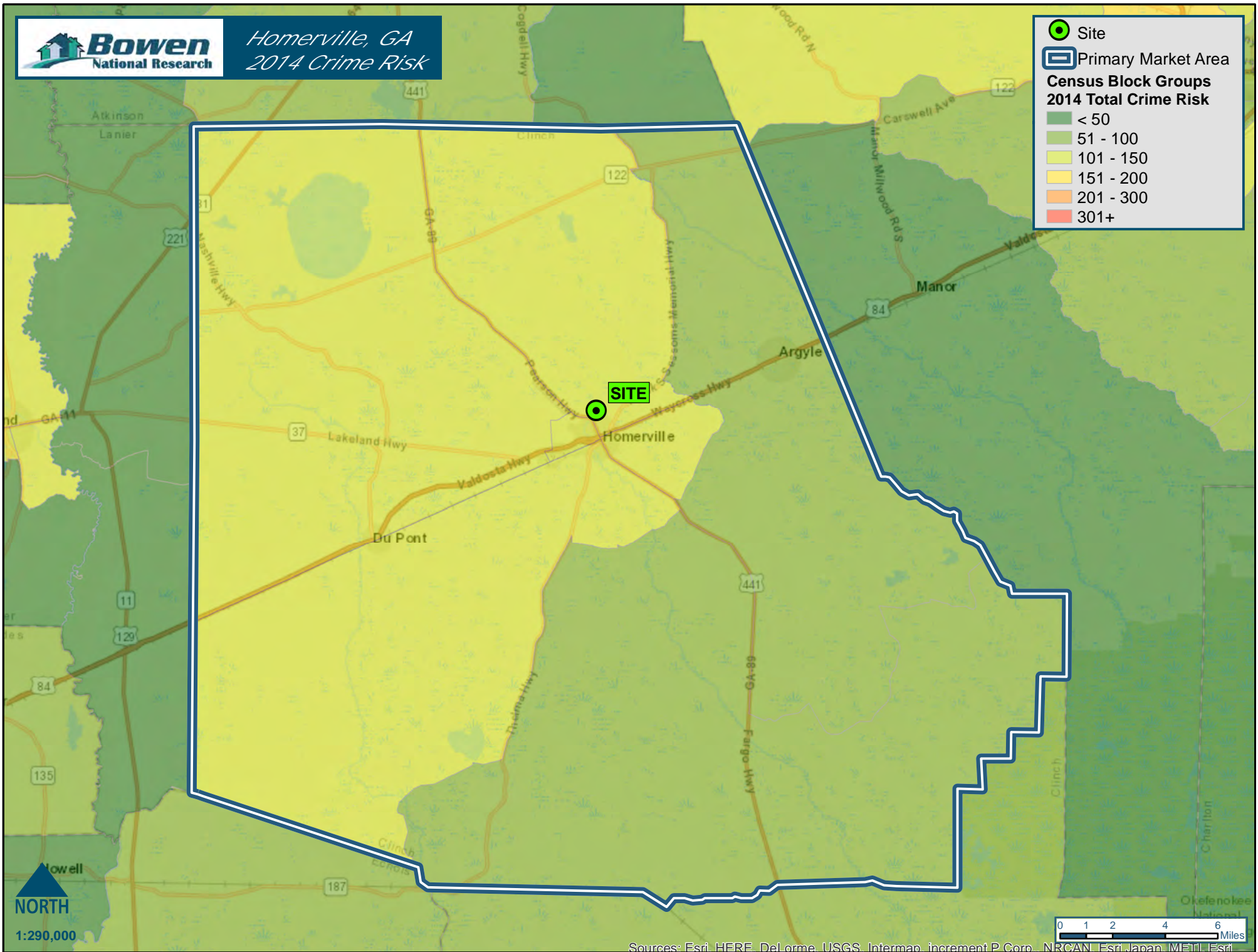
	Crime Risk Index	
	Site PMA	Clinch County
Total Crime	87	80
Personal Crime	118	109
Murder	175	152
Rape	36	40
Robbery	21	20
Assault	257	236
Property Crime	44	42
Burglary	58	56
Larceny	46	45
Motor Vehicle Theft	30	28

Source: Applied Geographic Solutions

As the preceding illustrates, the crime risk index for the Site PMA (87) is very similar to that reported for Clinch County (80) as a whole and both are below the national average of 100. These lower crime rates are good indications that there is likely a low perception of crime within the Homerville and Clinch County areas, which will contribute to the continued marketability of the subject project.

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+



7. OVERALL SITE EVALUATION

The subject site is situated in a partially established portion of Homerville, but is also surrounded by wooded land in some directions, which provides an aesthetically pleasing natural buffer to additional surrounding land uses and a private living environment at the subject site. The subject project is clearly visible and easily accessible from Carswell Street, a moderately traveled roadway bordering the site to the west and providing access throughout the Homerville area. The subject's location along Carswell Street also allows for convenient access to many area services, most of which are located within 2.0 miles of the subject project. Overall, the subject's location is considered conducive to affordable rental housing, as evidenced by the high occupancy rate reported at the subject project.

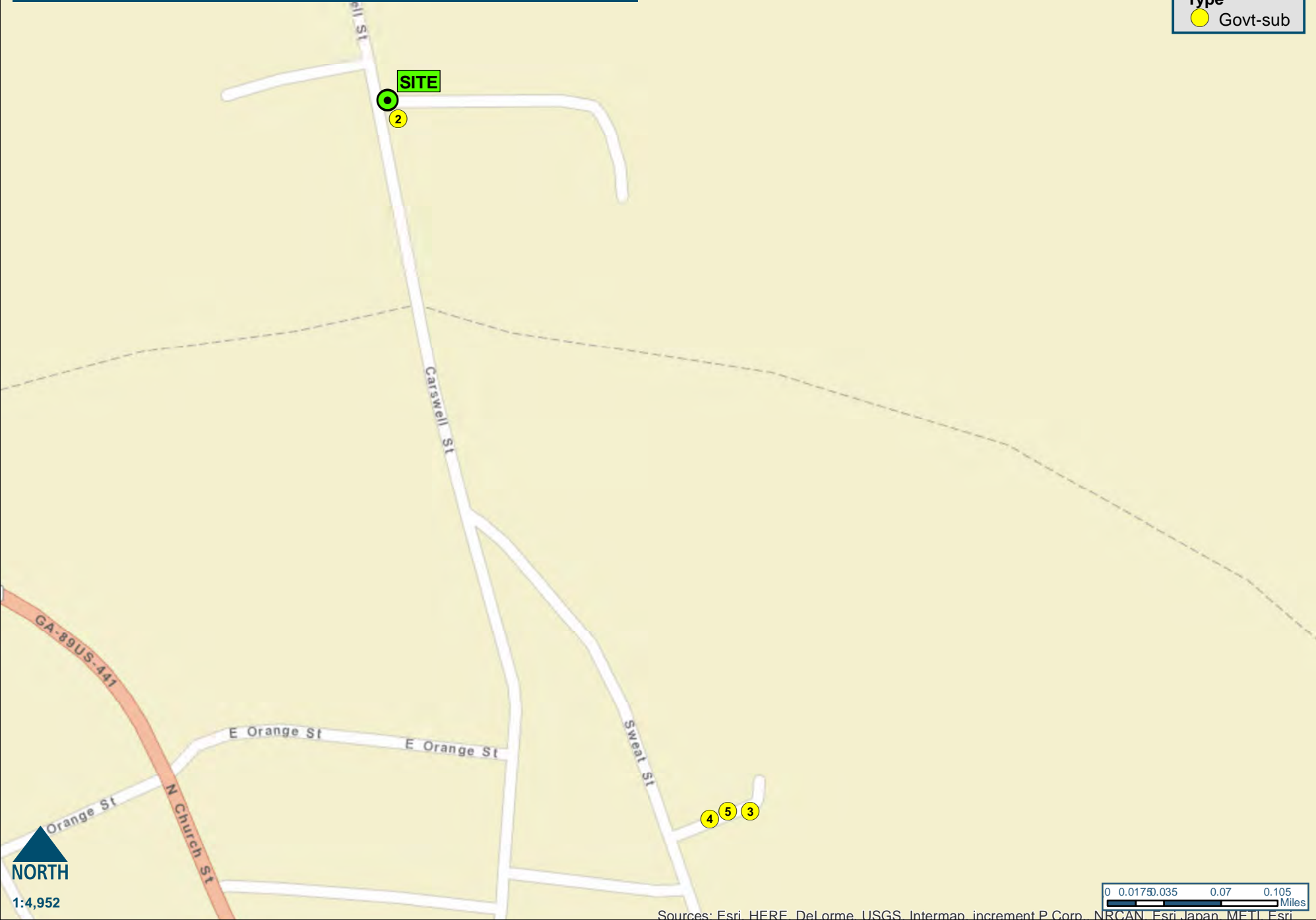
8. MAP OF LOW-INCOME RENTAL HOUSING

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.

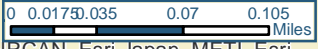


Homerville, GA
Low-Income Property Locations

● Site
● Apartments
● Type
● Govt-sub



NORTH
1:4,952



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 Homerville Site PMA was determined through interviews with management at the subject site, area leasing agents, 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 Homerville Site PMA includes all of Homerville, DuPont and Argyle and some of the outlying unincorporated areas of Clinch County. The boundaries of the Site PMA include the Clinch County boundary to the north; the Clinch County and Okefenokee National Wildlife Refuge boundaries to the east; the Clinch County boundary, railroad tracks, and Big Island Road to the south; and the Clinch County boundary to the west.

Mr. Stan Fay, Property Manager for the existing subject site, stated that the PMA boundaries are accurate, as the majority of his tenants come from within the boundaries. Mr. Fay also stated that people normally do not originate from outside the boundaries of the Site PMA due to the distance and that Homerville is more of a rural area as compared to nearby areas such as Waycross and Valdosta.

While we recognize that the subject project could potentially receive some support from these outer lying areas, we do not expect this potential support base to be significant. As such, we have not considered a secondary market area within this report.

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



Homerville, GA Primary Market Area

- Site
- Primary Market Area

16.1 Miles

10.3 Miles

18.0 Miles

19.3 Miles

SITE

Homerville

Argyle

Du Pont

Lakeland

NORTH

1:290,000



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	6,413	6,365	6,362	6,385
Population Change	-	-48	-3	23
Percent Change	-	-0.7%	0.0%	0.4%

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

The Homerville Site PMA population base declined by 48 between 2000 and 2010. This represents a 0.7% decline from the 2000 population, or an annual rate of 0.1%. Between 2010 and 2017, the population declined by three (3), or less than 0.1%. It is projected that the population will increase by 23, or 0.4%, between 2017 and 2019.

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

Population by Age	2010 (Census)		2017 (Estimated)		2019 (Projected)		Change 2017-2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	1,900	29.9%	1,809	28.4%	1,823	28.6%	14	0.8%
20 to 24	421	6.6%	378	5.9%	355	5.6%	-23	-6.0%
25 to 34	739	11.6%	807	12.7%	780	12.2%	-28	-3.4%
35 to 44	811	12.7%	785	12.3%	790	12.4%	5	0.7%
45 to 54	877	13.8%	785	12.3%	775	12.1%	-10	-1.3%
55 to 64	813	12.8%	828	13.0%	821	12.9%	-7	-0.8%
65 to 74	484	7.6%	625	9.8%	666	10.4%	40	6.5%
75 & Over	318	5.0%	346	5.4%	377	5.9%	30	8.8%
Total	6,363	100.0%	6,362	100.0%	6,385	100.0%	23	0.4%

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

As the preceding table illustrates, the majority of the projected population growth will occur within the senior population (age 65 and older) between 2017 and 2019, and more than 15% of the total population is age 65 and older. However, nearly 50.0% of the population is expected to be between the ages of 25 and 64 in 2017. These trends are good indications of demand for both family- and senior-oriented housing within the market.

2. HOUSEHOLD TRENDS

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

	Year			
	2000 (Census)	2010 (Census)	2017 (Estimated)	2019 (Projected)
Households	2,334	2,404	2,456	2,471
Household Change	-	70	52	16
Percent Change	-	3.0%	2.2%	0.6%
Household Size	2.75	2.65	2.54	2.53

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

Within the Homerville Site PMA, households increased by 70 (3.0%) between 2000 and 2010. Between 2010 and 2017, households increased by 52 or 2.2%. By 2019, there will be 2,471 households, an increase of 16 households, or 0.6% over 2017 levels. This is an increase of approximately eight (8) households annually over the next two years. Although modest, this is indicative of a stable household base 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	120	5.0%	95	3.9%	94	3.8%	-2	-1.7%
25 to 34	338	14.1%	376	15.3%	363	14.7%	-13	-3.5%
35 to 44	423	17.6%	411	16.8%	412	16.7%	1	0.2%
45 to 54	510	21.2%	447	18.2%	440	17.8%	-8	-1.7%
55 to 64	473	19.7%	473	19.3%	466	18.9%	-6	-1.4%
65 to 74	315	13.1%	406	16.5%	430	17.4%	24	5.9%
75 to 84	187	7.8%	195	7.9%	212	8.6%	17	8.8%
85 & Over	39	1.6%	52	2.1%	55	2.2%	3	5.3%
Total	2,405	100.0%	2,456	100.0%	2,472	100.0%	16	0.7%

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

Similar to population trends, household growth will primarily be concentrated among seniors (age 65 and older) in the Homerville market. However, households age 25 to 64 will still comprise 68.0% of all households in 2019.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2017 (Estimated)		2019 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	1,679	69.8%	1,621	66.0%	1,630	65.9%
Renter-Occupied	725	30.2%	835	34.0%	842	34.1%
Total	2,404	100.0%	2,456	100.0%	2,471	100.0%

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

In 2017, homeowners occupied 66.0% of all occupied housing units, while the remaining 34.0% were occupied by renters. The 835 renter households in the PMA in 2017 represent a good base of potential support for the subject development. Also note that the number of renter households will increase slightly between 2017 and 2019.

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	281	33.6%	280	33.3%	-1	-0.3%
2 Persons	167	20.0%	168	20.0%	1	0.5%
3 Persons	184	22.0%	187	22.2%	2	1.3%
4 Persons	166	19.8%	167	19.8%	1	0.7%
5 Persons+	38	4.5%	40	4.8%	2	5.3%
Total	836	100.0%	841	100.0%	6	0.7%

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	543	33.5%	548	33.5%	4	0.8%
2 Persons	494	30.4%	495	30.3%	1	0.2%
3 Persons	320	19.7%	321	19.7%	1	0.4%
4 Persons	184	11.4%	185	11.3%	1	0.4%
5 Persons+	83	5.1%	84	5.1%	1	1.5%
Total	1,623	100.0%	1,632	100.0%	9	0.5%

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

The subject project includes one- and two-bedroom units, which primarily house one- to three-person households. These household sizes represent over 75% of the renter households in the market, representing a good base of potential support for the site.

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

Household Income	2010 (Census)		2017 (Estimated)		2019 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$15,000	779	32.4%	602	24.5%	643	26.0%
\$15,000 to \$24,999	327	13.6%	393	16.0%	389	15.7%
\$25,000 to \$34,999	268	11.1%	314	12.8%	299	12.1%
\$35,000 to \$49,999	329	13.7%	372	15.1%	369	14.9%
\$50,000 to \$74,999	379	15.8%	432	17.6%	427	17.3%
\$75,000 to \$99,999	155	6.4%	177	7.2%	176	7.1%
\$100,000 to \$149,999	82	3.4%	117	4.8%	120	4.9%
\$150,000 to \$199,999	42	1.7%	44	1.8%	44	1.8%
\$200,000 & Over	44	1.8%	8	0.3%	7	0.3%
Total	2,405	100.0%	2,459	100.0%	2,474	100.0%
Median Income	\$28,601		\$32,468		\$31,832	

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

In 2010, the median household income was \$28,601. This increased by 13.5% to \$32,468 in 2017. By 2019, it is projected that the median household income will be \$31,832, a decline of 2.0% over 2017.

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

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	136	74	64	40	22	336
\$15,000 to \$24,999	87	29	25	16	9	166
\$25,000 to \$34,999	32	19	15	8	3	77
\$35,000 to \$49,999	35	25	21	12	7	100
\$50,000 to \$74,999	7	8	6	4	2	27
\$75,000 to \$99,999	4	5	3	2	1	15
\$100,000 to \$149,999	0	0	0	0	0	0
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	5	0	0	0	0	5
Total	306	160	134	82	44	726

Source: ESRI; Urban Decision Group

Renter Households	2017 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	93	53	59	52	16	272
\$15,000 to \$24,999	64	28	30	28	5	155
\$25,000 to \$34,999	55	33	36	33	8	166
\$35,000 to \$49,999	37	26	28	26	5	122
\$50,000 to \$74,999	21	18	21	18	4	82
\$75,000 to \$99,999	10	9	9	9	1	39
\$100,000 to \$149,999	0	0	0	0	0	0
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	281	167	184	166	38	836

Source: ESRI; Urban Decision Group

Renter Households	2019 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	91	50	56	49	15	261
\$15,000 to \$24,999	59	26	29	26	4	144
\$25,000 to \$34,999	53	32	35	32	7	159
\$35,000 to \$49,999	36	27	30	27	6	125
\$50,000 to \$74,999	24	20	23	20	5	93
\$75,000 to \$99,999	17	13	14	13	2	60
\$100,000 to \$149,999	0	0	0	0	0	0
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	280	168	187	167	40	841

Source: ESRI; Urban Decision Group

Demographic Summary

Overall population and total household growth trends have been stable between 2000 and 2017. It is projected that the population will increase by 23, or 0.4%, between 2017 and 2019, while the number of households will increase by 16, or 0.6% during this same time period. The majority of the projected demographic growth for the market will be among seniors, though it is of note that households between the ages of 25 and 64 comprise approximately 68.0% of the total household base within the market. Nearly 850 renter households are projected to exist in the market in 2019, representing approximately 34.0% of the overall household base. It is also of note that more than 48.0% of all renter households are projected to earn less than \$25,000 in 2019. These are good indications that demand for affordable rental housing will remain high in the Homerville market.

Section F – Economic Trends

1. LABOR FORCE PROFILE

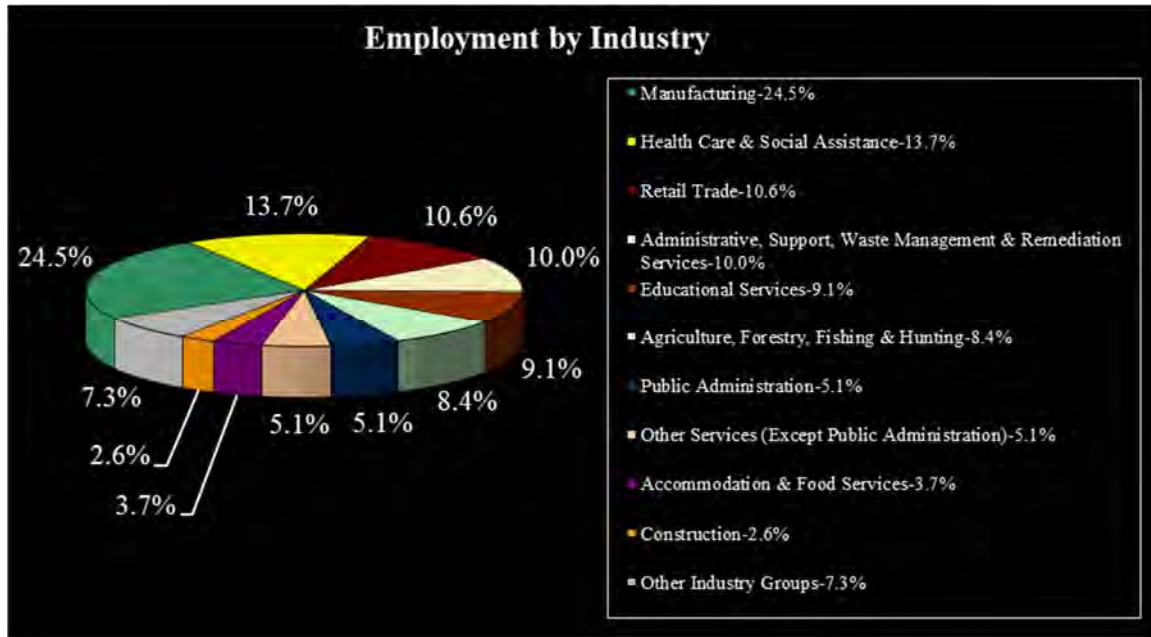
The labor force within the Homerville Site PMA is based primarily in four sectors. Manufacturing (which comprises 24.5%), Health Care & Social Assistance, Retail Trade and Administrative, Support, Waste Management & Remediation Services comprise nearly 59% of the Site PMA labor force. Employment in the Homerville Site PMA, as of 2017, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	9	3.8%	214	8.4%	23.8
Mining	0	0.0%	0	0.0%	0.0
Utilities	1	0.4%	22	0.9%	22.0
Construction	10	4.2%	66	2.6%	6.6
Manufacturing	6	2.5%	622	24.5%	103.7
Wholesale Trade	8	3.4%	50	2.0%	6.3
Retail Trade	37	15.5%	268	10.6%	7.2
Transportation & Warehousing	9	3.8%	26	1.0%	2.9
Information	6	2.5%	15	0.6%	2.5
Finance & Insurance	14	5.9%	30	1.2%	2.1
Real Estate & Rental & Leasing	4	1.7%	6	0.2%	1.5
Professional, Scientific & Technical Services	11	4.6%	33	1.3%	3.0
Management of Companies & Enterprises	1	0.4%	2	0.1%	2.0
Administrative, Support, Waste Management & Remediation Services	8	3.4%	254	10.0%	31.8
Educational Services	7	2.9%	232	9.1%	33.1
Health Care & Social Assistance	19	8.0%	348	13.7%	18.3
Arts, Entertainment & Recreation	0	0.0%	1	0.0%	0.0
Accommodation & Food Services	15	6.3%	93	3.7%	6.2
Other Services (Except Public Administration)	40	16.8%	129	5.1%	3.2
Public Administration	27	11.3%	129	5.1%	4.8
Nonclassifiable	6	2.5%	0	0.0%	0.0
Total	238	100.0%	2,540	100.0%	10.7

*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. Regardless, the subject project is age-restricted to seniors age 62 and older, many of which will likely be retired and living on fixed-incomes.

2. MAJOR EMPLOYERS

The seven (7) largest employers within Clinch County are summarized in the table below. Note that the total number employed, 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.

Industry	Business Type
Bway Corporation	Packaging
Clinch Healthcare	Health Care
Harvey's Supermarkets	Grocery Store
Lee Container Corps	Container Manufacturing
Mulch Manufacturing	Mulch Manufacturing
Okefenokee Berry Center	Agriculture
South East Employee Leasing Service	Business Management Solutions

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

According to a representative with the Clinch County Development Authority, the local economy boasts several factors that contribute to the overall strength of the economy, such as strong timber and agricultural industries, low-cost undeveloped land which has potential for development, and strong hospital and public roads systems. However, local representatives also acknowledged several issues they have, such as a limited skilled workforce, limited housing availability at all income levels and in all types of housing, growing poverty rates, and substance abuse issues within the community. This representative also stated that the school system is also in need of improvement. Recent business expansion is summarized as follows:

- In 2017, Lee Container expanded their current operations in the county with an additional 50,000 square feet of operational space. It is unknown how many jobs this created or how much was invested into this expansion.
- DuPont Yard, a timber operation will be expanding their operations in 2017 to add a new laser-guided saw mill, the expansion will cost over \$6 million.

- There are several new businesses that moved to the area over the past twelve months including Ohio Mulch, Murphy’s Seafood, and CC’s Bakery. It is unknown how much was invested into the opening of these companies, or how many jobs were created from these openings.

WARN (layoff notices):

According to the Georgia Department of Economic Development, there have been no WARN notices of large-scale layoffs/closures reported for Clinch 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.

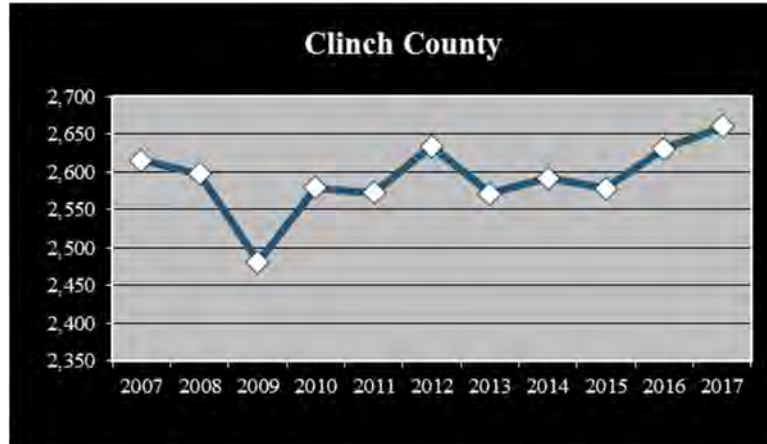
Excluding 2017, the employment base has declined by 0.1% over the past five years in Clinch County, while the state of Georgia increased by 7.1%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Clinch County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2007	2,616	-	4,597,640	-	146,388,400	-
2008	2,597	-0.7%	4,575,010	-0.5%	146,047,748	-0.2%
2009	2,482	-4.4%	4,311,854	-5.8%	140,696,560	-3.7%
2010	2,579	3.9%	4,202,052	-2.5%	140,469,139	-0.2%
2011	2,572	-0.3%	4,263,305	1.5%	141,791,255	0.9%
2012	2,634	2.4%	4,348,083	2.0%	143,621,634	1.3%
2013	2,571	-2.4%	4,367,147	0.4%	144,996,474	1.0%
2014	2,592	0.8%	4,418,471	1.2%	147,403,607	1.7%
2015	2,578	-0.5%	4,502,021	1.9%	149,648,686	1.5%
2016	2,631	2.0%	4,656,255	3.4%	152,001,644	1.6%
2017*	2,660	1.1%	4,767,833	2.4%	152,065,874	0.0%

Source: Department of Labor; Bureau of Labor Statistics

*Through May

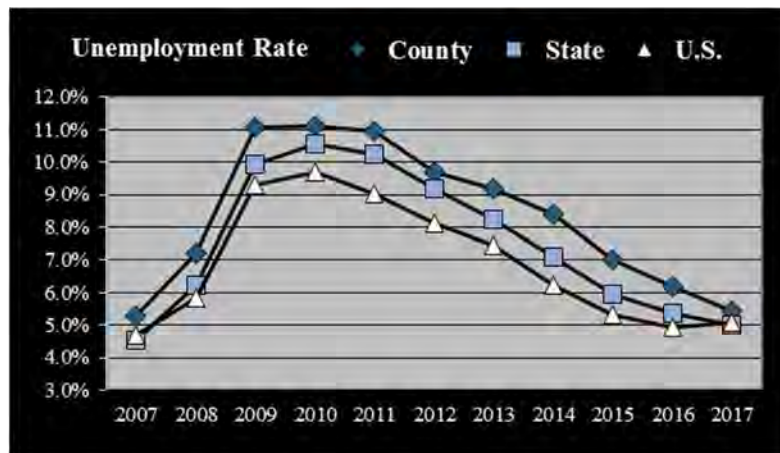


As the preceding illustrates, the Clinch County employment base fluctuated between 2009 and 2015, but has since increased by 82 jobs, or 3.2%, through May of 2017.

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

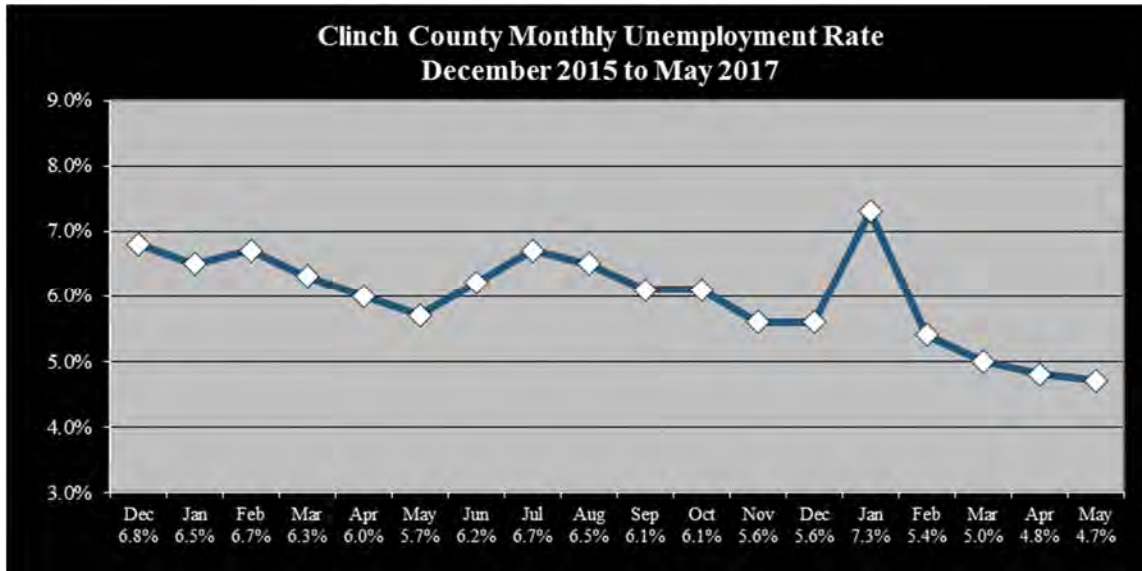
Year	Unemployment Rate		
	Clinch County	Georgia	United States
2007	5.3%	4.5%	4.7%
2008	7.2%	6.2%	5.8%
2009	11.1%	9.9%	9.3%
2010	11.1%	10.6%	9.7%
2011	11.0%	10.2%	9.0%
2012	9.7%	9.2%	8.1%
2013	9.2%	8.2%	7.4%
2014	8.4%	7.1%	6.2%
2015	7.0%	6.0%	5.3%
2016	6.2%	5.4%	4.9%
2017*	5.4%	5.0%	5.1%

Source: Department of Labor, Bureau of Labor Statistics
*Through May



The unemployment rate in Clinch County has ranged between 5.3% and 11.1%, slightly above the state average since 2007. After reaching 11.1% in 2009 and 2010, the county's unemployment rate has declined by nearly six full percentage points since 2010, through May of 2017, to a rate of 5.4%, which is similar to the pre-recession level of 5.3% for the county.

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



While the county's monthly unemployment rate has fluctuated some over the past 18 months, it has generally remained between 5% and 7%, and has trended downward over the past four months.

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

Year	In-Place Employment Clinch County		
	Employment	Change	Percent Change
2006	2,479	-	-
2007	2,414	-65	-2.6%
2008	2,555	141	5.8%
2009	2,420	-135	-5.3%
2010	2,407	-13	-0.5%
2011	2,447	40	1.7%
2012	2,349	-98	-4.0%
2013	2,436	87	3.7%
2014	2,367	-69	-2.8%
2015	2,444	77	3.3%
2016	2,402	-42	-1.7%

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 Clinch County to be 91.3% of the total Clinch County employment. This means that Clinch 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 immediate Homerville and Clinch County areas and thus will likely be familiar with commuting trends and unaffected by in-place employment trends.

4. ECONOMIC FORECAST

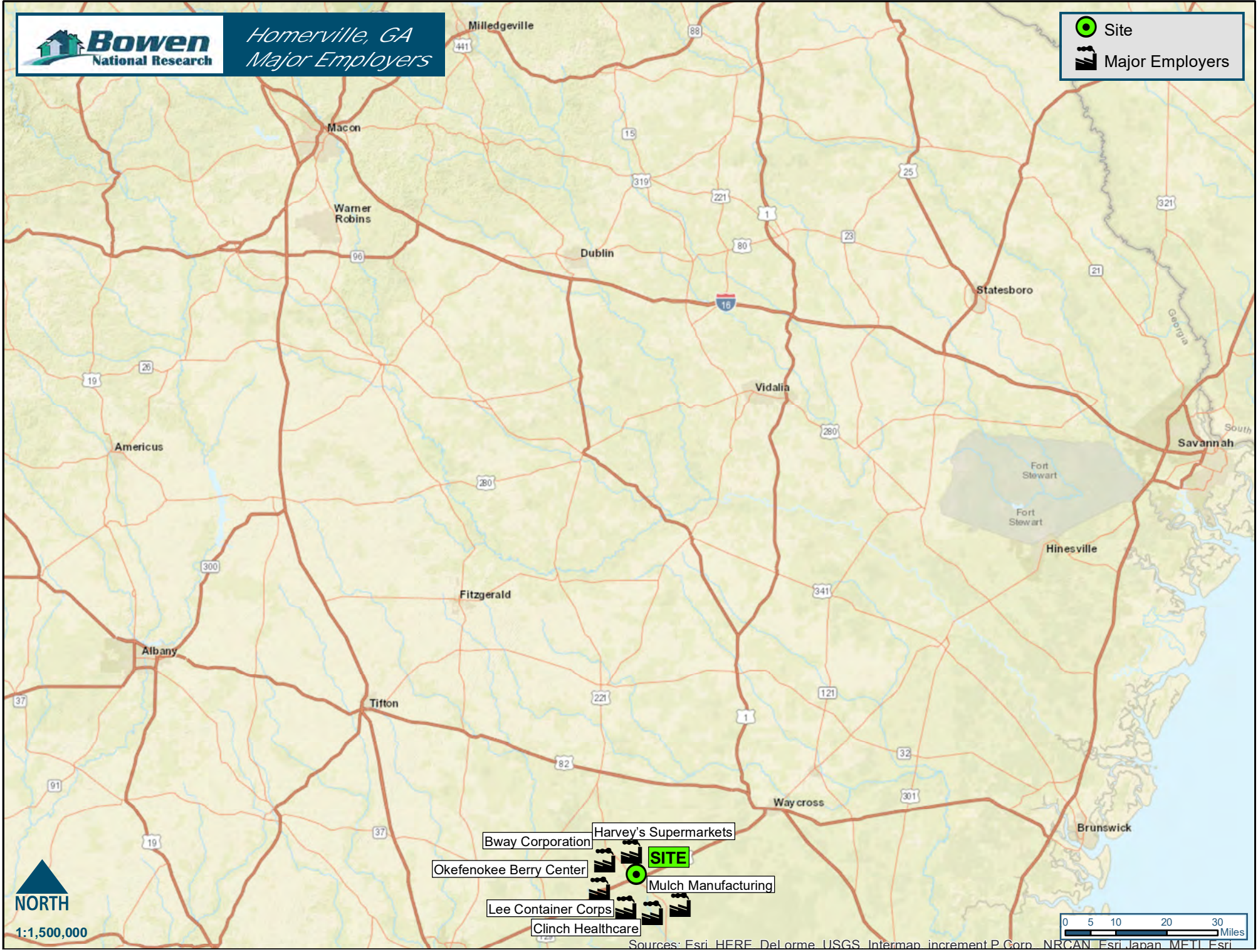
More than 45.0% of the Site PMA's labor force is employed within the Manufacturing, Retail Trade, and Administrative, Support, Waste Management & Remediation Services job sectors. Public Administration and Health Care and Social Assistance job sectors. Typically, these industry segments offer lower wage paying positions which are conducive to affordable rental housing such as that offered at the subject project. The Clinch County employment base has experienced an increase of 3.2% between 2015 and May of 2017 and has been above pre-recession levels since 2016. The unemployment rate within the county has steadily improved since the end of the national recession (2010), declining to a rate of 5.4% through May of 2017. This is nearly six full percentage points lower than the 11.1% rate reported at the end of the national recession within the county. Based on the preceding factors, we expect the Clinch County economy will continue to improve for the foreseeable future, though we also expect demand for affordable housing alternatives to remain high, regardless of economic conditions.

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



*Homerville, GA
Major Employers*

● Site
■ Major Employers



NORTH
1:1,500,000



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 Tax Credit and RD Section 515 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 program and in the event the project had to operate exclusively under the 4% Tax-Exempt Bond program.

1. DETERMINATION OF INCOME ELIGIBILITY

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

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

The subject site is within Clinch County, Georgia which has a four-person median household income of \$43,800 for 2017. The subject property will be restricted to households with incomes of up to 60% of AMHI. The following table summarizes the maximum allowable income by household size at 60% of AMHI.

Household Size	Maximum Allowable Income
	60%
One-Person	\$19,560
Two-Person	\$22,320
Three-Person	\$25,140

a. Maximum Income Limits

The largest units (two-bedroom) at the subject site are expected to continue to house up to three-person family households. As such, the maximum allowable income at the subject site is **\$25,140**.

b. Minimum Income Requirements

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

The proposed LIHTC units will have a lowest gross rent of \$485 (at 60% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$5,820. 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 \$16,629.

Since the subject project will retain RA through Rural Development on 31 units, the project will continue to serve households with little to no income. As such, we have also conducted a capture rate analysis that considers the project to continue to operate with RA.

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 program and under the Tax Credit program separately.

Unit Type	Income Range	
	Minimum	Maximum
Rural Development/Tax Credit with RA	\$0	\$25,140
LIHTC Only without RA	\$16,629	\$25,140

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 20.3% to 33.6% (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, 3.2% 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 LIHTC properties that were funded and/or built during the projection period (2015 to current) within the Site PMA. Additionally, there are no existing LIHTC properties operating below a stabilized occupancy rate of 90.0% within the Site PMA. As such, there were no existing LIHTC properties included as part of supply in our demand analysis.

Two demand scenarios have been analyzed for the subject project. Scenario one assumes all rental assisted units are leasable (and will remain occupied) and also accounts for any current tenants which will continue to income-qualify to reside at the property under the Tax Credit guidelines, per GDCA guidelines. Scenario two provides demand estimates for the entire subject project assuming both the retention of Rental Assistance (RA) 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)	
	RD 515/LIHTC w/ RA (\$0 - \$25,140)	RD 515/ LIHTC Without RA (\$16,629 - \$25,140)	RD 515/LIHTC w/ RA (\$0 - \$25,140)	LIHTC Only Without RA (\$16,629 - \$25,140)
Demand From New Renter Households (Income-Appropriate)	407 - 430 = -23	122 - 132 = -10	407 - 430 = -23	122 - 132 = -10
+				
Demand From Existing Households (Rent Overburdened)	430 X 33.6% = 144	132 X 20.3% = 27	430 X 33.6% = 144	132 X 20.3% = 27
+				
Demand From Existing Households (Renters In Substandard Housing)	430 X 3.2% = 14	132 X 3.2% = 4	430 X 3.2% = 14	132 X 3.2% = 4
=				
Demand Subtotal	135	21	135	21
+				
Demand From Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2%	N/A	N/A	N/A	N/A
=				
Total Demand	135	21	135	21
-				
Supply (Directly Comparable Units Built and/or Funded Since 2015)	0	0	0	0
=				
Net Demand	135	21	135	21
Proposed Units	0*	7*	40	40
Proposed Units/ Net Demand	0* / 135	7 / 21	40 / 135	40 / 21
Capture Rate	= 0.0%	= 33.3%	= 29.6%	= >100.0%

N/A – Not Applicable

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

Per GDCA guidelines, capture rates below 30% for projects in urban markets and below 35% for projects in rural markets are considered acceptable. As such, the subject's overall capture rate 29.6% when assuming the retention of RA is considered acceptable and demonstrates a sufficient base of support for the subject project, which is further evident by the subject's high occupancy rate. A more limited base of support exists for the project in the unlikely event the property lost RA and had to operate exclusively under the LIHTC guidelines, as the subject's capture rate under this scenario exceeds 100.0%. It is important to reiterate, however, that the subject project is an existing property and most current tenants are expected to remain post renovations, with only those units which are currently vacant or occupied by tenants which would no longer income-qualify needing re-rented. In this scenario, the subject's capture rate is 33.3%, as illustrated in the preceding table. This is considered achievable and is below the GDCA threshold of 35% for projects in rural markets. Regardless, the developer has also indicated that a Private Rental Assistance (PRA) subsidy will be provided to all current unassisted tenants. This will prevent a rent increase on the unassisted tenants. As such, most, if not all, current tenants are expected to remain post renovations.

Therefore, only the three (3) currently vacant units would need rented following renovations, resulting in an effective capture rate of 14.3% for the subject project.

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

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

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

Scenario One (Less units to remain occupied post renovations)

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Subject Rents
One-Bedroom (35%)	60%	4***	7	0	7	57.1%	2 Months	\$534	\$490-\$600	\$379
One-Bedroom	Total	4***	7	0	7	57.1%	2 Months	-	-	-
Two-Bedroom (45%)	60%	3***	9	0	9	33.3%	1 Month	\$576	\$520-\$750	\$409
Two-Bedroom	Total	3***	9	0	9	33.3%	1 Month	-	-	-

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

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

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

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

Scenario Two (Entire Property)

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Subject Rents
RD 515/LIHTC with Rental Assistance (RA)										
One-Bedroom (35%)	60%	12	47	0	47	25.5%	3 Months	\$534	\$490-\$600	\$379
One-Bedroom	Total	12	47	0	47	25.5%	3 Months	-	-	-
LIHTC Only										
Two-Bedroom (45%)	60%	28	61	0	61	45.9%	7 Months	\$576	\$520-\$750	\$409
Two-Bedroom	Total	28	61	0	61	45.9%	7 Months	-	-	-
LIHTC Only										
One-Bedroom (35%)	60%	12	7	0	7	>100.0%	> 1 Year	\$534	\$490-\$600	\$379
One-Bedroom	Total	12	7	0	7	>100.0%	> 1 Year	-	-	-
LIHTC Only										
Two-Bedroom (45%)	60%	28	9	0	9	>100.0%	> 1 Year	\$576	\$520-\$750	\$409
Two-Bedroom	Total	28	9	0	9	>100.0%	> 1 Year	-	-	-

*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 range from 33.3% to 57.1% depending upon unit type and assuming the retention of current qualified tenants to remain post renovations. In the unlikely event the entire property was vacated and all units had to be re-rented simultaneously, the subject's capture rates by bedroom type are 25.5% and 45.9% for the one- and two-bedroom units under the subsidized scenario. Although the 57.1% capture rate for the one-bedroom units which would need to be re-rented post renovations could be construed as being high, these aforementioned 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 this scenario, given the general lack of quality affordable LIHTC product in this market. As previously stated earlier in this section, and illustrated in the preceding table, the subject's non-subsidized (LIHTC only) capture rates exceed 100.0%, indicative of a more limited and likely insufficient base of support for the subject project in this unlikely scenario. Regardless, as detailed earlier, a PRA subsidy to be provided by the developer, along with the retention of RA, will result in very little (if any) tenant turnover during or following renovations.

Section H – Rental Housing Analysis (Supply)

1. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Homerville 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	2,404	86.4%	2,456	85.2%
Owner-Occupied	1,679	69.8%	1,621	66.0%
Renter-Occupied	725	30.2%	835	34.0%
Vacant	377	13.6%	425	14.8%
Total	2,781	100.0%	2,881	100.0%

Source: ESRI, Census 2010

Based on a 2017 update of the 2010 Census, of the 2,881 total housing units in the market, 14.8% were vacant. In 2017, it was estimated that homeowners occupied 66.0% of all occupied housing units, while the remaining 34.0% were occupied by renters. Notably, the number of renter households increased between 2010 and 2017, while the number of homeowners declined slightly. This is a good indication of increased demand for rental housing in this market.

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

Vacant Units	Number	Percent
For Rent	78	20.7%
For-Sale Only	20	5.3%
Renter/Sold, Not Occ.	19	5.0%
Seasonal or Recreational	45	11.9%
Other Vacant	215	57.0%
Total	377	100.0%

Source: 2010 Census

Based on the 2010 Census, of the 377 vacant units in the Site PMA, 69.0% are classified as “Seasonal or Recreational”, or “Other Vacant”. This is a good indication that the vacant housing units included in the table earlier on this page are not reflective of the long-term rental housing market within the Site PMA. Regardless, we have conducted a Field Survey of Conventional Rentals to better determine the strength of the long-term rental market within the Site PMA.

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

Units in Structure	Owner		Renter	
	Number	Percent	Number	Percent
1, Detached	1,159	68.8%	291	39.3%
1, Attached	4	0.2%	12	1.6%
2 to 4	0	0.0%	190	25.6%
5 to 9	0	0.0%	43	5.8%
10 to 19	0	0.0%	17	2.3%
20 to 49	0	0.0%	5	0.7%
50+	0	0.0%	4	0.5%
Mobile Homes	521	30.9%	179	24.2%
Boat, RV, Vans	0	0.0%	0	0.0%
Total	1,684	100.0%	741	100.0%

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

Over 65.0% of all renter-occupied housing units are actually single-family or mobile homes, demonstrating a limited supply of conventional rental product, which is typical of most 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	1,666	98.9%	741	100.0%
Lacking Complete Kitchen	18	1.1%	0	0.0%
Total	1,684	100.0%	741	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	1,673	99.3%	741	100.0%
Lacking Complete Plumbing	11	0.7%	0	0.0%
Total	1,684	100.0%	741	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 1.1% and 0.0%, respectively, while 0.0% of renter-occupied households had incomplete plumbing facilities compared with the 0.7% 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	1,663	98.8%	717	96.8%
1.01 Or More Occupants Per Room	21	1.2%	24	3.2%
Total	1,684	100.0%	741	100.0%

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

The number of renter-occupied housing units with 1.01 or more occupants per room and considered overcrowded was 3.2% of the households, compared with 1.2% 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%	931	55.3%	133	17.9%
20% to 29%	269	16.0%	159	21.5%
30% or More	429	25.5%	228	30.8%
Not Computed	54	3.2%	221	29.8%
Total	1,683	100.0%	741	100.0%

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

As the preceding illustrates, more than 60.6% of renter households in the market pay more than 30% of their income towards rent. This is significantly higher than the national average of 47.9%.

Conventional Rentals

We identified and personally surveyed five conventional rental housing projects containing a total of 166 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 97.0%, a good rate for rental housing. Each of the rental housing segments surveyed is summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Tax Credit/Government-Subsidized	1	40	3	92.5%
Government-Subsidized	4	126	2	98.4%
Total	5	166	5	97.0%

As the preceding illustrates, affordable (Tax Credit and/or Government-Subsidized) rental product dominates the Site PMA rental market, and each rental housing segment surveyed reports an occupancy rate of 92.5% or higher, with no more than three (3) vacant units.

2. SUMMARY OF ASSISTED PROJECTS

We surveyed a total of five federally subsidized and/or Tax Credit apartment developments in the Homerville 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	Quail Hollow II (Site)	TAX & RD 515	1994	40	92.5%	-	\$467 - \$549 (12)	\$524 - \$614 (28)	-	-
2	Quail Hollow I	RD 515	1982	54	96.3%	-	\$426 - \$552 (48)	\$476 - \$612 (6)	-	-
3	Brookwood Apts. I	RD 515	1980	24	100.0%	-	-	\$587 - \$602 (20)	\$626 - \$736 (4)	-
4	Brookwood Apts. II	RD 515	1980	24	100.0%	-	\$549 - \$564 (16)	\$587 - \$702 (8)	-	-
5	Brookwood Apts. III	RD 515	1980	24	100.0%	-	\$549 - \$579 (8)	\$587 - \$617 (14)	\$626 - \$656 (2)	-
Total				166	97.0%					

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

OCCUP. - Occupancy

TAX - Tax Credit

RD - Rural Development

The five federally subsidized and/or Tax Credit properties surveyed are 97.0% occupied. None of the affordable properties surveyed reports an occupancy rate below 92.5%, demonstrating strong demand for affordable rental product within the Homerville market. Note that while the subject site, Quail Hollow II (Map ID 1), currently reports three (3) vacant units, these units are units which do not receive Rental Assistance (RA) through Rural Development (RD). Thus, tenants of these units are effectively required to pay non-subsidized rents between the basic and market rents charged under the RD program at this property.

HOUSING CHOICE VOUCHER HOLDERS

According to the Georgia Department of Community Affairs, there are approximately six (6) Housing Choice Voucher holders within Clinch County and 10 people on the waiting list for an additional Voucher. This reflects the continuing need for Housing Choice Voucher assistance.

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 - Clinch 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	\$482	\$485
Two-Bedroom	\$645	\$571

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

3. **PLANNED MULTIFAMILY DEVELOPMENT**

Based on our interviews with local building and planning representatives, it was determined that there are no multifamily projects planned for the area.

Building Permit Data

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

Housing Unit Building Permits for Clinch County:										
Permits	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Multifamily Permits	0	0	0	0	0	0	0	0	0	0
Single-Family Permits	10	9	6	5	0	0	5	4	0	4
Total Units	10	9	6	5	0	0	5	4	0	4

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

There have been no multifamily building permits been issued within Clinch County over the past ten years. This is a good indication of a lack of modern rental product within the Homerville market. 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- and two-bedroom units targeting family (general-occupancy) households earning up to 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Aside from the existing subject project, no other LIHTC properties (subsidized or non-subsidized) are offered within the Homerville Site PMA.

Due to the lack of conventional LIHTC product within the Site PMA, we identified and surveyed four LIHTC properties outside the Site PMA in the nearby towns of Waycross and Valdosta, Georgia. These properties offer one- and two-bedroom units targeting households earning up to 60% of AMHI, similar to the subject project. All four of these properties are general-occupancy (family) projects, similar to the subject project. However, since these properties are located outside the Site PMA, they are not considered competitive and have been included for comparability purposes only.

The four comparable LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name 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	Quail Hollow II	1994 / 2019	41	92.5%	-	None	Families; 60% AMHI & RD 515
903	Peachwood Place	1999	72	100.0%	27.7 Miles	10 H.H.	Families; 50% & 60% AMHI
906	Ware Hotel	2011	35	100.0%	27.0 Miles	40 H.H.	Families; 50% & 60% AMHI
909	Heron Lake I	2005	70*	100.0%	36.8 Miles	50 H.H.	Families; 30%, 50%, & 60% AMHI
910	Heron Lake II	2008	54*	100.0%	36.8 Miles	50 H.H.	Families; 30%, 50%, & 60% AMHI

900 Series Map IDs are located outside the Site PMA

OCC. – Occupancy

H.H. - Households

*Tax Credit units only

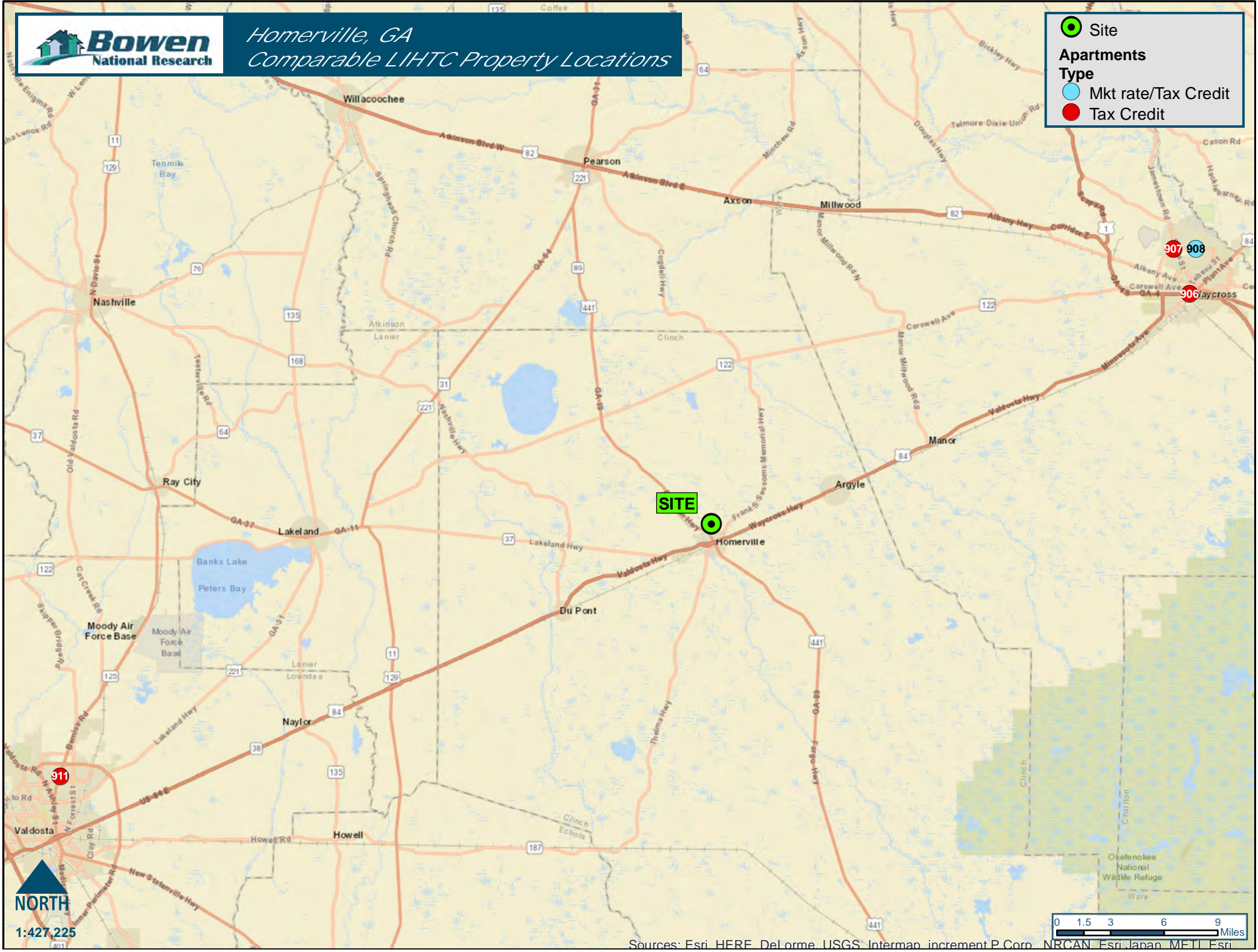
The four LIHTC projects have a combined occupancy rate of 100.0% and all four properties surveyed maintain waiting lists which range from 10- to 50-households. This is a good indication of strong demand for non-subsidized general-occupancy LIHTC product within the region. It is of note, however, that the subject project is an existing LIHTC property which also operates under the Rural Development 515 (RD 515) program and that all three of the vacant units currently reported are units which do not receive Rental Assistance (RA). This indicates that there may be less demand for non-subsidized LIHTC product within the Homerville Site PMA, as compared to the surrounding areas in which the comparable LIHTC properties are located.

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



Homerville, GA Comparable LIHTC Property Locations

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



NORTH
1:427,225

0 1.5 3 6 9 Miles

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.	Four-Br.	
Site	Quail Hollow II	\$485/60% (12)	\$571/60% (29)	-	-	-
903	Peachwood Place	-	\$557/50% (6/0) \$587/60% (10/0)	\$630/50% (12/0) \$660/60% (20/0)	\$703/50% (12/0) \$753/60% (12/0)	None
906	Ware Hotel	\$471/50% (3/0) \$574/60% (14/0)	\$565/50% (3/0) \$643/60% (15/0)	-	-	None
909	Heron Lake I	\$285/30% (2/0) \$477/50% (10/0) \$541/60% (1/0)	\$347/30% (5/0) \$577/50% (29/0) \$698/60% (4/0)	\$411/30% (2/0) \$676/50% (15/0) \$842/60% (2/0)	-	None
910	Heron Lake II	\$286/30% (1/0) \$478/50% (2/0) \$548/60% (4/0)	\$348/30% (4/0) \$578/50% (10/0) \$693/60% (13/0)	\$412/30% (2/0) \$677/50% (7/0) \$842/60% (11/0)	-	None

900 Series Map IDs are located outside the Site PMA

The subject's proposed gross Tax Credit rents will be the lowest in the region, relative to those reported among similar unit types at the comparable properties surveyed. This is appropriate, however, given the age of the subject project as compared to the surveyed properties, as well as their location in more populated, superior, markets as compared to the Homerville market.

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

Weighted Average Collected Rent Of Comparable LIHTC Units*	
One-Br.	Two-Br.
\$493	\$549

*Only unit types directly comparable to the subject units

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.	\$493	- \$379	\$114	/ \$379	30.1%
Two-Br.	\$549	- \$409	\$140	/ \$409	34.2%

As the preceding illustrates, the proposed subject's one- and two-bedroom rents represent rent advantages of 30.1% and 34.2%, respectively, as compared to the weighted average collected rent of the comparable LIHTC unit types surveyed. 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 region are compared with the subject development in the following table:

Map I.D.	Project Name	Square Footage			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Quail Hollow II	674	796 – 828	-	-
903	Peachwood Place	-	874	1,344	1,260
906	Ware Hotel	500 - 700	600 - 800	-	-
909	Heron Lake I	783	1,040	1,204	-
910	Heron Lake II	879	1,174	1,344	-

900 Series Map IDs are located outside the Site PMA

Map I.D.	Project Name	Number of Baths			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Quail Hollow II	1.0	1.0	-	-
903	Peachwood Place	-	1.0	2.0	2.0
906	Ware Hotel	1.0	2.0	-	-
909	Heron Lake I	1.0	2.0	2.0	-
910	Heron Lake II	1.0	2.0	2.0	-

900 Series Map IDs are located outside the Site PMA

The subject project offers some of the smallest, yet relatively competitive, one- and two-bedroom units in terms of square footage. Smaller unit sizes are typical, however, of older subsidized rental product such as that offered at the subject project. The number of bathrooms offered is considered appropriate for the targeted tenant population, despite the fact that three of the comparable properties offer two (2.0) full bathrooms within their two-bedroom units. The subject's 92.5% occupancy rate is further indication that the unit designs offered are 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 region.

COMPARABLE PROPERTIES AMENITIES - HOMERVILLE, GEORGIA

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

MAP ID	PROJECT AMENITIES															OTHER			
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE	COMPUTER LAB	LIBRARY		PICNIC AREA	SOCIAL SERVICES	BUSINESS CENTER
SITE		X	X		X		X									X			Covered Pavilion
909	X	X	X			X	X		V					X		X			
910	X	X	X			X	X		V					X		X			
903	X	X	X				X		B										
906		X	X		X	X	X							X		X			

◆ 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	

The amenity packages offered at the subject project are generally inferior to those offered among the comparable LIHTC projects, but are typical of older subsidized rental product such as that offered at the subject project. The subject's 92.5% occupancy rate is further indication that the amenities offered are appropriate for the targeted tenant population. It is also of note that microwaves, and a picnic area with a covered pavilion will be added to the property during renovations. This will likely enhance marketability of the subject property.

Comparable/Competitive Tax Credit Summary

The existing subject project (Quail Hollow II) is the only general-occupancy LIHTC property offered within the Homerville Site PMA, demonstrating a very limited supply of such product within the market. Thus, the four comparable properties surveyed are all located outside the Site PMA in the nearby towns of Waycross and Valdosta, Georgia. All four of these properties are 100.0% occupied with wait lists. While this demonstrates strong demand for non-subsidized family-oriented LIHTC product within the region, it should be noted that the three (3) vacant units currently reported at the subject site are all units which do not receive Rental Assistance (RA). As such, it is likely that demand is not as strong within the Homerville Site PMA for non-subsidized LIHTC product, as compared to the larger, more populated, surrounding areas. The subject's proposed gross LIHTC rents are the lowest in the region, relative to those offered among the comparable properties, which is considered appropriate given the age of the subject project and its location within a less populated and generally inferior market as compared to the surveyed LIHTC properties. The subject's unit designs (square feet and number of bathrooms) as well as the amenity packages offered are considered appropriate for the targeted tenant population, which is evident by the 92.5% occupancy rate reported. Overall, the subject project is expected to continue to represent a value to low-income renters within the Homerville market, especially when considering the anticipated retention of RA on 31 of the 40 subject units, and availability of a Private Rental Assistance (PRA) subsidy to be provided by the developer to all current unassisted tenants.

Comparable/Competitive Housing Impact

As stated throughout this section of the report and evidenced by our Field Survey of Conventional Rentals, aside from the existing subject site, there are no other LIHTC properties offered within the Homerville Site PMA. It is also important to reiterate that the subject project involves the renovation of an existing property which is currently 92.5% occupied and the proposed renovations will not involve the addition of any new units to the property/market. Based on the preceding factors, we do not expect the proposed renovations to the subject project to have any adverse impact on future occupancy rates among existing affordable rental product in the Homerville market.

One page profiles of the Comparable 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 \$79,422. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$79,422 home is \$478, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$79,422
Mortgaged Value = 95% of Median Home Price	\$75,451
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$382
Estimated Taxes and Insurance*	\$96
Estimated Monthly Mortgage Payment	\$478

*Estimated at 25% of principal and interest

In comparison, the proposed monthly collected Tax Credit rents at the subject project range from \$379 to \$409, depending upon bedroom type. As such, the cost of a typical monthly mortgage in the area is at least \$69 more than renting at the subject project. Considering the higher cost of homeownership and the fact that most potential tenants of the subject project will effectively pay even lower, subsidized, rents due to the presence of RA, 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 92.5% occupied, reflective of just three vacant units. Based on our review of the most current tenant rent roll and assuming that Rental Assistance (RA) will be retained on a portion of the property and that a Private Rental Assistance (PRA) subsidy will be provided to all current unassisted tenants, it is anticipated that few, if any, of the current tenants will move from the project following renovations. Furthermore, it is important to note that the renovations at the subject site will not necessitate the displacement of current residents and the project will be renovated in such a way to minimize off-site relocation. Therefore, few if any, of the currently occupied subject units will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 40 subject units will be vacated and that all units will have to be re-rented simultaneously, assuming the retention of RA on 31 of the 40 subject units.

It is our opinion that the 40 units at the subject site will reach a stabilized occupancy of 93.0% within seven months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately five to six 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 RA will be retained following renovations. Should RA not be retained, the 40 LIHTC units at the subject site would likely experience difficulty reaching a stabilized occupancy rate of 93.0% within one year, given the very limited base of income-appropriate household support for the subject project under this scenario, as detailed by our demand calculations in Section G.

Regardless, it is important to remember that 31 of the 40 subject units will continue to receive RA following renovations, with tenants of these units continuing to pay up to 30% of their adjusted gross income towards housing costs. In addition, the Private Rental Assistance (PRA) subsidy to be provided by the developer to any current unassisted tenant will prevent such tenants from experiencing rent increases. Therefore, in reality, only the three currently vacant units will need to be rented immediately following renovations. The subject project would only need to fill one of these three currently vacant units in order to reach a stabilized occupancy rate of 93.0% or higher. It is our opinion that the subject project would be able to lease one of the three vacant units within the first month following renovations.

Section J – Interviews

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

- Nan Michell, City Manager of the City of Homerville, stated that there is a need for more affordable housing in Homerville, particularly for seniors. Ms. Michell also feels that the need would best be met with smaller communities of rental units that had a majority of one-bedroom units.
- Gwen Hanks, Executive Director of the Clinch County Development Authority, stated that she's sure there is a need for all types of housing in Homerville, including affordable housing alternatives. Ms. Hanks also stated that the population in Clinch County and Homerville is aging, and that senior housing would likely be most beneficial to the area.

Section K – Conclusions & Recommendations

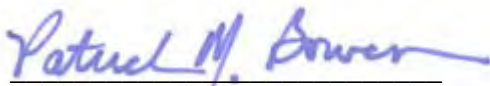
Based on the findings reported in our market study, it is our opinion that a market will continue to exist for the subject project following renovations, assuming that Rental Assistance (RA) is retained. In the unlikely event that RA was lost and the property had to operate exclusively under the LIHTC guidelines, it is our opinion that the property would have difficulty maintaining a stabilized/acceptable occupancy rate, due to the limited base of income-eligible household support in this unlikely scenario.

The Homerville Site PMA is very rural in nature and offers a very limited supply of conventional rental product. Notably, all five of the properties surveyed in the market (including the subject site) are affordable (Tax Credit and/or Government-Subsidized) properties. These five properties are 97.0% occupied, reflective of just five (5) vacant units, all of which are units which do not receive direct Rental Assistance. This indicates that while affordable rental product is in high demand, there is less of a market for non-subsidized product within the Homerville Site PMA. This coincides with the fact that more than 40.0% of all (owner and renter) households in this market earn less than \$25,000, with approximately 51.0% of all renter households earning less than \$25,000. The subject's proposed gross Tax Credit rents are lower than those reported among the comparable properties surveyed in the region, which is considered appropriate given the subject's age and location in a smaller, less populated, market as compared the LIHTC properties surveyed. However, as indicated by our demand estimates and the currently vacant units reported among the affordable rental properties in the market (including the subject site), it is unlikely that the subject project would be able maintain a stabilized occupancy rate at the proposed rent levels, without the retention of RA. The subject project is considered marketable in the way of unit design (square feet and number of bathrooms offered) and amenities offered.

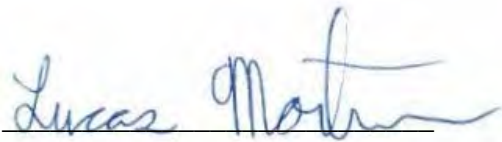
In reality, the majority of the existing tenants are expected to remain at the property post renovations, due to the retention of RA and the developer-provided Private Rental Assistance (PRA) subsidy which will prevent rent increases on current unassisted tenants. As such, the subject project will maintain a high occupancy rate and only need to fill the currently vacant units upon completion of renovations. Based on the preceding factors, the subject project will continue to provide an affordable rental alternative to very low-income households within the Homerville market and the proposed renovations will improve the property's overall marketability, without adversely impacting future occupancy rates among other existing affordable rental properties in the 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
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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

HOMERVILLE, 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.

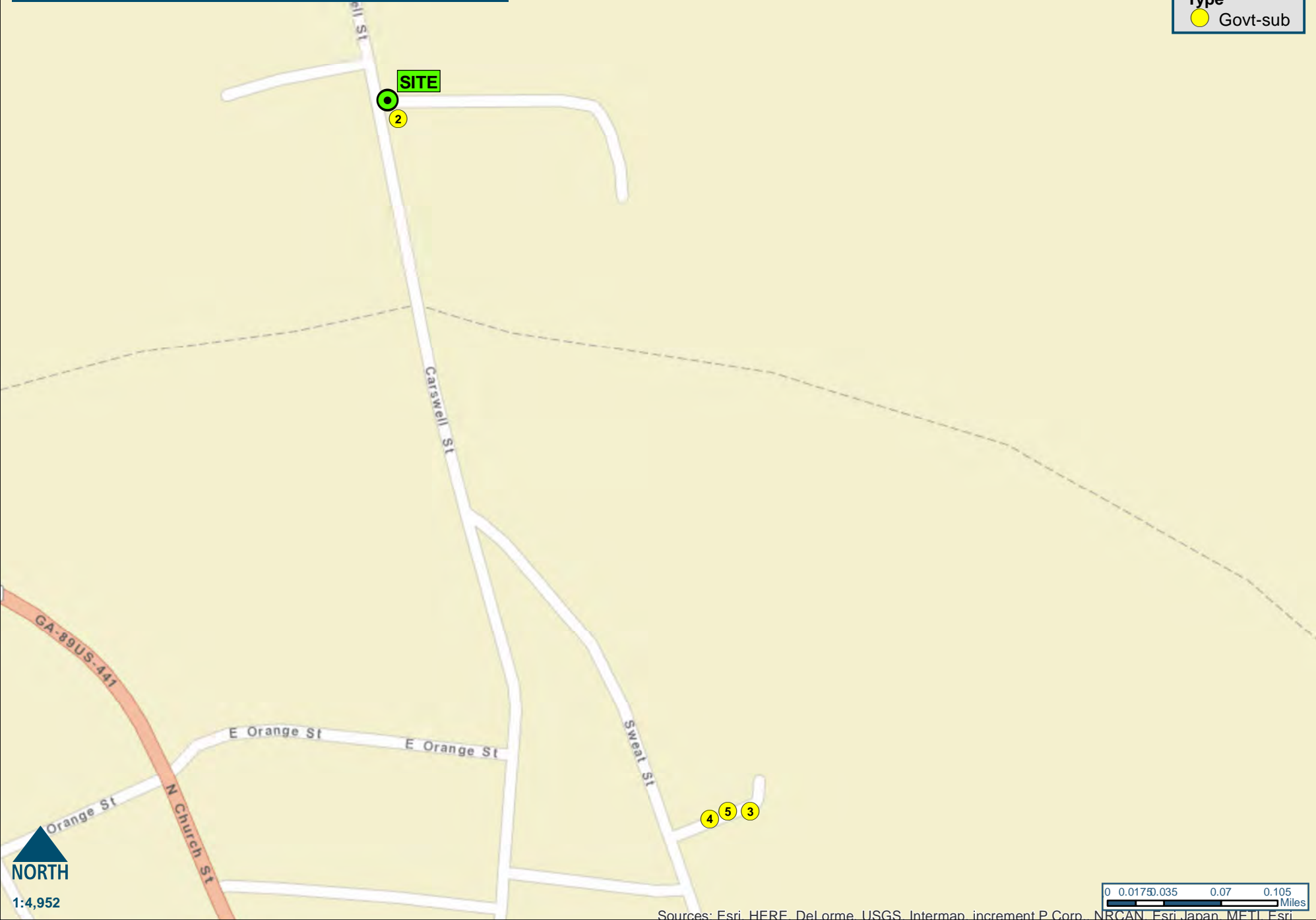
- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

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.

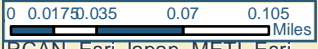


Homerville, GA
Apartment Locations

● Site
● Apartments
Type
● Govt-sub



NORTH
1:4,952



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

MAP IDENTIFICATION LIST - HOMERVILLE, GEORGIA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Quail Hollow II (Site)	TGS	B	1994	40	3	92.5%	-
2	Quail Hollow I	GSS	B	1982	54	2	96.3%	-
3	Brookwood Apts. I	GSS	C-	1980	24	0	100.0%	0.5
4	Brookwood Apts. II	GSS	C-	1980	24	0	100.0%	0.5
5	Brookwood Apts. III	GSS	C-	1980	24	0	100.0%	0.5

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
TGS	1	40	3	92.5%	0
GSS	4	126	2	98.4%	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

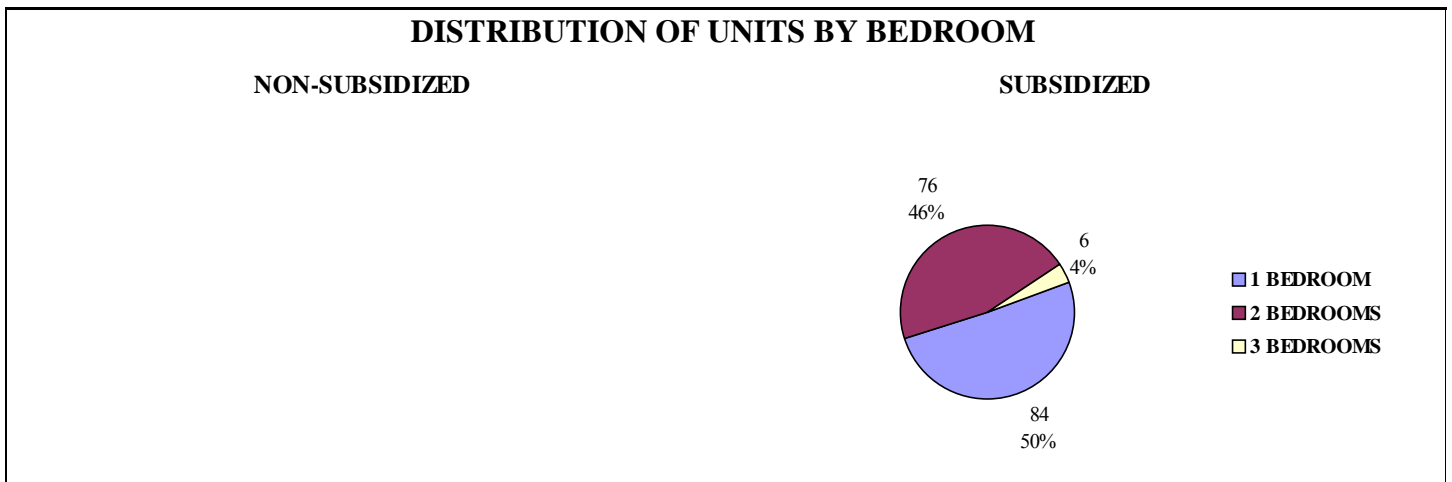
* - Drive Distance (Miles)

Survey Date: July 2017






DISTRIBUTION OF UNITS - HOMERVILLE, GEORGIA

TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	12	30.0%	3	25.0%	N.A.
2	1	28	70.0%	0	0.0%	N.A.
TOTAL		40	100.0%	3	7.5%	

GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	72	57.1%	2	2.8%	N.A.
2	1	48	38.1%	0	0.0%	N.A.
3	1	4	3.2%	0	0.0%	N.A.
3	1.5	2	1.6%	0	0.0%	N.A.
TOTAL		126	100.0%	2	1.6%	
GRAND TOTAL		166	-	5	3.0%	



SURVEY OF PROPERTIES - HOMERVILLE, GEORGIA

1 Quail Hollow II (Site)			
	Address 962 Carswell St. Homerville, GA 31634	Phone (912) 487-2852 (Contact in person)	Total Units 40
	Year Built 1994 Comments 50% AMHI; RD 515, has RA (31 units); HCV (1 unit); Select units have ceiling fan	Contact Danna	Vacancies 3 Occupied 92.5% Floors 1 Quality Rating B
Waiting List None			
2 Quail Hollow I			
	Address 888 Carswell St. Homerville, GA 31634	Phone (912) 487-2852 (Contact in person)	Total Units 54
	Year Built 1982 Comments RD 515, has RA (49 units); Accepts (0 currently); Former Tax Credit property; Select units have ceiling fan	Contact Danna	Vacancies 2 Occupied 96.3% Floors 1 Quality Rating B
Senior Restricted (62+) Waiting List None			
3 Brookwood Apts. I			
	Address 480 N. Sweat St. Homerville, GA 31634	Phone (912) 487-2472 (Contact in person)	Total Units 24
	Year Built 1980 Comments RD 515, has RA (23 units); Accepts HCV	Contact Christina	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating C-
Waiting List 10 households			
4 Brookwood Apts. II			
	Address 444 N. Sweat St. Homerville, GA 31634	Phone (912) 487-2472 (Contact in person)	Total Units 24
	Year Built 1980 Comments RD 515, has RA (22 units); Accepts HCV; Square footage estimated	Contact Christina	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating C-
Waiting List 10 households			
5 Brookwood Apts. III			
	Address 444 N. Sweat St. Homerville, GA 31634	Phone (912) 487-2472 (Contact in person)	Total Units 24
	Year Built 1980 Comments RD 515, has RA (23 units); Accepts HCV	Contact Christina	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating C-
Waiting List 10 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 - HOMERVILLE, GEORGIA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
1	Quail Hollow II (Site)	12	674	1	50%	\$365 - \$447
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
1	Quail Hollow II (Site)	28	796 - 828	1	50%	\$395 - \$485

DISTRIBUTION OF UTILITIES - HOMERVILLE, GEORGIA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	5	166	100.0%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	5	166	100.0%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	5	166	100.0%
			100.0%
ELECTRIC			
TENANT	5	166	100.0%
			100.0%
WATER			
LANDLORD	3	72	43.4%
TENANT	2	94	56.6%
			100.0%
SEWER			
LANDLORD	3	72	43.4%
TENANT	2	94	56.6%
TRASH PICK-UP			
LANDLORD	5	166	100.0%
			100.0%

UTILITY ALLOWANCE - HOMERVILLE, 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)

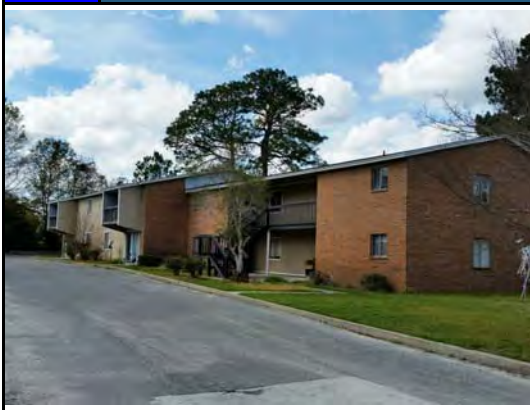
Survey Date: July 2017

ADDENDUM B

COMPARABLE PROPERTY PROFILES

901 Central Park

28.9 miles to site



Address 1000 Central Ave.
Waycross, GA 31501

Phone (912) 283-7131 **Contact** Lucreta

Total Units 92 **Vacancies** 2 **Percent Occupied** 97.8%

Project Type Market-Rate

Year Open 1975 **Floors** 2

Concessions No Rent Specials

Age Restrictions NONE

Waiting List NONE

Ratings: **Quality** C- **Neighborhood** B **Access/Visibility** B+/
Remarks HCV (15 units); 3-br have washer/dryer hookups; Rent range based on unit updates; Square footage estimated

FEATURES AND UTILITIES

Utilities Landlord pays Water, Sewer, 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
Parking Surface Parking

UNIT CONFIGURATION

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
1	1	G	14	0	770	\$0.64	\$490
2	1 to 2	G	63	2	890 to 1072	\$0.54 - \$0.58	\$520 to \$575
3	2	G	15	0	1200 to 1333	\$0.49 - \$0.55	\$655

904 Sandy Creek Apts.

28.9 miles to site



Address 600 Summit St.
Waycross, GA 31501

Phone (912) 285-1852 **Contact** Tabitha

Total Units 80 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Market-Rate

Year Open 1970 **Floors** 2

Concessions No Rent Specials

Age Restrictions NONE

Waiting List NONE

Ratings: **Quality** C **Neighborhood** B **Access/Visibility** B/B

Remarks HCV (7 units); 3-br units have washer/dryer hookups; Select units have dishwasher; Year built estimated

FEATURES AND UTILITIES

Utilities Landlord pays Water, Sewer, Trash
Unit Amenities Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds, Exterior Storage
Project Amenities Swimming Pool, On-site Management, Laundry Facility, Playground
Parking Surface Parking

UNIT CONFIGURATION

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
1	1	G	20	0	724	\$0.69	\$500
2	1 to 2	G	44	0	872 to 1016	\$0.59 - \$0.63	\$550 to \$600
3	2	G	16	0	1229	\$0.53	\$650

905 Spanish Village

28.8 miles to site



Address 512 Bay St.
Waycross, GA 31501

Phone (912) 285-3802 **Contact** Marty

Total Units 40 **Vacancies** 1 **Percent Occupied** 97.5%

Project Type Market-Rate

Year Open 1976 **Floors** 1,2

Concessions No Rent Specials

Age Restrictions NONE

Waiting List NONE

Ratings: **Quality** C **Neighborhood** B **Access/Visibility** B/B

Remarks Does not accept HCV; Select units have washer/dryer hookups; Studios are furnished; Year built estimated

FEATURES AND UTILITIES

Utilities Landlord pays Water, Sewer, Trash
Unit Amenities Refrigerator, Icemaker, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Blinds
Project Amenities Swimming Pool, Laundry Facility, Sports Court
Parking Surface Parking

UNIT CONFIGURATION

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
0	1	G	6	1	350	\$1.50	\$525
1	1	G	18	0	700 to 800	\$0.72 - \$0.82	\$575
2	1	G	7	0	1200	\$0.63	\$750
2	1.5	T	7	0	1000	\$0.70	\$700
3	1	T	2	0	1400	\$0.56	\$785

909 Heron Lake I

36.8 miles to site



Address 1800 Eastwind Rd.
Valdosta, GA 31602

Phone (229) 257-0844 **Contact** Jaquellne

Total Units 88 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Market-Rate & Tax Credit

Year Open 2005 **Floors** 2

Concessions No Rent Specials

Age Restrictions NONE

Waiting List 50 households

Ratings: **Quality** B **Neighborhood** B **Access/Visibility** B/B

Remarks Market-rate (18 units); 30%, 50% & 60% AMHI (70 units); HCV (8 units); Select units have exterior storage; Waitlist shared with phase II; Unit mix estimated

FEATURES AND UTILITIES

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

UNIT CONFIGURATION

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	6	0	783	\$0.77	\$600	
1	1	G	1	0	783	\$0.56	\$439	60%
1	1	G	10	0	783	\$0.48	\$375	50%
1	1	G	2	0	783	\$0.23	\$183	30%
2	2	G	6	0	1040	\$0.67	\$700	
2	2	G	4	0	1040	\$0.55	\$569	60%
2	2	G	29	0	1040	\$0.43	\$448	50%
2	2	G	5	0	1040	\$0.21	\$218	30%
3	2	G	6	0	1204	\$0.66	\$800	
3	2	G	2	0	1204	\$0.57	\$684	60%
3	2	G	15	0	1204	\$0.43	\$518	50%
3	2	G	2	0	1204	\$0.21	\$253	30%

910 Heron Lake II

36.8 miles to site



Address 1800 Eastwind Rd.
Valdosta, GA 31602

Phone (229) 257-0844 **Contact** Jaquellne

Total Units 64 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Market-Rate & Tax Credit

Year Open 2008 **Floors** 2

Concessions No Rent Specials

Age Restrictions NONE

Waiting List 50 households

Ratings: **Quality** B **Neighborhood** B **Access/Visibility** B/B

Remarks Market-rate (10 units); 30%, 50% & 60% AMHI (54 units); HCV (9 units); Select units have exterior storage; Waitlist shared with phase I; Unit mix estimated

FEATURES AND UTILITIES

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

UNIT CONFIGURATION

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	2	0	879	\$0.68	\$600	
1	1	G	4	0	879	\$0.51	\$446	60%
1	1	G	2	0	879	\$0.43	\$376	50%
1	1	G	1	0	879	\$0.21	\$184	30%
2	2	G	3	0	1174	\$0.60	\$700	
2	2	G	13	0	1174	\$0.48	\$564	60%
2	2	G	10	0	1174	\$0.38	\$449	50%
2	2	G	4	0	1174	\$0.19	\$219	30%
3	2	G	5	0	1344	\$0.60	\$800	
3	2	G	11	0	1344	\$0.51	\$684	60%
3	2	G	7	0	1344	\$0.39	\$519	50%
3	2	G	2	0	1344	\$0.19	\$254	30%



Address	801 Naomi St. Waycross, GA 31501		
Phone	(912) 285-2199	Contact	Tracy
Total Units	72	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	1999	Floors	2
Concessions	No Rent Specials		
Age Restrictions	NONE		
Waiting List	10 households		
Ratings:	Quality B-	Neighborhood B	Access/Visibility A/B
Remarks	50% & 60% AMHI; HCV (13 units); Square footage estimated by mgmt.		

FEATURES AND UTILITIES

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Playground, Sports Court
Parking	Surface Parking

UNIT CONFIGURATION

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	1	G	10	0	874	\$0.58	\$505	60%
2	1	G	6	0	874	\$0.54	\$475	50%
3	2	T	20	0	1344	\$0.41	\$555	60%
3	2	T	12	0	1344	\$0.39	\$525	50%
4	2	G	12	0	1260	\$0.50	\$625	60%
4	2	G	12	0	1260	\$0.46	\$575	50%



Address 604 Elizabeth St.
Waycross, GA 31501

Phone (912) 283-7331 **Contact** Andrea

Total Units 35 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Tax Credit

Year Open 2011 **Floors** 7

Concessions No Rent Specials

Age Restrictions NONE

Waiting List 40 households

Ratings: **Quality** B **Neighborhood** B **Access/Visibility** B/A

Remarks
50% & 60% AMHI; Accepts HCV (0 currently); Adaptive reuse of historic hotel built around 1900; Square footage varies in all units

FEATURES AND UTILITIES

Utilities Landlord pays Water, Sewer, Trash
Unit Amenities Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities On-site Management, Laundry Facility, Meeting Room, Fitness Center, Playground, Computer Lab, Picnic Area
Parking On Street Parking, Surface Parking

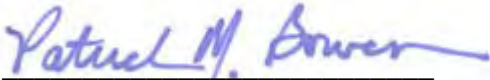
UNIT CONFIGURATION

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	14	0	500 to 700	\$0.73 - \$1.02	\$510	60%
1	1	G	3	0	500 to 700	\$0.58 - \$0.81	\$407	50%
2	2	G	15	0	600 to 800	\$0.70 - \$0.94	\$561	60%
2	2	G	3	0	600 to 800	\$0.60 - \$0.81	\$483	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

PROJECT WORKSHEET FOR CREDIT AND RENTAL ASSISTANCE

(SERVICING OFFICE USE ONLY)

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

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

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

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

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

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

30. _____
Date

31. _____
Signature - Borrower or Borrower's Representativ

*Includes previous Plan I S 8.

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

Addendum F – Achievable Market Rent Analysis

A. INTRODUCTION

As detailed in Section H, and further evidenced by our Field Survey of Conventional Rentals, we did not identify or survey any conventional market-rate product within the Homerville Site PMA. As such, it was necessary to identify comparable market-rate product outside the Site PMA in order to establish a good base of comparison for the subject project. Thus, the five market-rate properties selected as comparables are located in the surrounding towns of Waycross and Valdosta, Georgia. These selected properties are used to derive market rent for a project with characteristics similar to the subject development and the subject property's market advantage. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the subject units without maximum income and rent restrictions.

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

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

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

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

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

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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)			
					Studio	One-Br.	Two-Br.	Three-Br.
Site	Quail Hollow II	1994 / 2019	41	92.5%	-	12 (75.0%)	29 (100.0%)	-
901	Central Park	1975	92	97.8%	-	14 (100.0%)	63 (96.8%)	15 (100.0%)
904	Sandy Creek Apts.	1970	80	100.0%	-	20 (100.0%)	44 (100.0%)	16 (100.0%)
905	Spanish Village	1976	40	97.5%	6 (83.3%)	18 (100.0%)	14 (100.0%)	2 (100.0%)
909	Heron Lake I	2005	18*	100.0%	-	6 (100.0%)	6 (100.0%)	6 (100.0%)
910	Heron Lake II	2008	10*	100.0%	-	2 (100.0%)	3 (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 240 units with an overall occupancy rate of 98.8%. None of the comparable properties has an occupancy rate below 97.5%. These high occupancy rates are good indications that these properties are well-received and will serve as a good base of comparison for 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	
Quail Hollow II		Central Park		Sandy Creek Apts.		Spanish Village		Heron Lake I		Heron Lake II	
962 Carswell Street		1000 Central Ave.		600 Summit St.		512 Bay St.		1800 Eastwind Rd.		1800 Eastwind Rd.	
Homerville, GA		Waycross, GA		Waycross, GA		Waycross, GA		Valdosta, GA		Valdosta, GA	
Data on Subject		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged											
1 \$ Last Rent / Restricted?		\$490		\$500		\$575		\$600		\$600	
2 Date Surveyed		Jul-17		Jul-17		Jul-17		Jul-17		Jul-17	
3 Rent Concessions		None		None		None		None		None	
4 Occupancy for Unit Type		100%		100%		100%		100%		100%	
5 Effective Rent & Rent/ sq. ft	▼	\$490	0.64	\$500	0.69	\$575	0.82	\$600	0.77	\$600	0.68
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6 Structure / Stories	R/1	WU/2		WU/2		WU/1,2		WU/2		WU/2	
7 Yr. Built/Yr. Renovated	1994/2019	1975	\$32	1970	\$37	1976	\$31	2005	\$2	2008	(\$1)
8 Condition/Street Appeal	G	F	\$15	F	\$15	F	\$15	G		G	
9 Neighborhood	G	G		G		G		G		G	
10 Same Market?		No	(\$25)	No	(\$25)	No	(\$29)	No	(\$60)	No	(\$60)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11 # Bedrooms	1	1		1		1		1		1	
12 # Baths	1	1		1		1		1		1	
13 Unit Interior Sq. Ft.	674	770	(\$17)	724	(\$9)	700	(\$5)	783	(\$20)	879	(\$37)
14 Balcony/Patio	Y	Y		Y		N	\$5	Y		Y	
15 AC: Central/Wall	C	C		C		C		C		C	
16 Range/Refrigerator	R/F	R/F		R/F		R/F		R/F		R/F	
17 Microwave/Dishwasher	Y/N	N/Y	(\$5)	N/N	\$5	N/Y	(\$5)	Y/Y	(\$10)	Y/Y	(\$10)
18 Washer/Dryer	HU/L	L	\$10	L	\$10	HU/L		HU/L		W/D	(\$25)
19 Floor Coverings	V	C		C		C		C		C	
20 Window Coverings	B	B		B		B		B		B	
21 Secured Entry	N	N		N		N		N		N	
22 Garbage Disposal	N	N		N		N		Y	(\$5)	Y	(\$5)
23 Ceiling Fans/Storage	N/N	Y/Y	(\$10)	N/Y	(\$5)	N/N		Y/N	(\$5)	Y/N	(\$5)
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24 Parking (\$ Fee)	LOT/\$0	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25 On-Site Management	Y	Y		Y		N	\$5	Y		Y	
26 Security Features	N	N		N		N		N		N	
27 Community Space	Y	N	\$5	N	\$5	N	\$5	N	\$5	N	\$5
28 Pool/Recreation Areas	N	P	(\$10)	P	(\$10)	P/S	(\$13)	P/F/S	(\$18)	P/F/S	(\$18)
29 Computer/Business Center	N	N		N		N		Y	(\$3)	Y	(\$3)
30 Picnic Area	Y	N	\$3	N	\$3	N	\$3	Y		Y	
31 Playground	Y	N	\$3	Y		N	\$3	Y		Y	
32 Social Services	N	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33 Heat (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
34 Cooling (in rent?/ type)	N/E	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		N/E	
36 Hot Water (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
37 Other Electric	N	N		N		N		N		N	
38 Cold Water/Sewer	N/N	Y/Y	(\$38)	Y/Y	(\$38)	Y/Y	(\$38)	N/N		N/N	
39 Trash/Recycling	Y/N	Y/N		Y/N		Y/N		Y/N		Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40 # Adjustments B to D		6	5	6	4	7	4	2	7	1	9
41 Sum Adjustments B to D		\$68	(\$67)	\$75	(\$49)	\$67	(\$52)	\$7	(\$121)	\$5	(\$164)
42 Sum Utility Adjustments			(\$38)		(\$38)		(\$38)				
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43 Net/ Gross Adjmts B to E		(\$37)	\$173	(\$12)	\$162	(\$23)	\$157	(\$114)	\$128	(\$159)	\$169
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44 Adjusted Rent (5+ 43)		\$453		\$488		\$552		\$486		\$441	
45 Adj Rent/Last rent			92%		98%		96%		81%		74%
46 Estimated Market Rent	\$500	\$0.74	←	Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type →

TWO BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Quail Hollow II		Central Park		Sandy Creek Apts.		Spanish Village		Heron Lake I		Heron Lake II	
962 Carswell Street		1000 Central Ave.		600 Summit St.		512 Bay St.		1800 Eastwind Rd.		1800 Eastwind Rd.	
Homerville, GA		Waycross, GA		Waycross, GA		Waycross, GA		Valdosta, GA		Valdosta, GA	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$520		\$550		\$750		\$700		\$700	
2	Date Surveyed	Jul-17		Jul-17		Jul-17		Jul-17		Jul-17	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	97%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$520	0.58	\$550	0.63	\$750	0.63	\$700	0.67	\$700	0.60
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	R/1		WU/2		WU/2		WU/2		WU/2	
7	Yr. Built/Yr. Renovated	1994/2019		1975	\$32	1970	\$37	1976	\$31	2005	\$2
8	Condition/Street Appeal	G		F	\$15	F	\$15	F	\$15	G	
9	Neighborhood	G		G		G		G		G	
10	Same Market?			No	(\$26)	No	(\$28)	No	(\$38)	No	(\$70)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	1		1		1		2	(\$30)	2	(\$30)
13	Unit Interior Sq. Ft.	796	(\$15)	890	(\$15)	872	(\$12)	1200	(\$63)	1040	(\$38)
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	(\$5)	N/Y	(\$5)	N/N	\$5	N/Y	(\$5)	Y/Y	(\$10)
18	Washer/Dryer	HU/L	\$10	L	\$10	L	\$10	HU/L		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		N		N		Y	(\$5)	Y	(\$5)
23	Ceiling Fans/Storage	N/N	(\$10)	Y/Y	(\$10)	N/Y	(\$5)	N/N	(\$5)	Y/N	(\$5)
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		N	\$5	Y	
26	Security Features	N		N		N		N		N	
27	Community Space	Y	\$5	N	\$5	N	\$5	N	\$5	N	\$5
28	Pool/Recreation Areas	N	(\$10)	P	(\$10)	P	(\$10)	P/S	(\$13)	P/F/S	(\$18)
29	Computer/Business Center	N		N		N		Y	(\$3)	Y	(\$3)
30	Picnic Area	Y	\$3	N	\$3	N	\$3	Y		Y	
31	Playground	Y	\$3	N	\$3	Y	\$3	N	\$3	Y	\$3
32	Social Services	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N	(\$47)	Y/Y	(\$47)	Y/Y	(\$47)	N/N		N/N	
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N		Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	6	5	6	4	7	4	2	8	1	10
41	Sum Adjustments B to D	\$68	(\$66)	\$75	(\$55)	\$67	(\$119)	\$7	(\$179)	\$5	(\$226)
42	Sum Utility Adjustments		(\$47)		(\$47)		(\$47)				
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$45)	\$181	(\$27)	\$177	(\$99)	\$233	(\$172)	\$186	(\$221)	\$231
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$475		\$523		\$651		\$528		\$479	
45	Adj Rent/Last rent		91%		95%		87%		75%		68%
46	Estimated Market Rent	\$550		\$0.69 ←		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 Grids, it was determined that the current achievable market rent (aka *Conventional Rents for Comparable Units-CRCU*) for units similar to the subject development are \$500 for a one-bedroom unit and \$550 for a two-bedroom unit.

Bedroom Type	% AMHI	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One - Br.	60%	\$379	\$500	24.2%
Two - Br.	60%	\$409	\$550	25.6%

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 Homerville market as evidenced by our Field Survey of Conventional Rentals. Regardless, the subject's market rent advantages ranging from 24.2% to 25.6% indicate the subject project will represent a significant value within the market. In fact, it is anticipated that the subject project will represent an even greater value within the Homerville market, considering that the majority of the subject units will continue to operate with RA post renovations.

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 2007. The selected properties were built between 1970 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.

8. It is anticipated that the subject project will have an improved appearance, once renovations are complete. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.
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 Waycross and Valdosta, Georgia. Based on American Community Survey (ACS) data, both of these aforementioned markets are superior to the Homerville market in the way of median household income and gross rents, though the Waycross market is more comparable. Based on ACS data, negative adjustments of 5% and 10% have been applied to each of the comparable properties located in Waycross and Valdosta, respectively.
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. 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
Quail Hollow II

Project: Quail Hollow II
Developer: Hallmark

Property Summary:
 Street Address: 962 Carswell Street
 City:
 County: Clinch County
 Approx. Year Constructed: 1993
 Target Population: Family
 Total Rentable Units: 41
 Bldg. Type: Single Story Garden Style
 Manager: Kimberly Spradley
 Office Phone: (912) 487-2852
 Buildings: 8
 Approx. # of parking spaces 79

Unit Summary:

Type	Quantity	Sq. Ft.	Bedrooms	Bathrooms
1 BR - Type A (HC)	1.00	674.00	1.00	1.00
1-BR - Type B	11.00	674.00	1.00	1.00
2 BR - Type A (HC)	2.00	796.00	2.00	1.00
2 BR - Type B	26.00	796.00	2.00	1.00
2 BR - Manager	1.00	828.00	2.00	1.00
Totals	41		70	41

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:

- New sign board only, masonry surrind to remain
 - Concrete parking and drive repair per plans (use sealant to repair minor concrete cracks)
 - Stripe parking lots
 - Install HC reserve parking signage
 - Landscaping allowance: (Trim exist. Shrubs and trees as directed, add mulch, redo beds, add additional plantings per drawings.)
 - Remove and replace existing dumpster enclosure per drawings (6' Vinyl panels)
 - Remove and replace existing dumpster pads and apron per drawings, add bollards (apron: min 10 ft from front of dumpster.)
 - Install new mail pedestals at existing location
 - Remove existing playground and install new playground (w/ ADA new sidewalk to accessible route)
 - Provide positive drainage away from all buildings (Per Allowance)
 - Replace or repair site fencing: (15% replacement)
 - 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
 - Repair wood maintenance fencing & shed: (50% replacement)
 - Pressure wash roads and walkways at completion of construction
 - Remove and replace concrete cap at storm water inlet
- 0

Concrete:

- Replace damaged sidewalks/curb walks throughout
- Construct wheelchair accessible curb ramps as identified on plans
- New ADA compliant sidewalk to new amenities from all Ground floor units.
- Provide new ADA compliant Sidewalk to existing amenities from all ground floor units
- Replace concrete approach into laundry
- 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
- Replace front porches at UFAS units
- Provide accessible route from All ground floor units to All other ground floor units and amenities.
- Install new crosswalk between bldgs P and O for acc route
- Install new crosswalk between bldgs K and L for acc route

0

Building Exteriors:

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

0

Building Interiors:

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

- General Demo: doors per plans, trim, cabinets, plumbing, hvac, 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

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

- 1 BR - Type A (HC)
- 1-BR - Type B
- 2 BR - Type A (HC)
- 2 BR - Type B

2 BR - Manager

Replace shoe mold where new vinyl or LVT floors are provided

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

Replace Bath Vanities, (base, c.top,) and Wall hungs over toilet where they currently exist. Full vanities in ground floor units shall be breakaway fronts

Cabinets and Vanities w/ Formica or P-Lam countertop Cabinets in ground floor units shall be breakaway fronts

1 BR - Type A (HC)

1-BR - Type B

2 BR - Type A (HC)

2 BR - Type B

2 BR - Manager

Full vanities in ground floor units shall be breakaway fronts

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 (15) Refrigerators were recently replaced and have been removed from the scope.)

Replace 30" range and grease shield per capex. (front control at HC units) (Capex indicates (14) Ranges were recently replaced and have been removed from the scope.) (Ranges are Electric)

Install fire suppression systems over ranges. (Range Queens)

Install Microhoods to match existing venting over range.

Dishwasher - Waiver requested for this item

Reverse door swings as needed for FFHA requirements

Demo closet wall adjacent to bedroom, relocate for door clearance at 1 BR FHA units

Install new wall hung lav at 1 BR units

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 Electric)

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. Thermostats in ground floor units shall be lowered to FFHA regulations

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. (Toilets on first floor to be Comfort height.)

Replace 100% of tub/showers and surround (3 piece fiberglass)-Waiver requested for 1-piece (provide age in place backing on all ground floor tubs)

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 (12) 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

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Electrical

Electrical switches and outlets to receive new decorative cover plates (Arch faults if mandated by AHJ installed via Change Order) (All switches and outlets in ground floor units must r

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 Circuit - Waiver requested

Dishwasher outlet - 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

Repalce exhaust fans

Replace entry door including frame and hardware

Replace existing community washers and dryers, 6 washers and 3 dryers

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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

Renovate existing lavatory to be ADA compliant per plans

N/A

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).

Repalce windows including new sills and blinds

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