

# Market Feasibility Analysis

**Yester Oaks Apartments  
52 Yester Oaks Drive  
LaFayette, Walker County, Georgia 30728**

*Prepared For*

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*Effective Date*

**August 14, 2017**

*Job Reference Number*

**17-298 CR**



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## Section A – Executive Summary

This report evaluates the continued market feasibility of the Yester Oaks Apartments in LaFayette, 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.

### 1. Project Description:

Yester Oaks Apartments, located in LaFayette, Walker County, Georgia, was originally built in 1990 and has operated under the Rural Development 515 (RD 515) program since that time. The project contains 44 general-occupancy units, eight (8) of which receive Rental Assistance (RA) directly from Rural Development. The RA requires tenants of these units 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 100.0% occupied and maintains a two-household waiting list.

The proposed Tax Credit renovations, which will be financed through the 4% Tax-Exempt Bond program, will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will continue to target general- occupancy households with incomes up to 60% of Area Median Household Income (AMHI). Notably, the project will continue to operate under the RD 515 program and all eight (8) 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 below, as well as in *Section B* of this report.

Total Units	Bedroom Type	Baths	Style	Square Feet*	% AMHI	Current Basic & Note Rents	Proposed Rents			Max. Allowable LIHTC Gross Rent
							Collected Rent	Utility Allowance	Gross Rent	
16	One-Br.	1.0	Garden	654	60%	\$420/\$560	\$480	\$83	\$563	\$669
8	Two-Br.	1.0	Garden	779	60%	\$445/\$610	\$505	\$108	\$613	\$804
20	Two-Br.	1.5	Townhome	974	60%	\$445/\$610	\$505	\$108	\$613	\$804
44	Total									

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

AMHI – Area Median Household Income (Chattanooga, TN-GA MSA; 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, patio, and exterior storage closet. Community amenities will include on-site management, a basketball court, playground, and covered pavilion/picnic area. Overall, the amenity package offered at the property is considered appropriate for and marketable to the targeted tenant population, as evidenced by the subject's 100.0% occupancy rate.

## **2. Site Description/Evaluation:**

The subject site is the existing Yester Oaks Apartments located at 52 Yester Oaks Drive, which is within an established and generally good to average quality portion of LaFayette. Surrounding land uses generally include small commercial buildings and scattered single-family and multifamily residential structures in average to good condition, as well as vacant and wooded land. The subject site is clearly visible and easily accessible from both West North Main Street and Gordon Pond Road, which border the site to the east and west, respectively. West North Main Street provides direct access to and from North Main Street (State Route 1), a primary arterial and commercial/retail corridor within the LaFayette area. Most basic area services are located within 2.0 miles of the subject site, including a Walmart Supercenter, which is 1.3 miles from the site. Area services are easily accessible given the subject's proximity to North Main Street (State Route 1), east of the subject site. Overall, the subject site location is considered conducive to affordable multifamily rental product, which is further evident by the 100.0% 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 LaFayette Site PMA includes the towns of LaFayette and Rock Spring, as well as some of the surrounding unincorporated portions of Walker County. The boundaries of the Site PMA generally include the Walker County boundary to the north; State Route 201 and East Armuchee Road to the east; the Walker County boundary to the south and Hog Jowl Road and Cove Road to the west. A map illustrating these boundaries is included on page *D-2* of this report and details the farthest boundary is 13.5 miles from the site.

## **4. Community Demographic Data:**

Demographic trends have been positive within the LaFayette Site PMA since 2000, in terms of both total population and households. This trend is projected to continue between 2017 and 2019, though demographic growth rates during this time period will be slightly slower than years past. Regardless, this is indicative of a stable demographic base within the Site PMA. Nearly 30.0% of all households are renters and the number of renter households is projected to increase slightly between 2017 and 2019. It is also of note that more than 67.0% of all renter households are projected to earn less than \$35,000 in 2019 and the number of such renter households is projected to increase by 17, or 0.8%, between 2017 and 2019. Based on the preceding factors and considering additional demographic data contained within this report, a relatively large and expanding base of potential support for affordable rental product, such as that offered at the subject project, exists within the LaFayette market. Additional demographic data is included in *Section E* of this report.

Also note that based on 2010 Census data, 45.2% 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 LaFayette Site PMA, the conventional rental properties surveyed, including the subject site, are all 100.0% occupied. This is a good indication that foreclosed and abandoned properties have not had any adverse impact on the overall rental housing market. It is also of note that no such structures were observed within the immediate site neighborhood. As such, it can be concluded that foreclosed/abandoned homes will not have any tangible impact on the subject's continued marketability.

#### **5. Economic Data:**

Nearly three-fourths of the Site PMA's labor force is employed within the Manufacturing, Educational Services, Retail Trade, Public Administration and Health Care & Social Assistance job sectors. The proposed project will target low-income households. The area employment base appears to have a significant number of wage-appropriate occupations from which the subject project will be able to continue to draw support. The Walker County employment base declined by more than 10% between 2008 and 2010. While it has fluctuated slightly since 2010, the employment base has generally expanded recently, adding 1,834 jobs since 2014, an increase of 6.7%. The unemployment rate in Walker County has ranged between 4.4% and 10.9%, which is comparable to the state average since 2007. After reaching a high of 10.9% in 2009, the county's unemployment rate has declined in each of the past seven years as well as thus far in 2017. Additionally, the unemployment rate of 4.8% through May 2017 represents a nine-year low for the county and is below both state and national averages. Overall, local economic trends have been positive and are expected to remain positive for the foreseeable future. Additional economic data is included in *Section F* of this report.

#### **6. Project-Specific Affordability and Demand Analysis:**

*Two demand scenarios have been analyzed for the subject project. Scenario one 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 - \$32,160)	RD 515/ LIHTC Without RA (\$19,303 - \$32,160)	RD 515/LIHTC w/ RA (\$0 - \$32,160)	LIHTC Only Without RA (\$19,303 - \$32,160)
Net Demand	1,065	201	1,065	201
Proposed Units/ Net Demand	0* / 1,065	26 / 201	44 / 1,065	44 / 201
Capture Rate	= 0.0%	= 12.9%	= 4.1%	= 21.9%

\*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 rates of 4.1% (subsidized scenario) and 21.9% (Tax Credit only scenario) are both considered achievable and demonstrate a sufficient base of support for the subject project under either scenario. Effectively, however, the subject project will have a capture rate of 12.9% for the 26 non-RA units which would need to be re-rented post renovations due to current tenants no longer income-qualifying to reside at the property under the Tax Credit program. This is considered an achievable capture rate within the LaFayette Site PMA, especially when considering the lack of non-subsidized family-oriented LIHTC product in the market.

Applying the shares of demand detailed in *Section G* to the income-qualified households and existing competitive supply yields demand and capture rates for the proposed units by bedroom type and AMHI level 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%	11***	70	0	70	18.6%
<b>One-Bedroom</b>	<b>Total</b>	<b>11***</b>	<b>70</b>	<b>0</b>	<b>70</b>	<b>18.6%</b>
Two-Bedroom (45%)	60%	15***	90	0	90	16.7%
<b>Two-Bedroom</b>	<b>Total</b>	<b>15***</b>	<b>90</b>	<b>0</b>	<b>90</b>	<b>16.7%</b>

\*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 E*.

*Scenario Two (Entire Property)*

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate
<b>RD 515/LIHTC with Rental Assistance (RA)</b>						
One-Bedroom (35%)	60%	16	373	0	373	4.3%
<b>One-Bedroom</b>	<b>Total</b>	<b>16</b>	<b>373</b>	<b>0</b>	<b>373</b>	<b>4.3%</b>
<b>LIHTC Only</b>						
One-Bedroom (35%)	60%	16	70	0	70	22.9%
<b>One-Bedroom</b>	<b>Total</b>	<b>16</b>	<b>70</b>	<b>0</b>	<b>70</b>	<b>22.9%</b>
Two-Bedroom (45%)	60%	28	479	0	479	5.8%
<b>Two-Bedroom</b>	<b>Total</b>	<b>28</b>	<b>479</b>	<b>0</b>	<b>479</b>	<b>5.8%</b>
Two-Bedroom (45%)	60%	28	90	0	90	31.1%
<b>Two-Bedroom</b>	<b>Total</b>	<b>28</b>	<b>90</b>	<b>0</b>	<b>90</b>	<b>31.1%</b>

\*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 E*.

The capture rates by bedroom type and AMHI level range from 4.3% to 31.1% depending upon scenario and unit type. These capture rates are all considered achievable within the Site PMA utilizing this methodology and demonstrate a sufficient base of support for the subject project under all scenarios.

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

## 7. Competitive Rental Analysis

### Tax Credit Units

The subject project will offer one- and two-bedroom units target family (general-occupancy) households earning up to 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program following renovations. We identified and surveyed a total of five LIHTC properties within the LaFayette Site PMA. However, four of these five properties are age-restricted while the one remaining general-occupancy property, LaFayette Garden Apartments (Map ID 5), operates with Rental Assistance (RA) available to all units. The age-restricted properties are not considered competitive with the subject project and have therefore been excluded from our comparable/competitive analysis. While the one general-occupancy LIHTC property targets a similar tenant population as compared to the subject project, this property does not offer an accurate representation of achievable non-subsidized LIHTC rents within this market, due to the presence of RA on all units. Thus, we have also excluded this property from our comparable/competitive Tax Credit analysis.

Given the lack of comparable/competitive non-subsidized LIHTC product within the Site PMA, we identified and surveyed three non-subsidized general-occupancy LIHTC properties outside the Site PMA, but within the nearby areas of Dalton and

Fort Oglethorpe, Georgia. These properties offer unit types and target tenant populations/income levels which are similar to those at the subject project. Since these properties are located outside the Site PMA, they are not considered directly competitive with the subject project. Thus, these properties have been included for comparability purposes only.

The three 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
<b>Site</b>	<b>Yester Oaks</b>	<b>1990 / 2019</b>	<b>44</b>	<b>100.0%</b>	<b>-</b>	<b>2 H.H.</b>	<b>Families; 60% AMHI &amp; RD 515</b>
903	Oglethorpe Ridge Apts.	1997	97	91.8%	17.5 Miles	None	Families; 60% AMHI
909	Autumn Ridge Apts.	2004	117*	100.0%	27.8 Miles	13 H.H.	Families; 30%, 50%, & 60% AMHI
910	Dawnville Meadows	2001	96*	100.0%	28.0 Miles	2 H.H.	Families; 50% & 60% AMHI

900 Series Map IDs are located outside the Site PMA

OCC. – Occupancy

H.H. – Households

\*Tax Credit units only

The three comparable LIHTC projects have a combined occupancy rate of 97.4%, which is reflective of eight (8) vacant units reported at Oglethorpe Ridge Apartments (Map ID 903). It is also of note that all eight of these vacancies are concentrated among larger three- and four-bedroom units, unit types which are not offered at the subject project. All one- and two-bedroom units offered among the comparable LIHTC projects are currently occupied (100.0% occupied), demonstrating strong demand within the region for general-occupancy LIHTC product such as that offered at the subject site.

The gross rents for the three comparable LIHTC projects and the proposed rents at the subject site are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Units)				Rent Special
		One-Br.	Two-Br.	Three-Br.	Four-Br.	
<b>Site</b>	<b>Yester Oaks Apts.</b>	<b>\$563/60% (16)</b>	<b>\$613/60% (8)</b> <b>\$613/60% (20)</b>	<b>-</b>	<b>-</b>	<b>-</b>
903	Oglethorpe Ridge Apts.	\$599/60% (5)	-	\$832/60% (44)	\$864/60% (48)	None
909	Autumn Ridge Apts.	\$502/50% (12) \$603/60% (9)	\$587/50% (25) \$709/60% (23)	\$389/30% (3) \$670/50% (17) \$811/60% (28)	-	None
910	Dawnville Meadows	-	\$577/50% (16) \$699/60% (50)	\$664/50% (10) \$805/60% (20)	-	None

900 Series Map IDs are located outside the Site PMA

The subject’s proposed gross Tax Credit rents ranging from \$563 to \$613 will be the lowest in the region, relative to similar unit types offered among the comparable properties surveyed. Considering the age and competitive position of the subject project in the way of unit design (square feet and number of bathrooms offered), and amenities offered, the subject’s lower proposed rent levels are considered appropriate.

Comparable/Competitive Tax Credit Summary

The LaFayette market offers a relatively large supply of age-restricted LIHTC product, but no non-subsidized general-occupancy LIHTC properties. Thus, all three of the comparable LIHTC projects surveyed are located outside the Site PMA in the surrounding areas of Dalton and Fort Oglethorpe, Georgia. The one- and two-bedroom units offered among these properties and similar to those offered at the subject project are 100.0% occupied. The subject’s proposed gross Tax Credit rents will be the lowest in the region, relative to those reported among similar unit types at these comparable LIHTC projects. The lower proposed gross rents are considered appropriate, considering that the subject project generally offers the smallest unit sizes (square feet), a lesser number of bathrooms within their two-bedroom units, and an inferior project amenity package as compared to those offered among the comparable properties surveyed in the region. It is important to reiterate, however, that the subject project is an existing property which is currently 100.0% occupied. This demonstrates that the unit designs and amenities offered are appropriate for and marketable to the targeted tenant population within the LaFayette Site PMA.

Average Market Rent

As detailed throughout this report and illustrated by our Field Survey of Conventional Rentals, no conventional unrestricted general-occupancy market-rate rental properties were identified or surveyed in the 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 proposed at the subject site.

Weighted Average Collected Rent of Comparable Market-Rate Units	
One-Br.	Two-Br.
\$586	\$646

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.	\$586	- \$480	\$106	/ \$480	22.1%
Two-Br.	\$646	- \$505	\$141	/ \$505	27.9%



As the preceding illustrates, the proposed subject units represent market rent advantages ranging from 22.1% to 27.9% 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. 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 E* of this report.

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

## **8. Absorption/Stabilization Estimates**

The subject project is 100.0% occupied and most, if not all, current tenants are expected to remain at the property post renovations. However, for the purposes of this analysis, we assume that all 44 subject units will be vacated and that all units will have to be re-rented simultaneously, assuming the retention of RA on eight (8) of the 44 subject units. Based on the preceding factors and additional information contained within this report, it is our opinion that the 44 units at the subject site will reach a stabilized occupancy of 93.0% within five months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately eight to nine units per month.

It is important to remember that eight (8) of the 44 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, the effective absorption period for the subject project will be less than one month, as most (if not all) current tenants are expected to remain post renovations.

## **9. Overall Conclusion:**

The LaFayette Site PMA offers a variety of age-restricted LIHTC product, but currently only offers one (1) general-occupancy LIHTC property, LaFayette Garden Apartments (Map ID 5). This property also operates under the RD 515 program with RA available to all units. This property is currently 100.0% occupied with a four-household waiting list. Given the lack of non-subsidized general-occupancy LIHTC product in the Site PMA, we also surveyed three such properties outside the market in the nearby towns of Dalton and Fort Oglethorpe, Georgia. The comparable unit types (one- and two-bedroom) offered among these properties are 100.0% occupied. The subject's proposed gross Tax Credit rents will be the lowest among these comparable properties, as compared to similar unit types. This is considered appropriate given the age of the subject project and its overall competitive position (unit design and amenities offered) as compared to these

properties. The 100.0% occupancy rate reported at the subject project further demonstrates that the unit designs and amenities offered are marketable to the targeted tenant population. Given the general lack of available general-occupancy LIHTC product and the fact that the proposed renovations at the subject project will not introduce any new units to the market, we do not expect the proposed renovations to the subject project to have any adverse impact on future occupancy rates among existing LIHTC product in this market.

In addition to being competitively positioned, a good base of demographic support will continue to exist for the subject project within the LaFayette market. This is evident by the low overall capture rate of 4.1% for the subject project, assuming the retention of RA.

Based on the findings reported in our market study, it is our opinion that a market will continue to exist for the 44 units offered at the existing Yester Oaks Apartments in LaFayette, Georgia, following renovations utilizing financing from the 4% Tax Exempt Bond program. We do not have any recommendation for the proposed subject project.

SUMMARY TABLE (must be completed by the analyst and included in the executive summary)			
Development Name:	Yester Oaks Apts.	Total # Units:	44
Location:	52 Yester Oaks Drive, LaFayette, GA 30728	# LIHTC Units:	44
PMA Boundary:	The Walker County boundary to the north; State Route 201 and East Armuchee Road to the east; the Walker County boundary to the south and Hog Jowl Road and Cove Road to the west.		
	Farthest Boundary Distance to Subject:		13.5 miles

RENTAL HOUSING STOCK (found on page H-3 & Add. A-4 & 5)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	6	262	0	100.0%
Market-Rate Housing	1	52	0	100.0%
Assisted/Subsidized Housing not to include LIHTC	1	44	0	100.0%
<b>LIHTC*</b>	5	202	0	100.0%
Stabilized Comps**	3	310	8	97.4%
Properties in Construction & Lease Up	0	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
16	One-Br.	1.0	654	\$480	\$586	\$0.81	22.1%	\$635	\$0.93
8	Two-Br. (G)	1.0	779	\$505	\$646	\$0.68	27.9%	\$690	\$0.79
20	Two-Br. (TH)	1.5	974	\$505	\$646	\$0.68	27.9%	\$690	\$0.79

G - Garden

TH - Townhome

DEMOGRAPHIC DATA (found page E-2 & G-5)						
	2012		2017		2019	
Renter Households	2,988	29.6%	3,006	29.8%	3,013	29.8%
Income-Qualified Renter HHs (LIHTC)*	N/A	N/A	1,892	62.9%	1,911	63.4%
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	19	-5	19	-	-	-5
Existing Households (Overburd + Substand)	1,046	206	1,046	-	-	206
Homeowner conversion (Seniors)	N/A	N/A	N/A	-	-	N/A
<b>Total Primary Market Demand</b>	1,065	201	1,065	-	-	201
Less Comparable/Competitive Supply	0	0	0	-	-	0
<b>Adjusted Income-Qualified Renter HHs</b>	1,065	201	1,065	-	-	201

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%	12.9%	4.1%	-	-	21.9%

\*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

Yester Oaks Apartments, located in LaFayette, Walker County, Georgia, was originally built in 1990 and has operated under the Rural Development 515 (RD 515) program since that time. The project contains 44 general-occupancy units, eight (8) of which receive Rental Assistance (RA) directly from Rural Development. The RA requires tenants of these units 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 100.0% occupied and maintains a two-household waiting list.

The proposed Tax Credit renovations, which will be financed through the 4% Tax-Exempt Bond program, will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will continue to target general-occupancy households with incomes up to 60% of Area Median Household Income (AMHI). Notably, the project will continue to operate under the RD 515 program and all eight (8) 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:** Yester Oaks Apartments
2. **PROPERTY LOCATION:** 52 Yester Oaks Drive  
LaFayette, Georgia 30728  
(Walker County)
3. **PROJECT TYPE:** Rehabilitation of an existing RD 515 project using 4% Tax-Exempt Bond financing.
4. **UNIT CONFIGURATION AND RENTS:**

Total Units	Bedroom Type	Baths	Style	Square Feet*	% AMHI	Current Basic & Note Rents	Proposed Rents			Max. Allowable LIHTC Gross Rent
							Collected Rent	Utility Allowance	Gross Rent	
16	One-Br.	1.0	Garden	654	60%	\$420/\$560	\$480	\$83	\$563	\$669
8	Two-Br.	1.0	Garden	779	60%	\$445/\$610	\$505	\$108	\$613	\$804
20	Two-Br.	1.5	Townhome	974	60%	\$445/\$610	\$505	\$108	\$613	\$804
44	Total									

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

AMHI – Area Median Household Income (Chattanooga, TN-GA MSA; 2017)

\*Heated square feet

5. **TARGET MARKET:** General-Occupancy
6. **PROJECT DESIGN:** Nine (9) one- and two-story buildings.

**7. ORIGINAL YEAR BUILT:** 1990

**8. ANTICIPATED RENOVATION COMPLETION DATE:** 2019

**9. UNIT AMENITIES:**

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

**10. COMMUNITY AMENITIES:**

- On-Site Management
- Playground
- Basketball Court
- 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:**

Eight (8) units currently receive Rental Assistance. There are currently four (4) units occupied by a Housing Choice Voucher holder.

**14. PARKING:**

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

## **15. CURRENT PROJECT STATUS:**

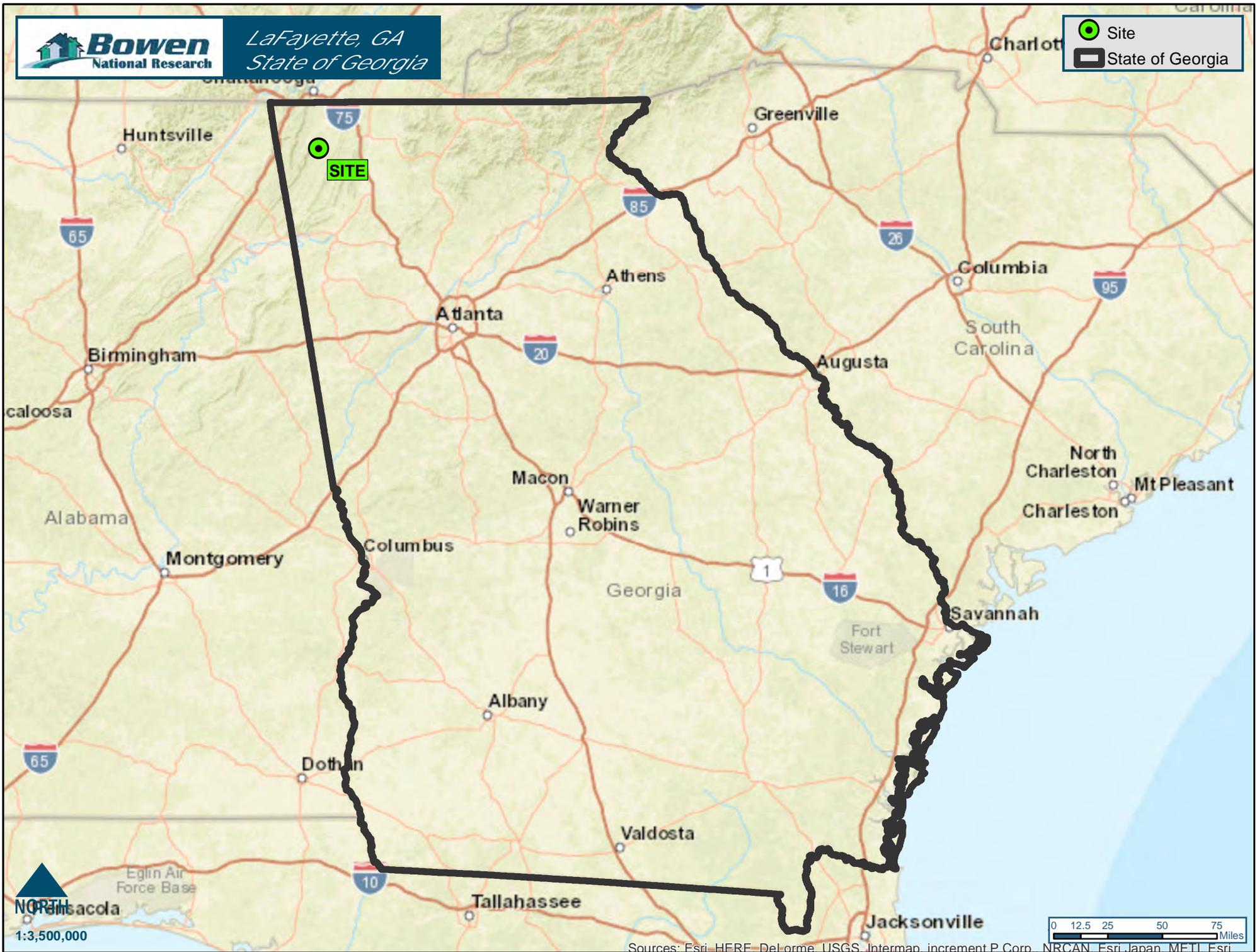
The subject project is an existing 44-unit general-occupancy property offering one- and two-bedroom units which operate under the Rural Development 515 (RD 515) program, with Rental Assistance (RA) provided to eight (8) of the 44 subject units. The subject project is 100.0% occupied and maintains a two-household waiting list. 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 four (4) units occupied by Voucher holders. Based on our review of the current tenant rent roll for the subject project, it was determined that 10 of the 36 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 22 of the 44 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 100.0% occupancy rate reported at the subject project, the subject floor plans and buildings appear to be sufficient and marketable. The proposed renovations are expected to improve the general aesthetic appeal and overall quality 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:**

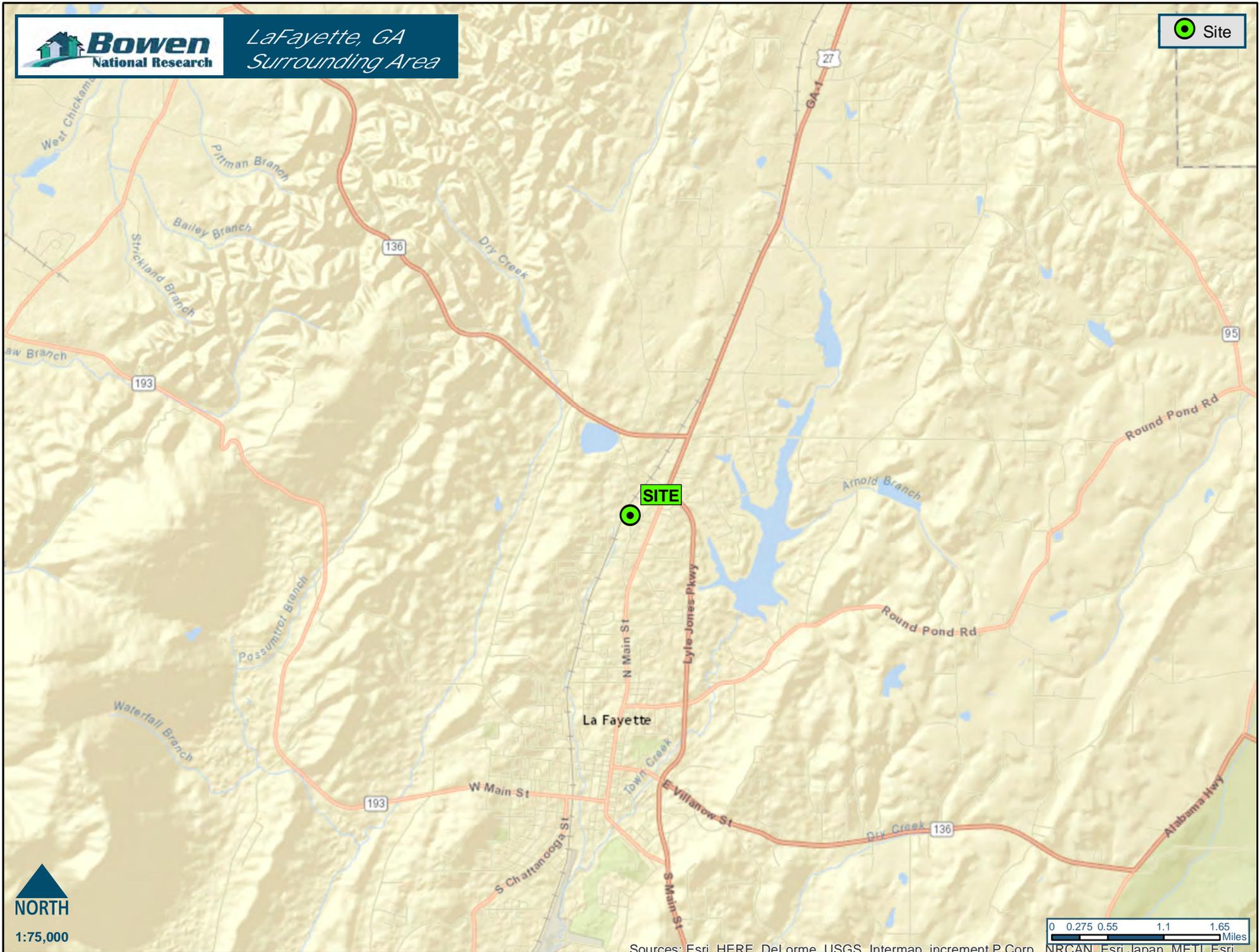
Chattanooga, TN-GA MSA (2017)

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





LaFayette, GA  
Surrounding Area



1:75,000



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

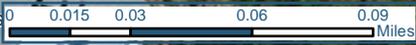


*LaFayette, GA  
Site Neighborhood*

Legend  
 Site Area



  
NORTH  
1:3,000

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


## Section C – Site Description And Evaluation

### 1. LOCATION

The subject site is the existing Yester Oaks Apartments located at 52 Yester Oaks Drive in the northern portion of LaFayette, Georgia. Located within Walker County, LaFayette is approximately 22.0 miles south of Chattanooga, Tennessee. Greg Piduch, an employee of Bowen National Research, inspected the site and area apartments during the week of April 24, 2017.

### 2. SURROUNDING LAND USES

The subject site is within an established area of LaFayette, Georgia. Surrounding land uses include small commercial buildings, neighborhoods of single-family homes, a small privately owned apartment community, railroad tracks and a funeral home in addition to retail stores and other local businesses. Adjacent land uses are detailed as follows:

<b>North -</b>	Undeveloped land followed by wooded land and the Five Star Food Services facility is located directly north/northeast of the subject site. Also north of the site is an active rail line and a Hot Mama's Propane Gas facility. Continuing north is a U-Haul dealer, car dealership and commercial buildings, with Walmart Supercenter located beyond.
<b>East -</b>	The eastern boundary is defined by West North Main Street, a two-lane roadway with minimal traffic. Mid Atlantic Group Landscaping, Blossman Gas, Wilson Funeral Home and Valley Auto Sales are located beyond. Continuing east is North Main Street (State Route 1), a two-lane roadway with moderate traffic patterns, Lucky Pointe Apartments (Map ID 6) and U.S. Highway 27, a four-lane arterial road with moderate traffic patterns.
<b>South -</b>	The southern boundary is defined by a small, privately owned apartment community. The intersection of West North Main Street and Gordon Pond Road is located farther south along with a mixture of single-family homes and the Amberwood Apartments. Extending beyond is a pharmacy, gas station and additional community services along North Main Street, as well as additional single-family homes.
<b>West -</b>	The western boundary is defined by Gordon Pond Road, a two-lane roadway with minimal traffic. An active set of railroad tracks lies beyond with vacant land and single-family homes extending farther west/southwest.

Overall, the subject property fits well with the surrounding land uses and they should contribute to the continued marketability of the site. According to management of the subject project, the railroad tracks to the north/west typically only run once every two to three days and do not have any adverse impact on occupancy at the property. This is further evident by the 100.0% occupancy rate currently reported.

### **3. VISIBILITY AND ACCESS**

The subject site is comprised of one- and two-story buildings which are clearly visible upon ingress, given the subject's frontage along both West North Main Street and Gordon Pond Road, which border the site to the east and west, respectively. The subject site also provides signage along each of these roadways. Vehicular traffic along these aforementioned roadways was observed to be light, however, which results in relatively minimal passerby traffic for the subject project. Regardless, the subject project is 100.0% occupied, indicating that visibility does not have any adverse impact on marketability of the property.

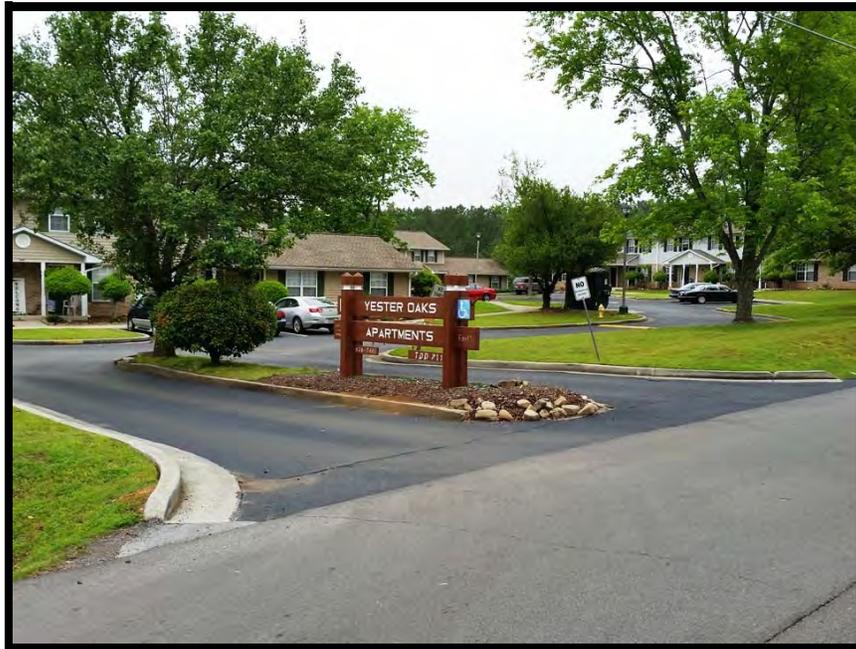
The subject site is also accessible via both West North Main Street and Gordon Pond Road. The light vehicular traffic experienced along these roadways allows for unimpeded ingress and egress of the subject site. West North Main Street also provides direct access to and from North Main Street (State Route 1), a primary arterial and commercial corridor within the LaFayette market. Based on the preceding, accessibility of the subject project is considered good.

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

### **4. SITE PHOTOGRAPHS**

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

# SITE PHOTOGRAPHS



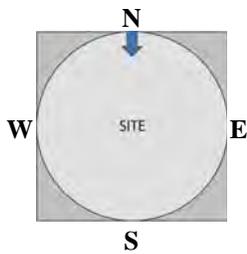
Entryway Signage



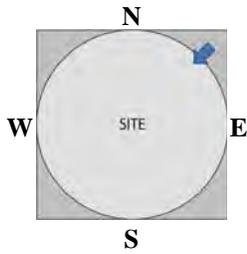
Typical Building - Townhome



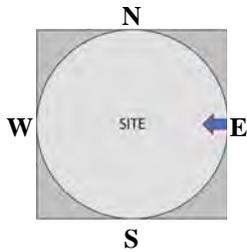
Typical Building - Garden Unit



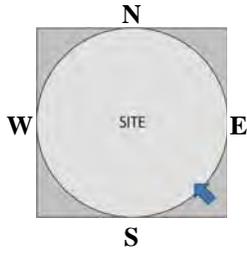
View of site from the north



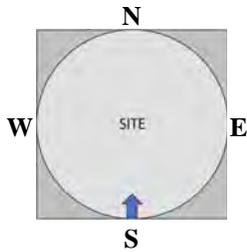
View of site from the northeast



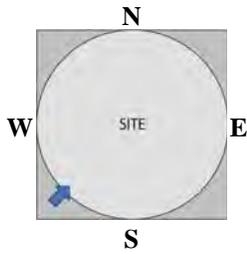
View of site from the east



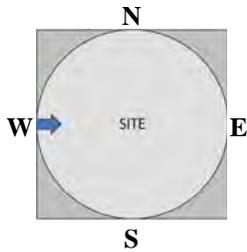
View of site from the southeast



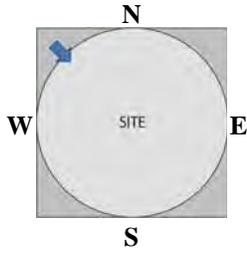
View of site from the south



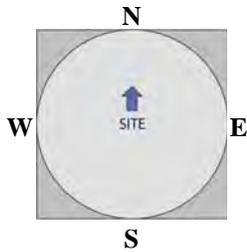
View of site from the southwest



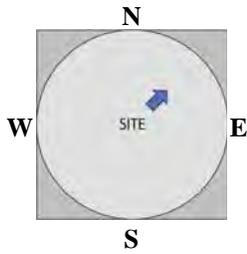
View of site from the west



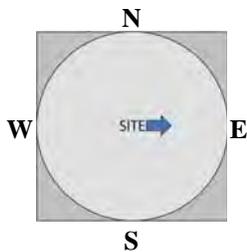
View of site from the northwest



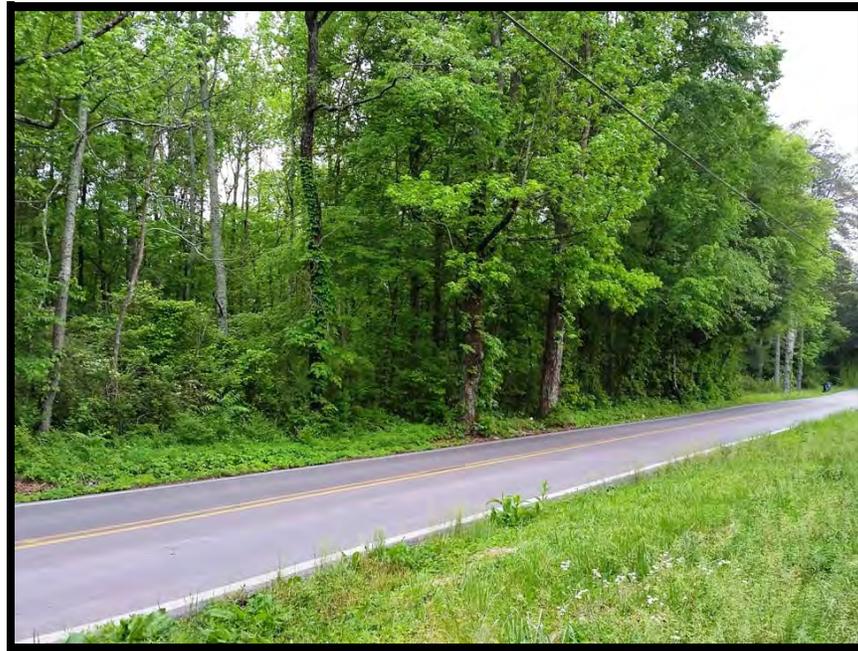
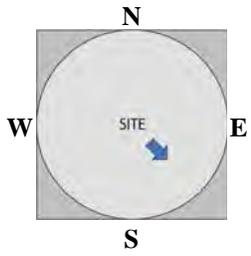
North view from site



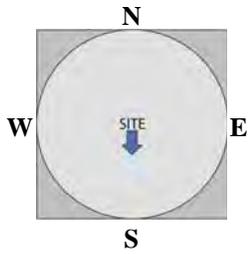
Northeast view from site



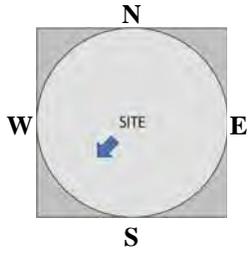
East view from site



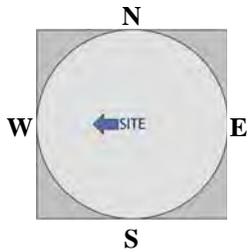
Southeast view from site



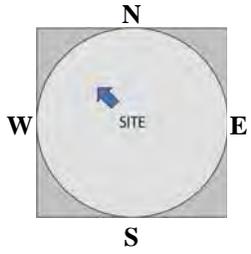
South view from site



Southwest view from site



West view from site



Northwest view from site



North view of West North Main Street



South view of West North Main Street



East view of Gene Baker Road



North view of Gordon Pond Road



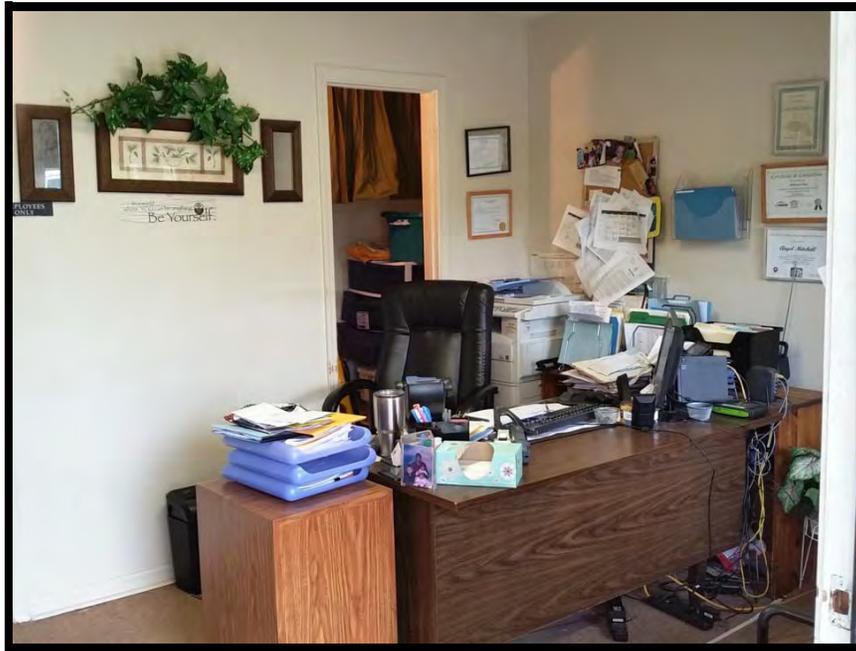
South view of Gordon Pond Road



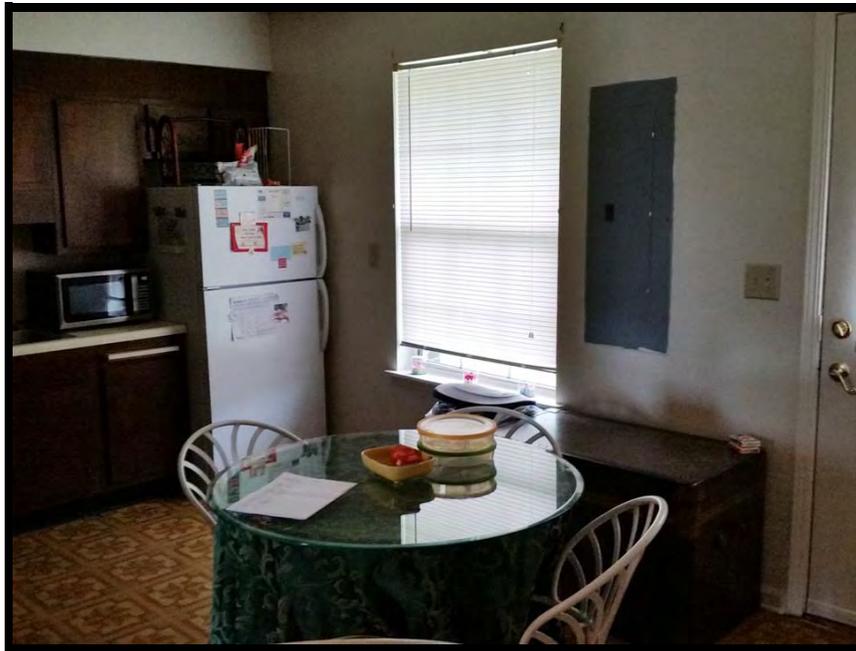
Playground



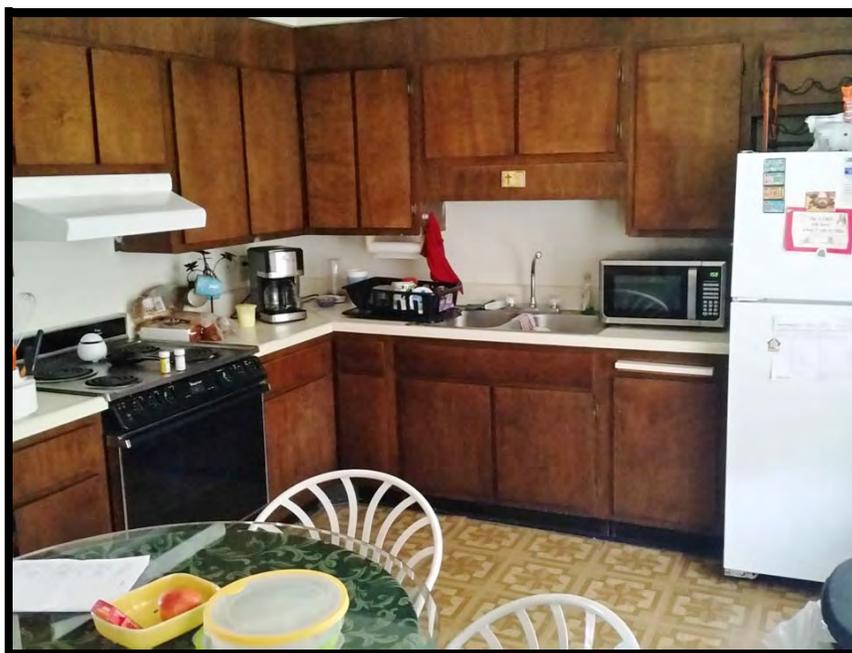
Basketball Court



Management / Sales Office



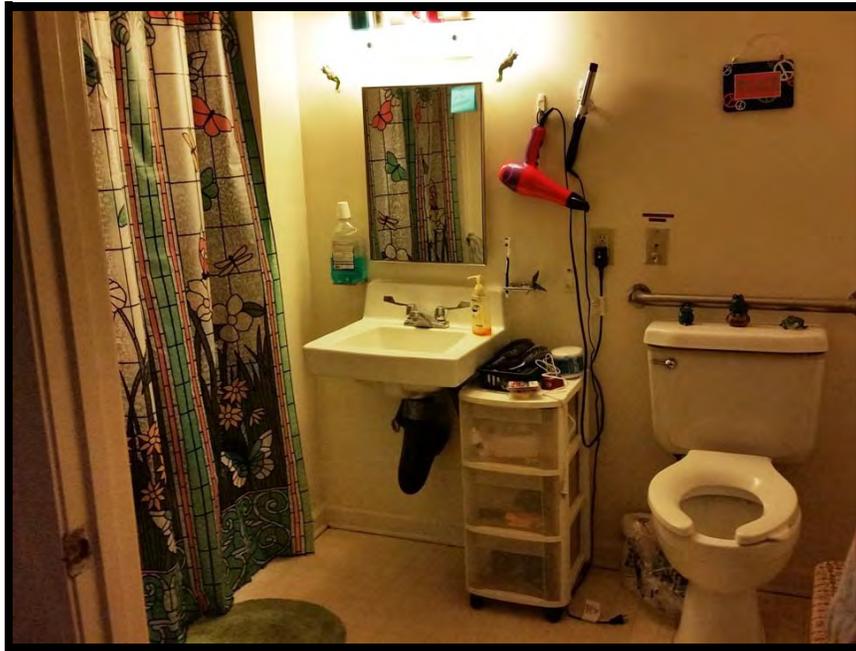
Kitchen view 1 - One Bedroom Handicapped



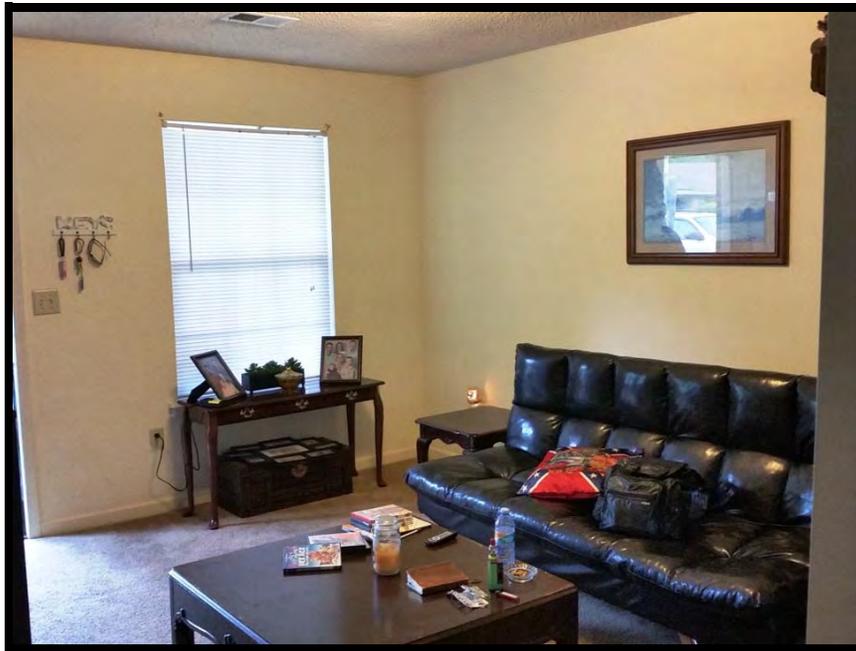
Kitchen view 2 - One Bedroom Handicapped



Bedroom - One Bedroom Handicapped



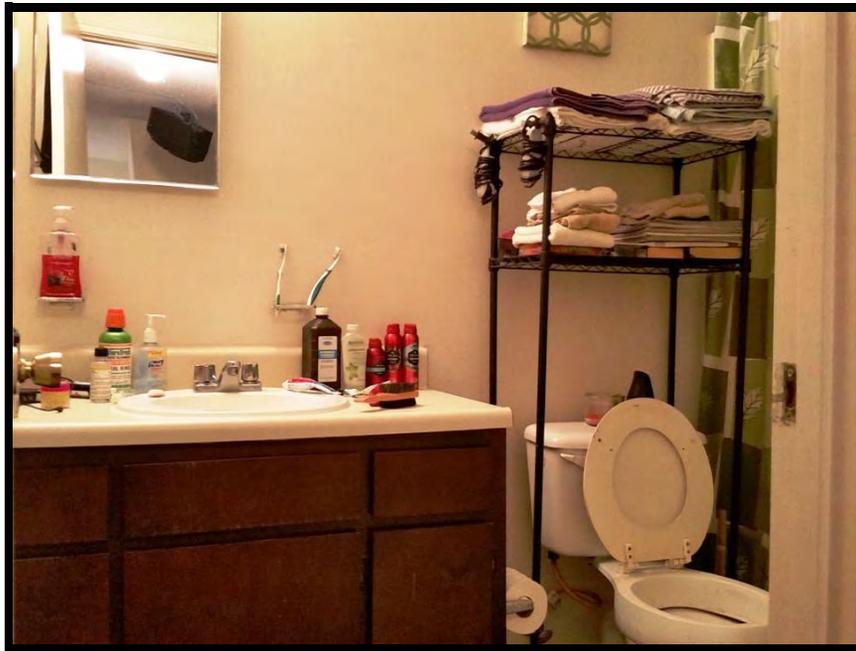
Bathroom - One Bedroom Handicapped



Living Room view 1 - One Bedroom Handicapped



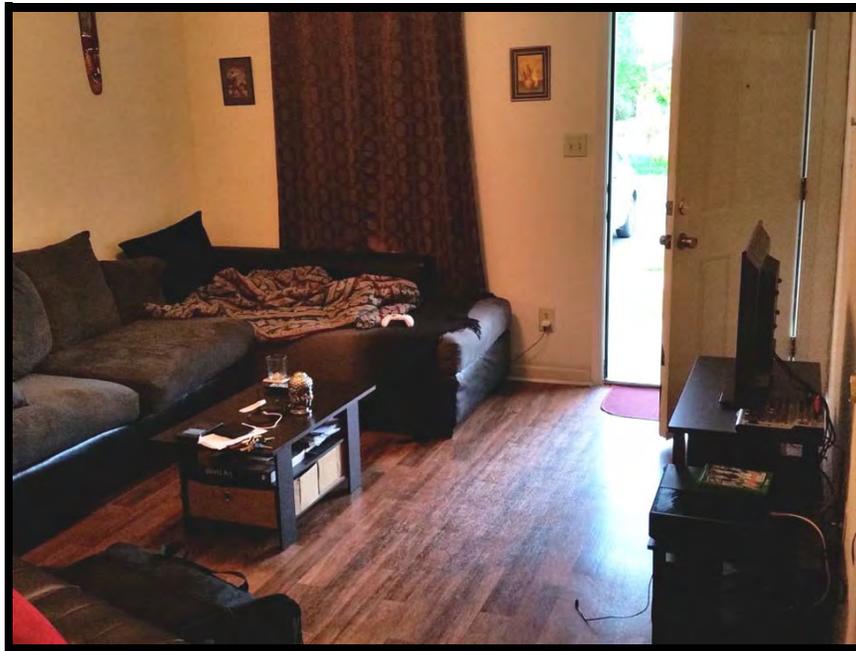
Living Room view 2 - One Bedroom Handicapped



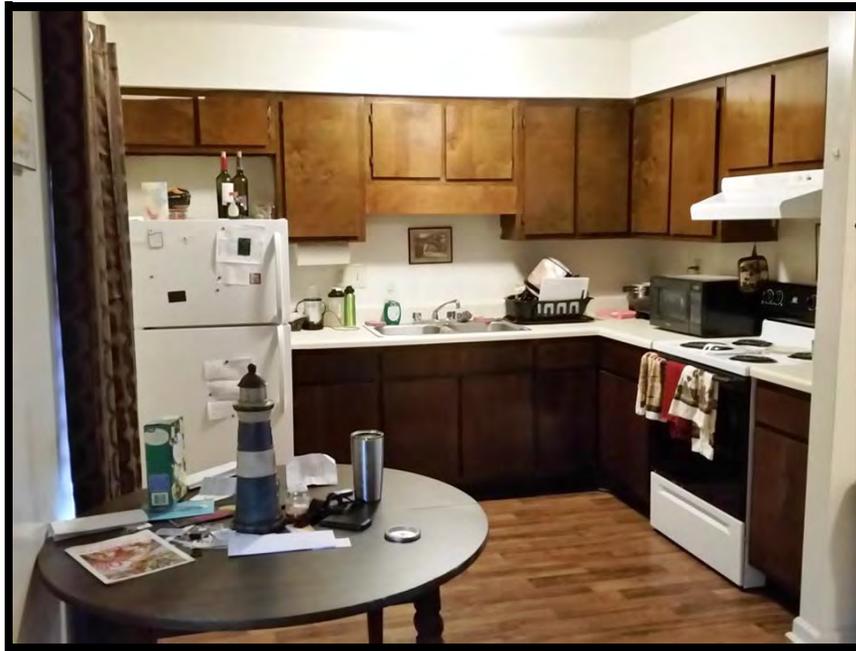
Bathroom - One Bedroom



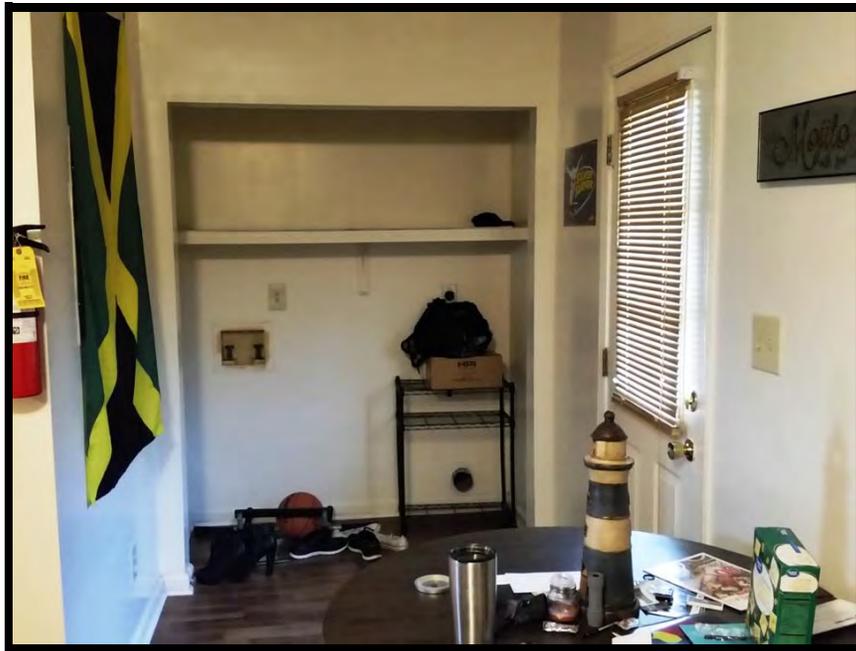
Bedroom - One Bedroom



Living Room - One Bedroom



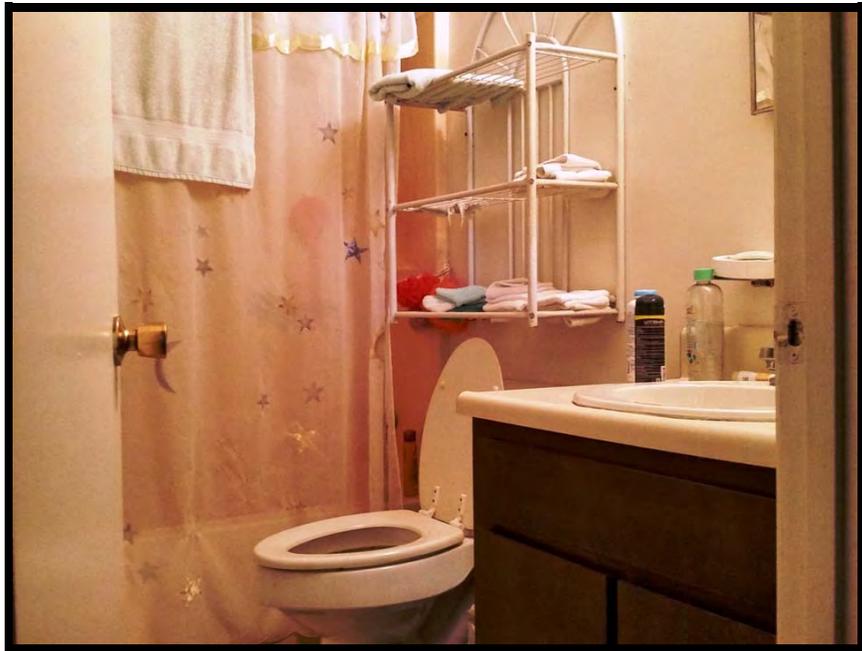
Kitchen - One Bedroom



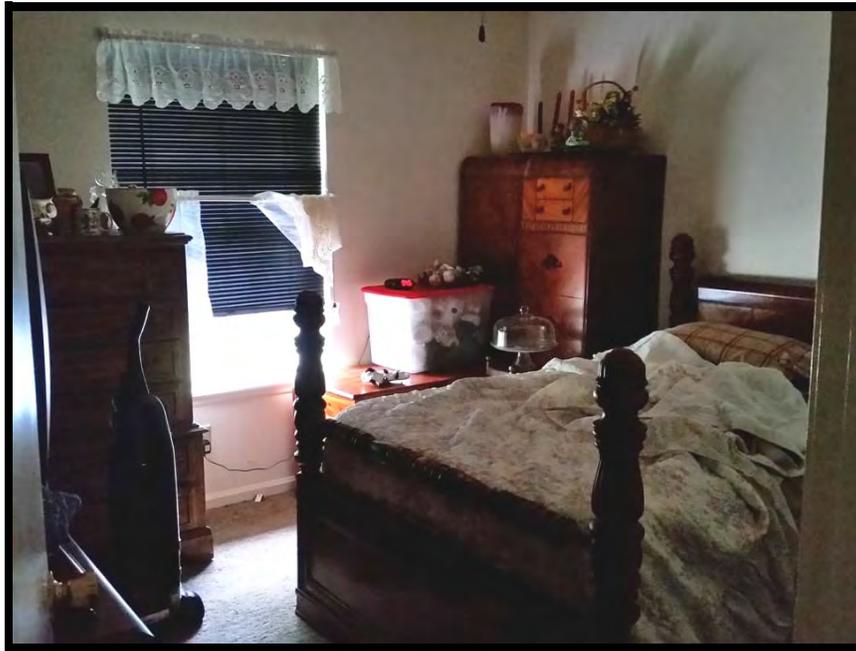
Storage Space - One Bedroom



Kitchen - Two Bedroom Garden



Bathroom - Two Bedroom Garden



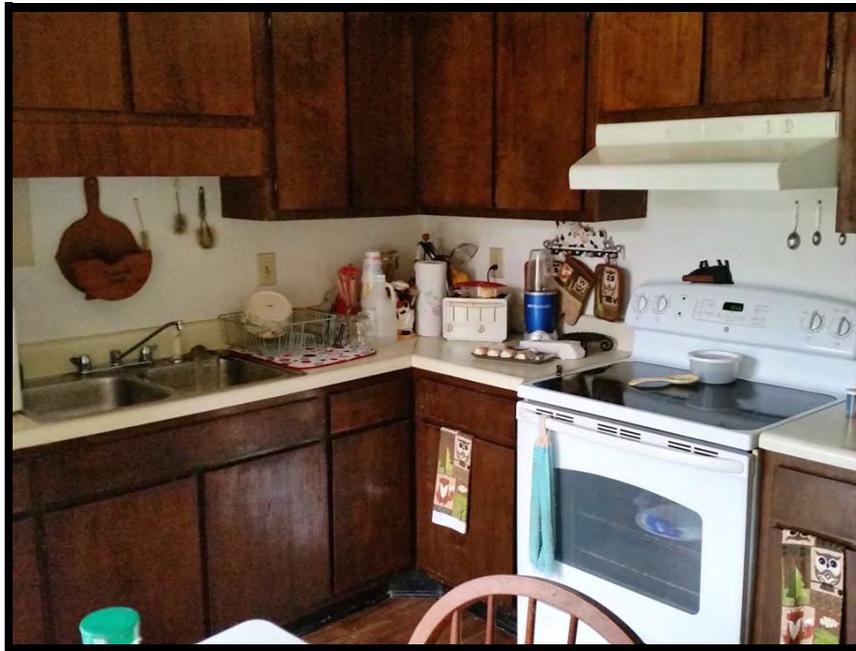
Bedroom 1 - Two Bedroom Garden



Bedroom 2 - Two Bedroom Garden



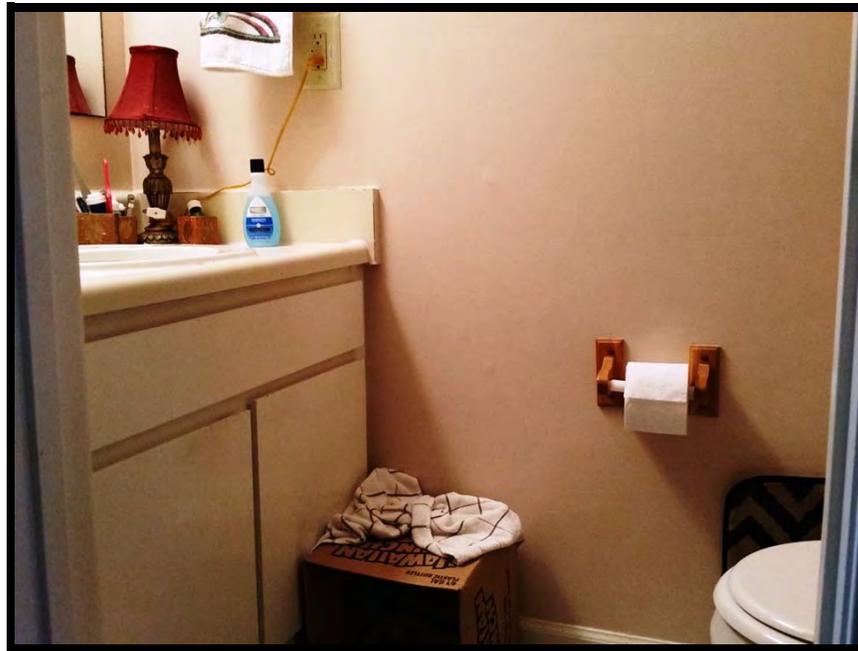
Washer/Dryer Hookup - Two Bedroom Garden



Kitchen - Two Bedroom Garden



Living Room - Two Bedroom Garden



1/2 Bathroom - Two Bedroom Townhome



Full Bathroom - Two Bedroom Townhome



Bedroom 1 - Two Bedroom Townhome



Bedroom 2 - Two Bedroom Townhome



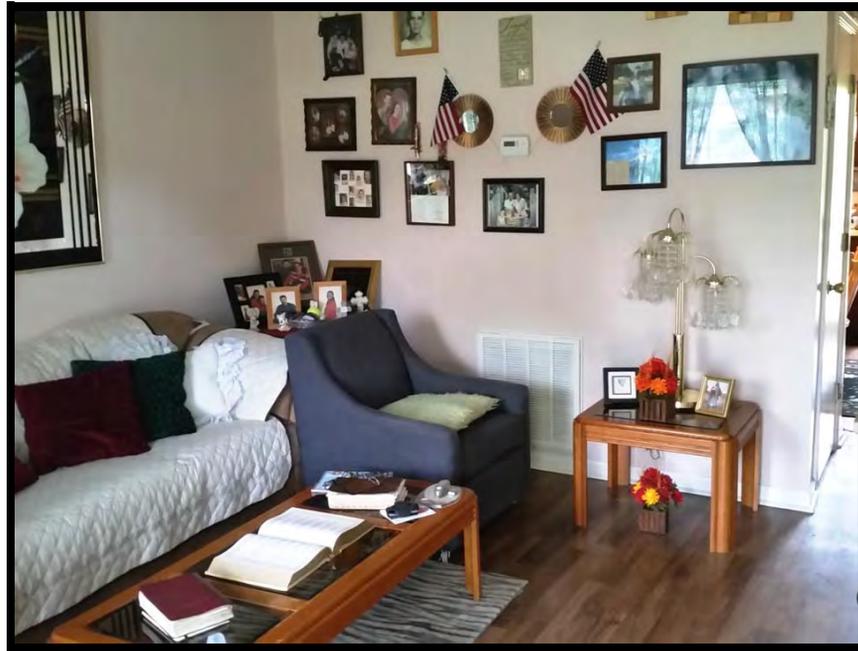
Kitchen view 1 - Two Bedroom Townhome



Kitchen view 2 - Two Bedroom Townhome



Living Room view 1 - Two Bedroom Townhome



Living Room view 2 - Two Bedroom Townhome

## 2. 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	State Route 1	0.2 East
	U.S. Highway 27	0.4 Northeast
	State Route 136	0.9 Northeast
Public Bus Stop	Walker Transit	On-Call/On-Site
Major Employers/ Employment Centers	Walmart Supercenter	1.3 Northeast
Convenience Store	Kangaroo Express	0.7 South
	HT Express	0.9 Northeast
	MAPCO Mart	0.9 Northeast
Grocery	LaFayette Fruit Market	0.4 Southeast
	Walmart Supercenter	1.3 Northeast
	Food City	1.8 South
Discount Department Store	Walmart Supercenter	1.3 Northeast
	Dollar Tree	1.3 Northeast
	Dollar General	1.8 South
Shopping Center/Mall	Highlands Plaza	1.3 Northeast
Schools:		
Elementary	North LaFayette Elementary (Pre-K-5th)	1.4 South
Middle/Junior High	LaFayette Middle School (6th-8th)	1.0 Southeast
High	LaFayette High School (9th-12th)	2.9 Southeast
Hospital	Cornerstone Medical Center	17.8 North
Police	Georgia State Patrol	0.4 South
	LaFayette Police Department	1.9 South
Fire	LaFayette Fire Department	1.9 South
Post Office	U.S. Post Office	3.0 South
Bank	First Volunteer Bank	0.8 Northeast
	Bank of LaFayette	2.2 South
	Synovus	2.2 South
Senior Center	Walker County Senior Center	2.9 South
Recreational Facilities	Ross Abney Complex	2.2 South
	Municipal Park Center	3.1 South
Gas Station	BP	0.7 South
	Hi-Tech Fuel	0.9 Northeast
	MAPCO	0.9 Northeast
Pharmacy	PruittHealth - LaFayette	0.8 Southeast
	Ledford's Rx Express	0.8 South
	CVS	1.1 South
Restaurant	El Trio	0.5 Northeast
	China Buffet	0.7 South
	Arby's	0.7 South
Day Care	Wee Care	1.9 South
	South Walker Head Start	2.1 Southwest
	Foundations at First	2.3 South
Community Center	Municipal Park Center	3.1 South

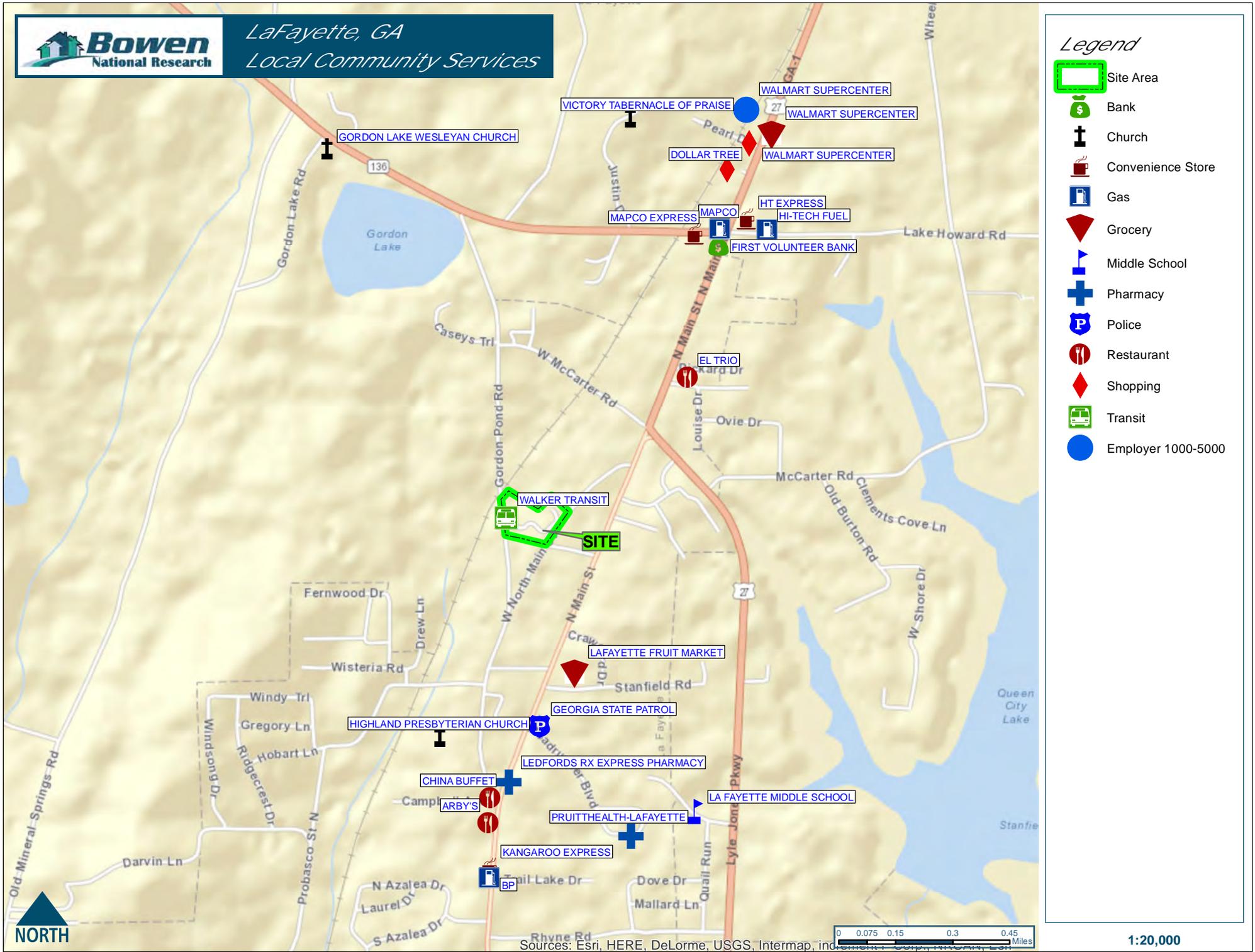
(continued)

Community Services	Name	Driving Distance From Site (Miles)
Church	Highlands Presbyterian Church	0.5 South
	Gordon Lake Wesleyan Church	1.1 Northwest
	Victory Tabernacle of Praise	1.3 North
Library	LaFayette-Walker County Public Library	2.4 South
Parks	Joe Stock Memorial Park	1.9 South
	Simmons Memorial Park	2.0 Southwest

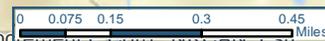
The subject site is in close proximity to a variety of notable community services such as grocery stores, schools, public safety services, gas stations, pharmacies and restaurants. These services can be accessed within 2.0 miles and are generally easily accessible due to the subject's proximity to arterials such as State Route 1 and U.S. Highway 27. Also of note is a Walmart Supercenter 1.3 miles northeast of the site in Highlands Plaza, which also includes a Dollar Tree, Beall's Outlet and smaller retail stores. Although fixed-route public transportation is not provided within the LaFayette area, an on-call transportation service is provided by Walker Transit, is available upon request between the hours of 6:00 A.M. and 5:00 P.M. Monday through Friday for a fare of \$4.00. Reservations must be made at least one day prior to the trip. The availability of this service is considered beneficial to the low-income population targeted at the subject project.

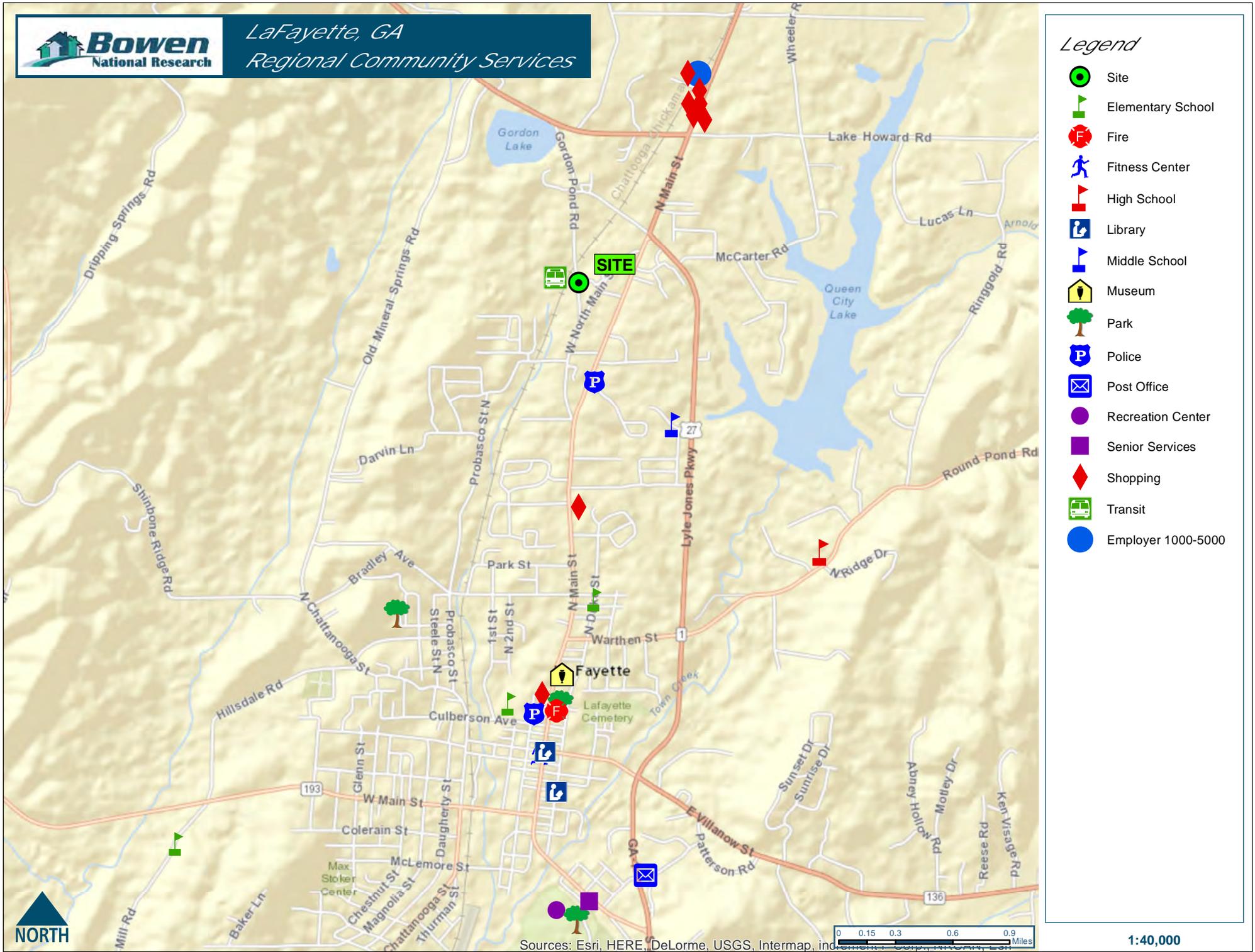
Cornerstone Medical Center located in Fort Oglethorpe, approximately 18.0 north of the site, is the nearest emergency medical center. Public safety services such as the LaFayette Police and Fire departments, however, are both located within 1.9 miles of the site. Walker County Schools serve the subject site from Pre-K through 12<sup>th</sup> grade. All applicable attendance schools are within 2.9 miles and offer bus transportation. Other area services include the Municipal Park Center 3.1 miles south which includes a gymnasium, game room, meeting rooms, a swimming pool, picnic shelters and more.

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



- Legend*
- Site Area
  - Bank
  - Church
  - Convenience Store
  - Gas
  - Grocery
  - Middle School
  - Pharmacy
  - Police
  - Restaurant
  - Shopping
  - Transit
  - Employer 1000-5000





- Legend*
-  Site
  -  Elementary School
  -  Fire
  -  Fitness Center
  -  High School
  -  Library
  -  Middle School
  -  Museum
  -  Park
  -  Police
  -  Post Office
  -  Recreation Center
  -  Senior Services
  -  Shopping
  -  Transit
  -  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 (50) for the Site PMA is below the national average (100) with an overall personal crime index of 28 and a property crime index of 66. Total crime risk (65) for Walker County is also below the national average with indexes for personal and property crime of 47 and 80, respectively.

	Crime Risk Index	
	Site PMA	Walker County
<b>Total Crime</b>	<b>50</b>	<b>65</b>
<b>Personal Crime</b>	<b>28</b>	<b>47</b>
Murder	42	63
Rape	29	33
Robbery	11	30
Assault	33	58
<b>Property Crime</b>	<b>66</b>	<b>80</b>
Burglary	86	96
Larceny	72	99
Motor Vehicle Theft	43	50

Source: Applied Geographic Solutions

The Site PMA's crime risk index is half the national average. Therefore, the subject project and its market should not be perceived as an area that would be impacted by crime. This is particularly true given the subject project's high occupancy rate. As such, we do not anticipate that crime would adversely impact the subject project's ongoing marketability.

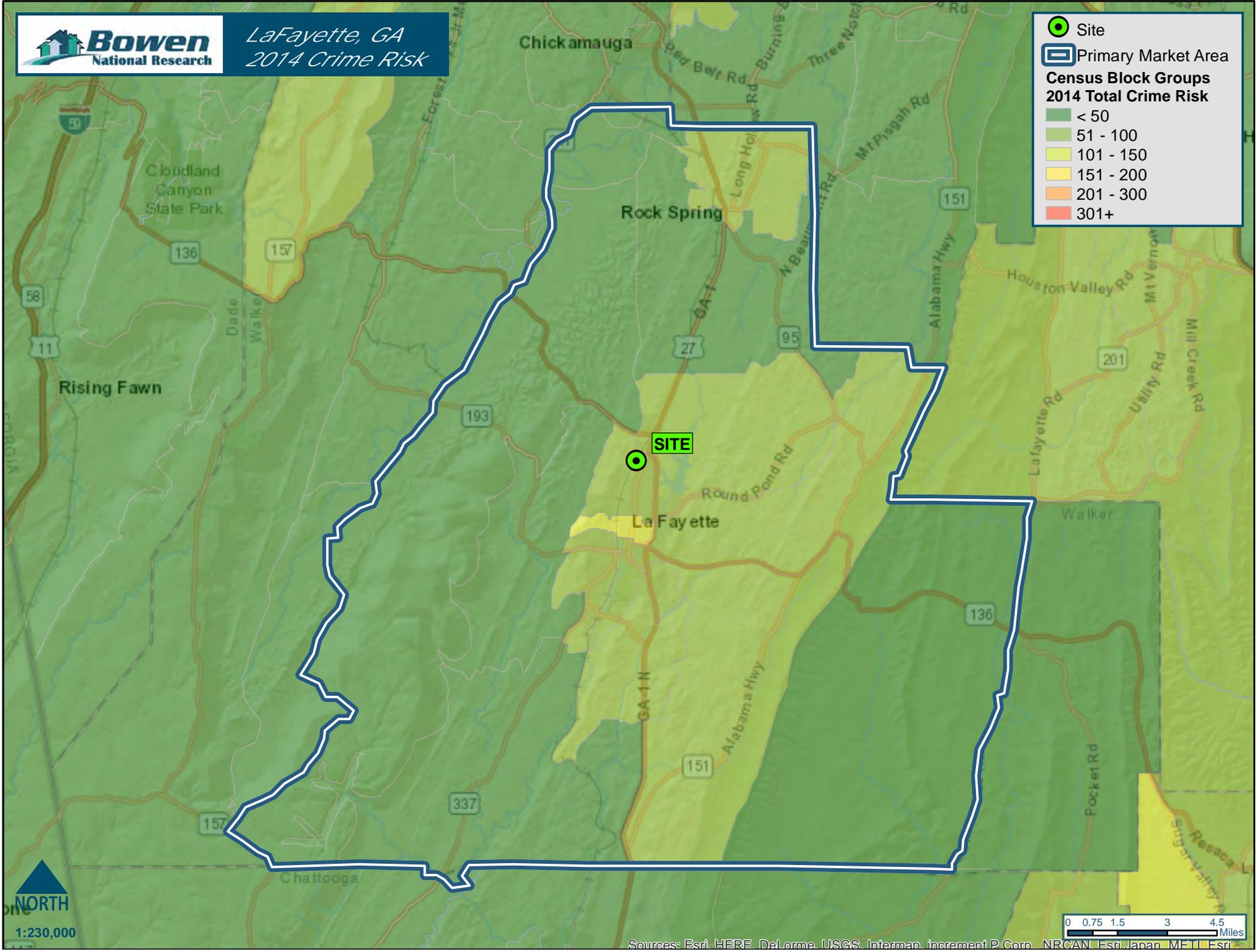
A map illustrating crime risk is on the following page.

 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 the existing Yester Oaks Apartments located at 52 Yester Oaks Drive, which is within an established and generally good to average quality portion of LaFayette. Surrounding land uses generally include small commercial buildings and scattered single-family and multifamily residential structures in average to good condition, as well as vacant and wooded land. The subject site is clearly visible and easily accessible from both West North Main Street and Gordon Pond Road, which border the site to the east and west, respectively. West North Main Street provides direct access to and from North Main Street (State Route 1), a primary arterial and commercial/retail corridor within the LaFayette area. Most basic area services are located within 2.0 miles of the subject site, including a Walmart Supercenter, which is 1.3 miles from the site. Area services are easily accessible given the subject's proximity to North Main Street (State Route 1), east of the subject site. Overall, the subject site location is considered conducive to affordable multifamily rental product, which is further evident by the 100.0% 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.

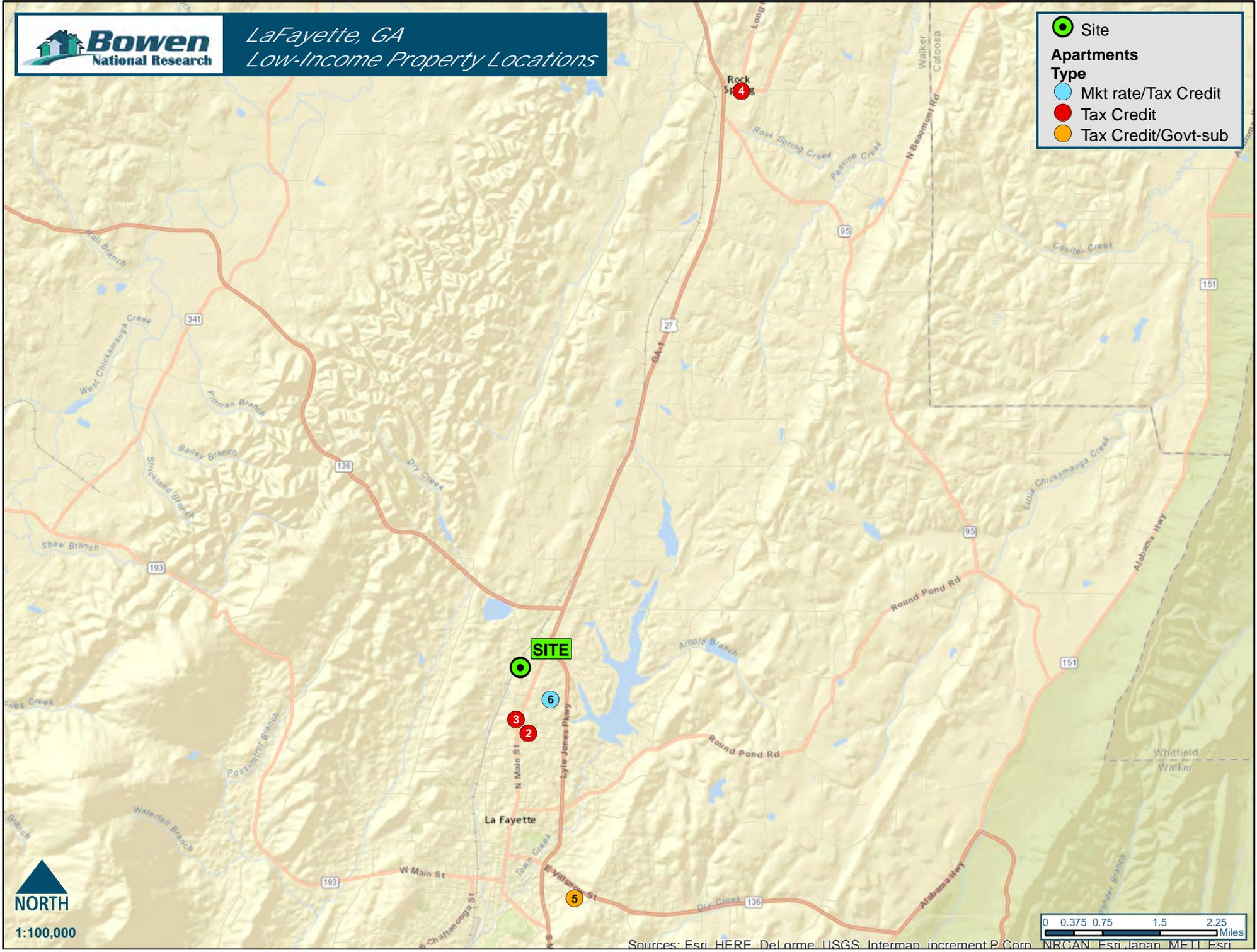


LaFayette, GA  
Low-Income Property Locations

● Site

**Apartments Type**

- Mkt rate/Tax Credit
- Tax Credit
- Tax Credit/Govt-sub



**NORTH**  
1:100,000



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

## Section D – Primary Market Area Delineation

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

Management at the subject site stated that the majority of the site's tenants originate from the immediate LaFayette area. This representative further stated that while the majority of the tenants are local to the LaFayette area, the subject project does derive support from some of the surrounding unincorporated areas of Walker County because LaFayette is the county seat and provides a significant amount of community services and employment opportunities.

The LaFayette Site PMA includes the towns of LaFayette and Rock Spring, as well as some of the surrounding unincorporated portions of Walker County. The boundaries of the Site PMA generally include the Walker County boundary to the north; State Route 201 and East Armuchee Road to the east; the Walker County boundary to the south and Hog Jowl Road and Cove Road to the west.

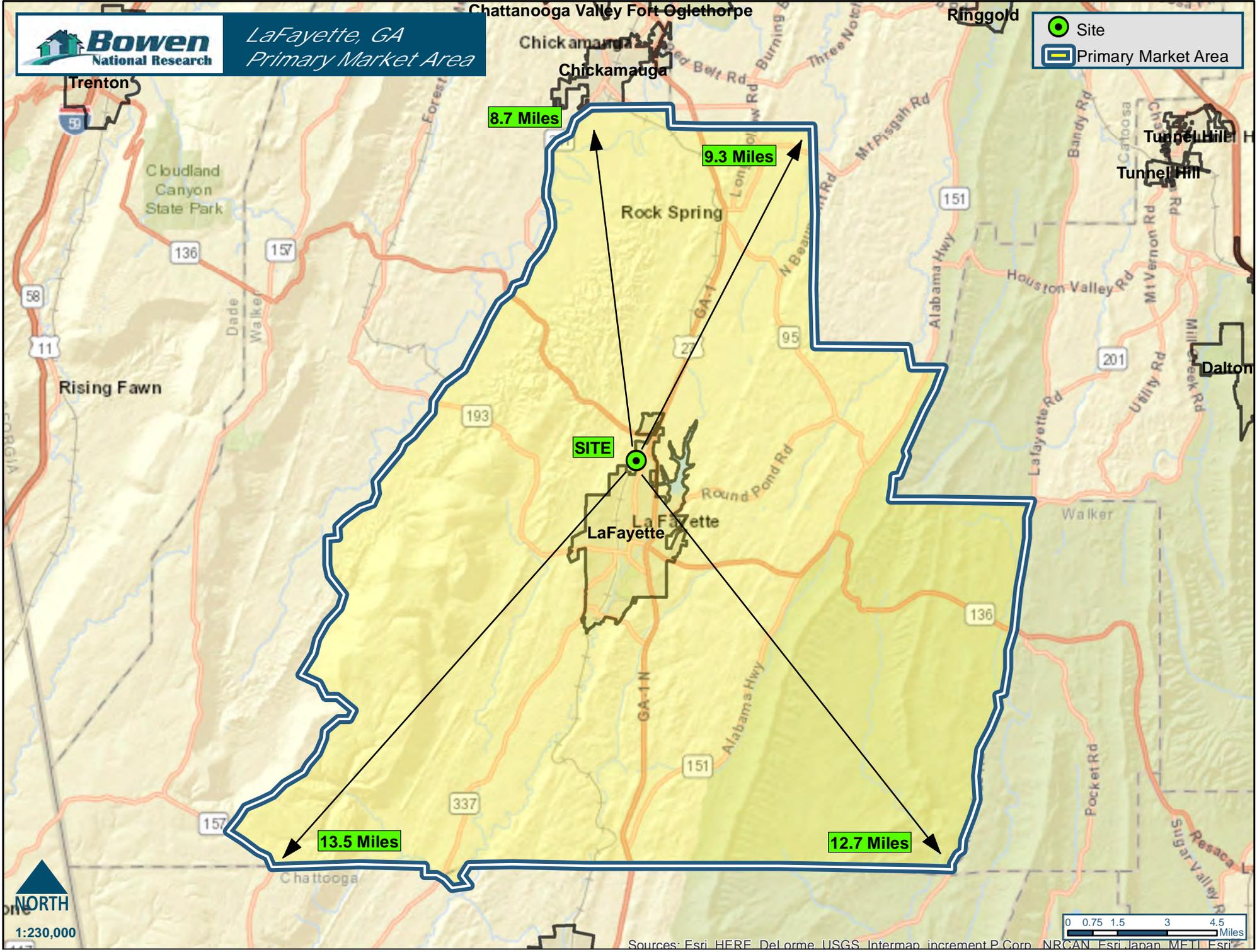
While some supplemental support for the subject project originates from outside the county, this support is considered minimal. Therefore, no secondary market area was considered in this analysis.

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



LaFayette, GA  
Primary Market Area

● Site  
▭ Primary Market Area



NORTH  
1:230,000

0 0.75 1.5 3 4.5 Miles

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

## Section E – Community Demographic Data

### 1. POPULATION TRENDS

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

	Year			
	2000 (Census)	2010 (Census)	2017 (Estimated)	2019 (Projected)
Population	22,229	26,597	26,763	26,772
Population Change	-	4,368	166	9
Percent Change	-	19.7%	0.6%	0.0%

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

The LaFayette Site PMA population base increased by 4,368 between 2000 and 2010. This represents a 19.7% increase over the 2000 population, or an annual rate of 1.8%. Between 2010 and 2017, the population increased by 166, or 0.6%. It is projected that the population will increase by nine, 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	6,738	25.3%	6,248	23.3%	6,189	23.1%	-60	-1.0%
20 to 24	1,453	5.5%	1,529	5.7%	1,496	5.6%	-33	-2.2%
25 to 34	3,267	12.3%	3,260	12.2%	3,189	11.9%	-71	-2.2%
35 to 44	3,704	13.9%	3,559	13.3%	3,483	13.0%	-76	-2.1%
45 to 54	3,977	15.0%	3,713	13.9%	3,670	13.7%	-42	-1.1%
55 to 64	3,528	13.3%	3,726	13.9%	3,751	14.0%	26	0.7%
65 to 74	2,333	8.8%	2,937	11.0%	3,060	11.4%	122	4.2%
75 & Over	1,598	6.0%	1,791	6.7%	1,934	7.2%	143	8.0%
Total	26,598	100.0%	26,763	100.0%	26,772	100.0%	9	0.0%

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

As the preceding table illustrates, over 53% of the population is expected to be between 25 and 64 years old in 2017. This age group is the primary group of potential support for the subject project.

## 2. HOUSEHOLD TRENDS

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

	Year			
	2000 (Census)	2010 (Census)	2017 (Estimated)	2019 (Projected)
Households	8,448	10,017	10,095	10,098
Household Change	-	1,569	78	2
Percent Change	-	18.6%	0.8%	0.0%
Household Size	2.63	2.66	2.54	2.54

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

Within the LaFayette Site PMA, households increased by 1,569 (18.6%) between 2000 and 2010. Between 2010 and 2017, households increased by 78 or 0.8%. By 2019, there will be 10,098 households, an increase of only two households.

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	319	3.2%	305	3.0%	299	3.0%	-6	-2.0%
25 to 34	1,310	13.1%	1,262	12.5%	1,223	12.1%	-38	-3.0%
35 to 44	1,757	17.5%	1,620	16.1%	1,571	15.6%	-50	-3.1%
45 to 54	2,055	20.5%	1,856	18.4%	1,819	18.0%	-36	-2.0%
55 to 64	2,040	20.4%	2,081	20.6%	2,074	20.5%	-7	-0.3%
65 to 74	1,493	14.9%	1,819	18.0%	1,876	18.6%	57	3.1%
75 to 84	810	8.1%	860	8.5%	937	9.3%	76	8.9%
85 & Over	233	2.3%	291	2.9%	299	3.0%	7	2.5%
Total	10,017	100.0%	10,095	100.0%	10,098	100.0%	3	0.0%

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

Between 2017 and 2019, all of the projected household growth by age group is expected to occur among households ages 55 and older, with the greatest growth projected to be among the households between the ages of 75 and 84. Regardless, nearly one-half of all households are within the 25 and 54 age groups. Based on these characteristics and trends, there is a large base of age-appropriate household support for the subject project.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2017 (Estimated)		2019 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	7,389	73.8%	7,090	70.2%	7,085	70.2%
Renter-Occupied	2,628	26.2%	3,006	29.8%	3,013	29.8%
Total	10,017	100.0%	10,095	100.0%	10,098	100.0%

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

In 2017, homeowners occupied 70.2% of all occupied housing units, while the remaining 29.8% were occupied by renters. The 3,006 renter households represent a good base of potential support for the subject development. Also note 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	1,153	38.4%	1,156	38.4%	3	0.2%
2 Persons	726	24.1%	727	24.1%	1	0.2%
3 Persons	561	18.7%	560	18.6%	0	-0.1%
4 Persons	415	13.8%	418	13.9%	3	0.8%
5 Persons+	151	5.0%	152	5.0%	0	0.3%
Total	3,006	100.0%	3,013	100.0%	7	0.2%

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

Persons Per Owner Household	2017 (Estimated)		2019 (Projected)		Change 2017-2019	
	Households	Percent	Households	Percent	Households	Percent
1 Person	1,436	20.3%	1,433	20.2%	-3	-0.2%
2 Persons	2,773	39.1%	2,772	39.1%	-2	-0.1%
3 Persons	1,193	16.8%	1,193	16.8%	0	0.0%
4 Persons	1,055	14.9%	1,054	14.9%	-1	-0.1%
5 Persons+	632	8.9%	635	9.0%	2	0.4%
Total	7,090	100.0%	7,087	100.0%	-4	-0.1%

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

The subject project offers one- and two-bedroom units, which enable it to accommodate most household sizes, though it will be unlikely to accommodate larger family households.

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

Household Income	2010 (Census)		2017 (Estimated)		2019 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$15,000	2,072	20.7%	1,685	16.7%	1,727	17.1%
\$15,000 to \$24,999	1,465	14.6%	1,156	11.5%	1,144	11.3%
\$25,000 to \$34,999	1,267	12.6%	1,356	13.4%	1,403	13.9%
\$35,000 to \$49,999	1,792	17.9%	1,712	17.0%	1,578	15.6%
\$50,000 to \$74,999	1,898	18.9%	1,822	18.1%	1,821	18.0%
\$75,000 to \$99,999	793	7.9%	1,141	11.3%	1,168	11.6%
\$100,000 to \$149,999	534	5.3%	835	8.3%	858	8.5%
\$150,000 to \$199,999	119	1.2%	215	2.1%	221	2.2%
\$200,000 & Over	77	0.8%	174	1.7%	178	1.8%
<b>Total</b>	<b>10,017</b>	<b>100.0%</b>	<b>10,096</b>	<b>100.0%</b>	<b>10,099</b>	<b>100.0%</b>
<b>Median Income</b>	<b>\$36,712</b>		<b>\$42,457</b>		<b>\$42,370</b>	

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

In 2010, the median household income was \$36,712. This increased by 15.6% to \$42,457 in 2017. By 2019, it is projected that the median household income will be \$42,370, a decline of 0.2% over 2017.

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

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	370	203	171	143	83	970
\$15,000 to \$24,999	231	120	103	85	51	590
\$25,000 to \$34,999	110	69	59	49	28	315
\$35,000 to \$49,999	113	80	70	57	34	354
\$50,000 to \$74,999	92	75	64	52	32	315
\$75,000 to \$99,999	16	13	11	8	2	50
\$100,000 to \$149,999	9	6	6	5	0	26
\$150,000 to \$199,999	2	2	1	0	0	5
\$200,000 & Over	2	0	0	0	0	2
<b>Total</b>	<b>945</b>	<b>568</b>	<b>485</b>	<b>399</b>	<b>230</b>	<b>2,627</b>

Source: ESRI; Urban Decision Group

Renter Households	2017 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	438	237	184	136	52	1,047
\$15,000 to \$24,999	230	121	94	69	25	539
\$25,000 to \$34,999	157	107	81	61	22	428
\$35,000 to \$49,999	167	121	95	69	26	478
\$50,000 to \$74,999	127	110	85	62	24	408
\$75,000 to \$99,999	22	19	15	12	2	70
\$100,000 to \$149,999	4	4	3	2	0	14
\$150,000 to \$199,999	4	3	2	2	0	12
\$200,000 & Over	4	3	2	1	0	9
<b>Total</b>	<b>1,153</b>	<b>726</b>	<b>561</b>	<b>415</b>	<b>151</b>	<b>3,006</b>

Source: ESRI; Urban Decision Group

Renter Households	2019 (Projected)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$15,000	449	244	188	139	53	1,072
\$15,000 to \$24,999	227	120	93	69	26	534
\$25,000 to \$34,999	154	106	81	62	22	425
\$35,000 to \$49,999	159	116	90	66	25	457
\$50,000 to \$74,999	128	107	83	62	23	403
\$75,000 to \$99,999	26	22	17	13	3	81
\$100,000 to \$149,999	3	3	2	1	0	9
\$150,000 to \$199,999	7	5	3	3	0	18
\$200,000 & Over	5	4	3	2	0	14
Total	1,156	727	560	418	152	3,013

Source: ESRI; Urban Decision Group

### Demographic Summary

Demographic trends have been positive within the LaFayette Site PMA since 2000, in terms of both total population and households. This trend is projected to continue between 2017 and 2019, though demographic growth rates during this time period will be slightly slower than years past. Regardless, this is indicative of a stable demographic base within the Site PMA. Nearly 30.0% of all households are renters and the number of renter households is projected to increase slightly between 2017 and 2019. It is also of note that more than 67.0% of all renter households are projected to earn less than \$35,000 in 2019 and the number of such renter households is projected to increase by 17, or 0.8%, between 2017 and 2019. Based on the preceding factors and considering additional demographic data contained within this report, a relatively large and expanding base of potential support for affordable rental product, such as that offered at the subject project, exists within the LaFayette market.

## Section F – Economic Trends

### 1. LABOR FORCE PROFILE

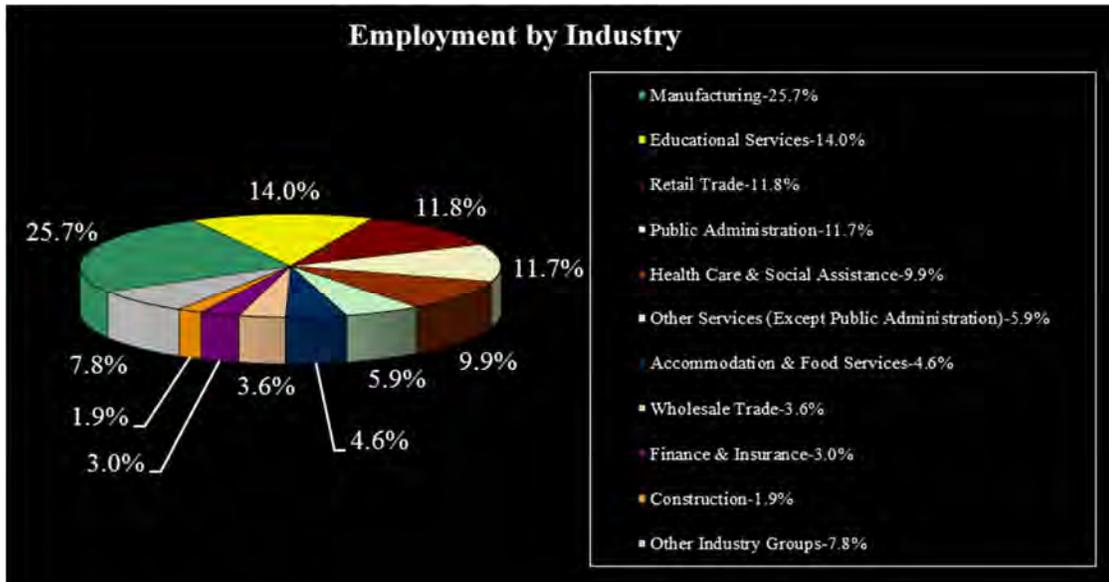
The labor force within the LaFayette Site PMA is based primarily in five sectors. Manufacturing (which comprises 25.7%), Educational Services, Retail Trade, Public Administration and Health Care & Social Assistance comprise over 73% of the Site PMA labor force. Employment in the LaFayette Site PMA, as of 2017, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	14	1.6%	27	0.3%	1.9
Mining	0	0.0%	0	0.0%	0.0
Utilities	2	0.2%	12	0.1%	6.0
Construction	49	5.5%	175	1.9%	3.6
Manufacturing	31	3.5%	2,382	25.7%	76.8
Wholesale Trade	33	3.7%	331	3.6%	10.0
Retail Trade	139	15.5%	1,092	11.8%	7.9
Transportation & Warehousing	19	2.1%	68	0.7%	3.6
Information	12	1.3%	65	0.7%	5.4
Finance & Insurance	74	8.3%	281	3.0%	3.8
Real Estate & Rental & Leasing	36	4.0%	119	1.3%	3.3
Professional, Scientific & Technical Services	47	5.3%	146	1.6%	3.1
Management of Companies & Enterprises	1	0.1%	2	0.0%	2.0
Administrative, Support, Waste Management & Remediation Services	27	3.0%	122	1.3%	4.5
Educational Services	24	2.7%	1,297	14.0%	54.0
Health Care & Social Assistance	49	5.5%	922	9.9%	18.8
Arts, Entertainment & Recreation	10	1.1%	159	1.7%	15.9
Accommodation & Food Services	47	5.3%	431	4.6%	9.2
Other Services (Except Public Administration)	145	16.2%	549	5.9%	3.8
Public Administration	106	11.8%	1,087	11.7%	10.3
Nonclassifiable	30	3.4%	4	0.0%	0.1
Total	895	100.0%	9,271	100.0%	10.4

\*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 Chattanooga Metropolitan Statistical Area (MSA) are compared with those of Georgia in the following table:

Typical Wage by Occupation Type		
Occupation Type	Chattanooga MSA	Georgia
Management Occupations	\$93,220	\$114,210
Business and Financial Occupations	\$62,850	\$71,300
Computer and Mathematical Occupations	\$74,390	\$85,800
Architecture and Engineering Occupations	\$78,180	\$78,820
Community and Social Service Occupations	\$40,280	\$45,460
Art, Design, Entertainment and Sports Medicine Occupations	\$44,080	\$52,710
Healthcare Practitioners and Technical Occupations	\$65,040	\$74,310
Healthcare Support Occupations	\$28,440	\$28,330
Protective Service Occupations	\$35,330	\$36,610
Food Preparation and Serving Related Occupations	\$20,430	\$20,530
Building and Grounds Cleaning and Maintenance Occupations	\$22,620	\$25,010
Personal Care and Service Occupations	\$23,340	\$24,390
Sales and Related Occupations	\$36,320	\$38,060
Office and Administrative Support Occupations	\$33,430	\$35,470
Construction and Extraction Occupations	\$40,890	\$40,540
Installation, Maintenance and Repair Occupations	\$44,470	\$44,550
Production Occupations	\$32,960	\$33,500
Transportation and Moving Occupations	\$32,750	\$33,720

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

Most annual blue-collar salaries range from \$20,430 to \$44,470 within the Chattanooga MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$74,736. It is important to note that most occupational types within the Chattanooga MSA have slightly lower typical wages than the state of Georgia's typical wages. The proposed project will target low-income households. The area employment base has a significant number of wage-appropriate occupations from which the subject project will be able to draw support.

## 2. MAJOR EMPLOYERS

The ten largest employers within the Walker County area comprise a total of 6,632 employees and are summarized as follows. Note that the year established and salary range was not readily available for these top employers. However, these employers are well-established in the market and likely offer salaries/wages typical of those reported for the Chattanooga MSA and reflected in the *Typical Wage by Occupation Type* table earlier in this section.

Employer Name	Business Type	Total Employed
Roper	Gas & Electric Range Manufacturer	1,800
SI, Incorporated	Fabric Manufacturer	1,600
Walker County Board of Education	Education	1,334
Shaw Industries	Manufacturer	494
Walker County	Government	309
Walmart	Retailer	275
Yates Bleachery	Manufacturer	250
Nissin	Brake Manufacturer	210
Syntec, LLC	Nylon Yarn Manufacturer	200
Crystal Springs Print Works	Fabric Finisher	160
	Total	6,632

Source: Walker County (2017)

Despite multiple attempts to contact local representatives regarding the health of the local economy, a response was not received at the time this report was issued. The following summarizes some recent economic development activity within the Walker County and greater Chattanooga area obtained via our online research:

- A new Dollar General store opened in February 2017 in Chickamauga.
- In March 2017, The Chattanooga Choo Choo Hotel and Attraction began a \$20 million renovation project. Renovations will include upgrades to the Songbirds Guitar Museum, the Frothy Monkey coffee bar, upgrades to Building 1, and the lobby and conversions of Buildings 2 and 3 into apartments. The Station Street was recently renovated and includes patio access to The Comedy Catch, Back Stage Bar, STIR, The Terminal Brewhouse, and the Revelry Room.
- Dunkin' Donuts is expanding its business to the Chattanooga area with the construction of a 28,000 square-foot bakery in Catoosa County. The \$3 million bakery is expected to create 40 new jobs and is anticipated to open in November 2017.
- West Star Aviation, a company that repairs private aircrafts, announced plans for a \$20 million expansion and expects to add approximately 100 more jobs in Chattanooga. The expansion is expected to be complete by mid-2018.

- Scottie’s on the River in Chattanooga will be a \$2.3 million, 250-seat (with patio seating), high-end steak, seafood, and oyster restaurant adjacent to the Spring Hill Suites by Marriott/Downtown Cameron Harbor. The new restaurant plans to open in the Fall of 2017.

WARN (layoff notices):

According to the Georgia Department of Economic Development, Workforce Division, there has been one WARN notice (large-scale layoffs/closures) reported for Walker and Catoosa County areas since September 2015, though the oldest notice reported was in October 2015. Below is a table summarizing this notice:

WARN Notices				
Company	Location	Jobs	Notice Date	Effective Date
Hutcheson Medical Center	Fort Oglethorpe	169	10/15/2015	10/15/2015

This notice impacted a total of 169 jobs in the area. However, this notice occurred in Fort Oglethorpe, nearly two years ago. Thus, this notice likely had no tangible impact on the LaFayette area economy.

**3. EMPLOYMENT TRENDS**

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

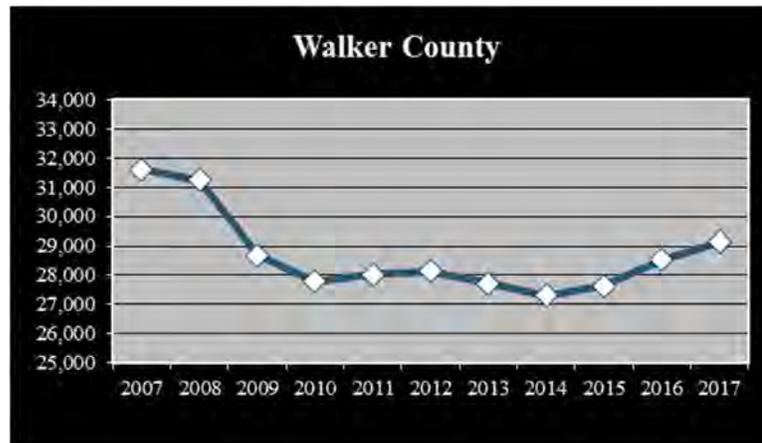
Excluding 2017, the employment base has increased by 1.3% over the past five years in Walker County, less than the Georgia state increase of 7.1%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Walker County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2007	31,617	-	4,597,640	-	146,388,400	-
2008	31,232	-1.2%	4,575,010	-0.5%	146,047,748	-0.2%
2009	28,683	-8.2%	4,311,854	-5.8%	140,696,560	-3.7%
2010	27,788	-3.1%	4,202,052	-2.5%	140,469,139	-0.2%
2011	28,025	0.9%	4,263,305	1.5%	141,791,255	0.9%
2012	28,145	0.4%	4,348,083	2.0%	143,621,634	1.3%
2013	27,730	-1.5%	4,367,147	0.4%	144,996,474	1.0%
2014	27,300	-1.6%	4,418,471	1.2%	147,403,607	1.7%
2015	27,638	1.2%	4,502,021	1.9%	149,648,686	1.5%
2016	28,525	3.2%	4,656,255	3.4%	152,001,644	1.6%
2017*	29,134	2.1%	4,767,833	2.4%	152,065,874	0.0%

Source: Department of Labor; Bureau of Labor Statistics

\*Through May



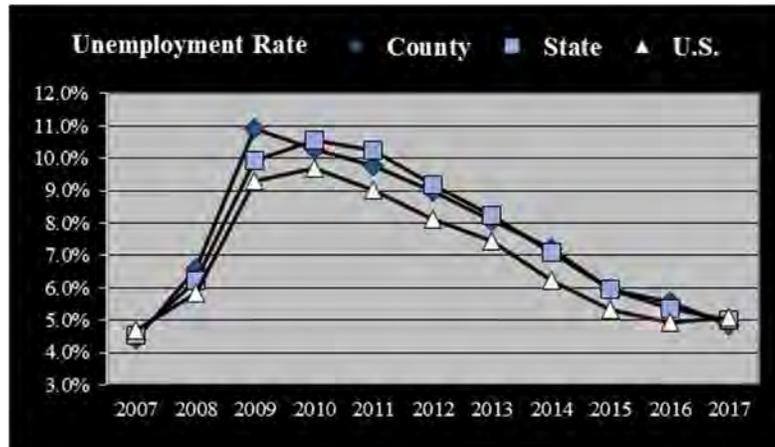
As the preceding illustrates, the Walker County employment base declined by more than 10% between 2008 and 2010. While it has fluctuated slightly since 2010, the employment base has generally expanded, adding 1,834 jobs between 2014 and May of 2017. This represents an overall increase of 6.7% during this time period.

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

Year	Unemployment Rate		
	Walker County	Georgia	United States
2007	4.4%	4.5%	4.7%
2008	6.6%	6.2%	5.8%
2009	10.9%	9.9%	9.3%
2010	10.3%	10.6%	9.7%
2011	9.8%	10.2%	9.0%
2012	9.0%	9.2%	8.1%
2013	8.1%	8.2%	7.4%
2014	7.2%	7.1%	6.2%
2015	6.0%	6.0%	5.3%
2016	5.6%	5.4%	4.9%
2017*	4.8%	5.0%	5.1%

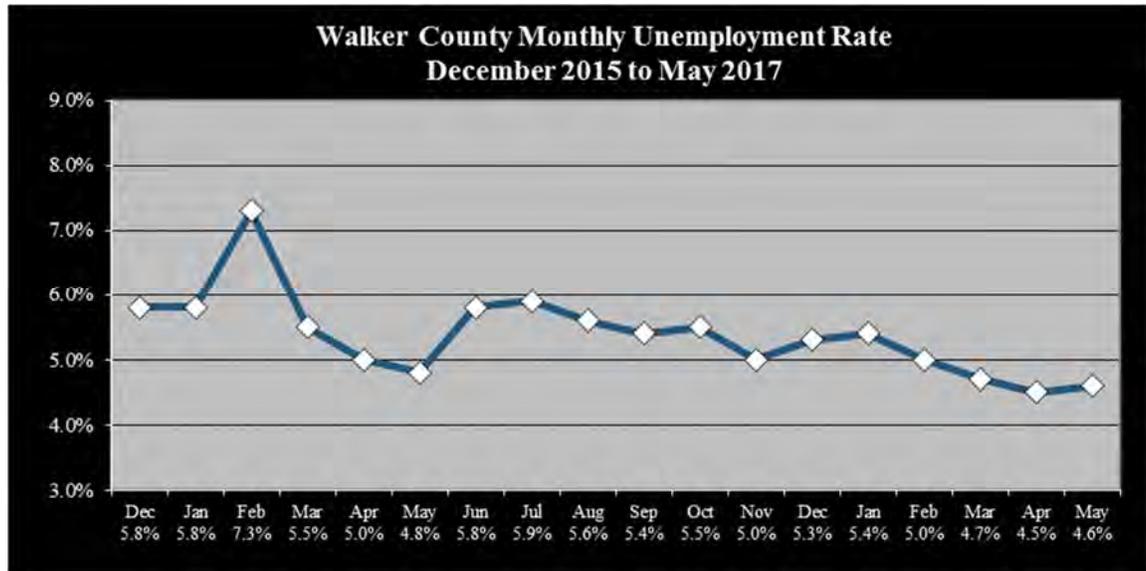
Source: Department of Labor, Bureau of Labor Statistics

\*Through May



The unemployment rate in Walker County has ranged between 4.4% and 10.9%, which is comparable to the state average since 2007. After reaching a high of 10.9% in 2009, the county’s unemployment rate has declined in each of the past seven years, as well as thus far in 2017. The county’s 4.8% annualized unemployment rate through May of 2017 represents a nine-year low and is lower than both state and national averages.

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



The monthly unemployment rate within the county has generally declined over the past 18 months.

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

In-Place Employment Walker County			
Year	Employment	Change	Percent Change
2006	14,313	-	-
2007	14,707	394	2.8%
2008	14,205	-502	-3.4%
2009	12,865	-1,340	-9.4%
2010	12,619	-246	-1.9%
2011	12,580	-39	-0.3%
2012	12,441	-139	-1.1%
2013	12,454	13	0.1%
2014	12,366	-88	-0.7%
2015	12,499	133	1.1%
2016	12,985	486	3.9%

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 Walker County to be 45.5% of the total Walker County employment. This means that Walker County has more employed persons leaving the county for daytime employment than those who work in the county.

#### 4. ECONOMIC FORECAST

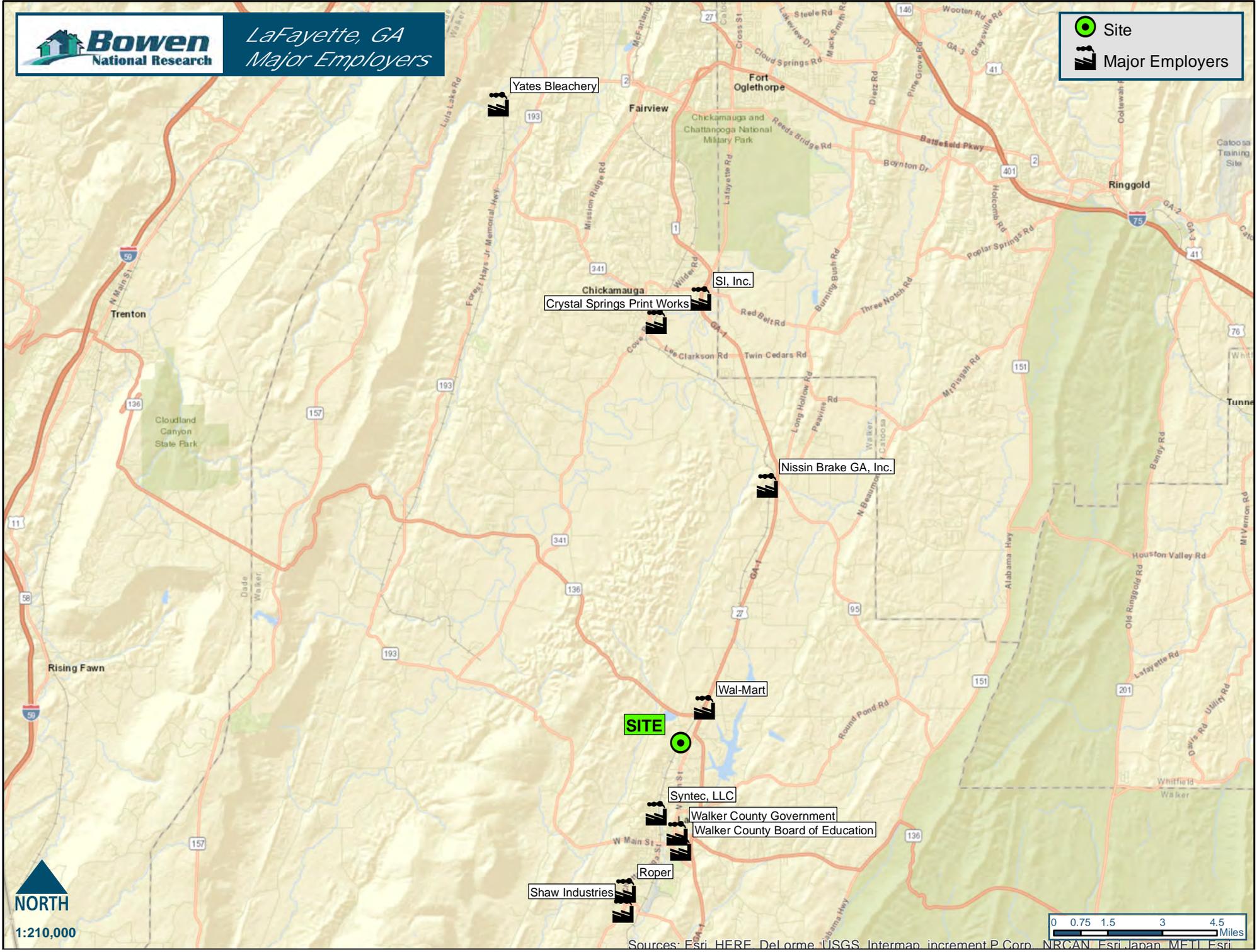
Nearly three-fourths of the Site PMA's labor force is employed within the Manufacturing, Educational Services, Retail Trade, Public Administration and Health Care & Social Assistance job sectors. The proposed project will target low-income households. The area employment base appears to have a significant number of wage-appropriate occupations from which the subject project will be able to continue to draw support. The Walker County employment base declined by more than 10% between 2008 and 2010. While it has fluctuated slightly since 2010, the employment base has generally expanded recently, adding 1,834 jobs since 2014, an increase of 6.7%. The unemployment rate in Walker County has ranged between 4.4% and 10.9%, which is comparable to the state average since 2007. After reaching a high of 10.9% in 2009, the county's unemployment rate has declined in each of the past seven years as well as thus far in 2017. Additionally, the unemployment rate of 4.8% through May 2017 represents a nine-year low for the county and is below both state and national averages. Overall, local economic trends have been positive and are expected to remain positive for the foreseeable future.

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



# LaFayette, GA Major Employers

- Site
- Major Employers



**NORTH**  
1:210,000



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

## Section G – Project-Specific Demand Analysis

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

### 1. DETERMINATION OF INCOME ELIGIBILITY

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

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

The subject site is within the Chattanooga, TN-GA Metropolitan Statistical Area (MSA), which has a four-person median household income of \$59,500 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	\$25,020
Two-Person	\$28,560
Three-Person	\$32,160

#### a. Maximum Income Limits

The largest units (two-bedroom) at the subject site are expected to continue to house up to three-person households. As such, the maximum allowable income at the subject site is **\$32,160**.

#### b. Minimum Income Requirements

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

The proposed Low-Income Housing Tax Credit (LIHTC) units will have a lowest gross rent of \$563 (at 60% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,756. 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 **\$19,303**.

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

**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	\$32,160
LIHTC Only without RA	\$19,303	\$32,160

**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 28.8% to 50.5% (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, 4.8% of all households in the market were living in substandard housing that lacked complete indoor plumbing or in overcrowded (1.5+ persons per room) households.

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

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

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

### **Net Demand**

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

There are no general-occupancy LIHTC properties that were funded and/or built during the projection period (2015 to current) 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 - \$32,160)	RD 515/ LIHTC Without RA (\$19,303 - \$32,160)	RD 515/LIHTC w/ RA (\$0 - \$32,160)	LIHTC Only Without RA (\$19,303 - \$32,160)
Demand From New Renter Households (Income-Appropriate)	1,911 - 1,892 = 19	609 - 614 = -5	1,911 - 1,892 = 19	609 - 614 = -5
+				
Demand From Existing Households (Rent Overburdened)	1,892 X 50.5% = 955	614 X 28.8% = 177	1,892 X 50.5% = 955	614 X 28.8% = 177
+				
Demand From Existing Households (Renters In Substandard Housing)	1,892 X 4.8% = 91	614 X 4.8% = 29	1,892 X 4.8% = 91	614 X 4.8% = 29
=				
Demand Subtotal	1,065	201	1,065	201
+				
Demand From Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2%	N/A	N/A	N/A	N/A
=				
Total Demand	1,065	201	1,065	201
-				
Supply (Directly Comparable Units Built and/or Funded Since 2015)	0	0	0	0
=				
Net Demand	1,065	201	1,065	201
Proposed Units	0*	26*	44	44
Proposed Units/ Net Demand	0* / 1,065	26 / 201	44 / 1,065	44 / 201
Capture Rate	= 0.0%	= 12.9%	= 4.1%	= 21.9%

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 rates of 4.1% (subsidized scenario) and 21.9% (Tax Credit only scenario) are both considered achievable and demonstrate a sufficient base of support for the subject project under either scenario. Effectively, however, the subject project will have a capture rate of 12.9% for the 26 non-RA units which would need to be re-rented post renovations due to current tenants no longer income-qualifying to reside at the property under the Tax Credit program. This is considered an achievable capture rate within the LaFayette Site PMA, especially when considering the lack of non-subsidized family-oriented LIHTC product in the market.

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

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

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

*Scenario One (Less units to remain occupied post renovations)*

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Band Min-Max	Subject Rents
One-Bedroom (35%)	60%	11***	70	0	70	18.6%	2 Months	\$586	\$475-\$635	\$480
<b>One-Bedroom</b>	<b>Total</b>	<b>11***</b>	<b>70</b>	<b>0</b>	<b>70</b>	<b>18.6%</b>	<b>2 Months</b>	-	-	-
Two-Bedroom (45%)	60%	15***	90	0	90	16.7%	2 Months	\$646	\$580-\$690	\$505
<b>Two-Bedroom</b>	<b>Total</b>	<b>15***</b>	<b>90</b>	<b>0</b>	<b>90</b>	<b>16.7%</b>	<b>2 Months</b>	-	-	-

\*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 E*.

*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
<b>RD 515/LIHTC with Rental Assistance (RA)</b>										
One-Bedroom (35%)	60%	16	373	0	373	4.3%	2 Months	\$586	\$475-\$635	\$480
<b>One-Bedroom</b>	<b>Total</b>	<b>16</b>	<b>373</b>	<b>0</b>	<b>373</b>	<b>4.3%</b>	<b>2 Months</b>	-	-	-
<b>LIHTC Only</b>										
Two-Bedroom (45%)	60%	28	479	0	479	5.8%	5 Months	\$646	\$580-\$690	\$505
<b>Two-Bedroom</b>	<b>Total</b>	<b>28</b>	<b>479</b>	<b>0</b>	<b>479</b>	<b>5.8%</b>	<b>5 Months</b>	-	-	-
<b>LIHTC Only</b>										
One-Bedroom (35%)	60%	16	70	0	70	22.9%	3 Months	\$586	\$475-\$635	\$480
<b>One-Bedroom</b>	<b>Total</b>	<b>16</b>	<b>70</b>	<b>0</b>	<b>70</b>	<b>22.9%</b>	<b>3 Months</b>	-	-	-
<b>LIHTC Only</b>										
Two-Bedroom (45%)	60%	28	90	0	90	31.1%	6 Months	\$646	\$580-\$690	\$505
<b>Two-Bedroom</b>	<b>Total</b>	<b>28</b>	<b>90</b>	<b>0</b>	<b>90</b>	<b>31.1%</b>	<b>6 Months</b>	-	-	-

\*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 E*.

The capture rates by bedroom type and AMHI level range from 4.3% to 31.1% depending upon scenario and unit type. These capture rates are all considered achievable within the Site PMA utilizing this methodology and demonstrate a sufficient base of support for the subject project under all scenarios.

## Section H – Rental Housing Analysis (Supply)

### 1. OVERVIEW OF RENTAL HOUSING

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

Housing Status	2010 (Census)		2017 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	10,017	88.8%	10,095	87.9%
Owner-Occupied	7,389	73.8%	7,090	70.2%
Renter-Occupied	2,628	26.2%	3,006	29.8%
Vacant	1,265	11.2%	1,388	12.1%
Total	11,282	100.0%	11,483	100.0%

Source: ESRI, Census 2010

Based on a 2017 update of the 2010 Census, of the 11,483 total housing units in the market, 12.1% were vacant. In 2017, it was estimated that homeowners occupied 70.2% of all occupied housing units, while the remaining 29.8% were occupied by renters. Note that the number of renter households increased within the Site PMA between 2010 and 2017, while the number of homeowners decreased. This is a good indication of increased demand for rental product within this market.

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

Vacant Units	Number	Percent
For Rent	321	25.4%
For-Sale Only	212	16.8%
Renter/Sold, Not Occ.	71	5.6%
Seasonal or Recreational	89	7.0%
Other Vacant	572	45.2%
Total	1,265	100.0%

Source: 2010 Census

Based on the 2010 Census, of the 1,265 vacant units in the Site PMA, 45.2% are classified as “Other Vacant” and only 25.4% were classified as “For Rent”. 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	6,322	84.5%	1,165	49.4%
1, Attached	26	0.3%	24	1.0%
2 to 4	3	0.0%	459	19.5%
5 to 9	0	0.0%	151	6.4%
10 to 19	0	0.0%	100	4.2%
20 to 49	0	0.0%	19	0.8%
50+	0	0.0%	42	1.8%
Mobile Homes	1,094	14.6%	397	16.8%
Boat, RV, Vans	41	0.5%	0	0.0%
Total	7,486	100.0%	2,357	100.0%

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

More than 93.0% of all renter-occupied units within the Site PMA are comprised within structures containing less than 10 units. Thus, the majority of rental product in this market is non-conventional rental product. The subject project which contains 44 total units will therefore continue to provide a conventional rental alternative that has very limited supply within the Site PMA.

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	7,446	99.4%	2,357	100.0%
Lacking Complete Kitchen	42	0.6%	0	0.0%
Total	7,488	100.0%	2,357	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	7,407	98.9%	2,357	100.0%
Lacking Complete Plumbing	81	1.1%	0	0.0%
Total	7,488	100.0%	2,357	100.0%

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

Based on the 2011-2015 ACS estimates, the percentage of owner- and renter-occupied housing with incomplete kitchen facilities was 0.6% and 0.0%, respectively. It is also of note that 0.0% of renter-occupied households had incomplete plumbing facilities compared with the 1.1% of owner-occupied households.

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

	Owner-Occupied		Renter-Occupied	
	Number	Percent	Number	Percent
1.0 Or Less Occupants Per Room	7,174	95.8%	2,245	95.2%
1.01 Or More Occupants Per Room	313	4.2%	112	4.8%
Total	7,487	100.0%	2,357	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 4.8% of the households, compared with 4.2% 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%	4,646	62.0%	567	24.0%
20% to 29%	1,589	21.2%	534	22.6%
30% or More	1,240	16.6%	1,037	44.0%
Not Computed	13	0.2%	221	9.4%
Total	7,488	100.0%	2,359	100.0%

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

As the preceding illustrates, 44.0% of renter households in the market pay more than 30% of their income towards rent. This is slightly lower than the national average of 47.9%.

### Conventional Rentals

As previously detailed, the LaFayette market offers a limited supply of conventional rental product, which is further evidenced by the fact that we identified and personally surveyed just six conventional rental housing projects containing a total of 262 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 100.0%, an excellent rate for rental housing. Each rental housing segment surveyed is summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-Rate/Tax Credit	1	52	0	100.0%
Tax Credit	3	146	0	100.0%
Tax Credit/Government-Subsidized	1	20	0	100.0%
Government-Subsidized	1	44	0	100.0%
Total	6	262	0	100.0%

The majority of rental product surveyed in the Site PMA is affordable (i.e. Tax Credit and/or Government-Subsidized), as such product comprises nearly 94.0% of the rental units surveyed. These affordable rental units, as well as the unrestricted market-rate units surveyed, are 100.0% occupied, a good indication of strong demand for rental housing among all affordability levels within the Site PMA.

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

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	8	50.0%	0	0.0%	\$526
Two-Bedroom	2.0	8	50.0%	0	0.0%	\$587
<b>Total Market-Rate</b>		<b>16</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	45	24.7%	0	0.0%	\$463
Two-Bedroom	1.0	21	11.5%	0	0.0%	\$510
Two-Bedroom	2.0	116	63.7%	0	0.0%	\$536
<b>Total Tax Credit</b>		<b>182</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	-

The non-subsidized (market-rate and Tax Credit) units surveyed are 100.0% occupied, though a very limited supply of unrestricted market-rate product is offered within this market. The 100.0% occupancy rate reported among existing non-subsidized Tax Credit product, along with the general lack of conventional market-rate product, is a good indication of strong demand for affordable rental product in this market. Also, note that the median gross Tax Credit rents reported are lower than the median gross rents reported for similar unrestricted market-rate product surveyed. This demonstrates that non-subsidized Tax Credit product likely represents a value in the LaFayette Site PMA.

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

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	16	0.0%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	3	140	0.0%
A-	1	42	0.0%

All non-subsidized (market-rate and Tax Credit) properties surveyed were assigned overall quality/condition ratings of “A-“ or better by our analyst. The relatively high quality of these properties has likely contributed to the high occupancy rates maintained. The subject project is expected to have an improved overall quality/condition upon completion of renovations, which will contribute to the subject’s continued marketability.

## 2. SUMMARY OF ASSISTED PROJECTS

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

Map I.D.	Project Name	Type	Year Built/ Renovated	Total Units	Occup.	Gross Rent (Unit Mix)	
						One-Br.	Two-Br.
1	Yester Oaks Apts. (Site)	RD 515	1990	44	100.0%	\$526 - \$666 (16)	\$577 - \$746 (28)
2	Woodlands Village I	TAX	2003	42	100.0%	\$423 (21)	\$510 (21)
3	Woodlands Village II	TAX	2014	40	100.0%	-	\$536 (40)
4	Endeavor Pointe	TAX	2013	64	100.0%	\$463 (8)	\$509 (56)
5	LaFayette Garden Apts.	TAX & RD 515	1980 / 2015	20	100.0%	\$606 - \$629 (1)	\$762 - \$789 (19)
6	Lucky Pointe	TAX	2007	36*	100.0%	\$491 - \$501 (16)	\$557 - \$562 (20)
<b>Total</b>				<b>246</b>	<b>100.0%</b>		

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

RD – Rural Development

TAX – Tax Credit

OCCUP. – Occupancy

\*Market-rate units not included

The six federally subsidized and/or Tax Credit properties surveyed are all 100.0% occupied, including the existing subject site (Yester Oaks Apartments; Map ID 1). All six of these properties also maintain waiting lists for their next available units, further demonstrating pent-up demand for affordable rental product within the Site PMA.

### HOUSING CHOICE VOUCHER HOLDERS

Despite multiple attempts, we were unable to receive a response from local officials regarding the current status of the Housing Choice Voucher program, or length of waiting list (if any) for additional Vouchers, within the LaFayette area. However, the following table identifies the existing non-subsidized Tax Credit properties surveyed that accept Housing Choice Vouchers as well as the approximate number and share of units occupied by residents utilizing Housing Choice Vouchers.

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
2	Woodlands Village I	42	7	16.7%
3	Woodlands Village II	40^	N/A	-
4	Endeavor Pointe	64	0	0.0%
6	Lucky Pointe	36*	2	5.6%
Total		142	9	6.3%

\*Tax Credit units only

^Units not included in total

N/A – Number not available

As the preceding table illustrates, there are a total of approximately only nine (9) Voucher holders residing at the existing non-subsidized Tax Credit properties for which this information was available within the market. This comprises just 6.3% of the 142 total non-subsidized Tax Credit units offered among these projects and is considered a low share of Voucher support. Considering that nearly 94.0% of the units offered among these properties are currently occupied by non-Voucher holders, it can be concluded that the gross rents at these properties are achievable within the market and that non-subsidized Tax Credit properties do not rely heavily on Voucher support.

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 – Walker 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	\$646	\$563
Two-Bedroom	\$805	\$613

As the preceding table illustrates, the proposed gross rents are below the Payment Standards set by the Georgia Department of Community Affairs (DCA) Rental Assistance Division - Walker County. As such, those who hold Housing Choice Vouchers will likely respond to the non-Rental Assistance (RA) units at the subject development. This will likely increase the base of income-appropriate renter households within the LaFayette 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 and/or in the development pipeline within the Site PMA.

## Building Permit Data

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

Housing Unit Building Permits for LaFayette, GA:										
Permits	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Multifamily Permits	0	0	2	0	0	0	45	0	4	0
Single-Family Permits	26	15	6	3	1	2	33	7	12	15
Total Units	26	15	8	3	1	2	78	7	16	15

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

Housing Unit Building Permits for Walker County:										
Permits	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Multifamily Permits	42	14	8	6	6	0	45	0	4	2
Single-Family Permits	275	176	97	69	80	51	99	84	100	142
Total Units	317	190	105	75	86	51	144	84	104	144

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

A total of only 49 multifamily building permits have been issued within the city of LaFayette over the past five years, 40 of which are concentrated at the Woodlands Village II (Map ID 3) property. This demonstrates a limited supply of modern multifamily rental product within the LaFayette area. 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

The subject project will offer one- and two-bedroom units target family (general-occupancy) households earning up to 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program following renovations. We identified and surveyed a total of five LIHTC properties within the LaFayette Site PMA. However, four of these five properties are age-restricted while the one remaining general-occupancy property, LaFayette Garden Apartments (Map ID 5), operates with Rental Assistance (RA) available to all units. The age-restricted properties are not considered competitive with the subject project and have therefore been excluded from our comparable/competitive analysis. While the one general-occupancy LIHTC property targets a similar tenant population as compared to the subject project, this property does not offer an accurate representation of achievable non-subsidized LIHTC rents within this market, due to the presence of RA on all units. Thus, we have also excluded this property from our comparable/competitive Tax Credit analysis.

Given the lack of comparable/competitive non-subsidized LIHTC product within the Site PMA, we identified and surveyed three non-subsidized general-occupancy LIHTC properties outside the Site PMA, but within the nearby areas of Dalton and Fort Oglethorpe, Georgia. These properties offer unit types and target tenant populations/income levels which are similar to those at the subject project. Since these properties are located outside the Site PMA, they are not considered directly competitive with the subject project. Thus, these properties have been included for comparability purposes only.

The three 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
<b>Site</b>	<b>Yester Oaks</b>	<b>1990 / 2019</b>	<b>44</b>	<b>100.0%</b>	<b>-</b>	<b>2 H.H.</b>	<b>Families; 60% AMHI &amp; RD 515</b>
903	Oglethorpe Ridge Apts.	1997	97	91.8%	17.5 Miles	None	Families; 60% AMHI
909	Autumn Ridge Apts.	2004	117*	100.0%	27.8 Miles	13 H.H.	Families; 30%, 50%, & 60% AMHI
910	Dawnville Meadows	2001	96*	100.0%	28.0 Miles	2 H.H.	Families; 50% & 60% AMHI

900 Series Map IDs are located outside the Site PMA

OCC. – Occupancy

H.H. – Households

\*Tax Credit units only

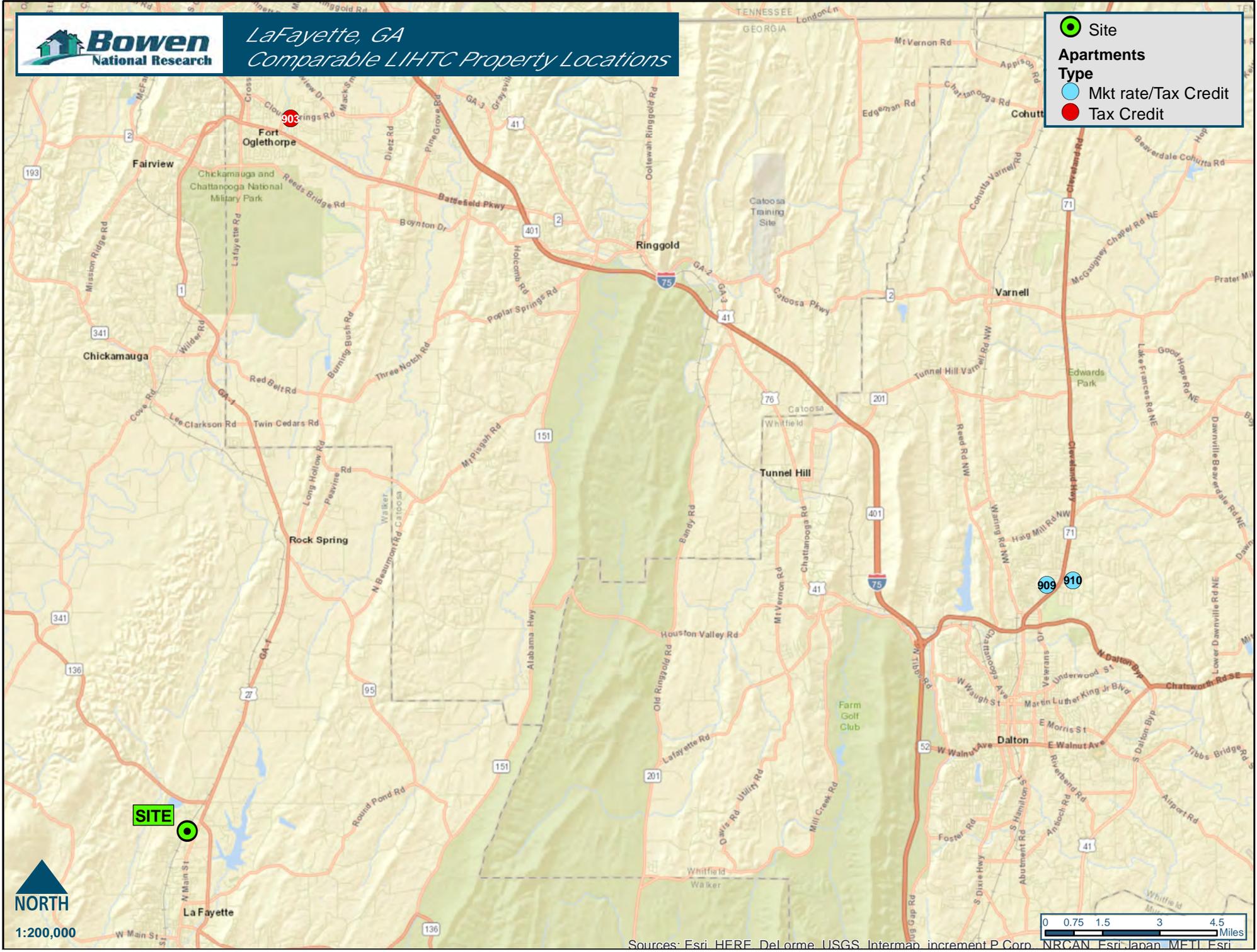
The three comparable LIHTC projects have a combined occupancy rate of 97.4%, which is reflective of eight (8) vacant units reported at Oglethorpe Ridge Apartments (Map ID 903). It is also of note that all eight of these vacancies are concentrated among larger three- and four-bedroom units, unit types which are not offered at the subject project. All one- and two-bedroom units offered among the comparable LIHTC projects are currently occupied (100.0% occupied), demonstrating strong demand within the region for general-occupancy LIHTC product such as that offered at the subject site.

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



# LaFayette, GA Comparable LIHTC Property Locations

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



**NORTH**  
1:200,000

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

The gross rents for the three comparable LIHTC projects and the proposed rents at the subject site are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Units)				Rent Special
		One-Br.	Two-Br.	Three-Br.	Four-Br.	
<b>Site</b>	<b>Yester Oaks Apts.</b>	<b>\$563/60% (16)</b>	<b>\$613/60% (8)</b> <b>\$613/60% (20)</b>	-	-	-
903	Oglethorpe Ridge Apts.	\$599/60% (5)	-	\$832/60% (44)	\$864/60% (48)	None
909	Autumn Ridge Apts.	\$502/50% (12) \$603/60% (9)	\$587/50% (25) \$709/60% (23)	\$389/30% (3) \$670/50% (17) \$811/60% (28)	-	None
910	Dawnville Meadows	-	\$577/50% (16) \$699/60% (50)	\$664/50% (10) \$805/60% (20)	-	None

900 Series Map IDs are located outside the Site PMA

The subject's proposed gross Tax Credit rents ranging from \$563 to \$613 will be the lowest in the region, relative to similar unit types offered among the comparable properties surveyed. Considering the age and competitive position of the subject project in the way of unit design (square feet and number of bathrooms offered), and amenities offered, the subject's lower proposed rent levels are considered appropriate.

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.
\$518	\$603

\*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.	\$518	- \$480	\$38	/ \$480	7.9%
Two-Br.	\$603	- \$505	\$98	/ \$505	19.4%

As the preceding illustrates, the proposed subject's one- and two-bedroom rents represent rent advantages of 7.9% and 19.4%, 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 E* 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.
<b>Site</b>	<b>Yester Oaks Apts.</b>	<b>654</b>	<b>779 - 974</b>	<b>-</b>	<b>-</b>
903	Oglethorpe Ridge Apts.	731	-	1,150	1,306
909	Autumn Ridge Apts.	892	1,208	1,486	-
910	Dawnville Meadows	-	948	1,248	-

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.
<b>Site</b>	<b>Yester Oaks Apts.</b>	<b>1.0</b>	<b>1.0 - 1.5</b>	<b>-</b>	<b>-</b>
903	Oglethorpe Ridge Apts.	1.0	-	1.5	2.0
909	Autumn Ridge Apts.	1.0	2.0	2.0	-
910	Dawnville Meadows	-	2.0	2.0	-

900 Series Map IDs are located outside the Site PMA

The subject project generally offers the smallest one- and two-bedroom units among the comparable properties in terms of square footage, as well as a lesser number of bathrooms within its two-bedroom units. The unit sizes (square feet) and number of bathrooms offered is considered typical of older subsidized rental product, however. In addition, the subject's 100.0% occupancy rate is a clear indication that the subject's unit designs are appropriate for and marketable to the targeted tenant population.

The following tables compare the amenities of the subject development with the comparable LIHTC projects surveyed in the region.

# COMPARABLE PROPERTIES AMENITIES - LAFAYETTE, GEORGIA

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

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

◆ 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 unit amenity package offered at the subject project is relatively competitive with those offered among the comparable LIHTC projects surveyed. The lack of a dishwasher within the subject units will likely be offset by the inclusion of a microwave within each unit, as the comparable properties do not offer microwaves. The project amenity package is limited, relative to those offered among the comparable properties. Most notably, the subject project does not offer a swimming pool or club house/community space, features which each of the comparable properties offer. Nonetheless, the subject's 100.0% occupancy rate is clear indication that the amenity package offered is appropriate for and marketable to the targeted tenant population within the Site PMA.

#### Comparable/Competitive Tax Credit Summary

The LaFayette market offers a relatively large supply of age-restricted LIHTC product, but no non-subsidized general-occupancy LIHTC properties. Thus, all three of the comparable LIHTC projects surveyed are located outside the Site PMA in the surrounding areas of Dalton and Fort Oglethorpe, Georgia. The one- and two-bedroom units offered among these properties and similar to those offered at the subject project are 100.0% occupied. The subject's proposed gross Tax Credit rents will be the lowest in the region, relative to those reported among similar unit types at these comparable LIHTC projects. The lower proposed gross rents are considered appropriate, considering that the subject project generally offers the smallest unit sizes (square feet), a lesser number of bathrooms within their two-bedroom units, and an inferior project amenity package as compared to those offered among the comparable properties surveyed in the region. It is important to reiterate, however, that the subject project is an existing property which is currently 100.0% occupied. This demonstrates that the unit designs and amenities offered are appropriate for and marketable to the targeted tenant population within the LaFayette Site PMA.

#### Comparable/Competitive Housing Impact

As stated throughout this section of the report and evidenced by our Field Survey of Conventional Rentals, there are no non-subsidized general-occupancy Tax Credit properties offered within the LaFayette Site PMA and the subject project will not be directly competitive with the existing age-restricted LIHTC product in the market. Additionally, the one subsidized and Tax Credit general-occupancy property surveyed, LaFayette Garden Apartments (Map ID 5), is 100.0% occupied and maintains a waiting list of four households for its two-bedroom units. It is also important to reiterate that the subject project involves the renovation of an existing property which is currently 100.0% occupied with a waiting list 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 LIHTC product in the LaFayette 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 \$105,976. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$105,976 home is \$638, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$105,976
Mortgaged Value = 95% of Median Home Price	\$100,677
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$510
Estimated Taxes and Insurance*	\$128
Estimated Monthly Mortgage Payment	\$638

\*Estimated at 25% of principal and interest

In comparison, the proposed monthly collected Tax Credit and market-rate rents at the subject project range from \$480 to \$505, depending upon bedroom type and AMHI level. As such, the cost of a typical monthly mortgage in the area is at least \$133 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 likely be unable to afford the cost of a typical down payment, utility costs, and/or routine maintenance costs associated with such a home, we do not anticipate any competitive impact on or from the homebuyer market.

## Section I – Absorption & Stabilization Rates

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

According to management, the subject project is currently 100.0% occupied and a two household wait list is maintained. 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 a Private Rental Assistance (PRA) subsidy will be provided to all current unassisted tenants, it is anticipated that few, if any, of the current tenants will move from the project following renovations. Furthermore, it is important to note that the renovations at the subject site will not necessitate the displacement of current residents and the project will be renovated in such a way to minimize off-site relocation. Therefore, few if any, of the subject units will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 44 subject units will be vacated and that all units will have to be re-rented simultaneously, assuming the retention of RA on eight (8) of the 44 subject units.

It is our opinion that the 44 units at the subject site will reach a stabilized occupancy of 93.0% within five months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately eight to nine 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 44 LIHTC units at the subject site would likely have an extended absorption period of up to six months (six to seven units per month) as this would no longer allow the subject project to target households earning below \$19,303, assuming the project operates at the proposed LIHTC rent levels evaluated in this report.

Regardless, it is important to remember that eight (8) of the 44 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, the effective absorption period for the subject project will be less than one month, as most (if not all) current tenants are expected to remain post renovations.

## Section J – Interviews

The following is a summary of information obtained through various informal interviews with local property managers (including the subject site manager) and planning and building officials, regarding the need for affordable housing within the LaFayette Site PMA.

We surveyed a total of six conventional rental housing properties within the Site PMA, all of which offer some type of affordable rental units. According to these property managers, the affordable units offered within these six properties are 100.0% occupied and each of the six properties maintains a waiting list for its next available affordable unit. These occupancy rates and waiting lists maintained among the affordable properties surveyed are clear indications of pent-up demand for such product within the LaFayette market. In addition, planning and building representatives interviewed for the various municipalities comprised within the Site PMA indicated that there are no multifamily developments currently in the development pipeline. As such, no new affordable product will be developed to alleviate any of the unmet demand for affordable rental product in this market. Thus, the subject project will continue to provide a highly demanded affordable rental product which will be beneficial to both the community and the overall marketability of the subject project.

## 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 44 units offered at the existing Yester Oaks Apartments in LaFayette, Georgia, following renovations utilizing financing from the 4% Tax Exempt Bond program. Changes in the project's scope of renovations, rents, amenities and/or renovation completion date may alter these findings.

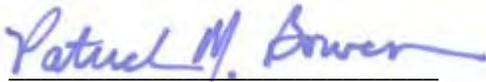
The LaFayette Site PMA offers a variety of age-restricted LIHTC product, but currently only offers one (1) general-occupancy LIHTC property, LaFayette Garden Apartments (Map ID 5). This property also operates under the RD 515 program with RA available to all units. This property is currently 100.0% occupied with a four-household waiting list. Given the lack of non-subsidized general-occupancy LIHTC product in the Site PMA, we also surveyed three such properties outside the market in the nearby towns of Dalton and Fort Oglethorpe, Georgia. The comparable unit types (one- and two-bedroom) offered among these properties are 100.0% occupied. The subject's proposed gross Tax Credit rents will be the lowest among these comparable properties, as compared to similar unit types. This is considered appropriate given the age of the subject project and its overall competitive position (unit design and amenities offered) as compared to these properties. The 100.0% occupancy rate reported at the subject project further demonstrates that the unit designs and amenities offered are marketable to the targeted tenant population. Given the general lack of available general-occupancy LIHTC product and the fact that the proposed renovations at the subject project will not introduce any new units to the market, we do not expect the proposed renovations to the subject project to have any adverse impact on future occupancy rates among existing LIHTC product in this market.

In addition to being competitively positioned, a good base of demographic support will continue to exist for the subject project within the LaFayette market. This is evident by the low overall capture rate of 4.1% for the subject project, assuming the retention of RA.

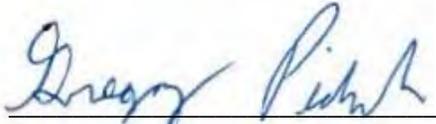
We do not have any recommendation for the proposed subject project.

## 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.



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## 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

### LAFAYETTE, 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.

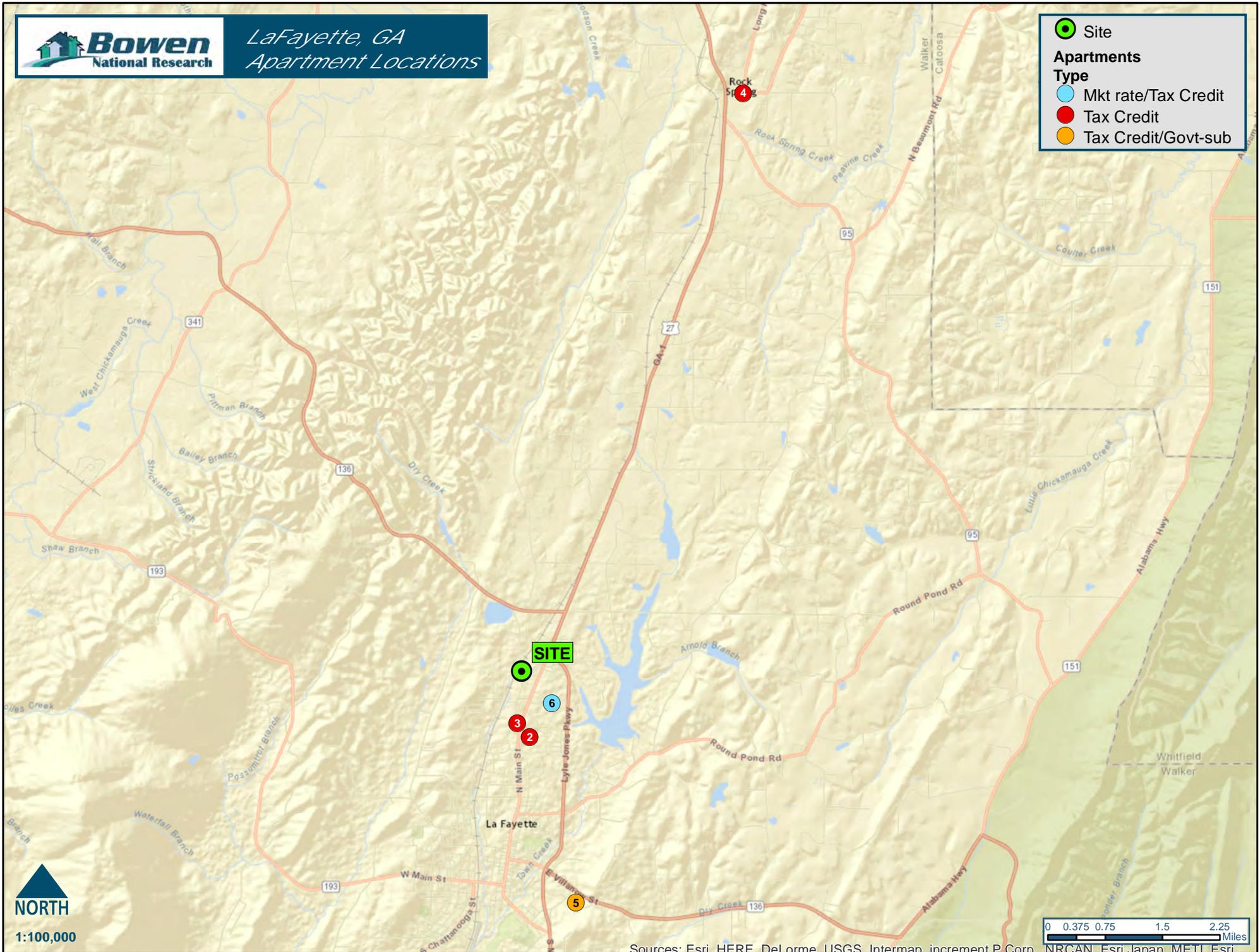


# LaFayette, GA Apartment Locations

**Site**  
● Site

**Apartments Type**

- Mkt rate/Tax Credit
- Tax Credit
- Tax Credit/Govt-sub



**NORTH**  
1:100,000

0 0.375 0.75 1.5 2.25 Miles

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

# MAP IDENTIFICATION LIST - LAFAYETTE, GEORGIA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Yester Oaks Apts. (Site)	GSS	B-	1990	44	0	100.0%	-
2	Woodlands Village I	TAX	A-	2003	42	0	100.0%	0.6
3	Woodlands Village II	TAX	A	2014	40	0	100.0%	0.6
4	Endeavor Pointe	TAX	A	2013	64	0	100.0%	6.9
5	LaFayette Garden Apts.	TGS	B	1980	20	0	100.0%	3.0
6	Lucky Pointe	MRT	A	2007	52	0	100.0%	0.7

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRT	1	52	0	100.0%	0
TAX	3	146	0	100.0%	0
TGS	1	20	0	100.0%	0
GSS	1	44	0	100.0%	0

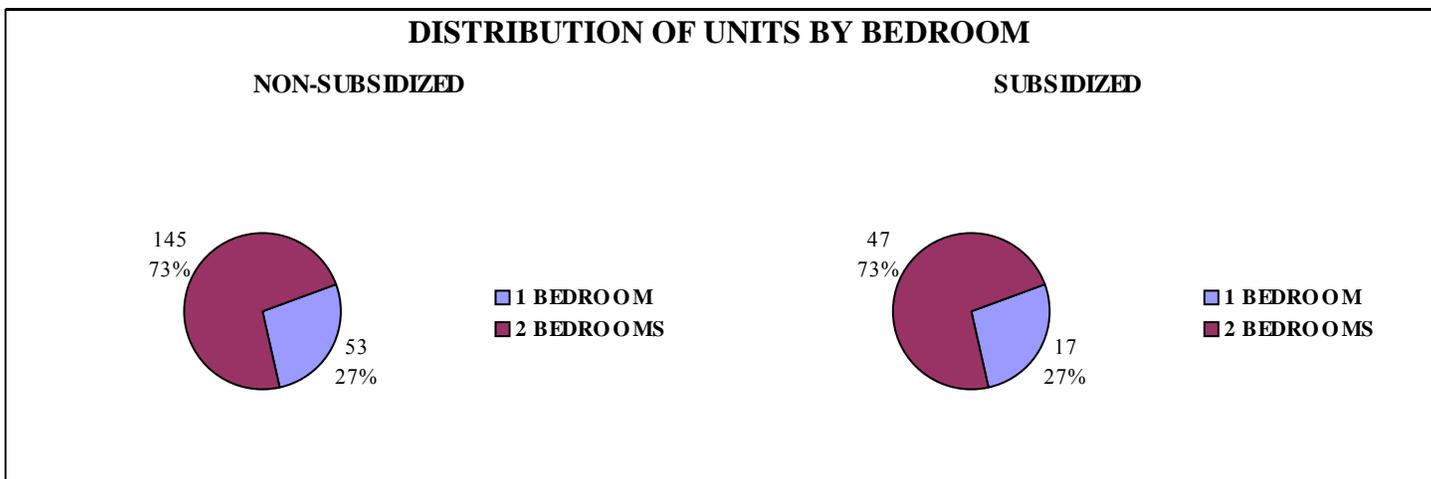
◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

\* - Drive Distance (Miles)

Survey Date: April 2017

# DISTRIBUTION OF UNITS - LAFAYETTE, GEORGIA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	8	50.0%	0	0.0%	\$526
2	2	8	50.0%	0	0.0%	\$587
<b>TOTAL</b>		<b>16</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	
TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	45	24.7%	0	0.0%	\$463
2	1	21	11.5%	0	0.0%	\$510
2	2	116	63.7%	0	0.0%	\$536
<b>TOTAL</b>		<b>182</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	
TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	1	5.0%	0	0.0%	N.A.
2	1	19	95.0%	0	0.0%	N.A.
<b>TOTAL</b>		<b>20</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	
GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	16	36.4%	0	0.0%	N.A.
2	1	8	18.2%	0	0.0%	N.A.
2	1.5	20	45.5%	0	0.0%	N.A.
<b>TOTAL</b>		<b>44</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	
<b>GRAND TOTAL</b>		<b>262</b>	<b>-</b>	<b>0</b>	<b>0.0%</b>	



# SURVEY OF PROPERTIES - LAFAYETTE, GEORGIA

1 Yester Oaks Apts. (Site)			
	<b>Address</b> 52 Yester Oaks Dr. LaFayette, GA 30728	<b>Phone</b> (706) 638-7461 (Contact in person)	<b>Total Units</b> 44
	<b>Year Built</b> 1990 <b>Comments</b> RD 515, has RA (8 units); HCV (4 units); Select units have ceiling fan; Former Tax Credit property	<b>Contact</b> Angel	<b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 1,2 <b>Quality Rating</b> B-  <b>Waiting List</b> 2 households
2 Woodlands Village I			
	<b>Address</b> 1201 W. North Main St. LaFayette, GA 30728	<b>Phone</b> (706) 639-9595 (Contact in person)	<b>Total Units</b> 42
	<b>Year Built</b> 2003 <b>Comments</b> 50% & 60% AMHI; HCV (7 units); All units receive HOME Funds	<b>Contact</b> Halberta	<b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 1 <b>Quality Rating</b> A- <b>Senior Restricted (55+)</b> <b>Waiting List</b> 5 households
3 Woodlands Village II			
	<b>Address</b> 1201 W. North Main St. LaFayette, GA 30728	<b>Phone</b> (706) 639-9595 (Contact in person)	<b>Total Units</b> 40
	<b>Year Built</b> 2014 <b>Comments</b> 60% AMHI; Accepts HCV; Select units have exterior storage	<b>Contact</b> Halberta	<b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 3 <b>Quality Rating</b> A <b>Senior Restricted (55+)</b> <b>Waiting List</b> 5 households
4 Endeavor Pointe			
	<b>Address</b> 280 Kay Conley Rd. Rock Spring, GA 30739	<b>Phone</b> (706) 375-8800 (Contact in person)	<b>Total Units</b> 64
	<b>Year Built</b> 2013 <b>Comments</b> 50% & 60% AMHI; Accepts HCV (0 currently)	<b>Contact</b> Sandy	<b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 2 <b>Quality Rating</b> A <b>Senior Restricted (55+)</b> <b>Waiting List</b> 35 households
5 LaFayette Garden Apts.			
	<b>Address</b> 709 Patterson Rd. LaFayette, GA 30728	<b>Phone</b> (706) 638-0335 (Contact in person)	<b>Total Units</b> 20
	<b>Year Built</b> 1980 <b>Renovated</b> 2015 <b>Comments</b> 60% AMHI; RD 515, has RA (20 units)	<b>Contact</b> Beverly	<b>Vacancies</b> 0 <b>Occupied</b> 100.0% <b>Floors</b> 2 <b>Quality Rating</b> B  <b>Waiting List</b> 2-br: 4 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: April 2017

# SURVEY OF PROPERTIES - LAFAYETTE, GEORGIA

6 Lucky Pointe			
	<b>Address</b> 307 Stanfield Rd. LaFayette, GA 30728	<b>Phone</b> (706) 638-2654 (Contact in person)	<b>Total Units</b> 52 <b>Vacancies</b> 0
	<b>Year Built</b> 2007 <b>Comments</b> Market-rate (16 units); 50% & 60% AMHI (36 units); HCV (2 units); Handicap accessible (5 units)	<b>Contact</b> Ronna	<b>Occupied</b> 100.0% <b>Floors</b> 2 <b>Quality Rating</b> A <b>Senior Restricted (55+)</b> <b>Waiting List</b> 21 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: April 2017

# COLLECTED RENTS - LAFAYETTE, GEORGIA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
◆ 2		\$368	\$439						
◆ 3			\$465						
◆ 4		\$357	\$377						
◆ 6		\$385 to \$420	\$425 to \$455						

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

Survey Date: April 2017

# PRICE PER SQUARE FOOT - LAFAYETTE, GEORGIA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
◆ 6	Lucky Pointe	1	762	\$491 to \$526	\$0.64 to \$0.69
◆ 2	Woodlands Village I	1	622	\$423	\$0.68
◆ 4	Endeavor Pointe	1	762	\$463	\$0.61
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
◆ 6	Lucky Pointe	2	1078	\$557 to \$587	\$0.52 to \$0.54
◆ 2	Woodlands Village I	1	872	\$510	\$0.58
◆ 3	Woodlands Village II	2	1078	\$536	\$0.50
◆ 4	Endeavor Pointe	2	1078	\$509	\$0.47

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

Survey Date: April 2017

# AVERAGE GROSS RENT PER SQUARE FOOT - LAFAYETTE, GEORGIA

<b>MARKET-RATE</b>			
<b>UNIT TYPE</b>	<b>ONE-BR</b>	<b>TWO-BR</b>	<b>THREE-BR</b>
GARDEN	\$0.69	\$0.54	\$0.00
TOWNHOUSE	\$0.00	\$0.00	\$0.00

<b>TAX CREDIT (NON-SUBSIDIZED)</b>			
<b>UNIT TYPE</b>	<b>ONE-BR</b>	<b>TWO-BR</b>	<b>THREE-BR</b>
GARDEN	\$0.66	\$0.50	\$0.00
TOWNHOUSE	\$0.00	\$0.00	\$0.00

<b>COMBINED</b>			
<b>UNIT TYPE</b>	<b>ONE-BR</b>	<b>TWO-BR</b>	<b>THREE-BR</b>
GARDEN	\$0.66	\$0.51	\$0.00
TOWNHOUSE	\$0.00	\$0.00	\$0.00

# TAX CREDIT UNITS - LAFAYETTE, GEORGIA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
◆ 4	Endeavor Pointe	5	762	1	60%	\$357
◆ 4	Endeavor Pointe	3	762	1	50%	\$357
◆ 2	Woodlands Village I	9	622	1	60%	\$368
◆ 2	Woodlands Village I	12	622	1	50%	\$368
◆ 6	Lucky Pointe	11	762	1	50%	\$385
◆ 6	Lucky Pointe	5	762	1	60%	\$395
5	LaFayette Garden Apts.	1	550	1	60%	\$500 - \$523
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
◆ 4	Endeavor Pointe	46	1078	2	60%	\$377
◆ 4	Endeavor Pointe	10	1078	2	50%	\$377
◆ 6	Lucky Pointe	11	1078	2	50%	\$425
◆ 6	Lucky Pointe	9	1078	2	60%	\$430
◆ 2	Woodlands Village I	9	872	1	60%	\$439
◆ 2	Woodlands Village I	12	872	1	50%	\$439
◆ 3	Woodlands Village II	40	1078	2	60%	\$465
5	LaFayette Garden Apts.	19	750	1	60%	\$630 - \$657

◆ - Senior Restricted

# QUALITY RATING - LAFAYETTE, GEORGIA

## MARKET-RATE PROJECTS AND UNITS

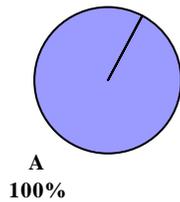
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	1	16	0.0%		\$526	\$587		

## TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
A	3	140	0.0%		\$491	\$536		
A-	1	42	0.0%		\$423	\$510		

## DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



## YEAR BUILT - LAFAYETTE, GEORGIA \*

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1999	0	0	0	0.0%	0	0.0%
2000 to 2005	1	42	0	0.0%	42	21.2%
2006 to 2010	1	52	0	0.0%	94	26.3%
2011	0	0	0	0.0%	94	0.0%
2012	0	0	0	0.0%	94	0.0%
2013	1	64	0	0.0%	158	32.3%
2014	1	40	0	0.0%	198	20.2%
2015	0	0	0	0.0%	198	0.0%
2016	0	0	0	0.0%	198	0.0%
2017**	0	0	0	0.0%	198	0.0%
<b>TOTAL</b>	<b>4</b>	<b>198</b>	<b>0</b>	<b>0.0%</b>	<b>198</b>	<b>100.0 %</b>

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

\*\* As of April 2017

Survey Date: April 2017

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## APPLIANCES AND UNIT AMENITIES - LAFAYETTE, GEORGIA

<b>APPLIANCES</b>			
<b>APPLIANCE</b>	<b>PROJECTS</b>	<b>PERCENT</b>	<b>UNITS*</b>
RANGE	4	100.0%	198
REFRIGERATOR	4	100.0%	198
ICEMAKER	4	100.0%	198
DISHWASHER	4	100.0%	198
DISPOSAL	4	100.0%	198
MICROWAVE	4	100.0%	198
<b>UNIT AMENITIES</b>			
<b>AMENITY</b>	<b>PROJECTS</b>	<b>PERCENT</b>	<b>UNITS*</b>
AC - CENTRAL	4	100.0%	198
AC - WINDOW	0	0.0%	
FLOOR COVERING	4	100.0%	198
WASHER/DRYER	1	25.0%	52
WASHER/DRYER HOOK-UP	4	100.0%	198
PATIO/DECK/BALCONY	4	100.0%	198
CEILING FAN	4	100.0%	198
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	4	100.0%	198
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	2	50.0%	94

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

## PROJECT AMENITIES - LAFAYETTE, GEORGIA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	0	0.0%	
ON-SITE MANAGEMENT	4	100.0%	198
LAUNDRY	3	75.0%	146
CLUB HOUSE	2	50.0%	94
MEETING ROOM	3	75.0%	146
FITNESS CENTER	4	100.0%	198
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	0	0.0%	
COMPUTER LAB	2	50.0%	116
SPORTS COURT	1	25.0%	64
STORAGE	2	50.0%	106
LAKE	0	0.0%	
ELEVATOR	2	50.0%	104
SECURITY GATE	0	0.0%	
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	0	0.0%	
PICNIC AREA	4	100.0%	198
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	1	25.0%	52

# DISTRIBUTION OF UTILITIES - LAFAYETTE, GEORGIA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
<b>HEAT</b>			
TENANT			
ELECTRIC	6	262	100.0%
			100.0%
<b>COOKING FUEL</b>			
TENANT			
ELECTRIC	6	262	100.0%
			100.0%
<b>HOT WATER</b>			
TENANT			
ELECTRIC	4	180	68.7%
GAS	2	82	31.3%
			100.0%
<b>ELECTRIC</b>			
TENANT			
			100.0%
<b>WATER</b>			
LANDLORD	2	82	31.3%
TENANT	4	180	68.7%
			100.0%
<b>SEWER</b>			
LANDLORD	2	82	31.3%
TENANT	4	180	68.7%
<b>TRASH PICK-UP</b>			
LANDLORD	6	262	100.0%
			100.0%

# UTILITY ALLOWANCE - LAFAYETTE, GEORGIA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$7	\$12		\$4	\$3	\$9	\$2	\$5	\$20	\$17	\$18	\$15	\$20
1	GARDEN	\$10	\$17		\$5	\$4	\$14	\$3	\$7	\$27	\$20	\$21	\$15	\$20
1	TOWNHOUSE	\$11	\$18		\$5	\$4	\$14	\$3	\$7	\$29	\$20	\$21	\$15	\$20
2	GARDEN	\$12	\$20		\$6	\$6	\$19	\$3	\$9	\$36	\$23	\$25	\$15	\$20
2	TOWNHOUSE	\$14	\$23		\$6	\$6	\$19	\$3	\$9	\$37	\$23	\$25	\$15	\$20
3	GARDEN	\$16	\$26		\$9	\$7	\$24	\$4	\$12	\$45	\$28	\$31	\$15	\$20
3	TOWNHOUSE	\$17	\$28		\$9	\$7	\$24	\$4	\$12	\$45	\$28	\$31	\$15	\$20
4	GARDEN	\$20	\$30		\$11	\$8	\$28	\$5	\$15	\$56	\$34	\$37	\$15	\$20
4	TOWNHOUSE	\$22	\$35		\$11	\$8	\$28	\$5	\$15	\$58	\$34	\$37	\$15	\$20

ADDENDUM B

COMPARABLE PROPERTY PROFILES

**901 Hillcrest Apts.**

16.4 miles to site



**Address** 101 Woodcreek Dr.  
Rossville, GA 30741

**Phone** (706) 861-9700 **Contact** Cindy

**Total Units** 42 **Vacancies** 0 **Percent Occupied** 100.0%

**Project Type** Market-Rate

**Year Open** 1976 **Floors** 2

**Concessions** No Rent Specials

**Parking** Surface Parking

**Waiting List** NONE

**Quality Rating** C+ **Neighborhood Rating** B

**Remarks** HCV (2 units); 16 2-br units have washer/dryer hookups; Rent range based on renovated units with ceiling fan & washer/dryer hookups



**Features and Utilities**

**Utilities** Landlord pays Water, Sewer, Trash, Cable  
**Unit Amenities** Refrigerator, Range, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds  
**Project Amenities** Laundry Facility, Picnic Area

**Unit Configuration**

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	10	0	550	\$0.82 - \$0.86	\$450 to \$475
2	1	G	32	0	850	\$0.63 - \$0.68	\$535 to \$580

**902 Fountain Brook Apts. I & II**

16.9 miles to site



<b>Address</b>	100 Brookhaven Cir. Fort Oglethorpe, GA 30742		
<b>Phone</b>	(706) 866-9441	<b>Contact</b>	Jenny
<b>Total Units</b>	224	<b>Vacancies</b>	9
		<b>Percent Occupied</b>	96.0%
<b>Project Type</b>	Market-Rate		
<b>Year Open</b>	2000	<b>Floors</b>	2,3
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Detached Garages, Surface Parking		
<b>Waiting List</b>	NONE		
<b>Quality Rating</b>	A	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	Does not accept HCV; 2-br have patio		



**Features and Utilities**

<b>Utilities</b>	Landlord pays Trash
<b>Unit Amenities</b>	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
<b>Project Amenities</b>	Swimming Pool, On-site Management, Club House, Storage

**Unit Configuration**

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
1	1	G	100	4	850	\$0.75	\$635
2	1.5 to 2	G	124	5	1300	\$0.65 - \$0.70	\$850 to \$905

**904 Savannah Springs Apts.**

17.6 miles to site



**Address** 80 Savannah Way  
Fort Oglethorpe, GA 30742

**Phone** (706) 419-8005 **Contact** Shandi

**Total Units** 104 **Vacancies** 0 **Percent Occupied** 100.0%

**Project Type** Market-Rate

**Year Open** 1997 **Floors** 1,2

**Concessions** No Rent Specials

**Parking** Attached Garages, Surface Parking

**Waiting List** NONE

**Quality Rating** B **Neighborhood Rating** B

**Remarks** Does not accept HCV; Four smaller townhomes have attached garage



**Features and Utilities**

**Utilities** Landlord pays Trash  
**Unit Amenities** Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds  
**Project Amenities** On-site Management

**Unit Configuration**

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
1	1	G	47	0	560 to 670	\$0.86 - \$0.93	\$520 to \$575
2	1.5	T	57	0	1050 to 1370	\$0.54 - \$0.66	\$690 to \$745

**907 Woodland Apts.**

18.5 miles to site



**Address** 1591 Park City Rd.  
Rossville, GA 30741

**Phone** (706) 860-6254 **Contact** Cindy

**Total Units** 52 **Vacancies** 2 **Percent Occupied** 96.2%

**Project Type** Market-Rate

**Year Open** 1976 **Renovated** 2010 **Floors** 2.5

**Concessions** No Rent Specials

**Parking** Surface Parking

**Waiting List** NONE

**Quality Rating** C+ **Neighborhood Rating** B

**Remarks** Accepts HCV; Select units have ceiling fan; Square footage estimated



**Features and Utilities**

**Utilities** Landlord pays Water, Sewer, Trash, Cable  
**Unit Amenities** Refrigerator, Range, Dishwasher, Disposal, Central AC, Wood Flooring, Patio/Deck/Balcony, Ceiling Fan, Blinds  
**Project Amenities** Laundry Facility, Picnic Area

**Unit Configuration**

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
1	1	G	20	0	820	\$0.67	\$550
2	1 to 2	G	20	1	1050	\$0.60	\$625
3	2	G	12	1	1075	\$0.60	\$650

**908 Lakeshore Apts. I**

16.8 miles to site



<b>Address</b>	1100 Lakeshore Dr. Fort Oglethorpe, GA 30742		
<b>Phone</b>	(706) 861-5518	<b>Contact</b>	William
<b>Total Units</b>	79	<b>Vacancies</b>	0
		<b>Percent Occupied</b>	100.0%
<b>Project Type</b>	Market-Rate		
<b>Year Open</b>	1984	<b>Floors</b>	1
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	10 households		
<b>Quality Rating</b>	C+	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	Does not accept HCV; Only 1 & 2-br have hookups & include washer/dryer; Select studios have murphy bed		

**Features and Utilities**

<b>Utilities</b>	Landlord pays Water, Sewer, Trash
<b>Unit Amenities</b>	Refrigerator, Range, Disposal, Window AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Furnished Units, Attic Storage
<b>Project Amenities</b>	On-site Management, Laundry Facility, Lake

**Unit Configuration**

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
0	1	G	15	0	288	\$1.46	\$420
1	1	G	59	0	576	\$0.93	\$538
2	1 to 2	G	5	0	864	\$0.79	\$680

**909 Autumn Ridge Apts.**

27.8 miles to site



<b>Address</b>	850 Autumn Ct. Dalton, GA 30722		
<b>Phone</b>	(706) 226-0404	<b>Contact</b>	Rose
<b>Total Units</b>	130	<b>Vacancies</b>	0
		<b>Percent Occupied</b>	100.0%
<b>Project Type</b>	Market-Rate & Tax Credit		
<b>Year Open</b>	2004	<b>Floors</b>	3
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	13 households		
<b>Quality Rating</b>	A-	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	Market-rate (13 units); 30%, 50% & 60% AMHI (117 units); HCV (6 units)		

**Features and Utilities**

<b>Utilities</b>	Landlord pays Trash
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
<b>Project Amenities</b>	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Sports Court, Picnic Area, Social Services

**Unit Configuration**

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	3	0	892	\$0.80	\$715	
1	1	G	9	0	892	\$0.56	\$497	60%
1	1	G	12	0	892	\$0.44	\$396	50%
2	2	G	6	0	1208	\$0.67	\$815	
2	2	G	23	0	1208	\$0.48	\$577	60%
2	2	G	25	0	1208	\$0.38	\$455	50%
3	2	G	4	0	1486	\$0.62	\$915	
3	2	G	28	0	1486	\$0.43	\$645	60%
3	2	G	17	0	1486	\$0.34	\$504	50%
3	2	G	3	0	1486	\$0.15	\$223	30%

**910 Dawnville Meadows**

28.0 miles to site



<b>Address</b>	161 Dawnville Rd. Dalton, GA 30720		
<b>Phone</b>	(706) 278-5855	<b>Contact</b>	Pamela
<b>Total Units</b>	120	<b>Vacancies</b>	0
		<b>Percent Occupied</b>	100.0%
<b>Project Type</b>	Market-Rate & Tax Credit		
<b>Year Open</b>	2001	<b>Floors</b>	2
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	2 households		
<b>Quality Rating</b>	A	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	Market-rate (24 units); 50% & 60% AMHI (96 units); Accepts HCV (0 currently); Unit mix estimated		

**Features and Utilities**

<b>Utilities</b>	Landlord pays Water, Sewer, Trash
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, Exterior Storage
<b>Project Amenities</b>	Swimming Pool, On-site Management, Laundry Facility, Club House, Playground, Sports Court, Picnic Area

**Unit Configuration**

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	14	0	948	\$0.74	\$700	
2	2	G	50	0	948	\$0.65	\$615	60%
2	2	G	16	0	948	\$0.52	\$493	50%
3	2	G	10	0	800 to 1248	\$0.64 - \$1.00	\$800	
3	2	G	20	0	1248	\$0.56	\$698	60%
3	2	G	10	0	1248	\$0.45	\$557	50%

**903 Oglethorpe Ridge Apts.**

17.5 miles to site



<b>Address</b>	1252 Cloud Springs Rd. Fort Oglethorpe, GA 30742		
<b>Phone</b>	(706) 858-3880	<b>Contact</b>	Theresa
<b>Total Units</b>	97	<b>Vacancies</b>	8
		<b>Percent Occupied</b>	91.8%
<b>Project Type</b>	Tax Credit		
<b>Year Open</b>	1997	<b>Floors</b>	2
<b>Concessions</b>	No Rent Specials		
<b>Parking</b>	Surface Parking		
<b>Waiting List</b>	NONE		
<b>Quality Rating</b>	B+	<b>Neighborhood Rating</b>	B
<b>Remarks</b>	60% AMHI; HCV (7 units); Select units have ceiling fan		

**Features and Utilities**

<b>Utilities</b>	Landlord pays Water, Sewer, Trash
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
<b>Project Amenities</b>	Swimming Pool, On-site Management, Club House, Playground, Sports Court

**Unit Configuration**

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	5	0	731	\$0.76	\$555	60%
3	1.5	G	44	4	1150	\$0.66	\$760	60%
4	2	G	48	4	1306	\$0.59	\$775	60%

## 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 – 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)
<b>Executive Summary</b>		
1.	Executive Summary	A
<b>Project Description</b>		
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	N/A
<b>Location and Market Area</b>		
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)
<b>Employment and Economy</b>		
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
<b>Demographic Characteristics</b>		
24.	Population and household estimates and projections	E
25.	Area building permits	H
26.	Distribution of income	E
27.	Households by tenure	E
<b>Competitive Environment</b>		
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
<b>Analysis/Conclusions</b>		
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 E
45.	Derivation of Achievable Market Rent and Market Advantage	Addendum E
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)**

<b>Other Requirements</b>		<b>Section (s)</b>
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)

<b>PART I</b>	<b>1. Date Received in the Servicing Office:</b>	
<b>2. Borrower Name:</b>	<b>3. Case Number :</b>	<b>4. Project Number :</b>
<b>5. Location of Project:</b>	<b>6. Report for the month of :</b>	
<b>7. Kind of Loan :</b>	<b>8. Plan of Operation:</b>	
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	
				<b>18. RA Agreement Number(s):</b>	<b>19. No. of Units Receiving RA This Month:</b>
		Late Fees :	13.	<b>20. Obligation Balance Brought Forward:</b>	
		Total Payment Due:	14.		
		Less #21:	15.	<b>21. Rental Assistance Requested this month:</b>	
		Net Payment Due:	16.		
		Net Payment Remitted:	17.	<b>22. Remaining Obligation Balance :</b>	

Use Only for Projects with New Construction	<b>23.</b> _____	Section 8 Units x	<b>24.</b> _____	=	<b>25.</b> _____
Section 8 Units when HUD rent exceeds note rate rent .	<b>26.</b> _____	Section 8 Units x :	<i>HUD Rent</i>	=	<b>28.</b> _____
			<i>RHS Note Rate Rent</i>		<b>29.</b> _____
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 throughout Section H and evidenced by our Field Survey of Conventional Rentals (Addendum A), the LaFayette market offers a very limited supply of conventional market-rate product. In fact, the only market-rate units surveyed in the Site PMA are those which are located within an age-restricted mixed-income (market-rate and Tax Credit) community. As such, it was necessary to survey comparable market-rate product outside the Site PMA in order to establish a base of comparison for the subject project. Thus, we surveyed a total of five market-rate properties located in the surrounding towns of Fort Oglethorpe and Rossville, Georgia that offer unit types similar to those offered at the subject project. 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.
<b>Site</b>	<b>Yester Oaks Apts.</b>	<b>1990 / 2019</b>	<b>44</b>	<b>100.0%</b>	-	<b>16</b> <b>(100.0%)</b>	<b>28</b> <b>(100.0%)</b>	-
901	Hillcrest Apts.	1976	42	100.0%	-	10 (100.0%)	32 (100.0%)	-
902	Fountain Brook Apts. I & II	2000	224	96.0%	-	100 (96.0%)	124 (96.0%)	-
904	Savannah Springs Apts.	1997	104	100.0%	-	47 (100.0%)	57 (100.0%)	-
907	Woodland Apts.	1976 / 2010	52	96.2%	-	20 (100.0%)	20 (95.0%)	12 (91.7%)
908	Lakeshore Apts. I	1984	79	100.0%	15 (100.0%)	59 (100.0%)	5 (100.0%)	-

900 Series Map IDs are located outside the Site PMA  
Occ. - Occupancy

The five selected market-rate projects have a combined total of 501 units with an overall occupancy rate of 97.8%. None of the comparable properties has an occupancy rate below 96.0%. The high occupancy rates reported indicate that each of these selected properties is well-received within the region and will serve as accurate benchmarks with which to compare the subject project.

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

**Rent Comparability Grid**

Unit Type →

**ONE BEDROOM**

<i>Subject</i>		<i>Comp #1</i>		<i>Comp #2</i>		<i>Comp #3</i>		<i>Comp #4</i>		<i>Comp #5</i>	
Yester Oaks Apts.		Hillcrest Apts.		Fountain Brook Apts. I & II		Savannah Springs Apts.		Woodland Apts.		Lakeshore Apts. I	
52 Yester Oaks Drive		101 Woodcreek Dr.		100 Brookhaven Cir.		80 Savannah Way		1591 Park City Rd.		1100 Lakeshore Dr.	
LaFayette, GA		Rossville, GA		Fort Oglethorpe, GA		Fort Oglethorpe, GA		Rossville, GA		Fort Oglethorpe, GA	
<b>A. Rents Charged</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
1	\$ Last Rent / Restricted?	\$475		\$635		\$575		\$550		\$538	
2	Date Surveyed	Apr-17		Apr-17		Apr-17		May-17		Apr-17	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		96%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$475	0.86	\$635	0.75	\$575	0.86	\$550	0.67	\$538	0.93
<b>B. Design, Location, Condition</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6	Structure / Stories	WU/1,2		WU/2,3		WU/1,2		WU/2.5		R/1	
7	Yr. Built/Yr. Renovated	1990/2019	\$29	2000	\$5	1997	\$8	1976/2010	\$12	1984	\$21
8	Condition/Street Appeal	G	\$15	E	(\$15)	G		F	\$15	G	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	No		No	(\$32)	No	(\$29)	No		No	(\$27)
<b>C. Unit Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11	# Bedrooms	1		1		1		1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	654	\$21	850	(\$39)	670	(\$3)	820	(\$33)	576	\$16
14	Balcony/Patio	Y		N	\$5	Y		Y		Y	
15	AC: Central/Wall	C		C		C		C		W	\$5
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/N	\$5	Y/Y	(\$10)	Y/Y	(\$10)	N/Y	(\$5)	N/N	\$5
18	Washer/Dryer	HU	(\$5)	HU		HU		L	\$5	W/D	(\$25)
19	Floor Coverings	V		C		C		W		C	
20	Window Coverings	B		B		B		B		B	
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans/Storage	N/Y		Y/N		Y/N		N/N	\$5	Y/Y	(\$5)
<b>D Site Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y	\$5	Y		Y		N	\$5	Y	
26	Security Features	N		N		N		N		N	
27	Community Space	N		N		N		N		N	
28	Pool/Recreation Areas	S/G	\$6	P	(\$4)	N	\$6	N	\$6	N	\$6
29	Computer/Business Center	N		N		N		N		N	
30	Picnic Area	Y		N	\$3	N	\$3	Y		N	\$3
31	Playground	Y	\$3	N	\$3	N	\$3	N	\$3	N	\$3
32	Cable Service Included	N	(\$25)	N		N		Y	(\$25)	N	
<b>E. Utilities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
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	(\$41)	N/N		N/N		Y/Y	(\$41)	Y/Y	(\$41)
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N		Y/N	
<b>F. Adjustments Recap</b>		<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40	# Adjustments B to D	7	2	4	6	4	4	7	4	7	4
41	Sum Adjustments B to D	\$84	(\$30)	\$16	(\$105)	\$20	(\$47)	\$51	(\$68)	\$59	(\$62)
42	Sum Utility Adjustments		(\$41)						(\$41)		(\$41)
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/ Gross Adjmts B to E	\$13	\$155	(\$89)	\$121	(\$27)	\$67	(\$58)	\$160	(\$44)	\$162
<b>G. Adjusted &amp; Market Rents</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44	Adjusted Rent (5+ 43)	\$488		\$546		\$548		\$492		\$494	
45	Adj Rent/Last rent		103%		86%		95%		89%		92%
46	Estimated Market Rent	\$525	\$0.80	← Estimated Market Rent/ Sq. Ft							

**Rent Comparability Grid**

Unit Type →

**TWO BEDROOM - GARDEN**

Subject		Comp #1		Comp #2		Comp #3		Comp #4	
Yester Oaks Apts.		Hillcrest Apts.		Savannah Springs Apts.		Woodland Apts.		Lakeshore Apts. I	
52 Yester Oaks Drive		101 Woodcreek Dr.		80 Savannah Way		1591 Park City Rd.		1100 Lakeshore Dr.	
LaFayette, GA		Rossville, GA		Fort Oglethorpe, GA		Rossville, GA		Fort Oglethorpe, GA	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$580		\$690		\$625		\$680	
2	Date Surveyed	Apr-17		Apr-17		May-17		Apr-17	
3	Rent Concessions	None		None		None		None	
4	Occupancy for Unit Type	100%		100%		95%		100%	
5	Effective Rent & Rent/ sq. ft	\$580	0.68	\$690	0.66	\$625	0.60	\$680	0.79
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/1,2		TH/2		WU/2.5		R/1	
7	Yr. Built/Yr. Renovated	1990/2019	\$29	1997	\$8	1976/2010	\$12	1984	\$21
8	Condition/Street Appeal	G	\$15	G		F	\$15	F	\$15
9	Neighborhood	G		G		G		G	
10	Same Market?	No		No	(\$35)	No		No	(\$34)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2	
12	# Baths	1		1.5	(\$15)	1		1	
13	Unit Interior Sq. Ft.	779	(\$12)	1050	(\$46)	1050	(\$46)	864	(\$14)
14	Balcony/Patio	Y		Y		Y		Y	
15	AC: Central/Wall	C		C		C		W	\$5
16	Range/Refrigerator	R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/N	\$5	Y/Y	(\$10)	N/Y	(\$5)	N/N	\$5
18	Washer/Dryer	HU	(\$5)	HU		L	\$5	W/D	(\$25)
19	Floor Coverings	V		C		W		C	
20	Window Coverings	B		B		B		B	
21	Secured Entry	N		N		N		N	
22	Garbage Disposal	N		Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans/Storage	N/Y		Y/N		N/N	\$5	Y/Y	(\$5)
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y	\$5	Y		N	\$5	Y	
26	Security Features	N		N		N		N	
27	Community Space	N		N		N		N	
28	Pool/Recreation Areas	S/G	\$6	N	\$6	N	\$6	N	\$6
29	Computer/Business Center	N		N		N		N	
30	Picnic Area	Y		N	\$3	Y		N	\$3
31	Playground	Y	\$3	N	\$3	N	\$3	N	\$3
32	Cable Service Included	N	(\$25)	N		Y	(\$25)	N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N	
38	Cold Water/Sewer	N/N	(\$48)	N/N		Y/Y	(\$48)	Y/Y	(\$48)
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	6	3	4	5	7	4	7	5
41	Sum Adjustments B to D	\$63	(\$42)	\$20	(\$111)	\$51	(\$81)	\$58	(\$83)
42	Sum Utility Adjustments		(\$48)				(\$48)		(\$48)
		Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$27)	\$153	(\$91)	\$131	(\$78)	\$180	(\$73)	\$189
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$553		\$599		\$547		\$607	
45	Adj Rent/Last rent		95%		87%		88%		89%
46	Estimated Market Rent	\$600	\$0.77	← Estimated Market Rent/ Sq. Ft					

**Rent Comparability Grid**

Unit Type →

**TWO BEDROOM - TOWNHOME**

Subject		Comp #1		Comp #2		Comp #3		Comp #4	
Yester Oaks Apts.		Hillcrest Apts.		Savannah Springs Apts.		Woodland Apts.		Lakeshore Apts. I	
52 Yester Oaks Drive		101 Woodcreek Dr.		80 Savannah Way		1591 Park City Rd.		1100 Lakeshore Dr.	
LaFayette, GA		Rossville, GA		Fort Oglethorpe, GA		Rossville, GA		Fort Oglethorpe, GA	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$580		\$690		\$625		\$680	
2	Date Surveyed	Apr-17		Apr-17		May-17		Apr-17	
3	Rent Concessions	None		None		None		None	
4	Occupancy for Unit Type	100%		100%		95%		100%	
5	Effective Rent & Rent/ sq. ft	\$580	0.68	\$690	0.66	\$625	0.60	\$680	0.79
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	TH/2		TH/2		WU/2.5		R/1	
7	Yr. Built/Yr. Renovated	1990/2019	\$29	1997	\$8	1976/2010	\$12	1984	\$21
8	Condition/Street Appeal	G	\$15	G		F	\$15	F	\$15
9	Neighborhood	G		G		G		G	
10	Same Market?	No		No	(\$35)	No		No	(\$34)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2	
12	# Baths	1.5	\$15	1.5		1	\$15	1	\$15
13	Unit Interior Sq. Ft.	974	\$21	1050	(\$13)	1050	(\$13)	864	\$19
14	Balcony/Patio	Y		Y		Y		Y	
15	AC: Central/Wall	C		C		C		W	\$5
16	Range/Refrigerator	R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/N	\$5	Y/Y	(\$10)	N/Y	(\$5)	N/N	\$5
18	Washer/Dryer	HU	(\$5)	HU		L	\$5	W/D	(\$25)
19	Floor Coverings	V		C		W		C	
20	Window Coverings	B		B		B		B	
21	Secured Entry	N		N		N		N	
22	Garbage Disposal	N		Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans/Storage	N/Y		Y/N		N/N	\$5	Y/Y	(\$5)
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y	\$5	Y		N	\$5	Y	
26	Security Features	N		N		N		N	
27	Community Space	N		N		N		N	
28	Pool/Recreation Areas	S/G	\$6	N	\$6	N	\$6	N	\$6
29	Computer/Business Center	N		N		N		N	
30	Picnic Area	Y		N	\$3	Y		N	\$3
31	Playground	Y	\$3	N	\$3	N	\$3	N	\$3
32	Cable Service Included	N	(\$25)	N		Y	(\$25)	N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N	
38	Cold Water/Sewer	N/N	(\$48)	N/N		Y/Y	(\$48)	Y/Y	(\$48)
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	8	2	4	4	8	4	9	4
41	Sum Adjustments B to D	\$99	(\$30)	\$20	(\$63)	\$66	(\$48)	\$92	(\$69)
42	Sum Utility Adjustments		(\$48)				(\$48)		(\$48)
		Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$21	\$177	(\$43)	\$83	(\$30)	\$162	(\$25)	\$209
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$601		\$647		\$595		\$655	
45	Adj Rent/Last rent		104%		94%		95%		96%
46	Estimated Market Rent	\$645	\$0.66	← Estimated Market Rent/ Sq. Ft					

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

Based on the preceding Rent Comparability Grid, it was determined that the current achievable market rent (aka *Conventional Rents for Comparable Units-CRCU*) for units similar to the subject development are \$525 for a one-bedroom unit, \$600 for a two-bedroom garden unit and \$645 for a two-bedroom townhome unit.

Bedroom Type	% AMHI	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One - Br.	60%	\$480	\$525	8.6%
Two - Br. (G)	60%	\$505	\$600	15.8%
Two - Br. (TH)	60%	\$505	\$645	21.7%

G – Garden  
TH – Townhome

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 LaFayette market as evidenced by our Field Survey of Conventional Rentals. As such, the subject’s market rent advantages ranging from 8.6% to 21.7% are considered acceptable within the LaFayette market.

**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 2005. The selected properties were built between 1976 and 2000, with one undergoing renovations in 2010. 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. Regardless, we have made adjustments for those properties that we consider to be of superior or 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 Fort Oglethorpe and Rossville, Georgia. Based on American Community Survey (ACS) data, the Rossville market is comparable to the LaFayette market in the way of median household income and gross rents. Thus, no adjustment was made for out of market differences to the properties located in Rossville. Conversely, the Fort Oglethorpe market is considered superior to the subject market based on ACS data. Therefore, a negative adjustment of 5% has been applied to each of the comparable properties located in Fort Oglethorpe.
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 slightly inferior to those offered among the selected properties. 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](mailto: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	
<b>Total Price</b>					

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 4<sup>th</sup>, 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 14<sup>th</sup>. 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 2<sup>nd</sup>.

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  
Yester Oaks**

Project: Yester Oaks  
Developer: Hallmark

**Property Summary:**

Street Address:	51 Yester Oaks Drive
City:	Lafayette
County:	Walker
Approx. Year Constructed:	1990
Target Population:	Family
Total Rentable Units:	44
Bldg. Type	Garden and TH
Manager:	Angel Mitchell
Office Phone:	(706) 638-7461
Buildings:	9
Approx. # of parking spaces:	

**Unit Summary:**

Type	Quantity	Sq. Ft.	Bedrooms	Bathrooms
1 BR - Type A (HC)	1.00	654.00	1.00	1.00
1-BR - Type B	9.00	654.00	1.00	1.00
2 BR - Type A (HC)	2.00	1,558.00	2.00	1.00
2 BR - Type B	20.00	974.00	2.00	1.00
2 BR - Type C	6.00	779.00	2.00	1.00
<b>Totals</b>	<b>44</b>		<b>72</b>	<b>44</b>

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 site development sign (Existing posts to remain)
  - 1-1/2" overlay at parking lot and drive repair as indicated on drawings
  - Stripe parking lots
  - Install HC reserve parking signage
  - Landscaping allowance: (Trim exist. Shrubs and trees as directed, add mulch, redo beds, add additional plantings per drawings.)
  - Remove and replace existing dumpster enclosure per drawings (6' Vinyl panels)
  - Remove and replace existing dumpster pads and apron per drawings, add bollards (apron: min 10 ft from front of dumpster.)
  - Install new pedestal cluster style mailboxes at existing location - Accessible
  - Remove existing playground and install new playground (w/ ADA new sidewalk to accessible route)
  - Provide positive drainage away from all buildings (Per Allowance)
  - Modify railing at office to achieve code compliance
  - Install new 6 post pavilion, include BBQ Grill and picnic table
  - Replace office directional sign 2'x3'.
  - Steel Handrails at walks/ramps over 1:20 slope as identified on the plans
  - Replace site lighting throughout
  - Repair wood maintenance shed: (50% replacement)
  - Pressure wash roads and walkways at completion of construction
- All existing sanitary sewer, storm sewer, water service, fire service, electrical, cable, or gas mains are presumed to be free of obstructions and currently functioning properly. Any discovered issues shall be inspected and required measures will be performed to restore proper drainage and will be reflected on a change order. If more than 50% of the utility line is identified as failed, the entire system must be replaced.



- Concrete:**
- Replace damaged sidewalks/curb walks throughout as identified on the plans
  - Construct wheelchair accessible curb ramps

Install new concrete pad at mailbox location per plans

Repair concrete swales

Pour new 5ft observation pad at playground and ADA bench

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 the plans

Curb repairs at entry island

Replace basketball goal backboard and rim

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### Building Exteriors:

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

Exterior storage door repair, new metal door, frame, threshold & Hardware

Install apartment signage in existing location at front of units

Remove exterior hose bibs/ Install (1) regular flush mount with wheel handle hose bib per unit

Paint existing gang meter cans

Tuck point all brick surfaces

Pressure wash all brick surfaces

Replace apt and community bldg. windows with low E energy efficient windows, include screens (Energy Star Certified). Windows must be compliant with egress regulations.

Install new shutters (color per owner) (Shutters at front of building only)

**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: )

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)

Replace porch columns

Paint existing brick lintels

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### Building Interiors:

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

General Demo: doors per plans, trim, cabinets, plumbing, hvac, appliances, etc.

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

Replace all interior door hardware and install new door stops (Round wall mounted)

Existing return air grills to remain, replace mechanical closet doors as needed with non-louvered doors.

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 - Type C

**Install Luxury vinyl floors throughout entire unit including stairs with tread cap (material per specification)**

1 BR - Type A (HC)

1-BR - Type B

2 BR - Type A (HC)

2 BR - Type B

2 BR - Type C

Replace shoe mold where new vinyl or LVT floors are provided

Allowance for subfloor sheathing replacement (10% replacement)

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

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

Cabinets and Vanities w/ Formica or P-Lam countertop

1 BR - Type A (HC)

1-BR - Type B

2 BR - Type A (HC)

2 BR - Type B

2 BR - Type C

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

Replace 30" range and grease shield (rear wall and side walls as required) per capex. (front control at HC units) (Capex indicates (6) Ranges were recently replaced and have been removed from the scope.) (Ranges are 0)

Install fire suppression systems over ranges. (Range Queens)

Install Microhoods to match existing venting over range.

General reframing to allow for water heater or general requirements in standard units.

Diswasher-waiver requested

Remove existing lay in tile ceiling in storage room, install drywall ceiling with access panel

install new access panel at the back side of the shower

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### HVAC:

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

Replace Condensing unit with a 15 SEER unit with a 8.5 HSPF rating and new suction lines (Energy Star Certified) (Capex indicates (0) Air handlers were recently replaced and have been removed from the scope.)"

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

New Programmable thermostats

New registers/diffusers/return grilles

Flush all condensate drains to remove debris

Clean interiors of ductwork

Level existing concrete a/c pads as needed

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### Plumbing:

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

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

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

Replace electric water heaters with 0.95 energy efficient rated water heater as well as associated piping, disconnect, pan on all floors (Energy Star) (Capex indicates (8) 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

Polybutylene piping existing: Cap off existing piping at slab or wall location and run new PEX piping for 20 units. Most units have already been replaced so allowance of 20 units is being carried, verify which units still have Poly pipe.

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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)

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% Flourescent 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 run with CAT 5/6 cable. Cable junction to be consolidated to one accessible exterior location for provider access.

Replace all entry lights

Dishwasher outlet - waiver requested

Diswasher crcuit wiring - waiver required

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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### Office

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

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 exist. PTAC unit

Replace windows including new sills and blinds

Install 2 strobe smoke detectors in office and computer room

Demo at bath for UFAS/ADA conversion

New wall construction for UFAS/ADA conversion

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### Unusual Conditions

Investigate building settlement at building A

PB Piping - see plumbing section

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